Regional District of Central Kootenay

HOUSING NEEDS REPORT

REGIONAL REPORT

SEPTEMBER 2020

PARTICIPATING COMMUNITIES:

CONSULTING SUPPORT FROM:

Acknowledgments

The development of the Housing Needs Report was led by the Regional District of Central Kootenay (RDCK) and supported by staff from the City of Nelson, Town of Creston, and the Villages of Kaslo, Nakusp, New Denver, Salmo, Silverton, and Slocan. We would like to acknowledge and thank key stakeholders and members of the community who participated in the Regional Housing Needs survey, shared lived experience, or participated in interviews, including:

- Interior Health
- Nelson Committee on Homelessness
- Nelson Cares
- Creston Valley Community Housing Society
- New Denver Affordable Housing
- Rotary Villa
- Healthy Community Society of North Slocan
- Kaslo Housing Society
- Balfour Seniors Society
- CMHA Kootenay
- Salmo Community Services
- New Denver and Area Community Housing
- Columbia Basin Trust
- Community Futures Central Kootenay
- Creston and District Society for Community Living
- Slocan Valley Seniors Housing Society
- Circle of Indigenous Nations Society
- North Kootenay Lake Community Services Society
- Kootenay Association of Realtors
- Whitewater Ski Resort
- Nelson Kootenay Lake Tourism Association
- College of the Rockies
- Selkirk College

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Introduction

PROJECT OVERVIEW

In December 2020, M'akola Development Services and Turner Drake & Partners Ltd. were engaged by the Regional District of Central Kootenay (RDCK) to complete a Regional Housing Needs Report for the City of Nelson, Town of Creston, the Villages of Kaslo, Nakusp, New Denver, Salmo, Silverton, and Slocan, and Electoral Areas 'A' through 'K' of the Regional District. The City of Castlegar was not included in this report. The report is meant to provide staff, the Regional Board, participating municipalities, and community partners with a better understanding of local housing needs. The report will be used to guide policy formulation for the local and regional governments, inform land use planning decisions, and direct local and regional housing action.

The overall objectives of the Regional Housing Needs Report were to:

- Provide a comprehensive understanding of housing supply, demand and needs within the region across the housing continuum, including emergency and transitional shelter, transitional housing, supportive housing, subsidized housing, rental housing (both primary and secondary market) and ownership housing (fee simple, strata ownership or shared equity ownership);
- Assess current housing policy within the RDCK and participating member municipalities;
- Identify housing gaps and make recommendations as to strategies and best management practices taken by other local governments to address housing gaps that may be applicable;
- Identify opportunities, partnerships and funding in support of local and regional housing projects and initiatives;
- Identify any additional factors that influence the supply, demand or provision of housing, including the influence of short-term rental accommodations and the impact of transportation types;
- Create performance measures or common housing indicators that can be used to measure progress over the short and long-term; and
- Assess levels of energy poverty across the Region.

Executive Summary

Safe, affordable, and inclusive housing is vital to societal, economic, and individual health and well-being of Central Kootenay communities and residents.

Unfortunately, safe, affordable, and inclusive housing is increasingly difficult to find. To help address housing need across the Regional District, the Regional District of Central Kootenay (RDCK), City of Nelson, Town of Creston, and the Villages of Kaslo, Nakusp, New Denver, Salmo, Silverton, and Slocan have undertaken a Housing Needs Assessment to identify current and projected housing needs. Funded by the Union of British Columbia Municipalities (UBCM) Housing Needs Report program, this report is a descriptive analysis of the current housing needs and issues within the Region and aims to strengthen local understanding of what kinds of housing are needed, and inform local plans, policies, and development decisions.

The regional report contains housing data and market analysis for the region as a whole and is meant be used by each community in conjunction with their corresponding sub-regional report. Sub-regional reports contain more specific data and analysis on each of the participating municipalities and electoral areas and include a sub-regional analysis of community survey findings.

KEY FINDINGS

The following key themes were found throughout the data and community engagement portions of this project.

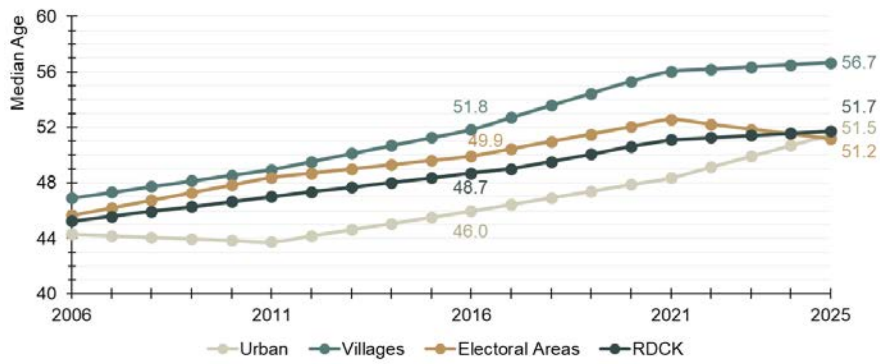
The Population of the RDCK is Aging

The senior population (65+ years old) grew 40% from 2006 to 2016. Projections anticipate that the RDCK will add about 550 seniors annually until 2025. Youth fell 10% during the same period and projects anticipate this number will continue to decline.

These findings indicate a need for housing across the RDCK that supports the needs of older residents. Specifically, there is a need for more housing that is affordable and accessible for those on a fixed income, particularly within the rental market.

An aging population presents a greater need for at home care options and smaller housing units that allow for downsizing. Seniors are also more likely to be living with a disability or activity limitation than other age groups and may have to pay for all household expenses on a fixed income. In smaller, rural communities, older residents may live in an affordable situation, but are increasingly worried about their ability to maintain the house and property.

Figure RDCK - 0a: Historical & Anticipated Median Age ’06-‘25



“[it is a] challenge for seniors to live on housing that has been in the family for generations… for seniors it is hard to get up the mountain to chop and haul [wood].”

In addition to smaller units many seniors responded that they would prefer to be located closer to amenities and services, especially as they choose to drive less or are unable to operate a personal vehicle. Unfortunately, the many of the most desirable units are located in housing markets that are too expensive for many Central Kootenay residents. Expanding the availability of smaller, multi-unit housing, connected to services or transit options is vital for meeting the needs of an older population. In many communities a small number of units could make a big difference. Consistent with a complete community approach, zoning and land-use decisions that prioritize multi-unit housing, and public transportation infrastructure would support the growing needs of seniors, as well as many other population groups.

Addressing seniors housing not only benefits that demographic, but younger one as well. If seniors move out of their existing accommodations, the homes become available for upcoming generations who may not be able to afford a new dwelling but are willing to invest over time in an older, more affordable home.

Renter Households are Increasing and are Less Able to Meet Their Housing Needs than Owners

Between the 2006 and 2016, renter households grew almost 10 times as much as owner households. Within that growth, renter families with children grew 32% while owners with children fell 1%. Rates of rentership grew across nearly every age cohort.

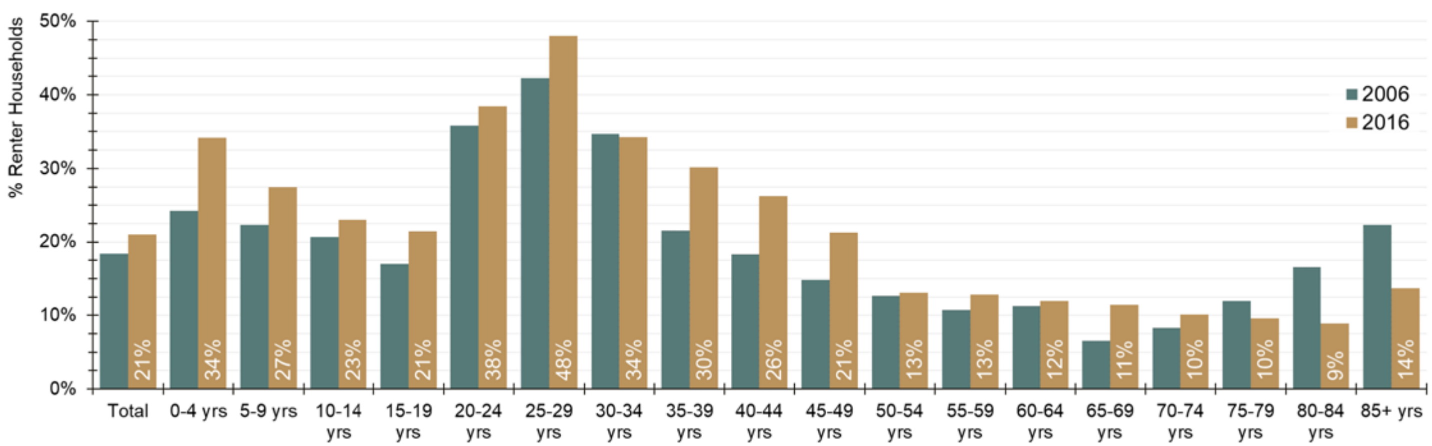
Between 2006 and 2016, 13 of the 20 participating communities demonstrated growth in the number of individual renters. Conversely, 12 of 20 communities had a decrease in individual owners. Generally, electoral areas have lower rates of rentership than their municipal counterparts; no electoral area surpassed 20%. Overall, the RDCK had about 3% growth in owners and 21% in renters.

Renter households also earn significantly less income than owner households. The median owner household earned $62,916 and the median renter household earned $34,463. Though renter incomes are growing more quickly than owner incomes, renters are still considerably more likely to earn less than $40,000 (57%) compared to owners (30%). Alternatively, 27% of owner households earn more than $100,000 versus 8% of renters.

Across the Regional District, about 35% of renters are in Core Housing Need, compared to only about 10% of owners. These numbers vary by community, but across all electoral areas and municipalities, more renters are struggling to meet their needs than owners.

The increased percentage of renters and frequency of Core Housing Need points to a greater demand for dedicated rental housing options that are affordable, accessible and appropriate for the community. Renters tend to make up a disproportionately large amount of the workforce in key RDCK employment sectors including retail and construction. Engagement revealed that employers are finding it more and more difficult to find workers for positions in those and other industries. Improving housing options for renters may alleviate concerns from employers, improving the viability of key industries. The lack of rental housing availability curbing in-migration of talent, coupled with a retracting labour force (largely due to retiree growth), works against economic development initiatives.

Figure RDCK - 0b: Rate of Regional Rentership by Age Cohort, ’06 v. ‘16



"My husband co-owns a small home building company and has difficulty finding and retaining employees due to a lack of housing. Particularly affordable housing for couples within reasonable driving distance of work."

Renters and owners are both challenged by the current housing market.

There is concern amongst community members that people who have traditionally been able to afford housing are increasingly being pushed out of the region. This manifests in hidden homelessness, increased usage rates at places like food banks, or people renting in places that are further from vital services so they can get the number of bedrooms they need. There are many people in the RDCK who, five years ago, may have been able to afford market housing who are now unable to because of the accelerated cost. Key informants routinely pointed out that accessing housing is more difficult for everyone, not just marginalized populations.

Nearly one-quarter (22%) of survey respondents indicated that they are considering moving out of the community they currently live in due to housing issues. Of renter respondents 46% of were considering leaving their community and 19% were unsure.

"I can't afford to buy or rent anything in or around the area. So sad because I am a 3rd generation Nelsonite but I can't afford to live here anymore."

"I love Nelson and I have lived her for over 10 years, but with it being such a struggle to find affordable rentals I am not sure I will be able to stay and it is breaking my heart."

There is a need for more non-market housing options, supportive, and emergency housing options.

As of January 2020, the BC Housing wait list for the 143 subsidised unit stock in the RDCK had 123 applications, including: 27 families, 25 residents with disabilities, and 30 seniors. As of 2018, 101 people were identified as experiencing homelessness, 72 percent of whom were unsheltered. Thirty-five percent identified as being Indigenous; comparatively, 6 percent of the total population identifies as Indigenous. Of all respondents to the 2018 Point-In-Time (PIT) count, 18 percent were youth below the age of 26.

This is likely an underrepresentation of the actual need as those who are in "hidden homeless" situations (couch surfing, living in campers, boats and other vehicles) are often hard to identify. Community engagement activities highlighted this need. Many key informants made it clear that people with the least ability to weather unstable housing conditions are the most likely to be affected by the current housing deficit. Those in equity-seeking groups, and especially those of Indigenous identity were at a higher risk of housing instability. Informants overwhelmingly pointed to deficits in emergency shelters, transition housing, supportive housing and senior's housing, noting that while these options were limited for all residents, the options for residents that were not classified as seniors were even more limited. Several key informants highlighted the need for supportive housing for youth and young adults with Fetal Alcohol Spectrum Disorders (FASD).

One of the identified challenges in providing non-market, affordable housing in the RDCK is the perception in communities that low income housing will not be well maintained, stigma around affordable housing projects, and rental horror stories. Interviewees working in housing or social services noted that a recognition that poverty can happen to anyone is crucial.

"[there is a] stigma around affordable housing and [it is] hard to make money renting."

"The thought as well in the community is that if you build housing for low/ affordable it will be trashed. The community is not educated or aware of how these projects run or the supports within them."

ENERGY POVERTY

Key informants working in community services or seniors supports suggested that energy prices were rising, posing a challenge to seniors and low-income residents, particularly in winter months.

Data indicates that in general, utilities are "affordable" for the majority of residents in all communities, though each (except Nelson) exceed the national average of 3%. Once fuel costs for transportation are included, 13 of the 19 communities spend above their means on energy, meaning they fall within the definition of energy poverty. Only households earning above moderate incomes can reasonably afford their energy expenses, which typically means couple families with children are the most financially capable to meet their needs. Single or very low-income households may potentially pay almost 3 times more than they can afford if their expenses matched the average.

About one-third (29%) of all respondents to the community survey indicated that their energy bills were not affordable to them. A greater proportion of renters (41%) reported unaffordable energy bills than owners (22%).

"Electricity is prohibitively expensive."

"January and February men mainly come to the foodbank and tell of heating bills of $800, lots of people use firewood and are looking for cheap firewood."

REPORT ORGANIZATION

This report is organized into five key sections:

1. **Executive Summary**
   A brief overview of the key report findings from the regional report.

2. **Regional Housing Needs Assessment**
   The full Regional Housing Needs Report with in-depth discussion and analysis of regional housing trends. The regional report contains housing data and market analysis for the region as a whole and is meant be used by each community in conjunction with their sub-regional report.

3. **Subregional Reports and Engagement Summaries**
   Subregional reports contain more specific data and analysis on each of the participating municipalities and electoral areas and include a subregional analysis of community survey findings. While these reports individually meet all the requirements of Provincial legislation, the regional report contains additional in-depth analysis and commentary. We recommend that subregional reports be reviewed along with the regional report to ensure the most complete housing picture is available for your community.

4. **Community Profiles**
   Each participating municipality and electoral area has its own community profile that highlights some of the most compelling information collected through the data and engagement portions of the study. Though these are the only documents that feature only one community, they are high-level summaries and lack much of the in-depth analysis included in the regional and subregional reports.

5. **Appendices**
   Appendices to the regional report contain items that meet additional requirements of the study including the Housing Needs Report Guide and an overview of the different policy tools available to regional and local governments, their applicability in the Central Kootenays, and recommended next steps to address housing in the Regional District. Complete engagement summaries are also included.

THE HOUSING CONTINUUM AND WHEELHOUSE

Throughout this report, housing needs are often categorized by tenure, or the financial arrangements under which an individual or group of individuals in a partnership has the right to live in their home. The most common types of tenure are rental and ownership, but there are many financial relationships that individuals can have with their home. These relationships are often organized along the *housing continuum* or *spectrum*. Used around the world, the model typically displays housing as a linear progression from homelessness or housing need to homeownership.

While a useful tool for visualizing the many available housing options, communities are experimenting with alternative housing frameworks that can account for different cultures, lifestyles, and economic realities. The traditional housing continuum model presupposes that people will start somewhere on the axis and then move from left-to-right, with homeownership as the ultimate goal and marker of "success". For a variety of reasons many families and individuals may not choose homeownership as their goal or be unable to attain it in their chosen market. If an economic hardship hits your family and you need to move from ownership to rental, you have not failed, your needs have changed. Similarly, if you choose to rent rather than own so you can live closer to work, you are no less successful. The housing continuum promotes a false narrative that moving from left to right, towards a market-oriented relationship to housing is the correct way to navigate the housing system.

The Housing Wheelhouse, developed as part of Kelowna's 2017 Housing Needs Assessment, consciously repositions homeownership from the end of the spectrum to one of three equal outcomes. The goal of the shift was to encourage decision-makers, housing providers, developers and residents to understand that all tenures of housing are vital components to creating and maintaining a healthy, sustainable and adaptable housing system. No one level of housing is greater or more important than another.

Through this Housing Needs Report, the Regional District of Central Kootenay has an opportunity to use the information in this report and knowledge gained through the process to similarly re-frame conversations around housing. The Wheelhouse is one tool for you and your partners to collectively envision and build a housing system that includes all forms of housing, rather than focusing solely on homeownership.

Figure RDCK - 0c: The Housing Continuum

Source: Canadian Mortgage and Housing Corporation, 2018

Figure RDCK - 0d: The Housing Wheelhouse

Source: The Housing Wheelhouse, City of Kelowna (2017)

> "By de-emphasizing homeownership in favour of a more diverse and evolving approach, the **Wheelhouse** allows the City to respond more efficiently and effectively to people's changing needs by adapting the programs and strategies."
>
> *Canada Mortgage and Housing Corporation (2019)*

EQUITY AND HOUSING

This report is based on analysis of qualitative data and quantitative information gathered through community engagement activities. It draws on the partnering local government's existing policy context, available statistical data on demographics and housing, and the knowledge and expertise contributed by community members and other stakeholders. The intent of this report is to identify the housing needs of individuals at all life stages, with an emphasis on community members who are struggling or unable to meet their housing needs through options available in the housing market.

Housing is a human right, enshrined in Canadian law, to which all groups should have equal access and opportunity.[1, 2] It is an important social determinant of health; the quality, accessibility, and affordability of housing has significant short and long-term impacts for mental and physical health and wellbeing.[3] Equity-seeking groups face systemic discrimination and often have greater housing needs. Considering equity can help ensure these groups benefit from housing policies, programs, services, or initiatives, from which they may otherwise be excluded, and can have ongoing benefits for community health and wellbeing.[4]

Equity is about "the fair distribution of opportunities, power, and resources to meet the needs of all people, regardless of age, ability, gender, culture or background."[5] Generally, equity-seeking groups are people who have been systematically disadvantaged and excluded. These groups may face extra barriers in accessing affordable, suitable, and adequate housing.

DEFINITION:

Equity-Seeking Groups
Equity-seeking groups are communities that face significant collective challenges in participating in society. This marginalization could be created by attitudinal, historic, social and environmental barriers based on age, ethnicity, disability, economic status, gender, nationality, race, sexual orientation and transgender status, etc. Equity-seeking groups are those that identify barriers to equal access, opportunities and resources due to disadvantage and discrimination and actively seek social justice and reparation.[6]

1 The full bill can be reviewed here: https://www.parl.ca/LegisInfo/BillDetails.aspx?Language=E&billId=10404016
2 From United Nations Fact Sheet #21, The Human Right to Adequate Housing, available at: https://www.un.org/ruleoflaw/files/FactSheet21en.pdf
3 From the BC Centre for Disease Control, Healthy Built Environment Linkages Toolkit, available at: http://www.bccdc.ca/pop-public-health/Documents/HBE_linkages_toolkit_2018.pdf
4 From the PlanH, Healthy Housing Action Guide, available at: https://planh.ca/sites/default/files/tools-resources/healthyhousing_guide_web_v1.0.pdf
5 PlanH, Healthy Housing Action Guide.
6 From Canada Council for the Arts, Equity-Seeking Groups, available at: https://canadacouncil.ca/glossary/equity-seeking-groups

ROLES IN ADDRESSING HOUSING NEED

Local Governments

Changes to federal and provincial government roles are placing considerable pressure on municipalities to become more active in providing and facilitating affordable housing. Additionally, housing issues are often felt most acutely at the local level.

The Regional District of Central Kootenay maintains Official Community Plans to guide growth in the region and encourage the development of affordable housing. It also has planning authority for Electoral Areas 'A' through 'K'.

Municipalities maintain Official Community Plans and, in some cases, Affordable Housing Strategies that they may use to plan for affordable housing. Generally, the roles of local government fall into four categories:

- **Incentivize** – Local governments can make land available, directly award funding, and provide relief from various fees and charges (e.g. development cost charges, community amenity charges, etc.). Local governments can also incentivize affordable housing though provisions in planning documents like Official Community Plans, affordable housing strategies, and transportation plans.
- **Regulate** – Local governments can mandate affordable housing, for example through an inclusionary housing or zoning policy.
- **Partner** – Local governments can partner with non-profit housing providers, social service organizations, and other affordable housing advocates by creating an Affordable Housing working group as an arm of Council, sitting on coalition boards as a member, and utilizing relationships with these sectors to guide further decision-making. In some cases, local governments have formed housing corporations through which they can directly develop and provide housing.
- **Education and Advocacy** – Local governments can make affordable housing easier to develop by raising community awareness of local affordability issues and encouraging increased support from senior levels of government.

FEATURED EXAMPLE:

Comox Valley Regional District and the Comox Valley Coalition to End Homelessness

In the Comox Valley Regional District (CVRD), the Comox Valley Homelessness Supports Service Establishment Bylaw No. 389 allows the Region to fund one or more non-governmental organization(s). The bylaw was initiated through a referendum held in 2015 by the CVRD Board of Directors. Residents of the City of Courtenay, Village of Cumberland and the three electoral areas of the CVRD are taxed $5 each year to support initiatives to help address homelessness. This unique funding arrangement is an example of a productive partnership that has impacted homelessness supports, and community education and advocacy. The primary recipient of funding has been the Comox Valley Coalition to End Homelessness, a collective of over 25 member agencies who plan, coordinate, recommend, advocate for, and implement community responses to homelessness.

Non-Profit Organizations

The non-profit housing sector builds and manages housing units that are typically priced at the low-end of market or below market rates and may include support services. Non-profit organizations typically receive some form of financial assistance from senior levels of government to enable them to offer affordable rents, usually reduced-rate mortgages, capital grants, and ongoing operating subsidies. Sometimes an organization will manage a portfolio that includes market units as a means of subsidizing rents for other units or properties. As senior government responsibilities have changed, and as other levels of government have stepped back from providing affordable housing directly, non-profits have become the most active provider of affordable housing across British Columbia.

Private Sector

Including speculators, developers, builders, investors, landowners, and landlords, the private sector is the most common provider of housing in British Columbia. Responsible for development, construction, and ongoing management of a range of housing forms and tenures the private sector is an important partner in addressing housing goals. However, the private sector has limitations as investors expect their developments to earn profits. Although important, private sector development is only one housing tool in an increasingly diverse toolbox.

QUANTITATIVE DATA: SOURCES AND LIMITATIONS

The following report is result of the collection, consolidation, and analysis of multiple datasets prescribed by British Columbia's Housing Needs Report Regulation, approved April 16, 2019 as part of the *Local Government Statutes (Housing Needs Reports) Amendment Act*, *2018*, S.B.C, c.20. Each report section is meant, where possible, to provide a summary of regional trends, as well as comparisons among the Regional District of Central Kootenay's (RDCK's) individual participant communities.

Although the report aims to maintain consistency in the data it shares and analyzes, there are some notable considerations to keep in mind:

1. This Housing Needs Report does not include the City of Castlegar as a participating community. Its demographic and economic data have been largely removed from community comparisons; some topics do require Castlegar for appropriate context (i.e. non-market housing).
2. In order to provide tenure specific information (i.e. owner and renter households), the report used the custom Statistics Canada dataset generated on behalf of the Province. When compared to typical available Statistics Canada data, the reader may notice discrepancies; particularly, for total populations. This is because the custom data only reports on "usual residents" – those permanently residing on the premises; typical Statistics Canada data takes the total population into account. To limit confusion between the datasets, the report emphasizes percentages when making community comparisons (where appropriate).
3. Notwithstanding Item (2), those sections that refer solely to the total population or total households (e.g. historical and anticipated), without reference to owners or tenures, use data acquired directly from Statistics Canada and not the custom dataset.
4. Please keep in mind that there are communities within the RDCK that are substantially smaller than their counterparts (i.e. the Village of Slocan or Silverton, or Yaqan Nukiy). Smaller populations result in amplified percentage change results, which can mislead how communities compare to each other. For instance, a drop of 5 people in a community of 200 roughly demonstrates a 2.5 percent change, whereas 5 people for 1,000 is 0.5 percent.
5. Both traditional Statistics Canada data and the custom dataset may have small discrepancies between its data categories for populations or households. The differences are due to statistical rounding within each individual category, which may result in those categorical sums differing from others.
6. Readers will notice that most sections compare Central Kootenay to East Kootenay and British Columbia. The intent is to illustrate how the RDCK fairs alongside its regional neighbour and the Province as a whole.

Report discussions attempt to bridge data from separate sections where appropriate and/or possible. It is important to consider the document as a whole and not solely as its individual parts. For greater detail about the communities that make up the RDCK, please refer to their respective Sub-Regional reports.

External Impacts on Housing

In addition to the limitations and methods described below, emerging trends and issues add further uncertainty to the assessment presented in this report. Population, household, and housing projections are only able to provide a sense of trend, should current assumptions remain the same over time. In reality, population growth and housing needs are highly dependent on unpredictable external factors. Recently, increased strata insurance premiums have impacted strata tenure developments, making insurance unaffordable for some stratas and homeowners. The COVID-19 pandemic has caused widespread loss of employment across the globe and will likely have ongoing impacts for years to come, with the implications very difficult to assess right now.

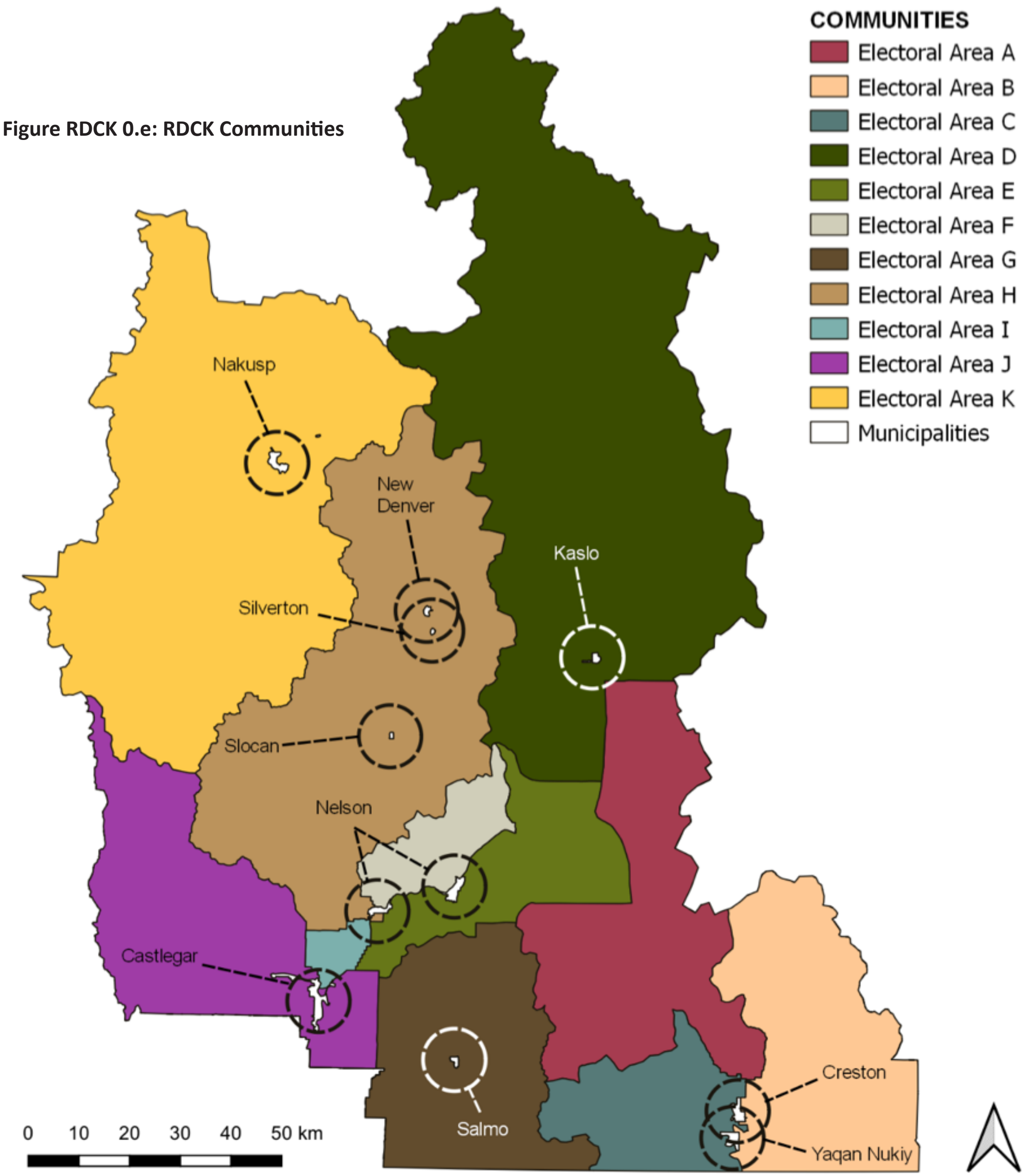
In short, this assessment is subject to external influences beyond the Local Governments' control or ability to foresee, so it is suggested that the results be used as a guide to inform future planning and decision-making, rather than a definitive record of community conditions and housing needs.

Participating Communities

Figure RDCK 0.e illustrates those communities that belong to the Regional District of Central Kootenay (RDCK). In total, there are 21 unique areas characterized as either being an electoral area, a municipality, or Indigenous lands.

This report describes all communities, excluding the City of Castlegar, where data makes it possible; data suppression does exist. In these cases, suppressed communities are either left blank within the tables or removed.

Figure RDCK 0.e: RDCK Communities



Sub-Regional Reports

This report compares all participating communities within the RDCK. Although the document tries to give an overall understanding of all communities, greater emphasis is made on the Region itself; the volume of data reported about 20 communities in one document can be daunting to digest. To provide greater detail about these communities, seven sub-regional reports have also been prepared.

These sub-regions are as follows:

GREATER CRESTON & EAST KOOTENAY LAKE

Town of Creston
Electoral Area A
Electoral Area B
Electoral Area C
Yaqan Nukiy

SLOCAN VALLEY

Village of Slocan
Village of Silverton
Village of New Denver
Electoral Area H

GREATER CASTLEGAR & KOOTENAY COLUMBIA RIVERS

City of Castlegar
Electoral Area I
Electoral Area J

GREATER NELSON & WEST ARM KOOTENAY LAKE

City of Nelson
Electoral Area E
Electoral Area F

NORTH KOOTENAY LAKE

Village of Kaslo
Electoral Area D

SALMO RIVER

Village of Salmo
Electoral Area G

ARROW LAKES

Village of Nakusp
Electoral Area K

Demography
SECTION SUMMARY

The RDCK is growing modestly.

Overall, the Central Kootenay population grew by 6% between 2006 and 2016, and is anticipated to continue growing, increasing a further 5% by 2025.

Household growth has and will continue to outpace population growth.

Population growth and declining household sizes mean more people are contributing to the demand for RDCK housing, which is anticipated to fall just short of estimated building construction trends *(see Section 17: Market Housing Supply)*.

Rapid senior growth is the new normal.

The senior population (65+ years old) grew 40% from 2006 to 2016. Projections anticipate that the RDCK will add about 550 seniors annually until 2025. Youth fell 10% during census periods and may continue this trend until 2025.

Growth in renting families outpaced owners.

Between the 2006 and 2016 Census, renter growth was almost 10 times greater than owners. Within that growth, renter families with children grew 32% while owners with children fell 1%.

COMMUNITY PERSPECTIVES: The following insights and experiences related to the Central Kootenay's changing demographics were shared through community engagement activities.

Community empathy and concern for future generations.

There is a deep and genuine concern for the well-being of others and the future of housing availability in the Regional District of Central Kootenay. Many older residents were concerned that their children and young families would not have the same opportunities in the housing market as they did. Almost everyone was concerned that there was an increasing number of people in their community struggling to find a place to live. Community members are also concerned that housing availability will only get worse as more people move to the Regional District to retire.

Impacts of an aging population.

An aging population presents a greater need for at home care options and smaller housing units that allow for downsizing. In smaller, rural communities, residents are especially concerned about housing as they age.

"I think more supports for seniors are needed to make their homes accessible for them if they choose to age in place."

"[it is a] challenge for seniors to live on housing that has been in the family for generations... for seniors it is hard to get up the mountain to chop and haul [wood]"

"As we age our challenges are the accessibility of this old home. The ALR makes it almost impossible for seniors to stay on their land. The obscene house prices make it impossible for younger people and lower income people to purchase housing."

1. POPULATION CHANGE

The RDCK grew from 58,175 residents to 61,600 between 2006 and 2016, marking 6% growth over the decade. Population projections anticipate similar trajectories as historically seen but with slightly less intensity. By 2025, the population may expand 5% to 64,500 people, about 320 residents annually. The next section speaks about what growth has and may occur within specific age cohorts.

Please note that population totals discussed above and seen below may not equate to what is provided by traditional Statistics Canada datasets. Populations are adjusted to reflect Census undercounting. For community specific projections, please see their respective sub-regional report.

2. POPULATION STRUCTURE

Age Distribution

The RDCK, British Columbia, and Canada's residents are aging. The Baby Boomer generation (those born between 1946 to 1964) is a large cohort that is now entering their retirement years en masse.

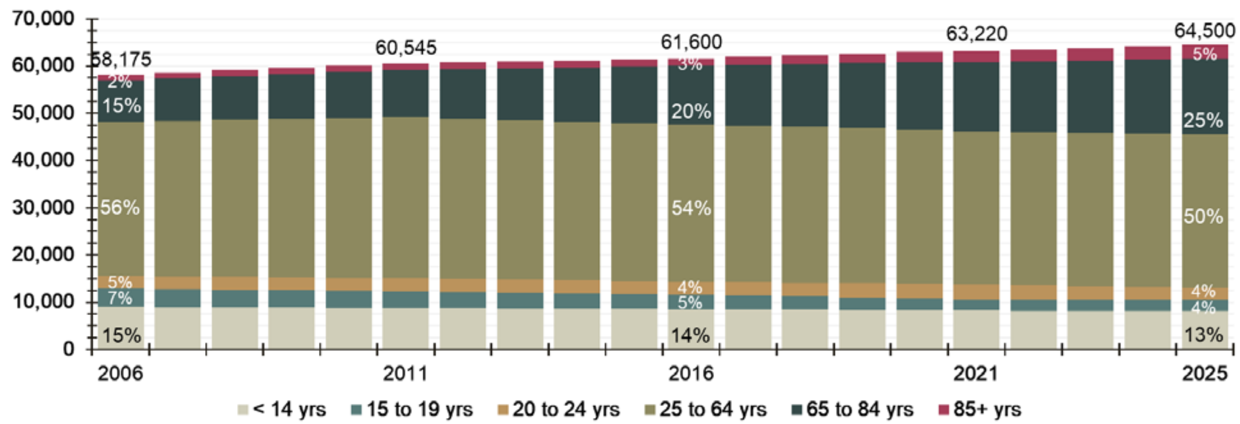
Figure RDCK – 2a illustrates the distribution of age among six main cohorts (as defined by Housing Needs legislation) in 2016: children below 15, 15 to 19, 20 to 24, 25 to 64, 65 to 84, and 85 years or older.

In 2016, RDCK had 11,605 residents below 20 years old (youth), 35,995 of working age (20 to 64), and 14,000 seniors (65+). Youth totals declined 10%, working age people grew 2%, and seniors jumped 40% since 2006.

Projections anticipate that RDCK may be home to 10,485 youth, 35,085 working age persons, and 18,930 seniors by 2025, representing a 10% loss, 3% loss, and 35% gain in each group, respectively, from 2016.

As the population ages, retired residents will command even greater shares of the total. In 2016, 20% of people were 65 to 84 years of age; by 2025, this may be 25%. Conversely, children below 15 will fall from 14% to 13% and people 24 to 64 will drop from 54% to 50%. Trajectories and magnitudes of change differ from community to community; however, senior cohort growth is consistent across all of them. For greater detail, please see their respective sub-regional report.

Figure RDCK – 2a: Total Population & Age Distribution '06-'25



Source: Statistics Canada, BC Stats

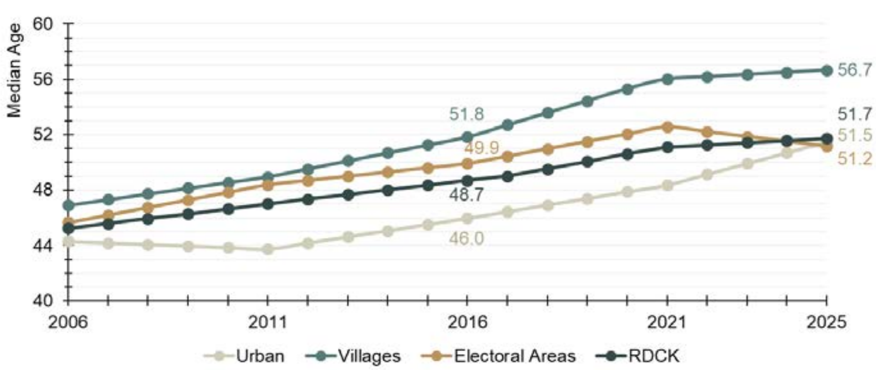
Median Age

In 2016, the RDCK's median age was 48.7. Estimates suggest that the urban areas (Creston, Castlegar, and Nelson) demonstrated a lower median age than the overall at 46.0. Residents of RDCK villages were more likely to be older.

The RDCK and its sub-areas are expected to continue this trend to 2025, by varying degrees. The region may increase to around 51.7, reflecting an urban, village, and electoral area age of 51.5, 56.7, and 51.2, respectively.

The reader may notice that the electoral areas appear to demonstrate growth in age up until 2021, after which a dip occurs towards 2025. Calculating median age is an estimate based on projection data; consequently, variability can occur as cohorts experience erratic changes from period to period. This is a good illustration of such an instance where examining the change in 2025 better demonstrates the anticipated trend rather than examining what is occurring in between 2016 and 2025.

Figure RDCK – 2b: Historical & Anticipated Median Age '06-'25



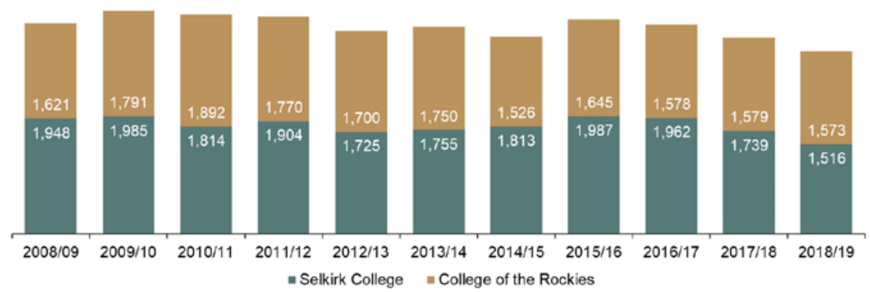
Source: Statistics Canada, BC Stats

Post-Secondary Enrollment

The RDCK is home to two post-secondary institutions: College of the Rockies and Selkirk College. The former is found in six municipalities, including the Town of Creston. The latter is in four municipalities, with three in Nelson and one in Castlegar.

During the 2018/19 semester, 3,089 full-time equivalent (FTE, see **Glossary**) students were enrolled in either institution. That same year appears to be among the lowest FTEs over the past decade for both colleges. Please note that FTE does not reflect international education, offshore enrollments, and FTEs funded by the Industry Training Authority.

Figure RDCK – 2c: College of the Rockies Enrollment (Full-Time Equivalent Students)



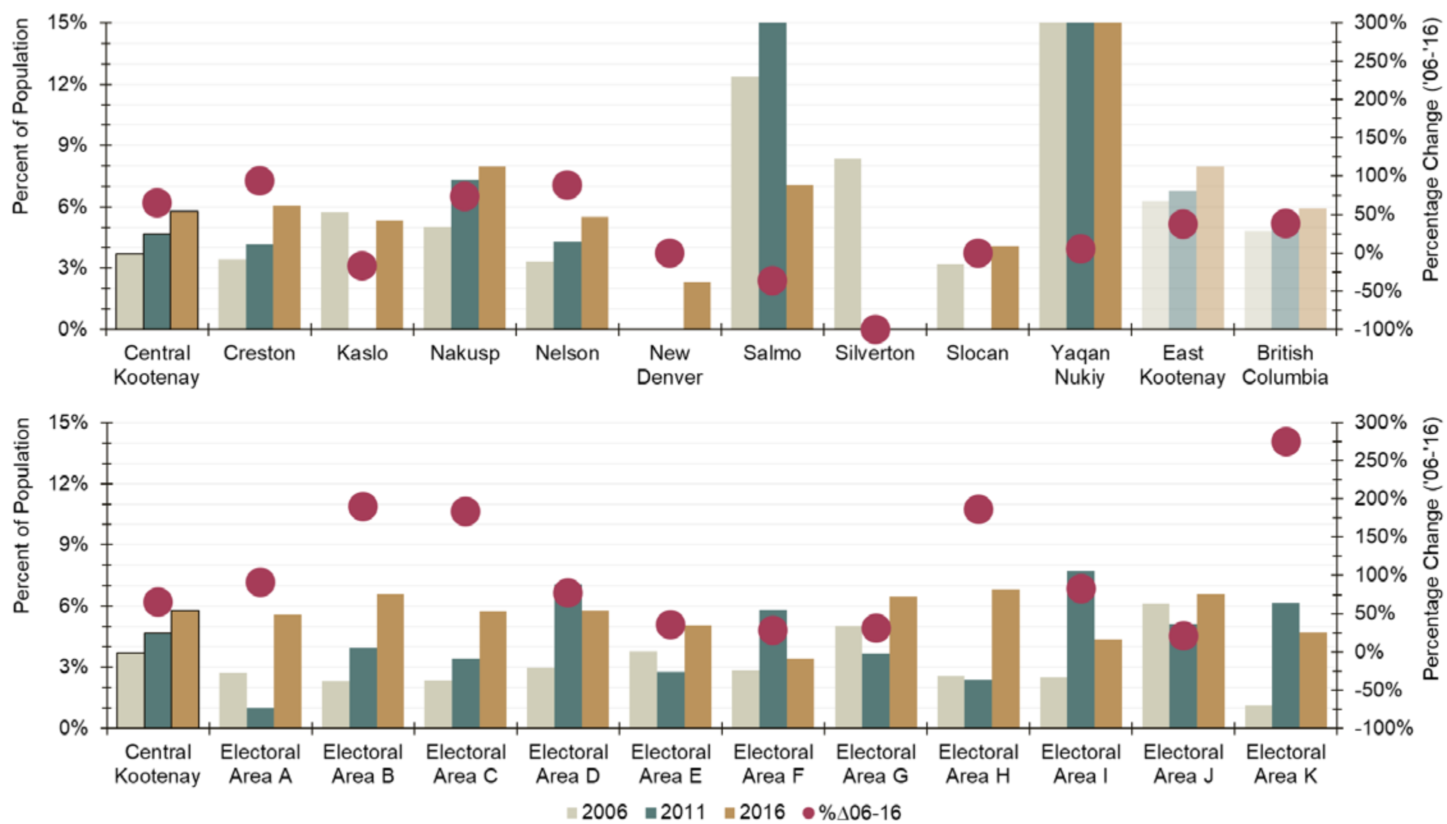
Source: BC Ministry of Advanced Education Skills and Training (AEST), Post-Secondary Finance Branch

Conversations with College of the Rockies indicate that there are approximately 50 to 70 full-time and part-time students. Continued education courses (evenings and/or weekends) could total an additional 50 students, though this varies. No information was available for Selkirk College.

3. INDIGENOUS IDENTITY

As of 2016, 3,365 people identify as Indigenous in the RDCK, about 6% of the total regional population; 9% of renters are Indigenous while 5% of owners are. The number and share of Indigenous people grew by more than 50% since 2006, illustrated by the substantial growth in each community **(see Figure RDCK – 3a)**. Although in-migration of Indigenous peoples over the last decade is possible, it is not possible to distinguish what proportion of the increase is from migration versus better data collection.

Figure RDCK – 3a: Historical Indigenous Identity & Percent Change '06-'16



Source: Statistics Canada

4. HISTORICAL & ANTICIPATED HOUSEHOLDS

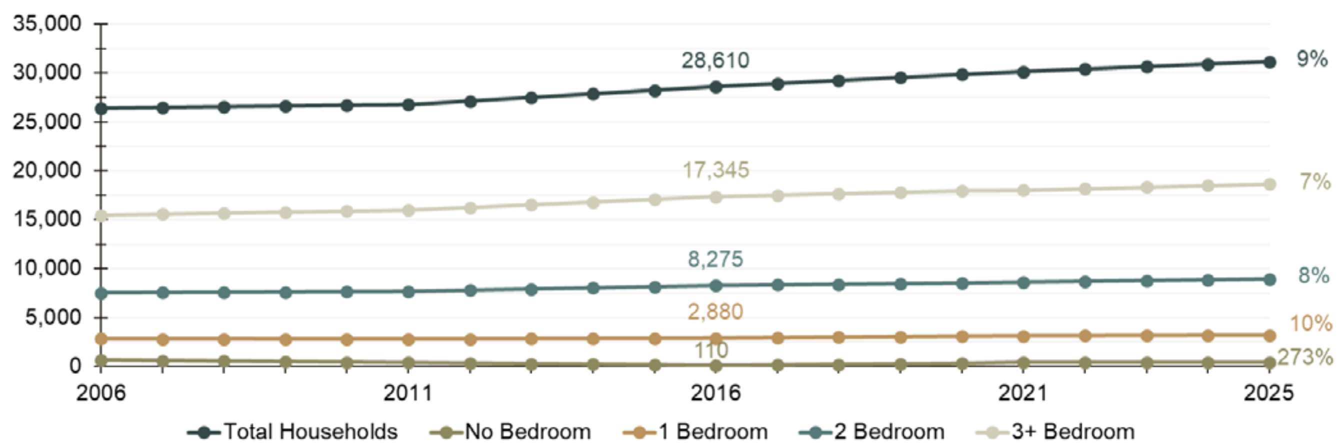
The RDCK grew from 26,420 households to 28,610 between 2006 and 2016, 8% growth over the decade. Projections anticipate continued growth, rising 9% from 2016 to 2025, possibly reaching 31,160 households (about 285 annually).

Two factors largely contribute to household growth: (1) increased population means more demand from residents and their households and (2) smaller household sizes attributed to smaller families, empty-nesters, and seniors mean that there is greater housing demand per capita.

Household growth is an important fundamental component of housing demand: by definition a household requires an available dwelling to occupy. Household projections are therefore synonymous with the increase in housing stock required to accommodate expected population changes (note overall housing demand is also influenced by economic and fiscal factors). Projecting future growth in the number of households requires two related data inputs: (1) population projections (see **Population Change**) and (2) the historical proportion of maintainers (see **Glossary**) by age cohort, divided by the total people in that cohort. Total demand is calculated by applying the proportions of (2) to the change in how many people there are at a given age determined by (1).

Please note that, like population, household totals are estimates based on adjustments made to reflect Census undercounting. Furthermore, households in this section refer to total private dwellings (inclusive of both permanent and non-permanent households). Proceeding sections speak only to usual residents (who live in the area the majority of the year) because Statistics Canada's data is only available for said households.

Figure RDCK – 4a: Households by Unit Type '06-'25 & Percent Change '16-'25



Source: Statistics Canada, BC Stats

5. HOUSEHOLD STRUCTURE

Statistics Canada defines a household as a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad. One household could be a couple with children, multiple families residing in the same dwelling, a single person, or roommates. A household is the highest-level descriptor of many unique living situations. The following subsections aim to illustrate the key highlights of RDCK and its member communities.

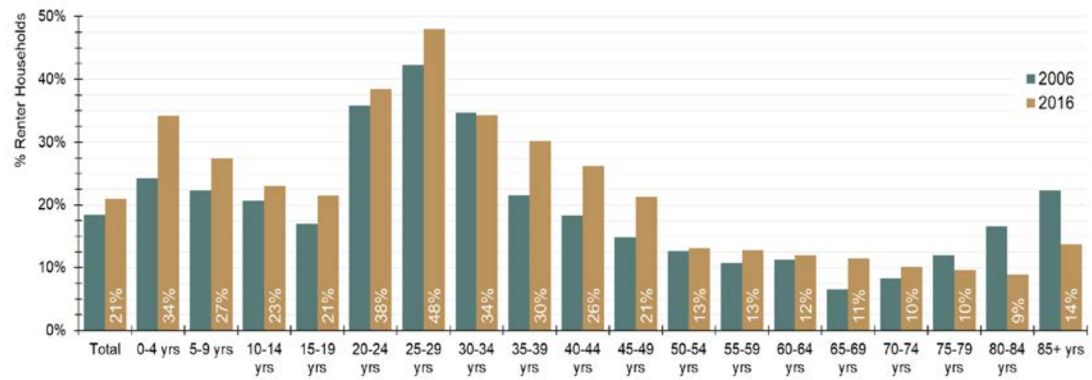
Household Tenure

Statistics Canada data divides "tenure" into three categories: (1) owner, (2) renter, and (3) band housing. Band housing is often not reported or is supressed for confidentiality. This report illustrates only the relationship between owner and renter households.

As shown in **Figure RDCK – 5a**, individual rentership rates steadily decline into older age, only increasing for those above 85. This 2016 trend does not deviate from that experienced in 2006, though most age cohorts do experience higher overall rates of rentership. Between 2006 and 2016, 13 of the 20 participating communities demonstrated growth in the number of individual renters. Conversely, 12 of 20 communities had a decrease in individual owners. Overall, the RDCK had about 3% growth in owners and 21% in renters.

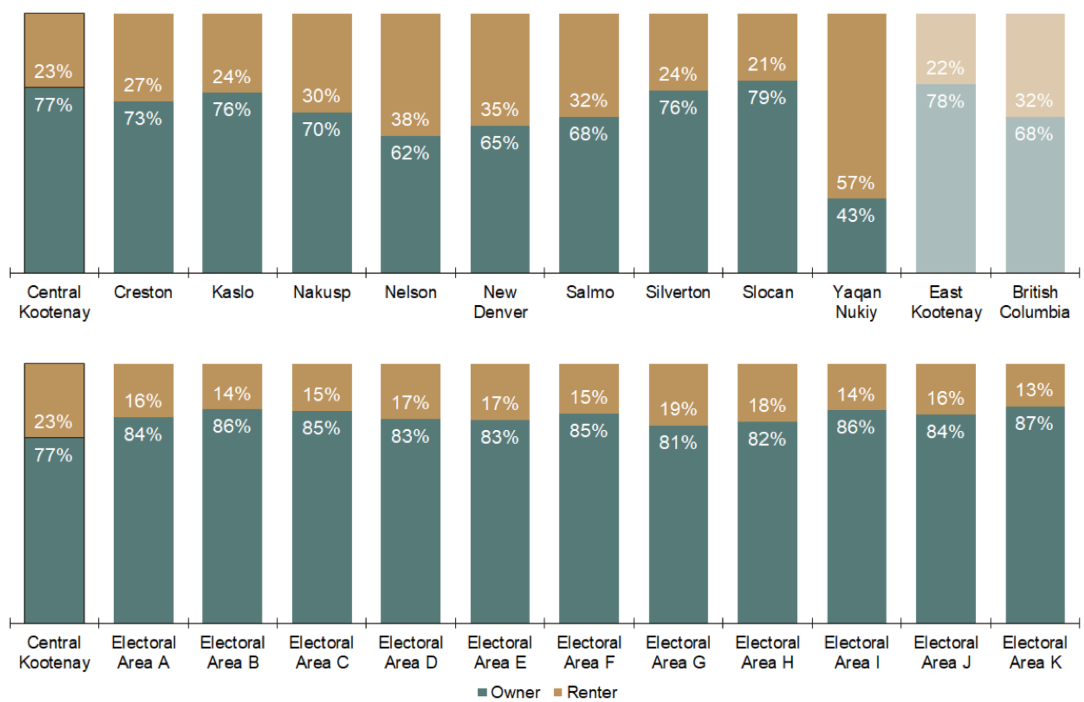
Generally, electoral areas exhibit lower household renter ratios (the amount of renter households divided by total households) than their municipal counterparts (**see Figure – 5b**); no electoral area surpassed 20%.

Figure RDCK – 5a: Regional Household Tenure, '06 v. '16



Source: Statistics Canada

Figure RDCK – 5b: Household Tenure, 2016



Source: Statistics Canada

Subsidized Households

Statistics Canada reports on the number and percentage of renter households that rely on a subsidy or subsidies to acquire and maintain full-time accommodation, such as rent supplements, rent geared to income, or housing allowances (see Subsidized Housing in **Glossary**).

On average, 14% of RDCK renter households use a subsidy. Higher rates occur in the municipal areas, with the highest in Nakusp (23%), followed by Kaslo (19%), and Nelson (17%). This often relates to the higher number of single person homes (see next section). The electoral areas exhibit lower subsidy rates, with the highest occurring in Electoral Area A and E (12%). Some areas demonstrate 0% rental subsidies, which may be correct but could also be a result of data suppression and rounding in areas with small populations.

Rental subsidies are an effective tool to help individuals or households afford evolving market rents. To ensure their effectiveness, subsidies must also evolve since the purchasing power of the amount provided in one year may not match that of a future year.

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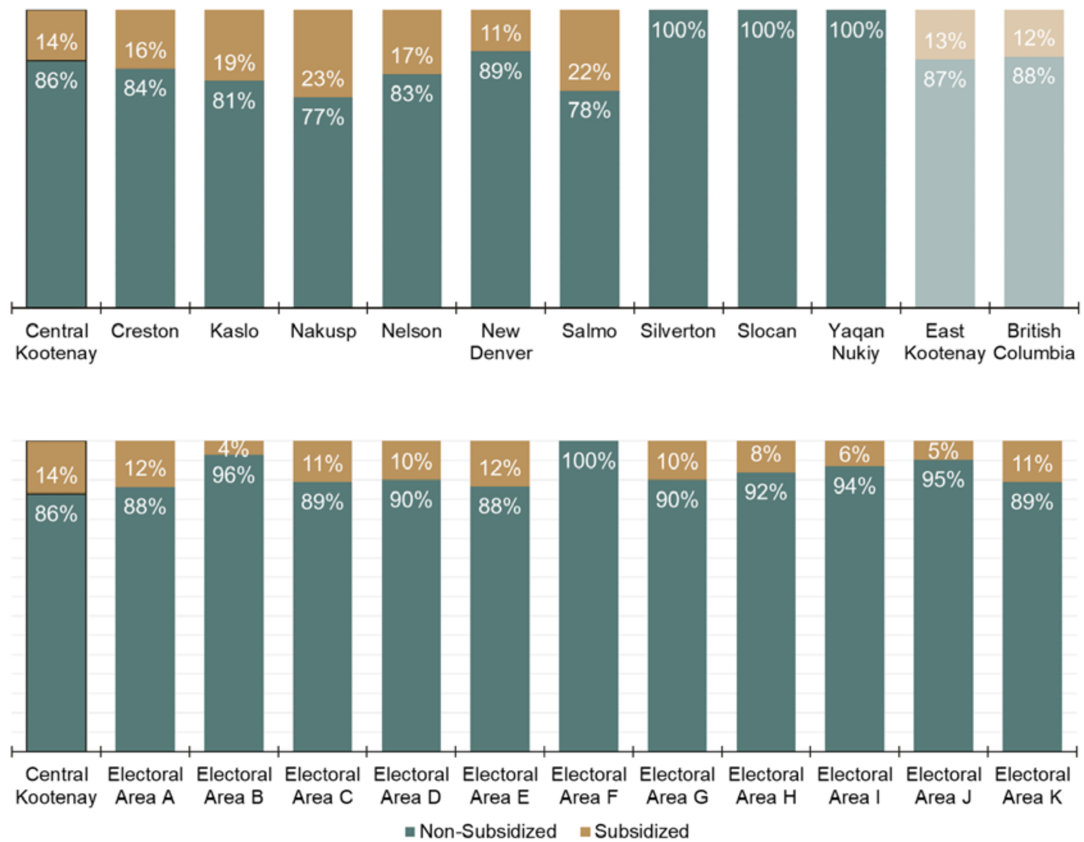
Figure RDCK – 5c: Subsidized Rental Households, 2016



Source: Statistics Canada

Rental subsidies are an effective tool to help individuals or households afford evolving market rents. To ensure their effectiveness, subsidies must also evolve since the purchasing power of the amount provided in one year may not match that of a future year.

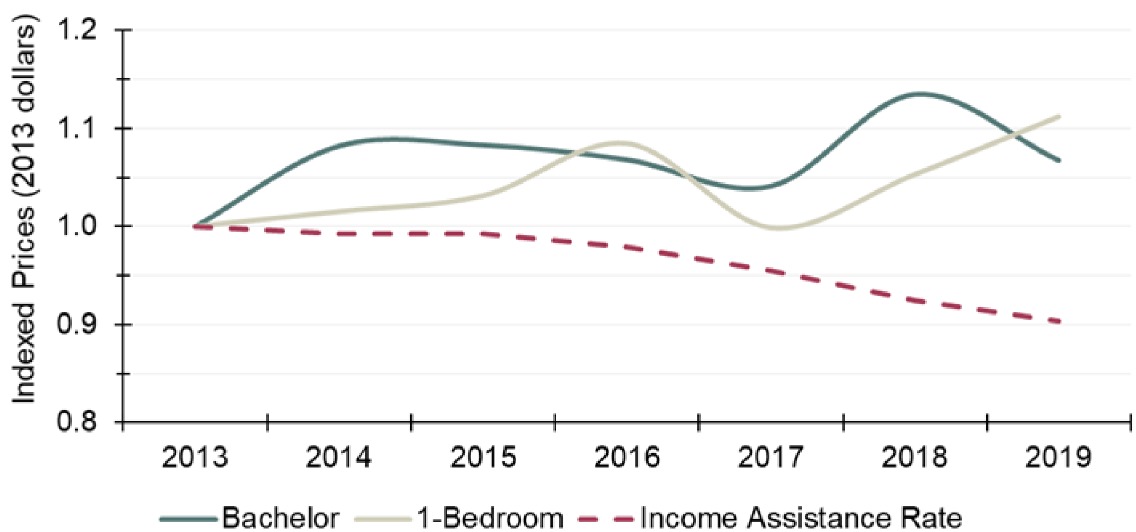
In British Columbia, the level of income assistance has not changed for at least the last decade across all family sizes. For instance, a 1-person family can potentially receive a maximum of $375 to put towards their rent, an amount also offered at least ten years ago.

If we account for inflation and establish a constant 2013 dollar figure across time (the earliest point in time for median rent data), we see that the purchasing power of that 1-person allotment decreases while the cost of housing increases. Specifically, the $375 in 2013 would be equivalent to $338 in 2019 while an urban 1-bedroom apartment increased from $550 to $586 (with inflation, it is $650 in 2019). Unit costs are based on CMHC data.

Figure RDCK – 5d illustrates how the effective support of Income Assistance has changed relative to the rental cost of a bachelor or 1-bedroom unit. It does so by indexing each by its 2013 value (that is, dividing each year by the value in 2013). A number below 1 indicates a decrease in value while above 1 is an increase.

Removing inflation, both the price of a bachelor and 1-bedroom have increased since 2013 (about 6 and 12 percent, respectively), while the value of $375 decreased steadily to about 90% of its 2013 value. Overall, the gap between 1-bedrooms and the maximum Income Assistance for 1-person increased by about 20 percentage points.

Figure RDCK – 5d: Cost of Housing versus Income Assistance, 2013 dollars



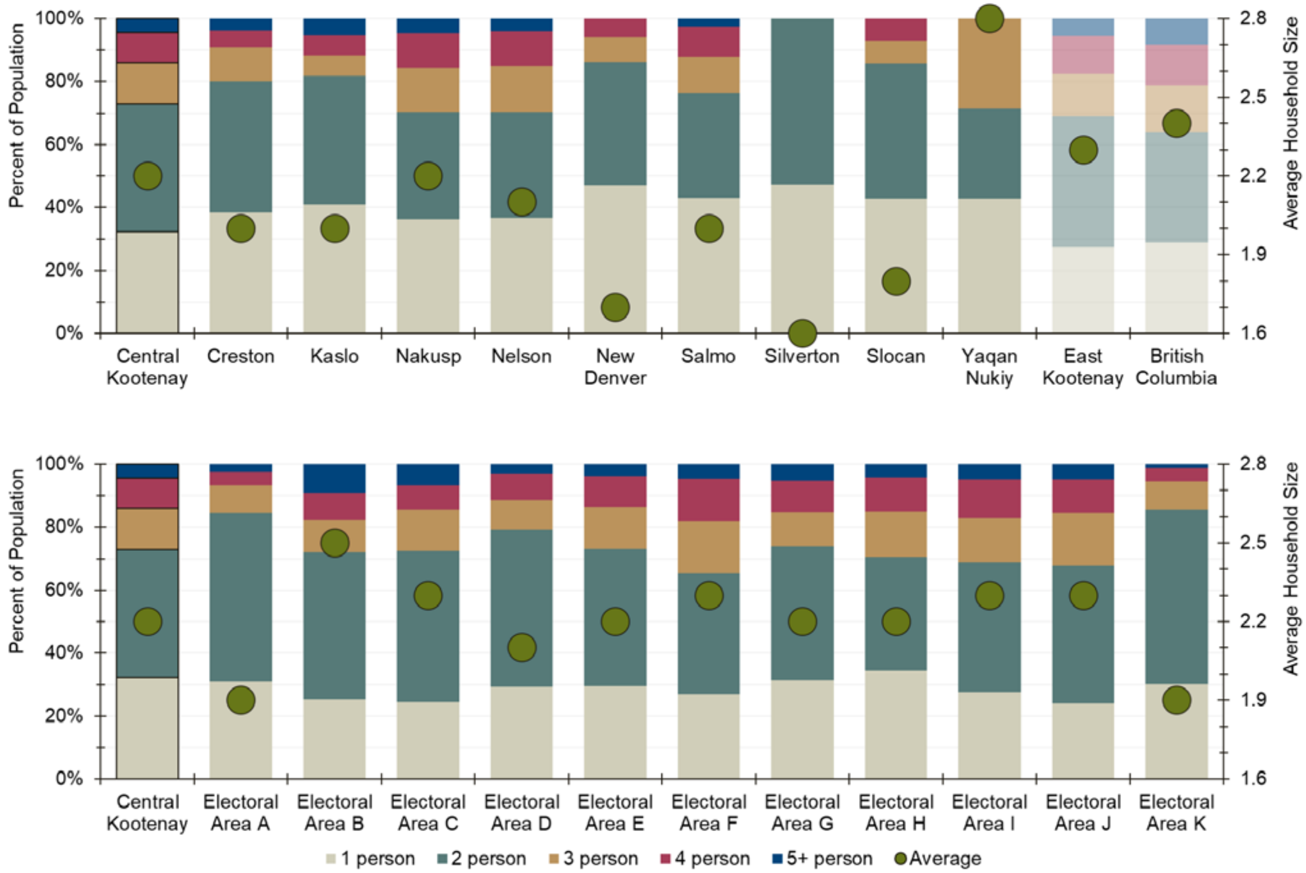
Source: CMHC, BC Government

Household Size

The average regional household size was 2.2 in 2016, the same as 2006. Owner household sizes shrank (2.3 to 2.2) while renter households grew (1.9 to 2.0).

The highest average household size belonged to Yaqan Nukiy (2.8), followed by Electoral Area B (2.5), and Electoral Areas C, F, I, and J (2.3 each). The lowest average household sizes belong to Silverton (1.6) and New Denver (1.7).

Figure RDCK – 5e: Household Size, 2016



Source: Statistics Canada

Household Type

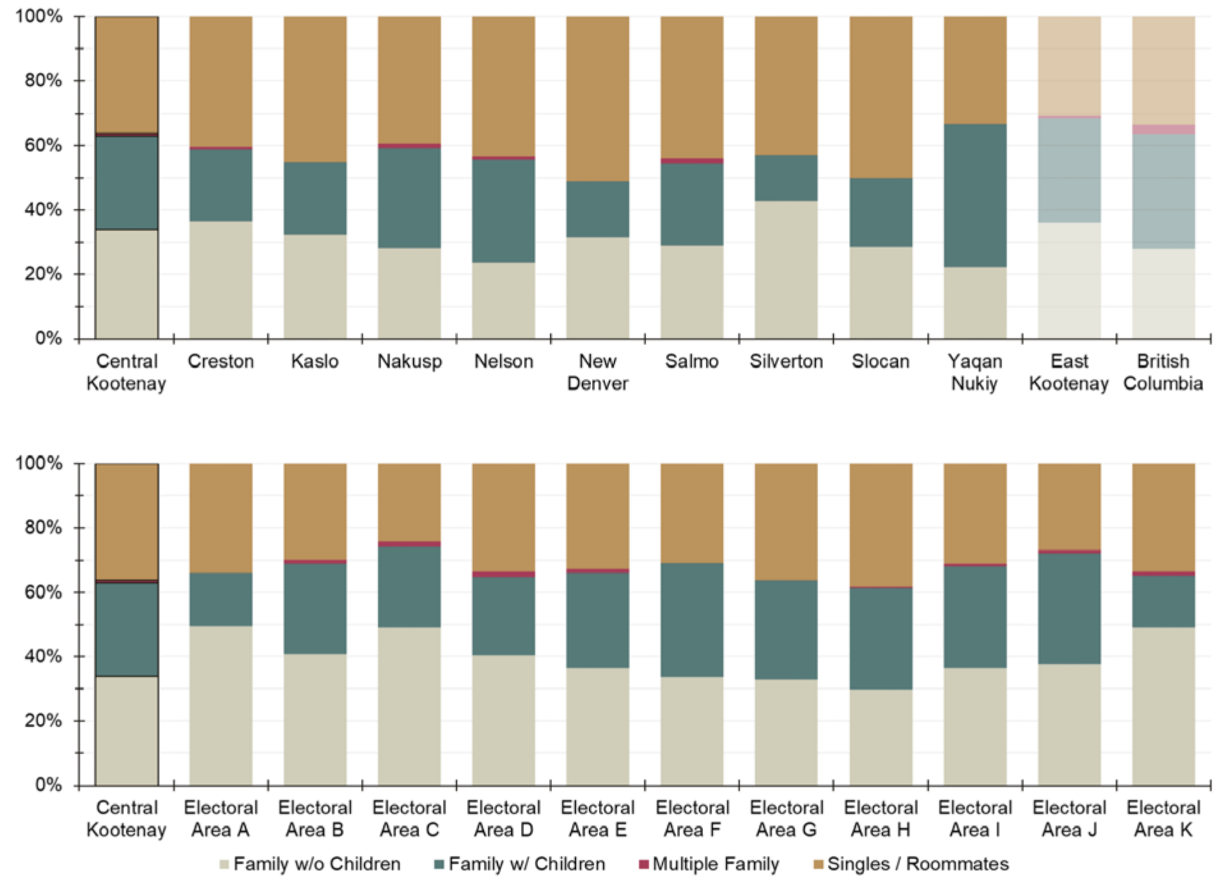
Household type refers to the type of "census-family" that occupies a dwelling (see **Glossary**). **Figure RDCK - 5f** depicts the most common types, being: (1) families without children, (2) families with children, (3) multiple families, or (4) non-census families (herein known as single people or roommates).

Overall, census families grew 5%. Of the census families, those without children grew most rapidly at 14%, a function of an ageing population. Non-census families (i.e. single persons or roommates) grew 17%, mostly attributed to 2+ person household growth.

Renter households have a greater share of non-census families. However, changes over the decade indicate significant growth in renter families with children compared to owners. Specifically, renter families with children grew 32% over the decade while owners fell less than 1%. Tenure trends support this change: rentership rates are increasing across age cohorts, but mostly for young children and working age adults.

Multiple families are a small percentage of total households (less than 1%). That said, household with more than one family grew from 175 to 230 over 10 years (31%). Although their share of households will likely remain small for the foreseeable future, it is important to note that they appear to be growing and how the resulting greater household sizes may mean more instances of overcrowding.

Figure RDCK – 5f: Percentage of Household Family Type, 2016



Source: Statistics Canada

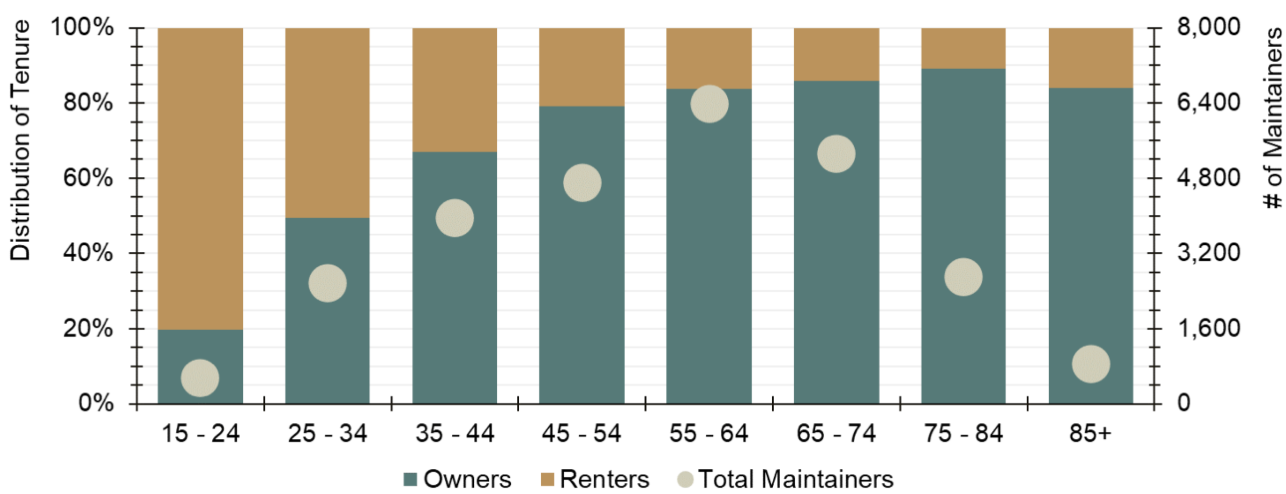
Household Maintainers

Household maintainers describes the number of people who are financially responsible for the upkeep of the dwelling. In their younger years, maintainers mostly occupy rental units as they progress through school, new jobs, and saving money. As they age, the prevalence of ownership increases, reaching its proportional peak in RDCK between 75 and 84 years old.

A strong proportion of maintainers fall between 55 and 74 years old, indicating that a lot of the 2016 housing stock is held by retired or soon to be retired persons. The housing stock available for young cohorts will depend on the needs and wants of more senior people regarding their accommodation (e.g. choosing to age in place can be a positive experience for aging adults but keeps dwelling options, often older and more affordable, from those people looking to enter the market for the first time).

There can be strong variation among discrete RDCK communities. Please refer to the relevant sub-regional reports and their community specific appendices for more detail.

Figure RDCK – 5g: Household Maintainers by Age Total & Tenure, 2016



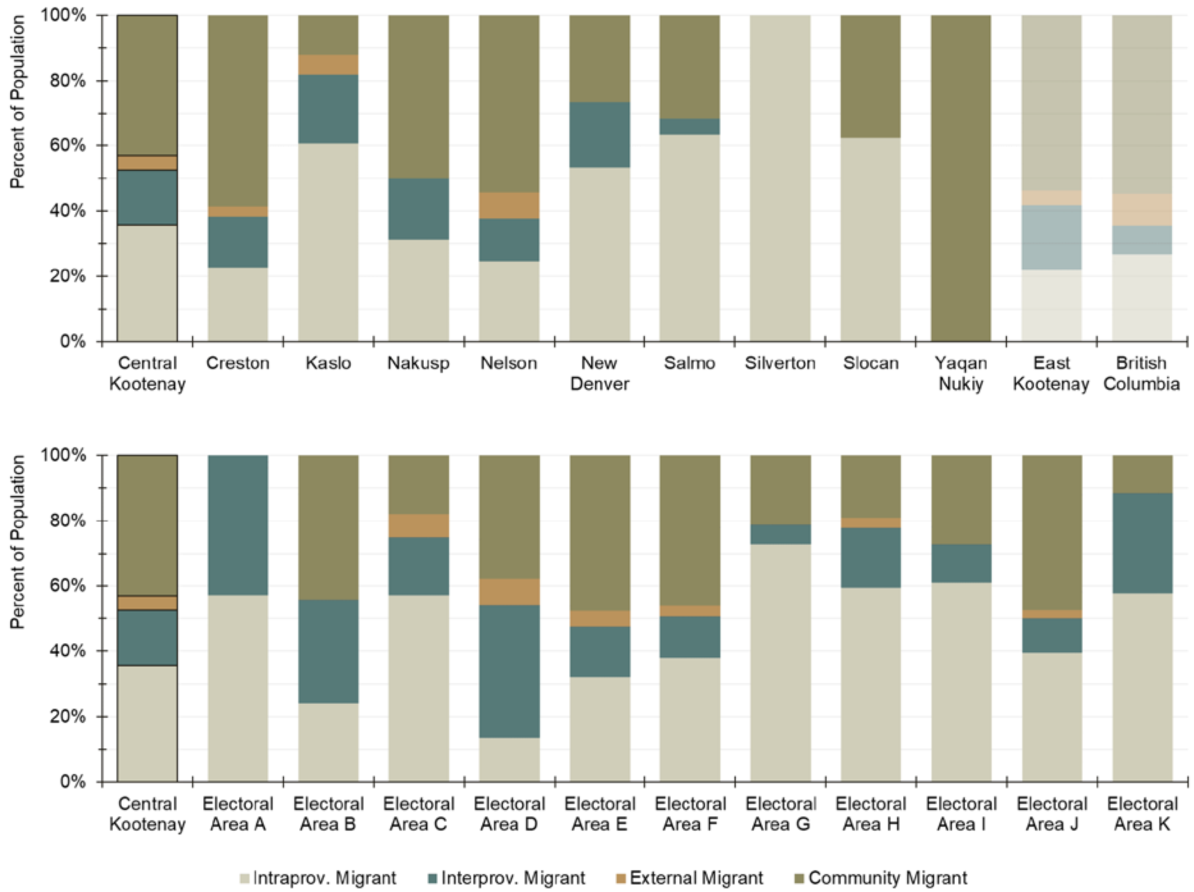
Source: Statistics Canada

Household Mobility (1-Year)

One-year mobility refers to whether a person changed their location of residence within the prior twelve months. Overall, about 43% of RDCK residents who moved over the previous year did so within their own community, 36% moved from within the Province (inclusive of inside the RDCK), 17% moved from within Canada, and 4% moved from outside Canada.

Figure RDCK - 5h illustrates how proportions of movers differs across communities. Notably, Yaqan Nukiy has the greatest proportion of community migrants, followed by Creston. Silverton and Electoral Area G report the highest rates of household moving with the Province. Electoral Area D has the greatest rate of households moving from outside the Province.

Figure RDCK – 5h: Household Mobility, 2016



Source: Statistics Canada

Economy

SECTION SUMMARY

Median incomes are rising.

RDCK households generally earn more money than they used to; median before-tax incomes increased by 12%. The share of those earning $100,000 or more jumped from 17% to 22% of total households, the only income range to increase substantially over the decade.

Renter incomes are growing faster than owner incomes, but renters still earn much less.

Median owner households earn almost double what renter households earn, but rate of income growth is slower than renter household incomes. Nevertheless, renter incomes did not grow fast enough to stop the widening of the earnings gap; the difference between owner and renter incomes increased about $2,000 over that decade in favour of the former.

Households with young children are the most likely to experience income challenges.

About 16% of households fall below the Low-Income Measure, indicating substantially increased potential to experience financial hardship. The most prevalent family type to experience this difficulty are those with children younger than 18 years old. Of these, 19% are classified as substantially worse off than the average. In part, this can be attributed to the fact that young families who are at the beginning of their careers tend to earn lower incomes yet have higher expenses due to the presence of dependents.

Fewer people are participating in the economy.

Although the labour force (people working or actively seeking work) grew since 2006, there was even greater growth in those not in the labour force, largely a consequence of aging/retiring population.

More people are unemployed, and their share of the labour force increased.

The labour force increased between 2006 and 2016, with growth in both employed and unemployed persons. The latter rose more in relative terms, resulting in an increased unemployment rate (7.3% to 8.8%).

COMMUNITY PERSPECTIVES:

The following insights and experiences related to the Central Kootenay's income and economic conditions were shared through community engagement activities.

Regional employers are finding it very difficult to attract and retain staff because of limited housing availability and unaffordable.

Regional employers shared that it is increasingly difficult to attract and retain valuable workers to the Regional District of Central Kootenay. This was explicitly contributed to the rising cost and decreasing availability of affordable housing and noted to be particularly difficult for workers in the growing tourism and hospitality industry.

There is generally a lack of rental availability in the region and a high percentage of the workforce is employed in the sales and services sector and traditionally do not have high enough incomes to purchase a home. A survey of active participants in the tourism and service sector indicated that a majority (61%) of workers in that industry have had trouble finding or maintaining housing in the RDCK When asked to rank the qualities they look for in housing, respondents ranked affordability as the top priority.

"My husband co-owns a small home building company and has difficulty finding and retaining employees due to a lack of housing. Particularly affordable housing for couples within reasonable driving distance of work."

"There's a lot of second home ownership that doesn't contribute energy to the community. Young people leave to the city, there are no jobs or affordable rentals in the area, so they are losing younger families."

"There has never been a huge rental pool, but there used to be houses for sale and now no more."

Younger families and single parents are struggling to meet their needs.

Young people and both coupled and lone parents expressed feelings of housing discrimination and a lack of appropriate and affordable options to meet their family's needs. Single parents shared that they often felt judged by prospective landlords who saw their incomes as being too low or because housing within their budget was deemed to be of an unsuitable size.

Housing unaffordability is a major issue and there is a shortage of housing for low-income working families, especially located close to schools and transit.

"I have been denied housing because of my age being seen as young and irresponsible when a land owner/property manager is seeking "maturity.""

"Age - landlord told me they are sure I am "nice" but they don't rent to anyone under 30 due to previous negative experiences."

"I tried to rent a home and was discriminated against and not even considered for it because I was a single mother. When she thought I was partnered there was no issue."

"...turned away for having children and turned away for being without a husband..."

"The biggest challenge is lack of available housing, lack of affordable housing. No help for low income to buy/ rental buy housing. No places take pets, very few places accept families."

Careers that traditionally provided stable, middle-class incomes are not keeping up with housing prices.

Well-educated people in vital careers reported that even stable, public-sector wages were not enough to meet housing needs. Informants and focus groups mentioned people with careers in nursing and education were findings is especially difficult. This was more pronounced for single-income households.

"I can't afford to live in Nelson anymore. As an early childhood educator, my wages are low but the cost of living is high. Soon, no educators will be able to afford to live in Nelson."

Many rural residents are commuting long distances to work because of housing costs.

Several survey respondents indicated that they would prefer to live closer to their work but are unable to because of housing costs in larger centres. Many of these respondents were living in electoral areas or smaller municipalities outside of Nelson.

"Cost, it would be nice to be able to afford to live in Nelson. We both have to commute each day."

"It would be really great if something could be done about the lack of housing in my area! There are employed people who cannot find appropriate housing, or who have to move farther away and commute for work and community, adding to stress and financial burden."

Non-profits and social service organizations are routinely bearing the cost of serving the most vulnerable in the region.

There are many non-profits doing incredible work in the RDCK, but the burden of providing housing services is incredible taxing, especially when faced with need that is outpacing resources. Service organizations and non-profits all indicated a desire to work more closely with the Regional District and municipalities and reiterated that they understand all levels of government are struggling to address housing. However, they need more support and resources if they are going to continue to be at the front line.

"There is history and wisdom, but it isn't being funneled down or shared, so people are burnt out and not into being a part of new projects."

"Development- it's technical and can take a long time, and volunteers won't always be there the whole way through."

"It's difficult because everyone is frustrated and working too hard. We all want to help, but everyone is struggling to find answers."

6. INCOME

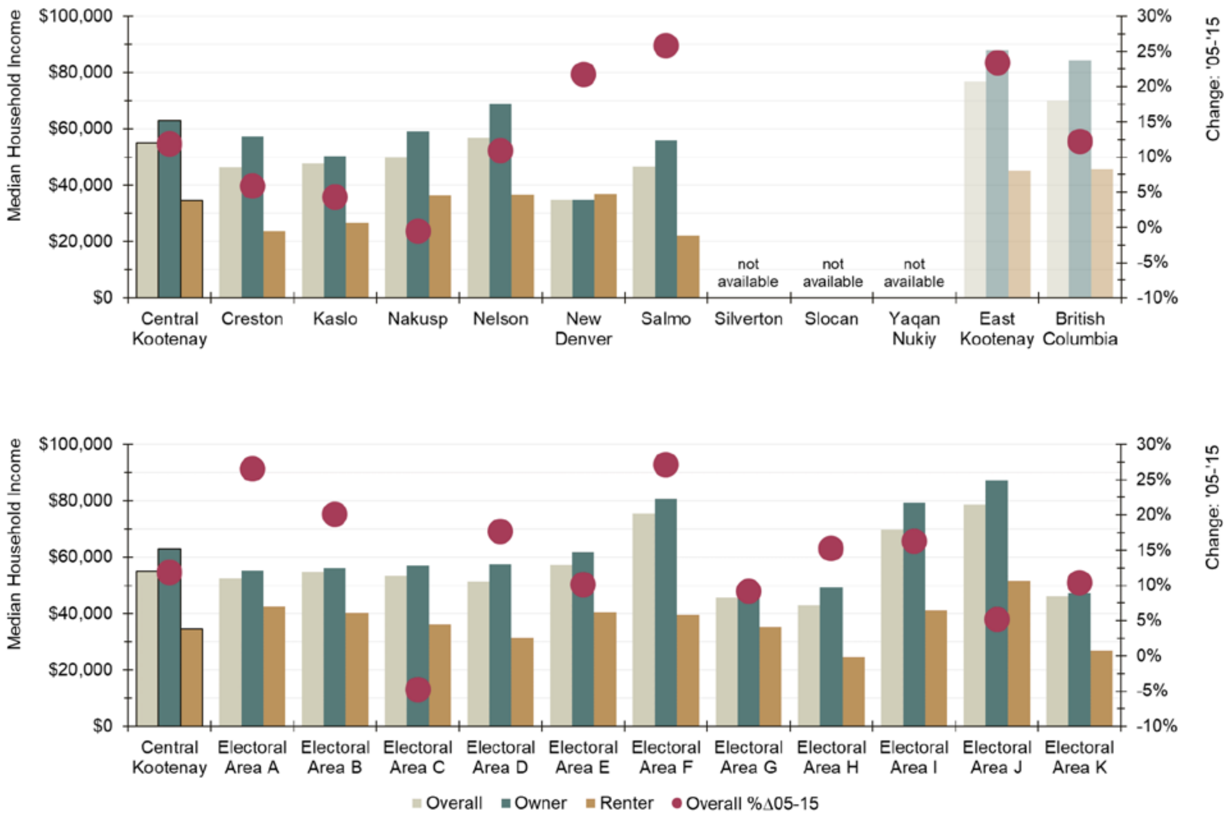
Unless otherwise indicated, all incomes within this report are adjusted for inflation to represent 2015 constant dollars. Please note that 2005 and 2015 comparison years differ from the normal 2006 and 2016 used by Statistics Canada. The reason is that census incomes come from the previously reported tax year. In addition, because incomes are reported in constant 2015 dollars, any growth over the two years reflects an increase beyond the impacts of inflation.

Median Before-Tax Household Income

Overall, the RDCK's median before-tax household income grew about 12% to $55,130. The median owner household earned $62,916 and the median renter household earned $34,463, representing 14% and 19% growth since 2006, respectively.

On average, the electoral areas grew fastest since 2005, led by Electoral Area A and F. Electoral Area J is the most affluent community for both owner and renter households, who earn $87,152 and $51,613, respectively.

Figure RDCK – 6a: Median Before-Tax Household Income by Tenure, 2015 (2015 dollars

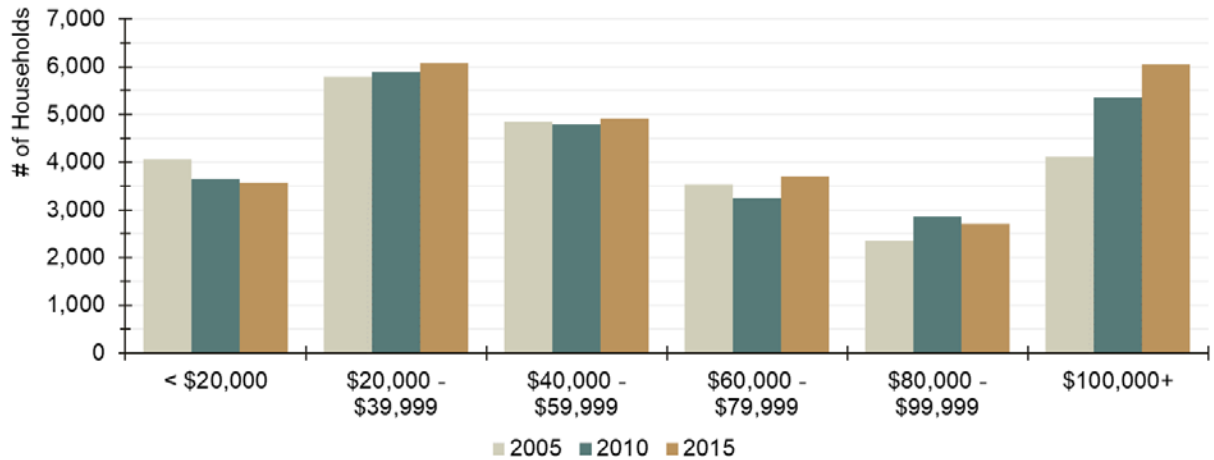


Source: Statistics Canada

Total households occupied by usual residents grew 10% between 2006 and 2016, while households earning more than $100,000 grew 47%. It is possible that inflows of new, high-earning people have had a larger impact on median incomes than the progression of existing households into higher income brackets. However, the data is not available to verify these types of dynamics.

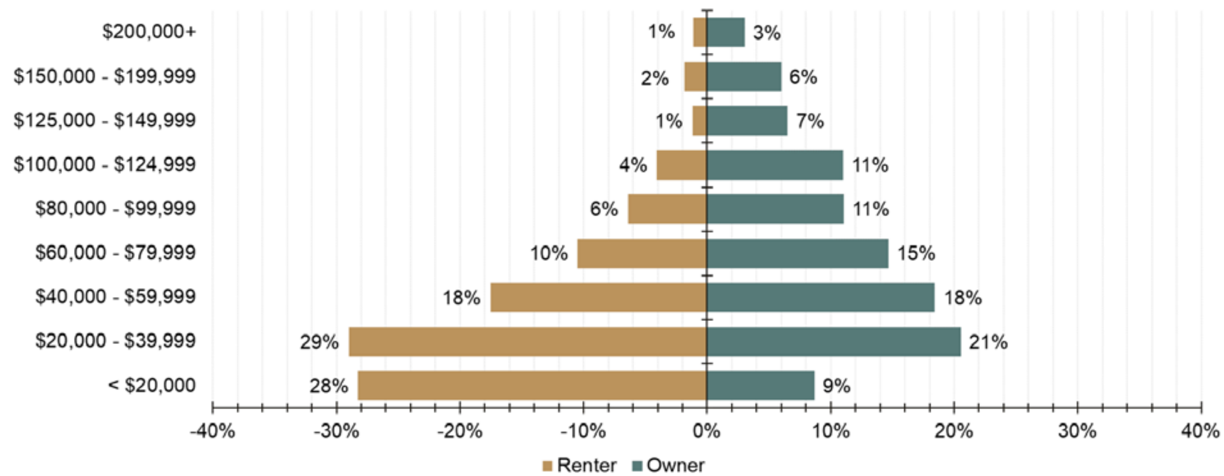
Figure RDCK – 6c illustrates how many households fall within each income category based on their tenure. Renters are considerably more likely to earn less than $40,000 (57%) compared to owners (30%). Alternatively, 27% of owner households earn more than $100,000 versus 8% of renters.

Figure RDCK – 6b: Historical Distribution of Households by Median Income, 2015



Source: Statistics Canada

Figure RDCK – 6c: Proportion of Households per Income Range by Tenure, 2015



Source: Statistics Canada

Median Before-Tax Household Income by Family Type

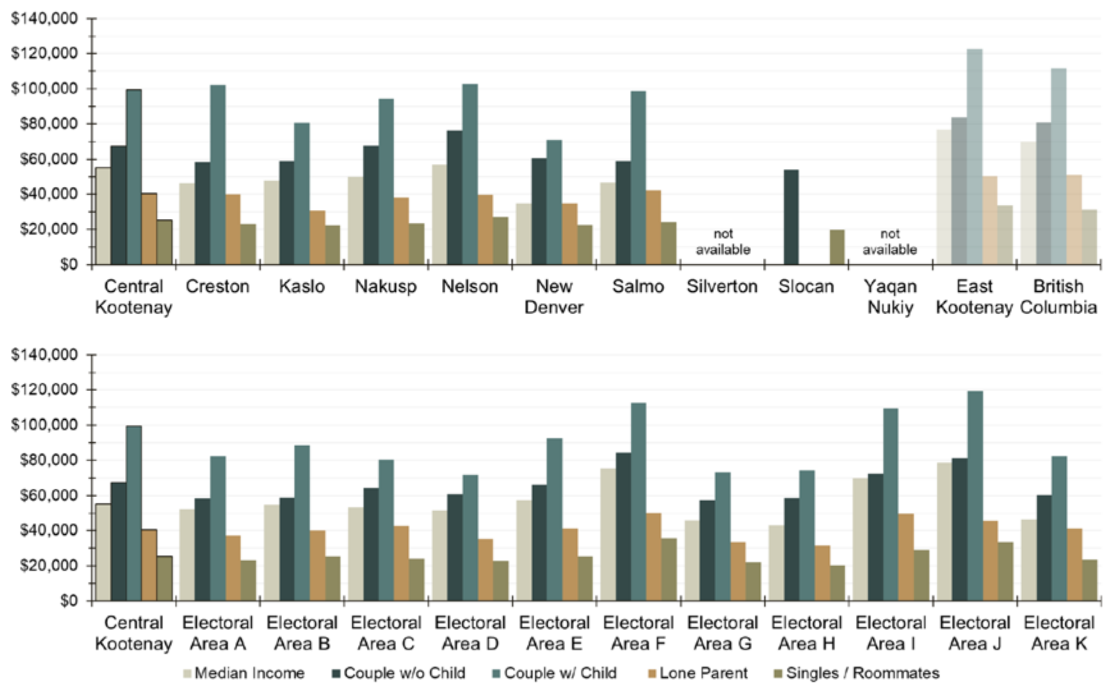
Statistics Canada provides income statistics for different family structures, categorizing them by their "economic family" types (see **Glossary**). Briefly, the family types are as follows: couples without children, couples with children, lone parents, and non-economic families (also known as singles/roommates).

Mirroring the relationship between their overall median incomes, Central Kootenay economic families earn less than the typical British Columbian or East Kootenay resident. Within the RDCK, couples without children earned the most in Electoral Area F, couples with children in Electoral Area J, lone parents in Electoral Area I, and non-economic families in Electoral Area J.

No matter the jurisdiction, couples with children earn more than those without, lone parents, and economic families. Couples with children tend to be younger and earn dual incomes. Couples without include senior households, whose incomes are tied to pensions and investments.

Please note that the definition of a couple with children and lone parent households both require that the child live in the same dwelling as the parent or parents. A child is not defined by their age, but by their dependence on their parent(s) for shelter. As the reader moves through this document, they may notice that there is sometimes information that appears to conflict. Specifically, couples with children earn significantly more money (as stated above) yet they are the most likely to fall below low-income thresholds (see next Section). The reason is the low-income data below does not distinguish what type of family a person belongs to, meaning a family with children can be either a couple or lone parent. Lone parents demonstrate much greater financial hardship **(see Section 17: Core Housing Need – Household Type)**, which is partly shown in low-income measure data shown below.

Figure RDCK – 6d: Median Before-Tax Household Income by Family Type, 2015



Source: Statistics Canada

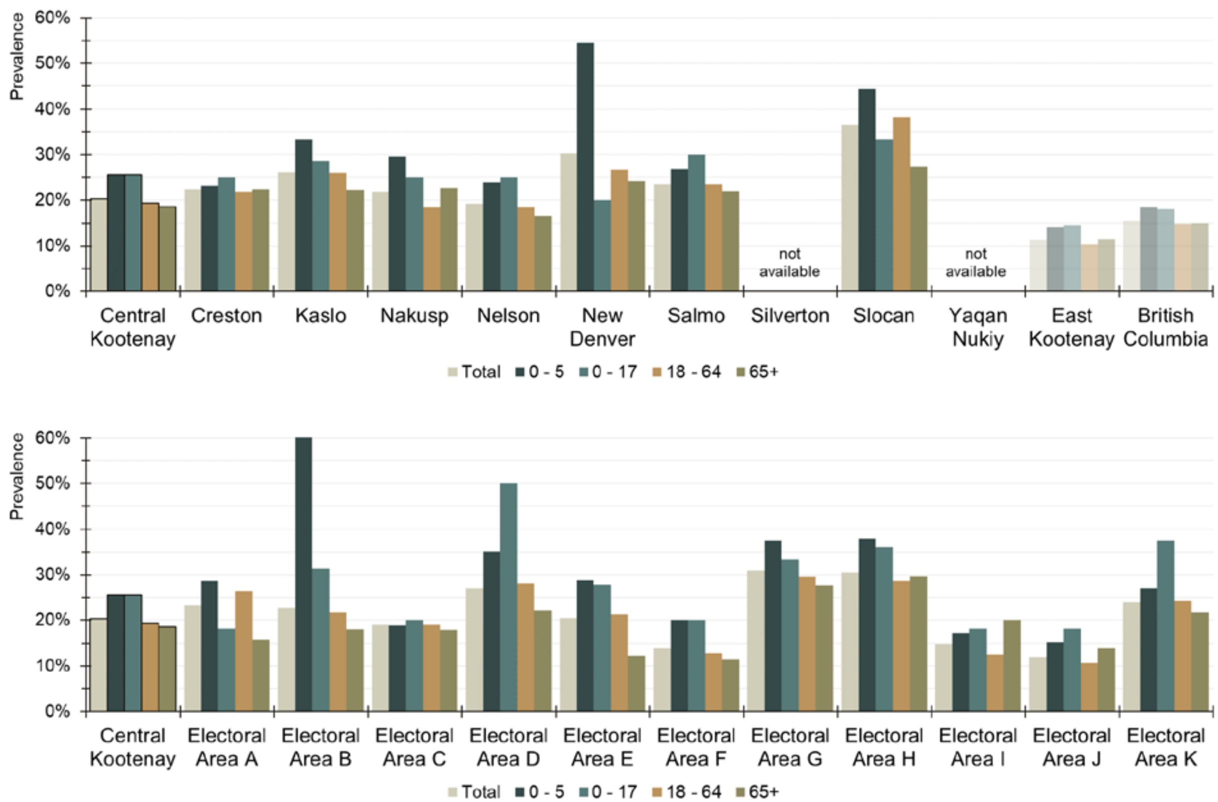
7. LOW-INCOME MEASURE

The Low-Income Measure (LIM) is a threshold calculated by Statistics Canada that identifies Canadians belonging to a household whose overall incomes are below 50% of median adjusted household income. "Adjusted" refers to the idea that household needs increase as the number of household members increase. In other words, if a person belongs to a household that earns 50% than that community's median income (after adjustments), then Statistics Canada considers them to be in low-income. Statistics Canada emphasizes that the LIM is not a measure of poverty, but that it identifies those who are substantially worse off than the average.

To reiterate, the LIM refers to people in households, not the households themselves. By doing so, Statistics Canada can identify what percentage of individual children (defined as either 5 or younger, or 17 or younger) live in a family or household that earns below 50% of the median income. Similar results are available for people 18 to 64 and 65 or older.

About 16% of RDCK residents fall below the after-tax LIM. Children 17 or younger are most likely to belong to a household below the measure (19%). Variations do exist across RDCK communities, particularly in the electoral areas. Notable findings include: Electoral Area B reported the highest percentage of children below 6 in low income (61%), Electoral Area D had the highest for children below 18 (50%), Slocan had the highest for people between 18 and 64 (33%), and Electoral Area H had the highest for seniors (30%).

Figure RDCK – 7a: Low Income Measure After-Tax (LIM-AT) Prevalence by Cohort, 2015



Source: Statistics Canada

8. EMPLOYMENT

Economic development, and the resulting employment opportunities, is a key contributor to the overall demand and supply of housing within a community. However, it is often easy to assume when a labour force statistic (i.e. participation, employment, or unemployment) changes, it automatically suggests a positive or negative trend. While these dynamics do produce challenges or supports for housing trends, the ultimate outcome is also influenced by demographic factors, and others. The following sections illustrate trends that have occurred in the labour market of Central Kootenay.

Labour Force Statistics

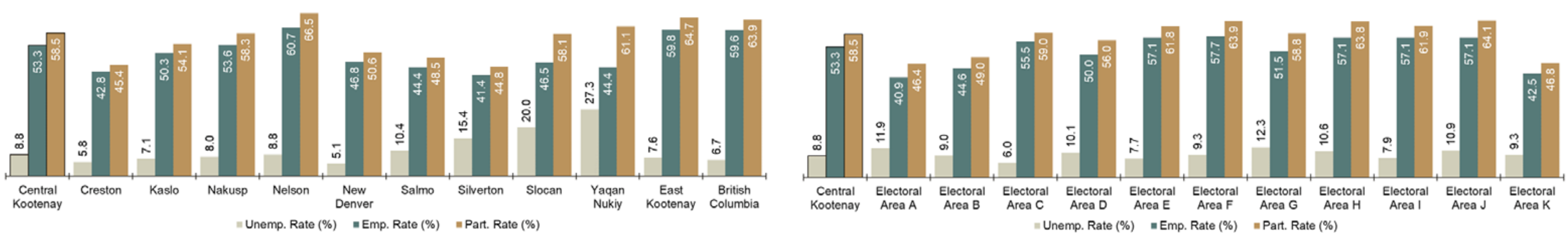
The Glossary defines participation, employment, and unemployment and their relationship to labour force activity. **Figure RDCK – 8a** illustrates the corresponding 2016 labour force rates for each RDCK community.

In 2016, the labour force totaled about 49,960 people (those working or actively seeking work), equating to a 58.5% participation rate. In other words, more people are contributing to the local or broader economy via employment than otherwise.

Extensive senior growth means that labour force participation is often pushed down as the number of retirees increases, illustrated by Central Kootenay dropping from 60.3 % to 58.5%. All but 6 of 20 participating communities (Creston, Salmo, Silverton, Electoral Area A, Electoral Area B, and Electoral Area K) maintained a participation rate above 50%.

Total unemployed people increased 27% between 2006 and 2016. Overall labour force growth was substantially slower (5%), resulting in an increased unemployment rate (7.3 to 8.8) over the decade. A jump in unemployment occurred between 2006 and 2011, possibly due to the great recession; 2016 data suggests that labour markets had been possibly returning to pre-recession form. No data existed at the time of this report to demonstrate the local impacts of COVID-19.

Figure RDCK – 8a: Labour Force Statistics, 2016



Source: Statistics Canada

Industry

The North American Industry Classification System (NAICS) categorizes employment in the broad industries described in **Figure RDCK – 8b** Percentages indicate what proportion of the total workers by industry are renters.

The three *largest* RDCK industries based on employment (2016):

1. Health Care & Social Assistance – 3,610 (12.5%);
2. Retail Trade – 3,490 (12.1%);
3. Construction – 2,835 (9.8%).

The three greatest *increases* in employment (2006 to 2016)*:

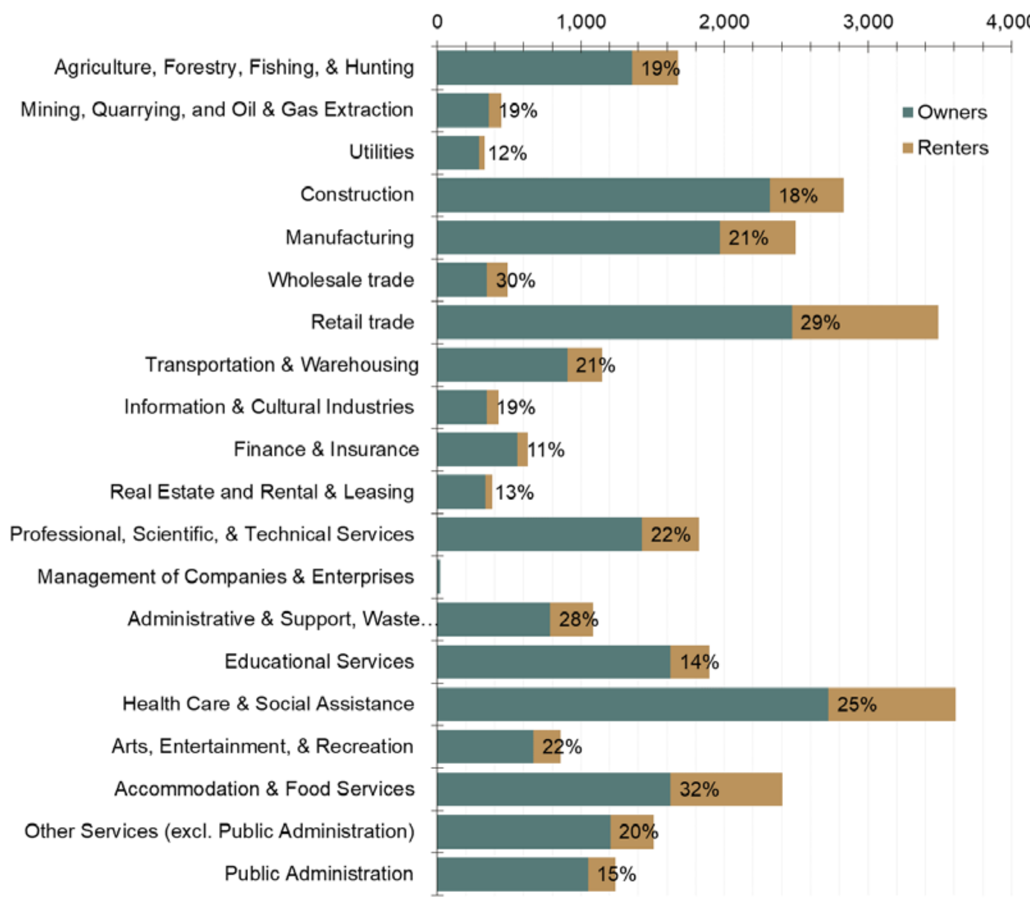
1. Mining, Quarrying, and Oil & Gas – 51% (295 to 445);
2. Professional, Scientific, & Technical Services – 28% (1,425 to 1,820);
3. Health Care & Social Assistance – 18% (3,090 to 3,610).

The three greatest *decreases* in employment (2006 to 2016):

1. Agriculture, Forestry, Fishing, and Hunting – 18% (2,045 to 1,675);
2. Manufacturing – 13% (2,860 to 2,490);
3. Educational Services – 9% (2,085 to 1,900).

** does not include "Other Services" or "Management of Companies & Enterprises."*

Figure RDCK – 8b: Industry of Employment (NAICS Categories) by Tenure, 2016



Source: Statistics Canada

Commuting

Statistics Canada reported that RDCK had 18,815 usual workers (see **Glossary**) in 2016, making up about 71% of total employed persons in the same year. The following is a breakdown of where these individuals travelled to for work:

1. 45% commuted within their municipality or electoral area;
2. 44% commuted elsewhere within the Regional District or Sub-Region; and
3. 11% travelled outside of the RDCK, whether within or out of province.

Since 2006, commuting to another community for work increased by about 4%. Those commuting internally grew 1%. Interestingly, intra-provincial (outside the RDCK) travel jumped 19% over the decade.

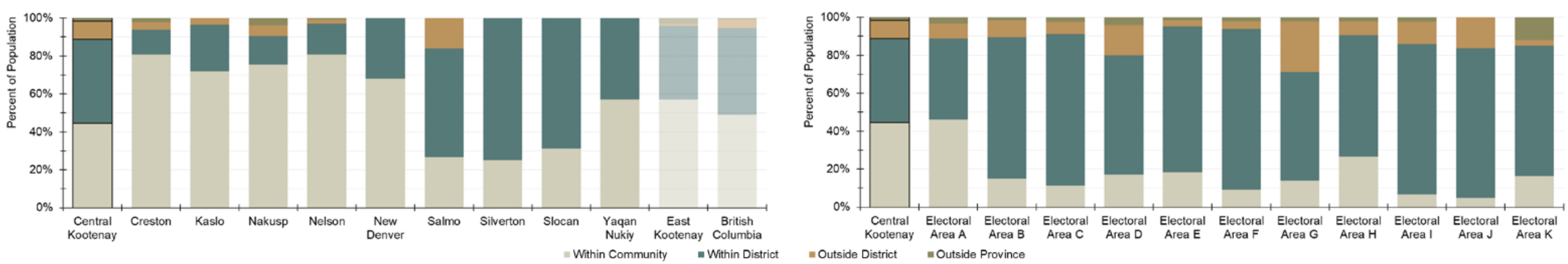
Unsurprisingly, the highest rates of commuting within the same community occurred in the larger municipalities, while electoral areas typically demonstrated high rates of commuting elsewhere. Employment often clusters in urban areas like Creston or Nelson, illustrated by the fact that the Town had the greatest percentage of commuting within its boundaries.

How people/households commute or travel within their community and others demonstrates an important fact about housing issues; markets are integrated across regions. Households make choices about their living situation that is the result of a compromise between multiple competing preferences: cost, style and size, and proximity to important locations such as school, work, extended family or other social supports, and other services they need to frequent. As a result, housing conditions, availability, prices, and construction in one community can and does impact others.

Given that housing is a choice about shelter as well as location, housing costs are intertwined with transportation costs, and these combined typically represent the two largest components of a households cost of living. All else being equal, housing prices are lower in locations where transportation costs are higher. For households of limited financial capacity, housing options that are accessible to them frequently come hand-in-hand with transportation costs that impose hardship. This is particularly true when it comes to the use of private automobiles; the practical need to own one or more vehicles, and the distance they are driven, can largely negate the savings realised on the housing cost side of the family budget (refer to the discussion under **Section 20: Affordability – Energy Poverty)**.

Where the ultimate goal of improvements to housing affordability is lowering a household's cost of living, efforts to improve transportation options locally and regionally can be a significant contributor to success. Policies which support a household's ability to use other modes of transportation, such as active transportation, public transportation, or car-sharing in place of a private vehicle – especially if it allows them to reduce the number of vehicles they own – can be an important supplement or replacement for direct housing affordability initiatives.

Figure RDCK – 8c: Commuting Patterns for Usual Workers, 2016



Source: Statistics Canada

Housing
SECTION SUMMARY

The housing supply is growing.

Statistics Canada reports that the total number of RDCK dwellings which serve as a primary residence ("occupied by usual residents" in technical terms) grew about 10% between 2006 and 2016, or 235 units annually. Totalled local government housing starts data since 2016 shows faster annual starts than before. The largest share of the dwelling stock was built in the 1960s and 70s.

Rents are increasing.

Overall rents grew 12% from 2013 to 2019 after adjustments for inflation, outpacing the estimated growth in incomes during that time.

Adjusted for inflation, dwellings cost about the same as they did a decade ago.

Residential dwellings appreciated about 4% between 2010 and 2019 in constant dollars, indicating that increasing housing prices over the last decade mostly reflect change in overall prices/inflation. Without removing inflation, prices grew 29%.

Commercial short-term rental properties are becoming more popular.

About 350 commercial short-term rental units existed as of April 2020, accounting for about 1% of the total estimated housing demand for the same year.

COMMUNITY PERSPECTIVES:

The following insights and experiences related to the Central Kootenay's current housing stock were shared through community engagement activities.

There is need for diverse typologies and smaller housing units.

Single individuals, unhoused community members, students and older adults all reiterated the acute need for smaller housing units that are affordable and appropriate for smaller households. It is very hard to find housing options that are affordable for a single person. This means that single individuals with lower incomes are forced to live with roommates or share spaces within a home. Although not always an issue, sometimes this can lead to dangerous housing situations where individuals are forced to share a space where they do not feel safe.

"It's hard to have to take strangers in to live with me as many of them have proven to be quite disrespectful or steal food, money, etc. Don't clean, party, are loud etc."

"Being a full time worker, it should be possible for me to afford a place on my own with maybe two bedrooms even. And housesharing should be a choice not an obligation to survive. Good rent shouldn't come with unhealthy, collapsing houses but with respectable homes."

Many older residents reported that they would like to be able to downsize to a smaller home, but can't find anything that meets their needs in their current community. This was especially common in smaller communities.

"There is extremely limited affordable/accessible housing for people with mobility issues, specifically people in wheelchairs. After an accident, a member of my family cannot live in their own community because they cannot afford to do so."

"House and property more than we need and yard is more than we can handle. Poor public transportation to and from Nelson or Castlegar, the closest business centres. Is further from town than what we'd like as we age."

"There is no housing security for an elderly renter, you really feel at the mercy and whims of the land barons."

"too much land to take care of as we age :-("

"[it is a] challenge for seniors to live on housing that has been in the family for generations... for seniors it is hard to get up the mountain to chop and haul [wood]"

Younger families that are growing reported the opposite problem; housing they could afford was either not large enough for their family or lacked necessary amenities.

"I can not have my children here, they live primarily with their mother so I can only see them at her house. This is not ideal long term."

"Needs another bedroom. My daughter shares a bed and bedroom with her daughter. Cannot sleep in the basement, in the event of a fire windows too small for escape."

"There is nothing we can afford, that is suitable for us. We would have to settle for a one bedroom place and with two kids that would not work. Even a one bedroom place though is out of our price range."

Much of the existing stock is in poor condition and not kept up by landlords or too difficult and expensive to repair for owners.

Many respondents, particularly renters, shared details regarding unfit or unhealthy living conditions. Reported issues ranged from rats, to mold, to general state of repair, as well as challenges with noise. The most cited complaints were around cold and drafty conditions in the winter months.

"House built in 1940's. Original thin single-pane drafty windows. Asbestos outdoors siding, Furnace, water tank, windows, bathroom, kitchen, storage needs, all need replacing. How do you expect my landlord to pay for this without massive rent increase??"

"The home is major need of repairs that the landlords chose not to repair."

"My roof is leaking in the wall way area. The roof has mold in it in the kitchen area. My deck is rotten. Roof need to be replaced."

"It's a very old mobile home in need of repairs. There are problems with mice, spiders and sometimes ants. It is always cold and drafty. There were times this winter I had to hang blankets up over the doors to keep out as much of the cold air as possible. All the windows have cold air coming in around them."

"A lot of the 'affordable' market rental housing is in awful condition; they may not be raising the rent, but they're not maintaining the housing. Dangerous levels of mold, asbestos, and many other concerns. This region is a bit of a gongshow."

Community members need additional supports in order to afford increased housing costs.

One-third (33%) of renters who completed a housing needs assessment survey indicated that they had accessed housing supports in the last two years. These supports included the food bank, the Salvation Army, BC Housing RENT and SAFER programs, shelter beds, and various others. The experience of accessing these supports can sometimes be stressful and humiliating and waits for subsidies or supports can be long and paperwork can sometimes be confusing. There is also a lot of concern that people who have traditionally been able to afford housing are increasingly being pushed out. This manifests in hidden homelessness, increased usage rates at places like food banks, or people renting in places that are further from vital services so they can get the number of bedrooms they need.

"Rental subsidy is a joke. Bigger families mean higher rent and utilities but that is not taken into account. Making $50,000 a year and paying $40,000 a year in rent leaves nothing to live. Food banks have been amazing but it is only once a month."

"It took me almost 3 years to get into subsidized housing. Not great. As mentioned I was almost homeless while pregnant and then with a baby."

"...as a working mother I cannot afford to miss work and go to the food bank or other..."

"It was actually a very easy process to access the food bank and we really appreciate everything they do. We only used the program when we absolutely had to and they were always welcoming and never made you feel like you were less for having to go in."

Very low vacancy rates create instability for renters.

Low vacancy rates lead to a lack of choices for renters. Because of this many are forced to stay in rental housing situations that are less than ideal and may lack necessary supports. Forty-three percent (43%) of renter respondents to the housing needs survey indicated that they were currently looking for rental housing.

"Lack of options, lack of long term availability, people don't want to rent to families with children, houses go fast - lots of competition, often homes are not advertised in advance and I can't afford to pay rent at 2 homes (need to give 1 month notice on current rental), many homes unsuitable, lack of public transit, no pets allowed."

"Not currently looking but we will be soon - 4th time our landlords are selling. Finding a home to rent is difficult due to extremely low inventory, short term situations, and high rental costs. Airbnb's are an issue as well, taking rental stock off the market."

"Not many rentals in Nelson BC (especially $1,000 or under) and once posted 50 comments on the rental within a couple of days."

"Landlord will probably list it as soon as any kind of relaxing happens with the pandemic ,which is insanely stressful as there are no four bedrooms for under $2,000."

Increase in rental costs are impacting quality of life.

Twenty-two percent (22%) of respondents indicated that they are considering moving out of the community they currently live in due to housing issues. However, 46% of renter residents were considering leaving their community and 19% were unsure, indicating a very difficult rental market.

"Constant fear of being evicted. Constant letters with negative, bullying language about everything. Constant smoking (I and my child are allergic) in building, which is ignored by manager. Cannot have any pet for my son (fish, lizard, gerbil, hamster, cat or bird)."

"I now struggle to even live pay check to pay check due to high living expenses."

"I love Nelson and I have lived her for over 10 years, but with it being such a struggle to find affordable rentals I am not sure I will be able to stay and it is breaking my heart."

9. DWELLING CHARACTERISTICS

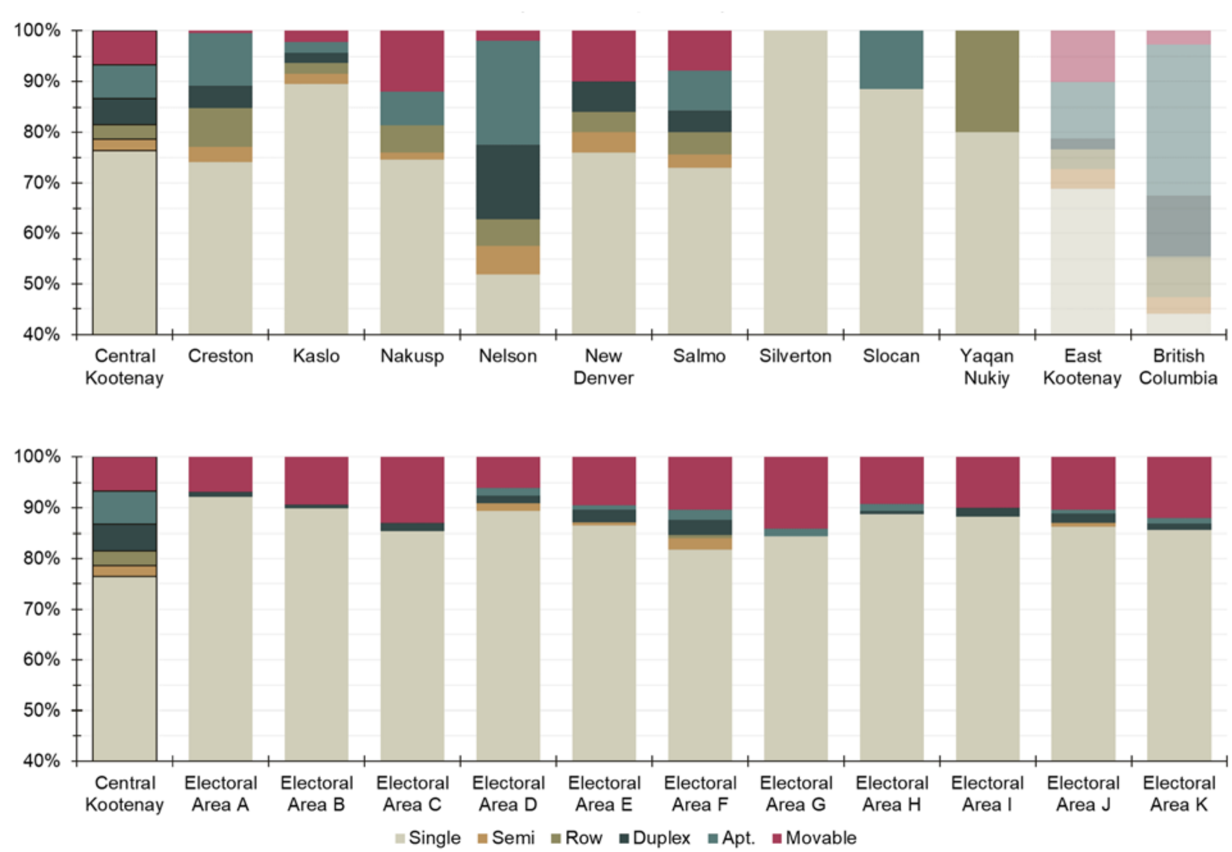
Dwelling Type

RDCK's occupied housing stock grew about 10% over a decade, reaching 27,015 in 2016. Of the reported dwelling types, duplexes had the greatest growth (88%), reaching 1,420 homes. Greatest absolute growth occurred for single-detached homes (1,350), which made up 76% of all 2016 Central Kootenay dwellings. Since 2006, the share of single-detached homes to total dwellings dropped about 2 percentage points, demonstrating a move towards denser housing typologies.

Generally, single-detached homes make up the highest proportion of dwellings in each RDCK community, with the lowest percentage occurring in the City of Nelson (51%).

Except for Creston, Kaslo, Nelson, Silverton, and Slocan, movable dwellings make up at least 6% of RDCK community housing stocks, with a total of 1,775 across the entire region. This total represents a 15% decrease since 2006.

Figure RDCK – 9a: Proportion of Dwelling by Type, 2016



Source: Statistics Canada

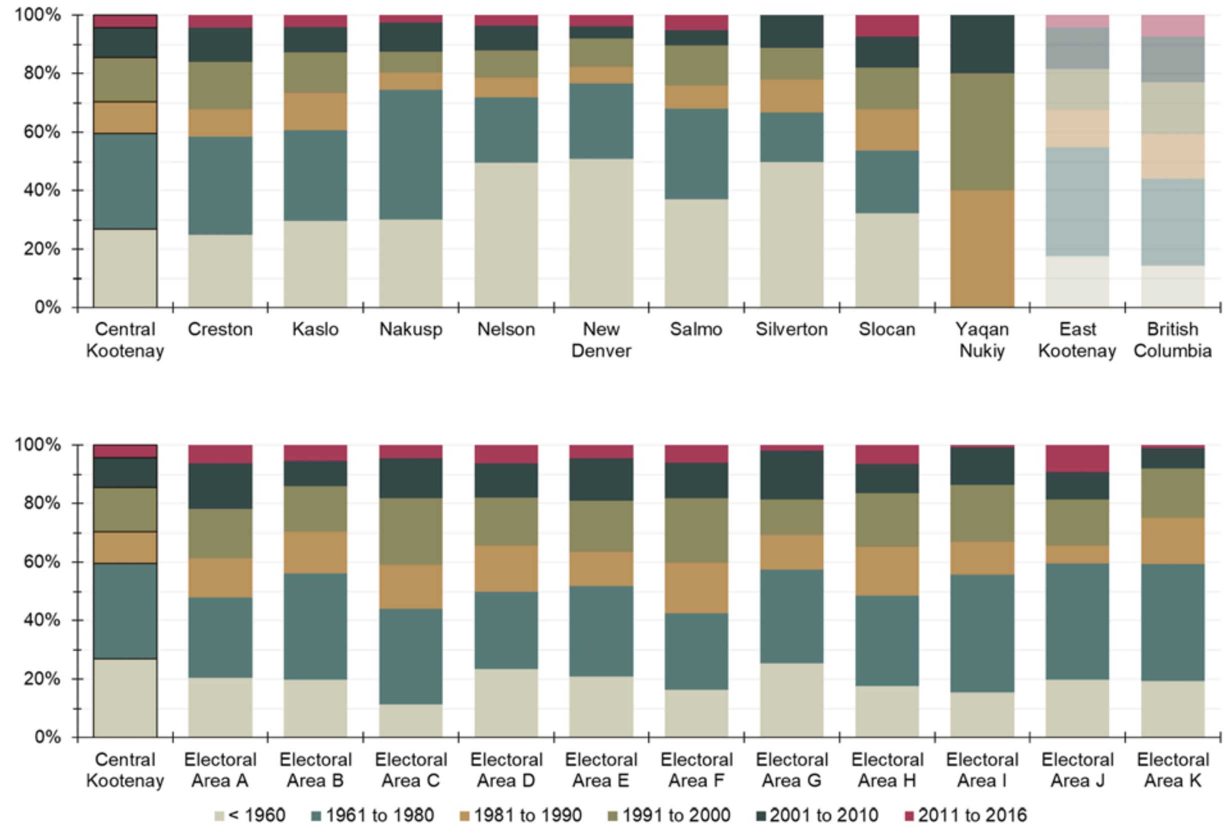
Dwelling Age

The 2016 Census reported that about 27% of the RDCK occupied housing stock (6,430 units) were built prior to 1961. From the year 2000 to the 2016 Census, 3,585 units were built (15% of total stock), or about 224 annually.

The oldest housing stock, relative to total number of dwellings, belongs to New Denver (51%), followed by Silverton (50%) and Nelson (just below 50%).

Overall, most housing was built between 1961 and 1980 (31%), a trend that maintains relative consistency across most communities. The electoral areas demonstrate the greatest percentage of new construction relative to their totals, with most surpassing the construction experienced by the municipalities, including Nelson and Nakusp. Rural construction activity mimics commuting trends which indicate slightly higher growth in travelling to work located outside a resident's community rather than within. Greater rural supply certainly transfers, to some degree, demand away from denser urban areas by virtue of availability; however, it may also be the demand for these areas (they are known to be less expensive for the size of property or dwelling) that drives the increased activity. In either case, addressing urban supply through local regulations can potentially recapture this demand.

Figure RDCK – 9b: Proportion of Dwellings by Age, 2016



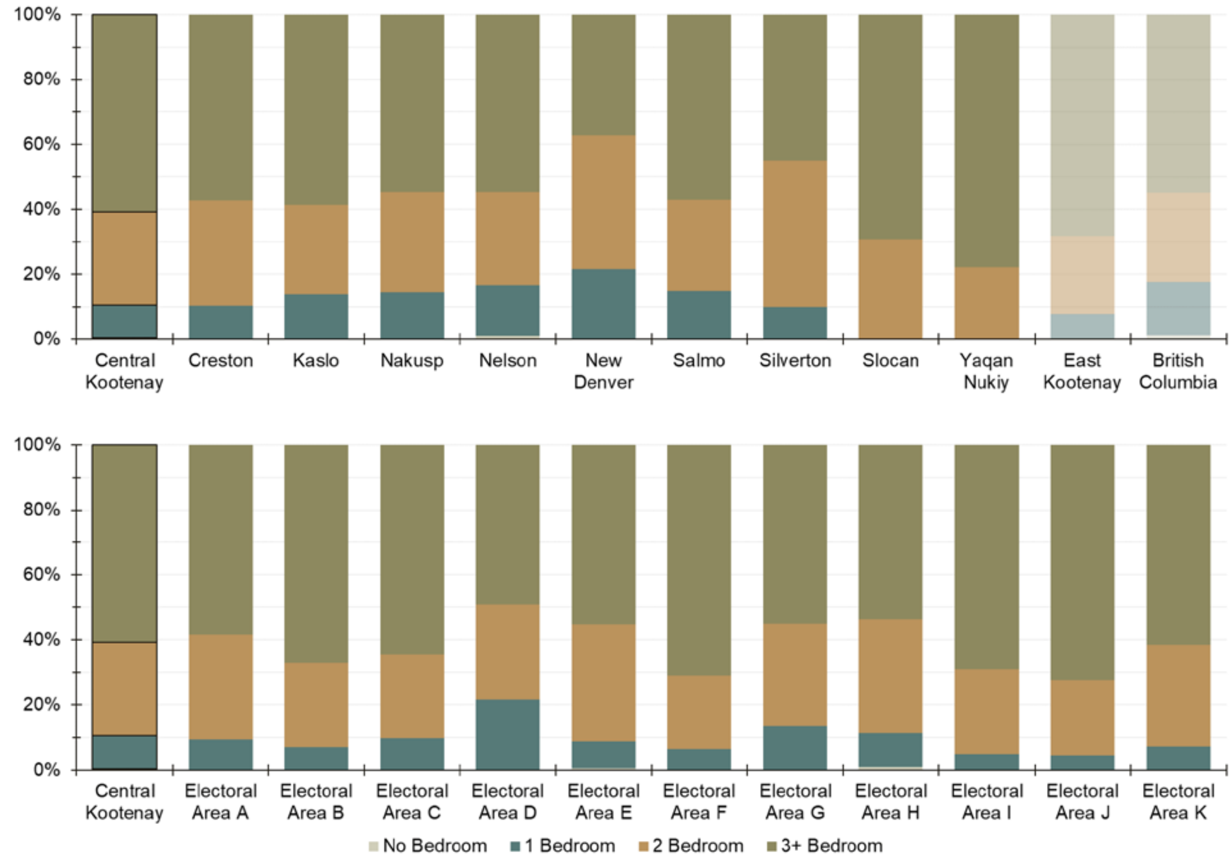
Source: Statistics Canada

Dwelling Size

Most communities exhibit higher rates of 3-or-more bedroom units based on the abundance of low-density housing typologies (e.g. single-detached, semi-detached, and row housing), particularly if located on larger lots that can physically accommodate larger units. Generally, the more rural the community, the greater the number of bedrooms; however, there are outliers.

As of 2016, about 59% of Central Kootenay dwellings had at least 3 bedrooms, followed by 30% for 2 bedrooms. The most 3-or-more bedroom homes, proportional to their total, was in Electoral Area J (72%), the most 2-bedroom units were in Silverton (45%), 1-bedroom in New Denver (22%), and no bedroom (e.g. bachelors or mobile homes) in Nelson and Electoral Area H (1%).

Figure RDCK – 9c: Proportion of Dwellings by Size, 2016



Source: Statistics Canada

10. CO-OPERATIVE HOUSING

According to BC Stats, the RDCK has two co-operatives: the Links Housing Co-operative in the City of Nelson and the Woodland park housing Co-operative in the City of Castlegar. The organizations provide a total of 90 units, broken down as follows:

Figure RDCK – 10a: Total Co-operatives Units, 2019

	Woodland Park Housing Co-operative	Links Housing Co-operative
Studio Units	0	0
One Bedroom Units	0	8
Two Bedroom Units	20	10
Three Bedroom Units	39	12
Four Bedroom Units	0	1
Five Bedroom Units	0	0
Total	59	31

Source: Co-operative Housing Federation of BC (CHF BC)

11. POST-SECONDARY HOUSING

According to Ministry of Advanced Education, Skills, and Training (AEST) data from November 2019, the RDCK has 207 student beds available, all of which belong to Selkirk College. Selkirk's Nelson campuses has 107 beds while Castlegar's Nelson has 100. The total represents about 14% of all full-time equivalent students, meaning the remaining student population must find housing in the Castlegar and Nelson rental markets.

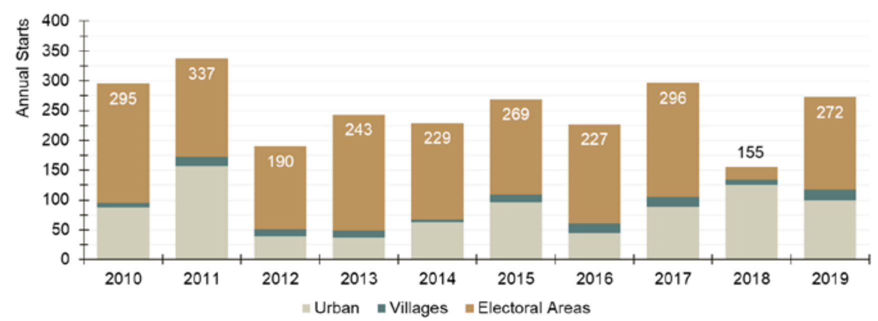
According to interviews with Selkirk College, the institution needs about 250 more beds to appropriately house its students.

12. CONSTRUCTION ACTIVITY (STARTS)

The RDCK (excluding Castlegar) builds about 269 dwellings annually. Total build out varies from year to year, with the highest occurring in 2011.

About 33% of yearly starts occur in the urban areas (Creston and Nelson), while 5% occur in remaining municipal areas or villages and 62% occur in the electoral areas. The latter demonstrates that most construction is occurring along the municipal peripheries without municipal water and wastewater infrastructure.

Figure RDCK – 12a: Residential Construction Activity (Starts) '10-'19



Source: BC Stats, Local Government

13. RENTAL MARKETS

Prices

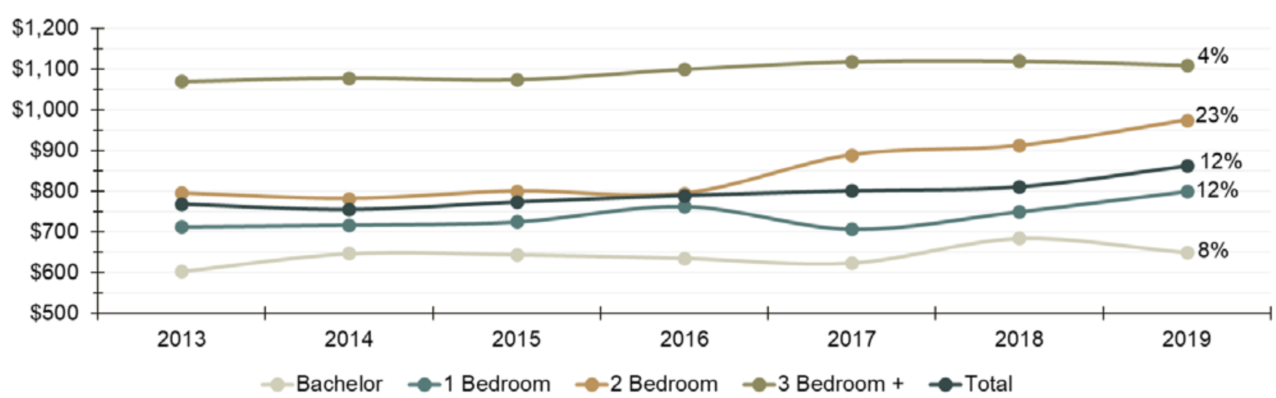
The Canadian Housing & Mortgage Corporation (CMHC) conducts an annual Rental Market Survey to estimate rental market strength. The survey collects samples from all urban areas with populations greater than 10,000 and targets only private apartments with at least three rental units. Among the information provided are median rental prices for units within the primary rental market (see **Glossary**).

The City of Nelson is the only geography in the RDCK to qualify for the survey, so any substantial data collection about rents in the RDCK reflects predominantly Nelson trends. Nonetheless, reviewing Nelson rental data is not without merit since the RDCK rental market is interconnected. For instance, changes in rent and the magnitude of these changes can be an indicator of what to expect elsewhere in the region. In addition, changes in vacancy can put pressure on other communities or the secondary market to fulfill demand (discussed in the next section).

Figure RDCK – 13a illustrates Nelson's historical median rents, adjusted to 2019 dollars, with the percent change from 2013 to 2019 provided for each unit type. It is important to note that the CMHC survey covers all rental units, whether currently occupied or vacant and available. As a result, rent prices reported in this survey are typically lower than the asking rents of currently available units; the inclusion of long-term tenancies whose rents are comparatively low and relatively stable tends to drive down averages. Therefore, this data reflects the overall cost of rental housing, but likely understates the current asking rent for a unit that has recently become available, representing the true cost to people entering or moving within the rental market. CMHC does differentiate between rental prices in larger survey areas and this can help give an impression of local differences. Across all Census Metropolitan Areas in British Columbia, CMHC reports vacant rents are higher than occupied by, on average, 15% for bachelors, 20% for 1-bedrooms, 25% for 2-bedrooms, 31% for 3-bedrooms, and 23% overall. Costs for available units in Nelson may be off by similar margins compared to the average rents reported below.

In 2019, the median unit rented for $863, a 12% increase since 2013 (adjusted for inflation). Two-bedroom unit rents grew 23% over the same period, reaching $975. Three-bedrooms grew slowest at 4% to $1,110.

Figure RDCK – 13a: Median Rent, RDCK (2019 dollars)



Source: CMHC

In September 2020, the Nelson Committee on Homelessness (NCOH) produced their 12th Annual Report Card on Homeless for the City of Nelson, which included a survey of local advertised rental rates across the RDCK. A total of 306 rentals were costed in their research, a significant undertaking. We consider that, at the time of this report, it is the best review of local rental trends available. Weighted averages of their results for the region equate to:

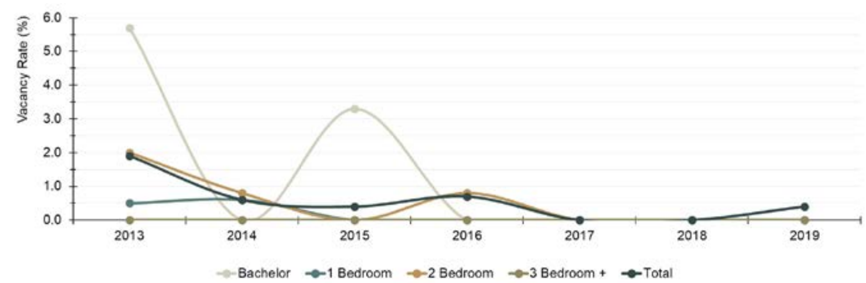
Bedroom:	$629
Studio:	$898
1-Bedroom:	$1,066
2-Bedroom:	$1,309
3-Bedroom:	$1,737
4+ Bedroom:	$2,503

Comparing NCOH prices to CMHC's demonstrates a clear gap in what residents are truly experiencing. For instance, NCOH's 2-bedroom unit cost is 34% higher than that reported by CMHC, demonstrating a greater higher financial burden imposed on RDCK rental populations. Because of the significant difference, this report uses the NCOH numbers to illustrate gaps in housing affordability, found in **Section 18: Affordability**. Numbers are rounded for cleaner results. Where some unit rents are not available in the 2020 NCOH report, 2019 figures are used to supplement.

Vacancy

The RDCK's overall vacancy rate (based on Nelson) has been remarkably low. In 2019, it was about 0.5%, with the highest rate (based on available data) occurring in 2013 at 2%. For context, the generally accepted healthy vacancy falls between 3% and 5%; the RDCK's overall vacancy has not been within this range since CMHC began collecting its data.

Figure RDCK – 13b: Primary Market Vacancy Rate, RDCK



Source: CMHC

Although CMHC data is specific to Nelson, its trend does impact those of the secondary market, both in Nelson and around the RDCK. For example, with a growing rental population and declining vacancy, housing demand will be on the rise (inclusive of apartments). As renters find little to no stock available in the City, they will begin to find alternatives, moving to secondary market units. In other words, declining urban vacancy rates induce demand for substitutes, thereby decreasing secondary market vacancy rates. Unfortunately, the specific rate and how it may change cannot be determined.

14. REAL ESTATE MARKET

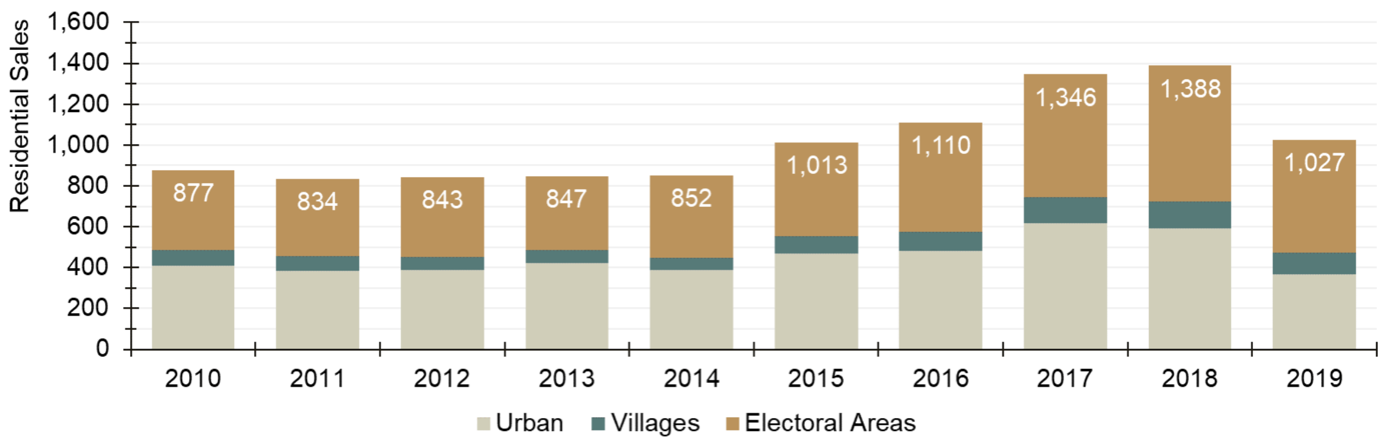
The real estate market refers to the buying and selling of land and buildings, mostly by individuals or companies who seek stable, permanent tenancy or investment opportunities. Many factors play into the health of the market. Unfortunately, data availability is often only obtainable at provincial or national levels, making it difficult to summarize or predict local trends. Fortunately, BC Assessment does offer some information for municipalities to consider in their housing needs reports. Among the information is sales activity and dwelling prices, discussed below.

Sales Activity

RDCK residential sales were consistent over the beginning of the last decade, with a noticeable increase from 2015 onwards. In 2018, the RDCK hit a peak sales volume of 1,388 transactions, which fell to 1,027 in 2019. The late decade rise may be illustrative of: (1) more homes are experiencing turnover (potentially people of older age) and becoming available on the market; and/or (2) regional demand is on the rise.

Historically, urban and electoral area sales volumes are about equal: 45% and 47%, respectively. In 2019, village sales made up 10% of transactions.

Figure RDCK – 14a: Total Residential Sales



Source: BC Assessment

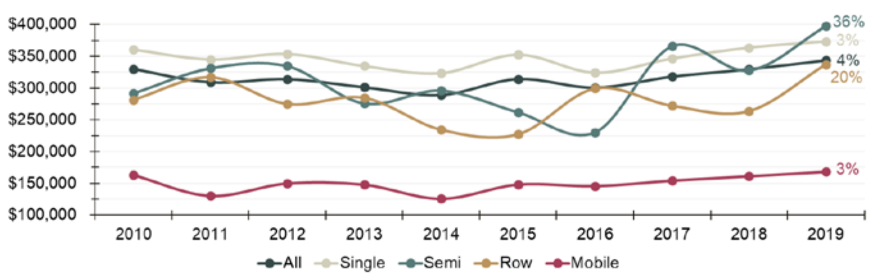
Prices

BC Assessment reports sale prices for multiple dwelling types; however, the type of dwellings within each community varies, particularly when comparing urban versus rural. To relate similar variables, subsequent sub-regional reports use single-detached (the dominant dwelling form across the RDCK) as the measuring stick. For regional context, this report provides details by discrete housing type in 2019 dollars. For community levels detail, please see individual community appendices in their respective sub-regional reports.

Semi-detached dwellings demonstrated the greatest appreciation from 2010 to 2019 (36%), between which there was significant volatility. Row homes also experienced varying price levels but demonstrated a 20% gain over 2010 figures. Singles and mobile dwellings maintained relatively stable prices, both growing 3% over the decade.

Adjusting prices for inflation (e.g. 2019 dollars) allows the reader to understand the actual overall appreciation or depreciation in housing that does not simply come from the change in the value of the Canadian dollar. For instance, the unadjusted price of a single-detached home grew 26% since 2010, meaning inflation contributed to about 88% of dwelling price appreciation.

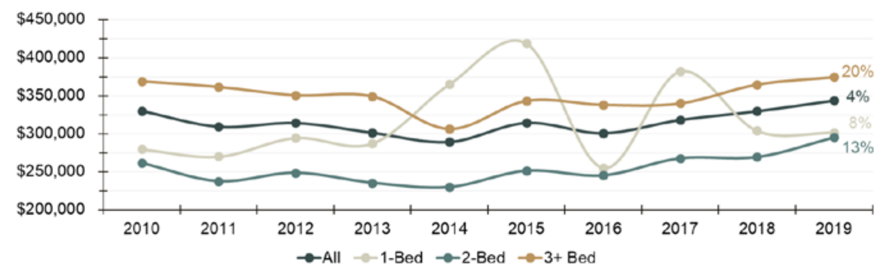
Figure RDCK – 14b: Median Dwelling Prices (2019 dollars) & Percent Change '10-'19



Source: BC Assessment

BC Assessment data does not provide sufficient detail to confidently generate prices based on unit type. In an effort generate discussion on the matter, this report offers the following chart as an illustration of the possible price trajectories across unit sizes. Price by unit size charts can be found in the appendices of each community's associated sub-regional report.

Figure RDCK – 14c: Unit Size Prices (2019 dollars) & Percent Change '10-'19



Source: BC Assessment

Assessments

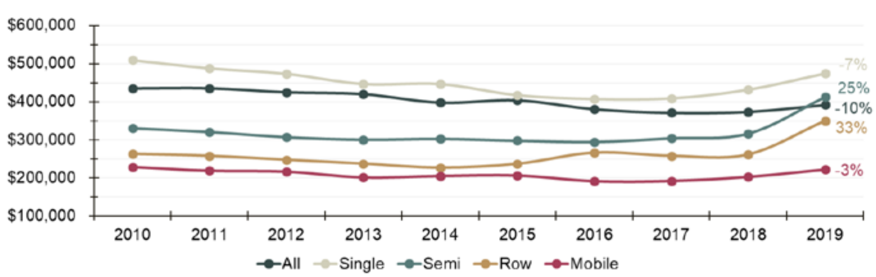
BC Assessment also reports assessment values for multiple dwelling types. Again, the type of dwellings within each community varies. Assessments are expressed in **Figure 14d** in 2019 dollars. For community levels detail, please see individual community appendices in their respective sub-regional reports.

RDCK's overall residential assessments are down about 10% since 2010, due mostly to declines in single-family home assessments (7%). Mobile/manufactured homes also experienced a decrease (3%).

Semi-detached dwelling and row house assessment grew at least 25% over the decade, which may reflect greater proportional increase in the popularity of those housing types.

It is important to note sales prices and assessment values rarely equate each other. The former reflects buyer or seller purchasing power at that given point in time, whereas the latter reflects a projection made by an assessment body based on past trends. Some BC communities may see assessed values much higher than sales prices, while others experience the opposite.

Figure RDCK – 14d: Dwelling Assessments (2019 dollars) & Percent Change '10-'19



Source: BC Assessment

15. SHORT-TERM RENTALS

Short-term rentals (STRs) have grown as a more fluid and flexible use of residential dwelling space for temporary accommodations that blurs the line between rental housing and commercial hospitality.

Alongside this market growth is concern about the impact of STR units on traditional residential market sector; specifically, whether STRs are removing permanent tenure homes from the market, reducing supply and increasing the difficulty for households to find suitable places to live.

The following discussion reports on the overall change in STR units and aims to estimate the maximum units potentially removed from the market. To do so required the use of third-party data provided by the company AirDNA, which provides monthly data on STR markets, scraped from the public-facing websites of several STR platforms, including AirBnB. This report's analysis combed said data and applied the following definitions to the exercise:

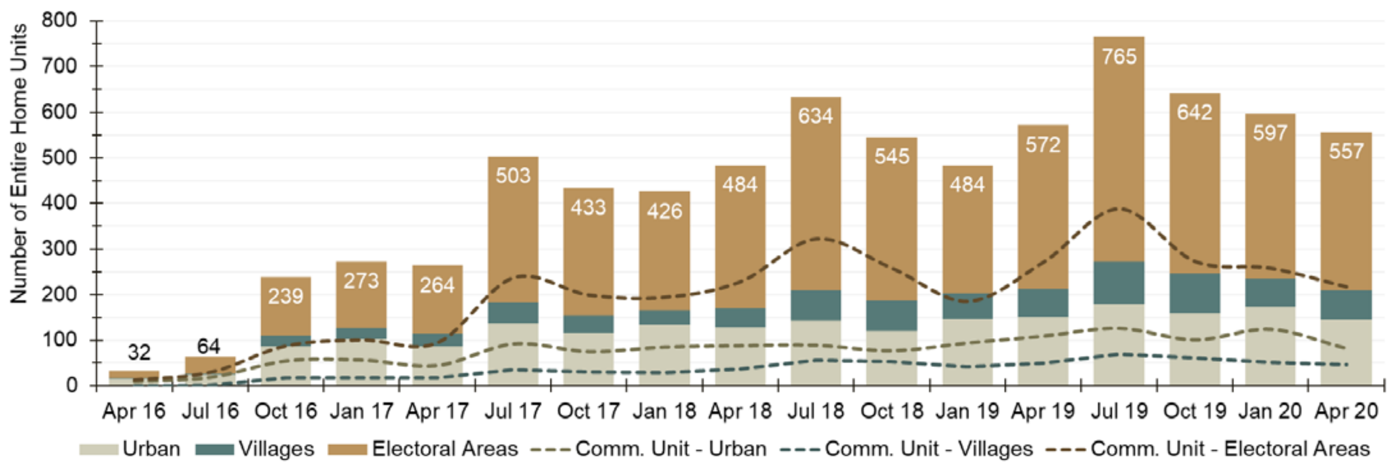
Total market: all short-term rental units that were active (meaning, reserved or available at least one day in a month) within a given time period.

Commercial market: all short-term rental units that were active within a given time period but are available and/or reserved more than 50 percent of the days that they have been active. The 50 percent cut off is meant to separate residents using the service to generate supplemental income from non-resident STR operators operating income/investment properties. The commercial market only considers entire homes or apartments, not listings that are hotels, private rooms, or other.

Shown in **Figure RDCK – 15a**, RDCK's STR market hit a maximum 765 available units in July 2019. In April 2020, the last available reported month for this study, 557 STR units were active (booked or available at least one day of the month) on their respective platforms. In that same month, estimates indicate a maximum 346 units may have been commercial properties, or 62% of listings. Contextualized, 346 units is about 1% of the estimated 2020 sub-regional housing demand.

The 11 electoral areas produce the greatest total available and commercial, entire-unit properties within the RDCK (about 32 per area). Nelson and Creston contribute to 26% of RDCK listings (most coming from Nelson).

Figure RDCK – 15a: Total Market STR Units & Estimated Commercial Units

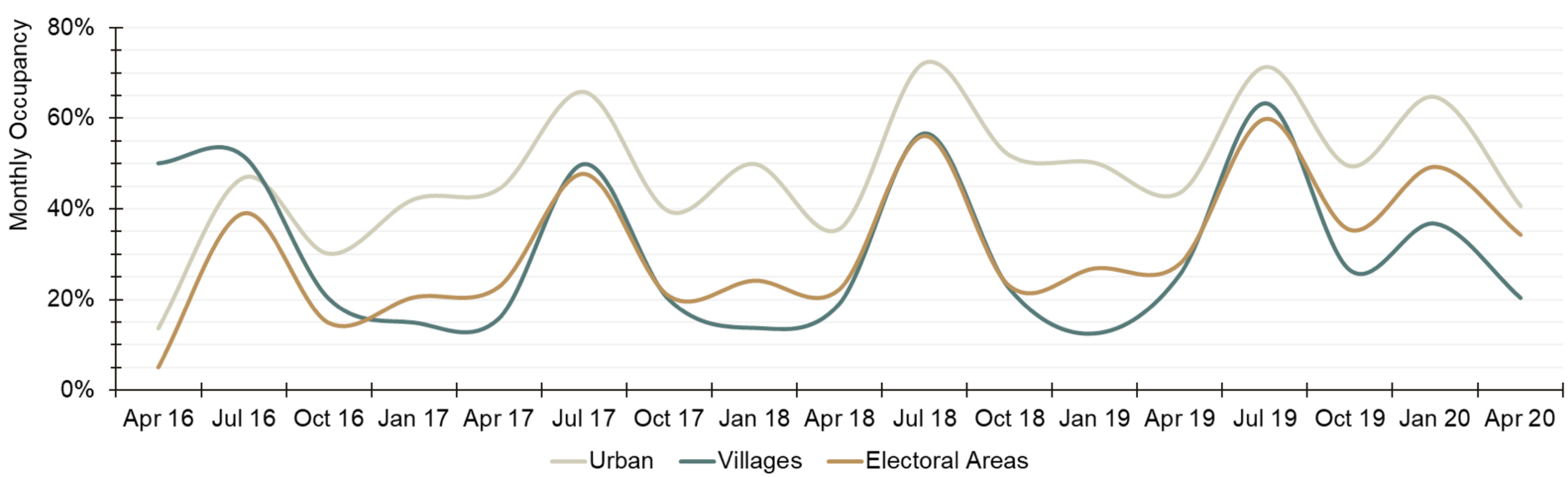


Source: AirDNA

Figure RDCK - 15b illustrates monthly occupancy of active short-term rentals. Occupancy refers to the total days reserved divided by the total days the listing was available in that month. Occupancy peaks around July of each year (with some variation), corresponding with summer vacation. Occupancy normally rebounds as of April; however, the RDCK experienced a dip at that time in 2020, very likely due to COVID-19.

COVID-19 has created a short-term decrease in STR activity across the globe, however as the travel and tourism activity begins to return, it appears STR markets are returning to their previous state.

Figure RDCK – 15b: Historical Unit Occupancy of Short-Term Rentals



Source: AirDNA

16. NON-RESIDENT OWNERSHIP

The role of non-local ownership of, and investment into, local residential real estate is an emerging topic of discussion in housing issues across the country. In general, the concern arises that availability and affordability of housing may be influenced by forces which are detached from local economic and demographic fundamentals; in this case, the effect of 'external' market demand acting on the local supply. Though it may appear straight-forward, the question of whether non-resident market participation is affecting a community's housing market, and the degree to which this is detrimental, neutral, or even beneficial, is extremely complex. The answers can vary widely depending on how "non-resident" and "ownership" are defined, and further, there is generally a lack of detailed data from which to draw nuanced conclusions. As a starting point for the conversation, this report section incorporates several different data sources to examine the potential extent of non-resident market participation, and trends therein.

In 2018, Statistics Canada released non-resident property ownership data for communities in British Columbia, demonstrating which areas have greater concentrations of non-resident owners. For this program Statistics Canada defined a resident as an individual who permanently calls Canada their country of residence; thus, a non-resident household is one that has at least one owner who lives permanently in a different country. This data is therefore an overly conservative picture of non-local ownership as it only addresses international ownership and would not reflect ownership by individuals from elsewhere in the province, or elsewhere in Canada.

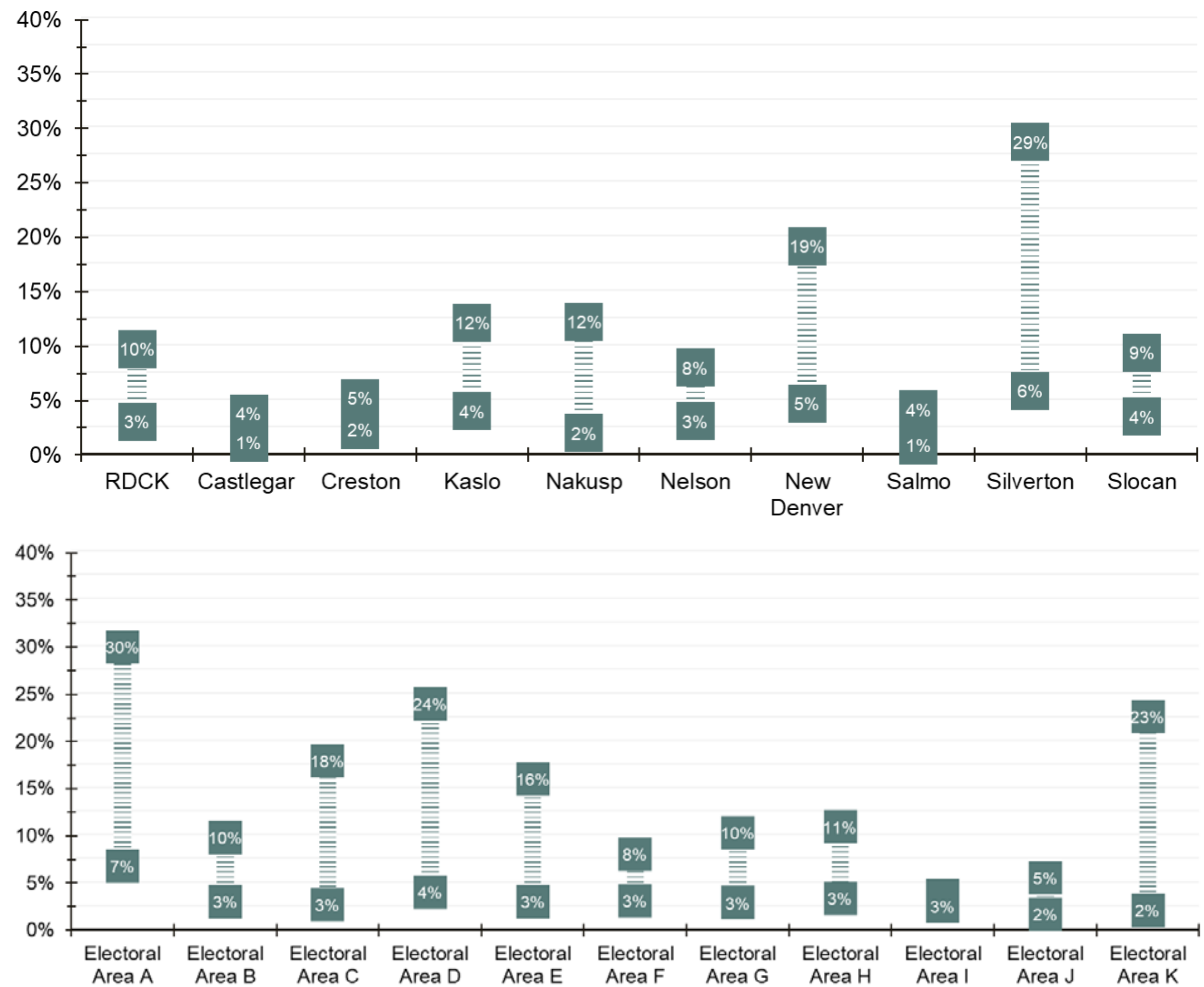
In contrast, the RDCK produced a dataset based on land ownership records in the Region which compares property civic addresses with the owner's listed mailing addresses, with matches being classified as "resident-owned". This data presents a liberal picture of non-local ownership as it considers everything other than an owner-occupied dwelling to be "non-resident" owned. This would not reflect common situations such as individuals within the community owning rental properties or recreational properties elsewhere in the same community.

The Statistics Canada and RDCK data represent two ends of a spectrum of potential non-resident ownership. This report combines the two to produce a range within which the true percentage may lie. **Figure RDCK - 16a** illustrates this combination. The square markers show the minimum (Statistic Canada's definition of non-residents) and maximum percentage (RDCK's definition) possible. The hatched line in between shows the range. Note that percentages reflect the percent of non-resident owned property with a building on it; they do not consider vacant land.

Readers will notice that **Figure RDCK - 16a** ranges vary significantly across communities, with the largest mostly found in smaller geographies. For instance, Silverton's percent of non-residents falls between 6% to 29% while Nelson's is 3% to 8%.

Overall, the data does not suggest that the RDCK is abnormally impacted by non-resident ownership. Rates tend to be higher in electoral areas, most likely reflecting the prevalence of recreational properties typical of rural areas. More urban locations, which tend to be the focus of "foreign investment", do not exhibit elevated rates. Within the data, no patterns are observed with respect to building age, which would suggest there have not been recent changes in these trends. This is corroborated at a high level by the Census, which shows a similar proportion of non-permanently occupied dwellings in the Region between 2006 and 2016.

Figure RDCK - 16a: Percent Range of Non-Resident Households



Source: Local Government, Statistics Canada

Housing Need & Affordability Analysis

SECTION SUMMARY

The urban areas are the main providers of non-market housing facilities and programs

Creston, Castlegar, and Nelson are the main non-market housing and programs providers. Only Nelson provides emergency or homeless shelters affiliated with BC Housing. Electoral area residents mostly benefit from rental assistance.

Historical annual construction starts will almost meet future annual demand.

Housing projections to 2025 anticipate a total surplus of 25 units across the Regional District, about 0.1% of total demand in that year. Deficits occur mostly in municipalities, while electoral areas have greater likelihood of producing unit surpluses.

Proportionally, housing is less overcrowded, requires fewer major repairs, but is less affordable.

New homes are larger and do not yet require substantial repairs; however, their prices tend to be higher. Those who cannot afford newer homes end up seeking older, smaller, and less up to date alternatives to fit their budgets.

Single people and low-income households cannot reasonably afford market prices.

Single households, who are often younger and hold lower wage jobs or are older and live off investments or savings, do not earn enough to comfortably rent or purchase a traditional dwelling type in the RDCK, emphasizing the importance of non-market support.

Vehicle fuel costs are putting significant financial pressure on RDCK households.

The average household can reasonably afford their utility bill; however, when gas expenses pertaining to work, errands, and seeing friends and family are considered, annual energy costs can double (sometimes more). Many households are in energy poverty due to the costs of transportation.

COMMUNITY PERSPECTIVES:

The following insights and experiences related to housing needs were shared through community engagement activities.

The following insights and experiences related to housing needs were shared through community engagement activities.

Nearly one-quarter (22%) of survey respondents indicated that they are considering moving out of the community they currently live in due to housing issues. Of renter respondents 46% were considering leaving their community and 19% were unsure. When asked why, respondents provided the following:

- Housing costs are too expensive, and housing is unaffordable. This includes the cost of property tax and other additional cost of living such as transportation, food and heating.
- Younger community members feel that they will never be able to afford to rent or own a home.
- Many older community members want to be able to downsize to a more affordable home or one that is easier to maintain, but there are limited options available.
- Wages are not keeping up with cost of living and other communities may provide more affordable options.
- There is a lack of housing available to meet the needs of students.
- Housing instability is a concern. Individuals or families who have had to move multiple times due to changing tenancy, affordability or a lack of appropriate housing options are not able to set down roots.
- Finding, maintaining, and navigating housing in the RDCK is incredibly stressful, especially for renters who report concerns with evictions, landlords, housing conditions impacting general health and well-being.
- A general lack of rental options makes it hard for community members to stay.
- There is a perception that real estate pressures in Vancouver, Calgary, and Edmonton are spilling over into the Central Kootenays. People escaping those markets can outspend long-term residents in competitions for rental or owner units.

"I worry I will never be able to afford a home here and cannot see myself living in my rental forever. My partner and I both make good wages, but seemingly could never afford the mortgage rates for the current homes on the market, or the rental rates of well-maintained rental homes."

"We eventually want to own our own house but the prices in Nelson are so high that we are considering moving elsewhere and buying for cheaper/what we can afford."

"Cost of living and intrusions by Vancouver and Edmonton people buying up property and causing prices to go up for their investments of which they are only there part of the year."

"I am in low income housing where there is a great deal of domestic violence, substance problems, and overall low quality of life. There are police sent to my complex on an almost weekly basis and I do not want to have to raise my child in such a toxic environment but currently have no means of escape as this is the only living place I can afford."

"Constant fear of being evicted. Constant letters with negative, bullying language about everything. Constant smoking (I and my child are allergic) in building, which is ignored by manager. Cannot have any pet for my son (fish, lizard, gerbil, hamster, cat or bird)."

"Yes. If i can find a similar job in the Okanagan I am going to move there. I found a few rentals that will work with me."

"I now struggle to even live pay check to pay check due to high living expenses"

The private rental market is not meeting the needs of many renters.

The private, or secondary rental market, which represents a large proportion of rentals available in the RDCK, is not able to meet a diversity of community members needs. Renters who require more accessible spaces or have mobility challenges have very few options available to them. There is also a lack of stability for renters in the private market and it can be challenging to find long-term stable housing.

"Many landlords discriminate against young people, making it hard for an independent student living without parents to find safe affordable housing.

"It's not a fair playing field when people apply. It's who you know not your history."

"There are not enough rentals in the area, a lot of landlords have backed out of the market due to the lack of protection afforded by Provincial legislation."

There is a need for more non-market housing options, both with and without supports.

The people in most need are those with the least housing options available to them. People will the least ability to weather unstable housing conditions are the most likely to be affected by the current housing deficit and there are very few non-market housing options available for them. Those in equity-seeking groups, and especially those of Indigenous identity were at a higher risk of housing instability. Informants overwhelmingly pointed to deficits in emergency shelters, transition housing, supportive housing and senior's housing, noting that while these options were limited for all residents, the options for residents that were not classified as seniors were even more limited. Several key informants highlighted the need for supportive housing for youth and young adults with Fetal Alcohol Spectrum Disorders (FASD).

One of the identified challenges in providing non-market, affordable housing in the Kootenays is the perception in communities that low income housing will not be well maintained, stigma around affordable housing projects, and rental horror stories. Interviewees working in housing or social services noted that a recognition that poverty can happen to anyone is crucial.

"There are townhouses ...that were supposed to be affordable for family but are now just regular housing and not for families."

"Complexity of care is too high in a regular housing staff for disability, addiction, mental health, FSAD, they need housing support but not group home settings. And seniors that have been homeless- really vulnerable with chronic diseases, disabilities etc."

"[there is a] stigma around affordable housing and [it is] hard to make money renting."

"The thought as well in the community is that if you build housing for low/ affordable it will be trashed. The community is not educated or aware of how these projects run or the supports within them."

Rent subsidies are not enough to afford housing costs.

A repeated housing concern was that there are very few options for people accessing Income Assistance, Persons with Persistent Multiple Barriers, and Persons with Disabilities programs. Depending on your classification, the typical monthly shelter allowance is $375 for a single person. There are very few market or non-market units available at that price point and assistance rates have largely not increased for over a decade. Through community engagement we heard that some landlords in the private rental market can sometimes be hesitant to rent to individuals who receive income supports and that individuals have been denied housing simply because of the fact that they do receive some level of income support.

"Availability in Salmo very rare and cost. COST $$$$$ YOU MUST INCREASE THE PWD SINGLE AND SINGLE PARENT housing $375 SERIOUSLY!!!! A room is $650 or more LET ALONE A THREE BEDROOM! Build AFFORDABLE senior housing."

"Rental subsidy is a joke. Bigger families mean higher rent and utilities but that is not taken into account. Making 50,000 a year and paying 40,000 a year in rent leaves nothing to live. Food banks have been amazing but it is only once a month."

"Being on Income Assistance does not make landlords feel like I have a secure income, even though I do work on top of receiving it and have multiple employer and landlord references from previous years. Most posts for housing say that they are searching for a "full time employed individual" and don't even give you a chance."

Renters and owners are both challenged by the current housing market.

There is concern amongst community members that people who have traditionally been able to afford housing are increasingly being pushed out of the region. This manifests in hidden homelessness, increased usage rates at places like food banks, or people renting in places that are further from vital services so they can get the number of bedrooms they need. There are many people in the RDCK who, five years ago, may have been able to afford market housing who are now unable to because of the accelerated cost. Key informants routinely pointed out that accessing housing is more difficult for everyone, not just marginalized populations. More and more, only those making more than the median income are insulated from housing instability.

"There isn't enough market rental even for younger folks, there's a 100% occupancy and waiting list."

"I work full time plus part time to make ends meet even though I have a good education… I do not want to live in my car. I do not want to deal with the mold and leaky roof anymore. I don't want to have to choose between food and heat."

"People come to the office who've been evicted, can't afford rent or are looking, we hear a lot of people coming through the doors and have to redirect them out of the community."

"Can't afford to buy or rent anything in or around the area. So sad because I am a 3rd generation Nelsonite but I can't afford to live here anymore."

"I love Nelson and I have lived her for over 10 years, but with it being such a struggle to find affordable rentals I am not sure I will be able to stay and it is breaking my heart."

Energy Poverty

Key informants working in community services or seniors supports suggested that energy prices were rising, posing a challenge to seniors and low-income residents, particularly in winter months. Many residents are dependent on wood heating, which is relatively expensive and polluting. There was a strong interest in retrofitting housing to improve energy efficiency, and some knowledge of energy provider programs to help finance these renovations. However, financial support programs for energy bills were complicated and largely unknown or unclear.

About one-third (29%) of all respondents to the community survey indicated that their energy bills were not affordable to them. A greater proportion of renters (41%) reported unaffordable energy bills than owners (22%). Off the 144 respondents who indicated their energy bills were not affordable, 64% reported holding off on other expenses like leisure activities or recreation for children. Sixty-two percent (62%) said they did not pay other bills, and 60% indicated that they kept their house at an uncomfortable temperature to avoid paying expensive heat bills.

For most respondents (88%), the first thing they go without is entertainment and leisure activities. As things get tighter, households are more likely to stop paying other bills (46%), cut back on groceries and food costs (25%), children's activities (23%), or internet and phone (21%).

Only about 3%, or 15 respondents, have ever accessed services to help pay energy bills. Contrasted to the 144 respondents who indicated their energy bills are unaffordable, this indicates that many individuals who need support are unaware of or ineligible for it. As renters are in a higher need category than owners, it may also indicate a need for program and supports targeted at renters.

"Electricity is prohibitively expensive."

"Most heat with electricity and wood. Wood is expensive, hard to come by... for seniors it's hard to get up the mountain to chop and haul."

"January and February men mainly come to the foodbank and tell of heating bills of $800, lots of people use firewood and are looking for cheap firewood."

"Electricity is owned by Nelson Hydro and extremely expensive."

17. NON-MARKET HOUSING SUPPLY & PROGRAMS

BC Housing provides annual reports regarding the provision of non-market housing across communities like Central Kootenay. The report, made available in late March 2020, details the total persons or households using forms of emergency shelters, transitional and assisted living, independent social housing units, or private market rental assistance programs. The following subsections summarize the current stock of these facilities and program offerings and the number of waitlists corresponding to population need.

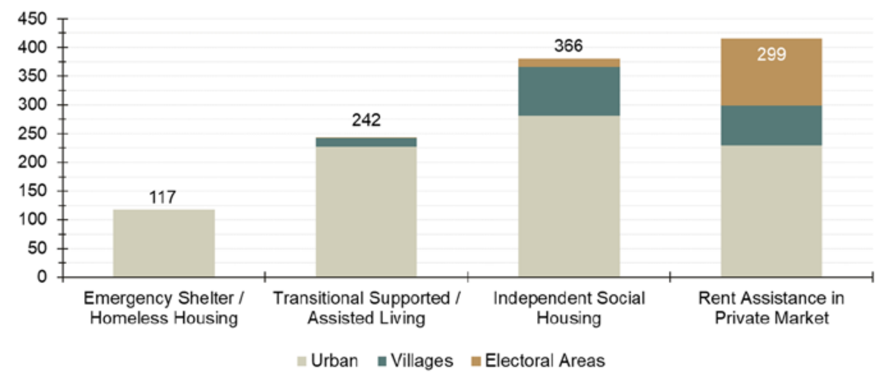
Facilities & Programs

As of March 31, 2020, only the City of Nelson provides emergency shelter or homeless housing. Urban areas (Nelson, Castlegar, and Creston) are the primary contributors to all facilities and programs: shelters (117 people or households), transitional support and assisted living (228), independent social housing (282), and private market rental assistance (230). The villages provide some non-market help in all areas but emergency shelters, while electoral area residence mostly benefit from rental assistance programs.

In addition to facilities provided through BC Housing, the Nelson CARES Society manages 155 affordable housing units across 5 locations. Nelson CARES Society provides safe, comfortable, and affordable housing to low-income seniors, families and single adults. Two new buildings are under development, Lakeside Place and Hall Street, which will add 88 units. No vacancies exist for their current units.

The 12th Annual Report Card on Homelessness for Nelson indicates that there are another 105 subsidised units that exist across the Kiwanis Projects Society (62 units for seniors), Cicada Place (10 units for youth), and Anderson Gardens (33 units for people with disabilities and seniors).

Figure RDCK – 17a: Non-Market Housing Facilities & Programs, March 31 2020



Source: BC Housing

Non-Market Housing Waitlist

As of January 2020, the BC Housing wait list for the 143 subsidised unit stock in the RDCK had 123 applications, including: 27 families, 25 residents with disabilities, and 30 seniors. **Figure RDCK – 17b** shows the distribution of waitlist applicants based on geography.

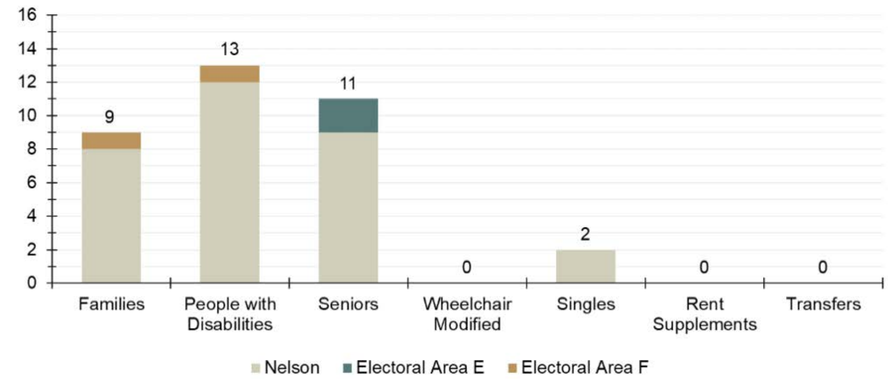
The totals provided only reflect active BC Housing applications and do not represent the true total people who can or should be accessing services but are not, either due to stigmatization of accessing services or feeling disheartened by long wait list numbers or times.

The totals provided only reflect active applications with BC Housing and do not represent the true total of people who can or should be accessing services. In some cases, this can be due to stigmatization of accessing services or feeling disheartened by long wait list numbers or times. In others, applicants are predominantly for local housing providers not associated with BC Housing.

For instance, the Nelson CARES Society has 619 people requesting accommodation. Of this 619, 37 are for 1 bedroom seniors housing, 85 are for single residential occupancy units, 33 are for 2 bedroom units, 17 are for 3 bedroom units, 11 are for 4 bedroom units, and 436 unique names seek a unit in either upcoming Lakeside Place or Hall Street developments.

Furthermore, there are 42 people currently waiting for a unit with Kiwanis, 34 for Cicada Place, and 136 for Anderson Gardens.

Figure RDCK – 17b: Non-Market Housing Waitlist by Need, January 31 2020



Source: BC Housing

Homelessness

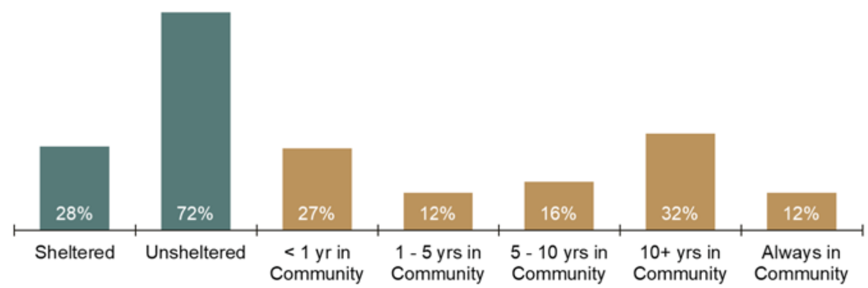
BC Housing, in association with the Homelessness Services Association of BC (HSABC), Urban Matters, and the BC Non-Profit Housing Association (BCNPHA), produced the 2018 Report on Homeless Counts in B.C., which integrates Point-in-Time (PiT) counts of homeless people in select communities across the Province. The following is a summary of key data provided by the report regarding those surveyed in the City of Nelson (the only RDCK geography with data available):

- 115 people were without safe, permanent housing
- 72% of people without safe permanent housing were unsheltered (83 individuals);
- 44% have called Nelson home for at least 10 years;
- 54% are male, 39% are female, and 7% identify as having a different gender identity;
- 18% are "youth" or people younger than 25 years old; and
- 35% identify as Indigenous.

Aggregated provincial results provide greater detail on the homeless population, including:

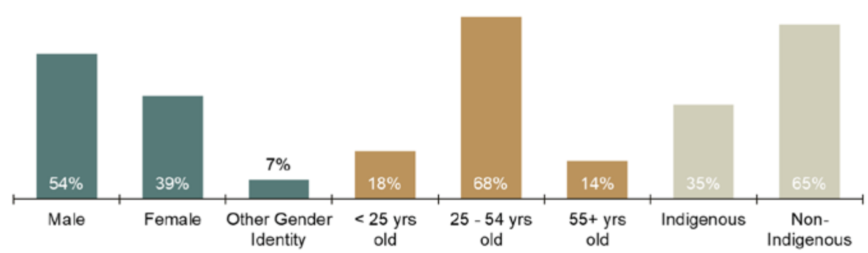
- 4% are immigrants or refugees;
- 8% identify as LGBTQ2S;
- addiction or substance abuse is the most common reason (23%) for a loss of housing, followed by eviction (18%), and finances (18%); and
- 51% of people reported their income as the primary barrier to accessing housing.

Figure RDCK – 17c: Community Homelessness (%) in Nelson, June 2018



Source: 2018 Report on Homeless Counts in B.C.

Figure RDCK – 17d: Homeless Demographics (%) in Nelson, June 2018



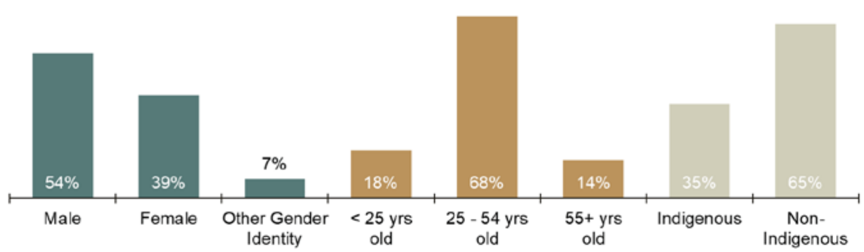
Source: 2018 Report on Homeless Counts in B.C.

The Nelson Committee on Homelessness (NCOH) contributes to the PiTs described above and produces an Annual Report Card on Homelessness that sheds light on the causes and experiences of Nelson homelessness. In June 2019, the NCOH published its 11th report card. June 2019 findings indicate the following (originally documented as part of the 2018 PiT counts):

- LGBTQ2S, transgender and Indigenous youth are overrepresented among Nelson's homeless population.
- There is a high degree of hidden youth homelessness in Nelson; 57% of youth surveyed (101 people) had crashed at someone's place the night before while 75% had done so at least 1 time in the previous 12 months.
- Almost 60% of people surveyed who experienced homelessness did so before age 19.

Homelessness counts represent the number of people who could be found on a given day. Consequently, the counts do not represent the entirety of the homeless population; totals are likely noticeably higher than what PiT counts report. That said, the counts aim to illustrate who these people may be (e.g. what age, background, and gender), which is important for understanding where resources can or should be allocated to.

Figure RDCK – 17e: Youth Homelessness (%), June 2019



Source: 11th Annual Report Card on Homelessness for Nelson BC

18. MARKET HOUSING SUPPLY AND DEMAND

Demand

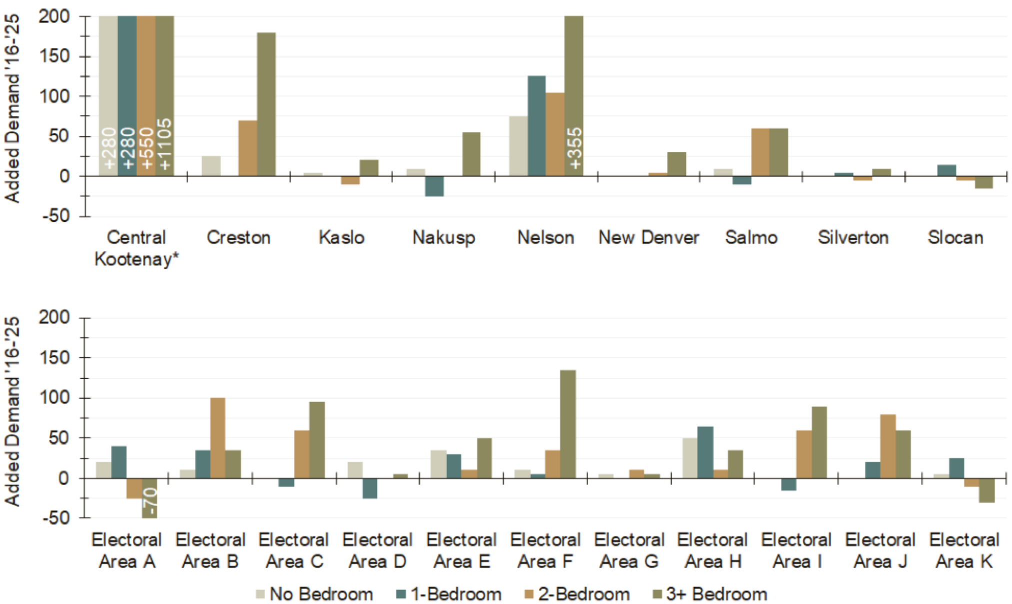
Household growth, presented in **Section 4: Historical & Anticipated Households**, is an important fundamental component of housing demand: by definition a household requires an available dwelling to occupy. Household projections are therefore synonymous with the increase in housing stock required to accommodate expected population changes (note overall housing demand is also influenced by economic and fiscal factors).

This section expands on the household projections of **Section 4** to provide an expectation of the unit sizes these future households are likely to require. **Figure RDCK – 18a** illustrates this demand for RDCK and its communities. Please note that demand calculations by unit sizes are based on the assumption that future growth will reflect historical trends in terms of the sizes of units that households have occupied. These expectations may therefore be inaccurate if other demographic, cultural, economic, or social factors deviate from the past.

Overall, the RDCK may demand 380 no bedroom (bachelors), 2,940 1-bedroom, 7,930 2-bedroom, and 15,770 3-bedroom units by 2025, or 2,215 more units total (27,020) than 9 years prior.

For clarity, these projections are not commentary on the form of housing, only its size. A 3-bedroom unit does not necessarily mean a single-detached home; other housing formats can provide the necessary unit sizes. Furthermore, demand projections only speak to market housing. Non-market housing preferences differ; smaller unit sizes are in greater demand due to greater affordability constraints by those seeking non-market housing.

Figure RDCK – 18a: Housing Demand Change from 2016-2025



Source: Statistics Canada

Supply

Using local building permit statistics, projections of future housing supply are possible. It is important to note that this report's projection of housing supply is a simplification of historical trends; supply is the result of several local, provincial, and national trends which cannot be quantified within the scope of this report. Briefly, supply calculations apply 10-year moving averages of year-to-year construction totals from the most recent census period onwards and uses Statistics Canada's historical distribution of unit sizes to determine how the total unit count may be divided in each projection year.

By subtracting demand from supply, the possible gap in housing can be estimated, as shown in **Figure RDCK – 18b** below. Please note that the gap represents variation from the base year of 2016. For example, a gap of zero suggests that market conditions have not changed (for better or for worse); more demand than supply may suggest increasing prices and lower vacancy.

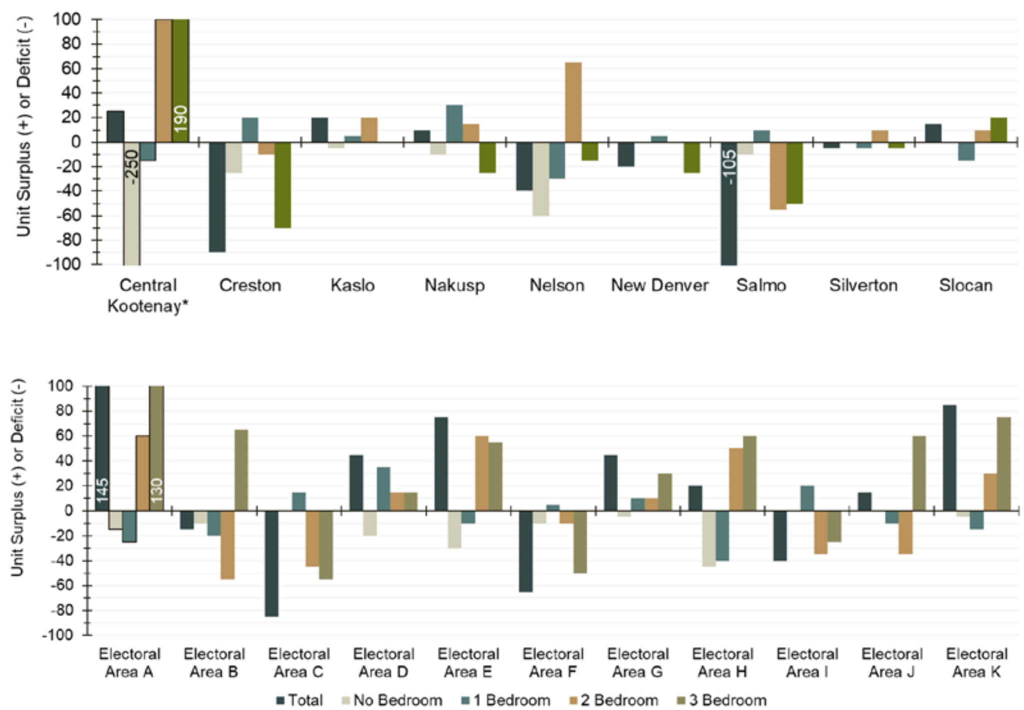
By 2025, RDCK may have a surplus of about 25 units (about 0.1% of housing demand), the aggregate of several deficits and surpluses across individual communities.

Generally, deficits or small surpluses occur in the municipal areas, demonstrating that population growth may be exceeding historical construction. Nevertheless, the large surpluses in the electoral areas (particularly E, G, and K) provide a sufficient buffer to technically meet the demand across the RDCK.

Although supply gaps are estimates, they suggest that there will be a strong deficit of no bedroom units (i.e. smaller, more affordable dwellings) while 2- and 3+ bedroom units will have substantial surpluses. Each community demonstrates varying trends and magnitudes.

It is important to consider the impacts a continuous divide between demand and supply may have on a market. In a market with healthy vacancy, there is greater forgiveness for gaps in housing; supply growing slower than demand may not impact prices all that much. In a market with extremely low vacancy there is greater price volatility, meaning households may experience faster and more intense changes in affordability. In this case, the discrepancy will likely not impose much change on the overall market, though some households may feel it is easier or more difficult to access certain sizes of units.

Figure RDCK – 18b: Housing Supply Gap, '16-'25



*Source: Statistics Canada - * does not include Castlegar*

19. MARKET HOUSING CONDITION

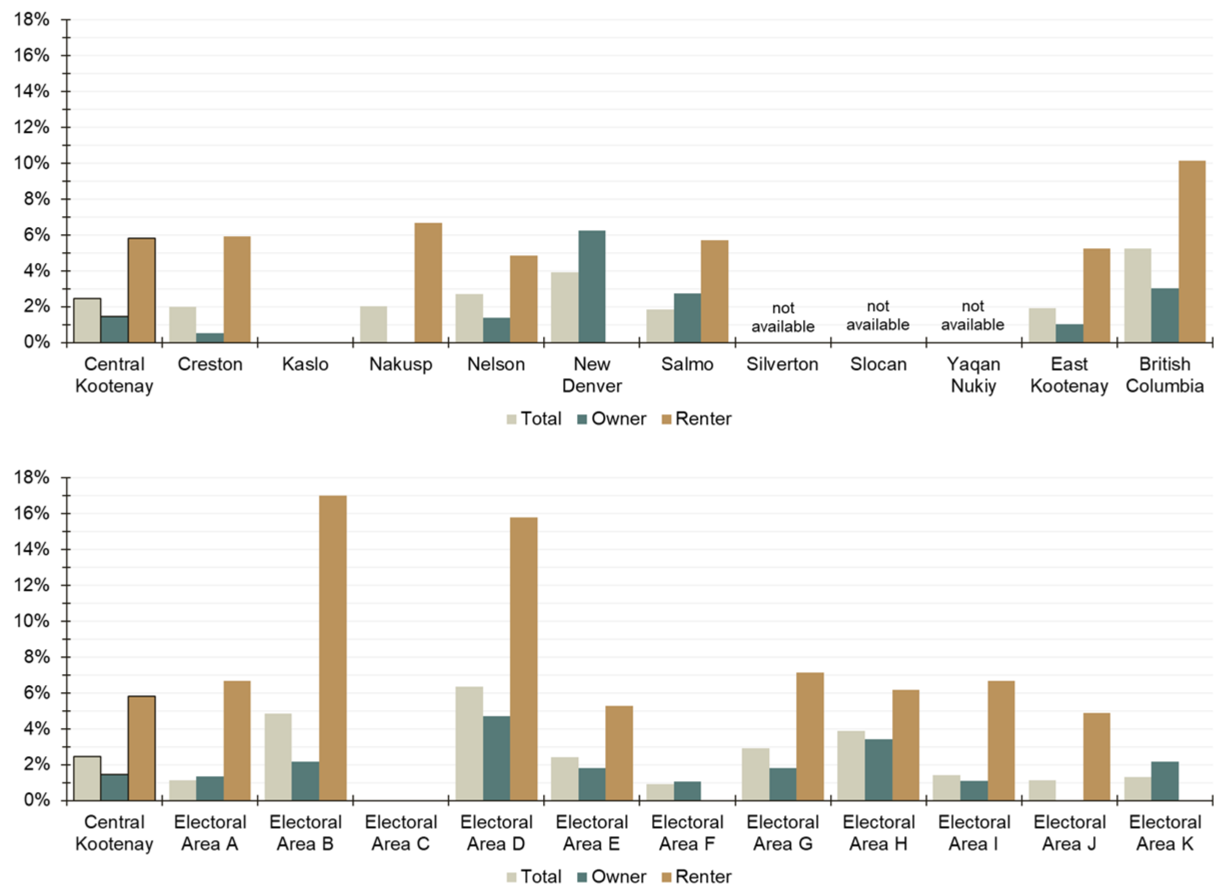
A dwelling's housing condition is normally described using Statistics Canada's components of "Core Housing Need:" suitability, adequacy, and affordability. The **Glossary** provides definitions for each of these; however, a quick guide is that unsuitable means overcrowded, inadequate means major repairs are required, and unaffordable is when shelter costs exceed 30% of before tax household earnings.

Unsuitable Housing

About 2.5% of RDCK households (630) were living in an overcrowded home (not enough bedrooms) in 2016. Greater variation occurs in the electoral areas, particularly for Electoral Area B and D which exhibit significant overcrowding compared to the RDCK (5% and 6%, respectively), mostly driven upwards by renter household overcrowding (17% and 16%).

Overcrowding depends on multiple factors, including the average household size of a community. With a declining average size, it is not uncommon to see improved suitability. Overall, total unsuitable households and the rate of unsuitability decreased since 2006.

Figure RDCK – 19a: Unsuitable Housing by Tenure, 2016



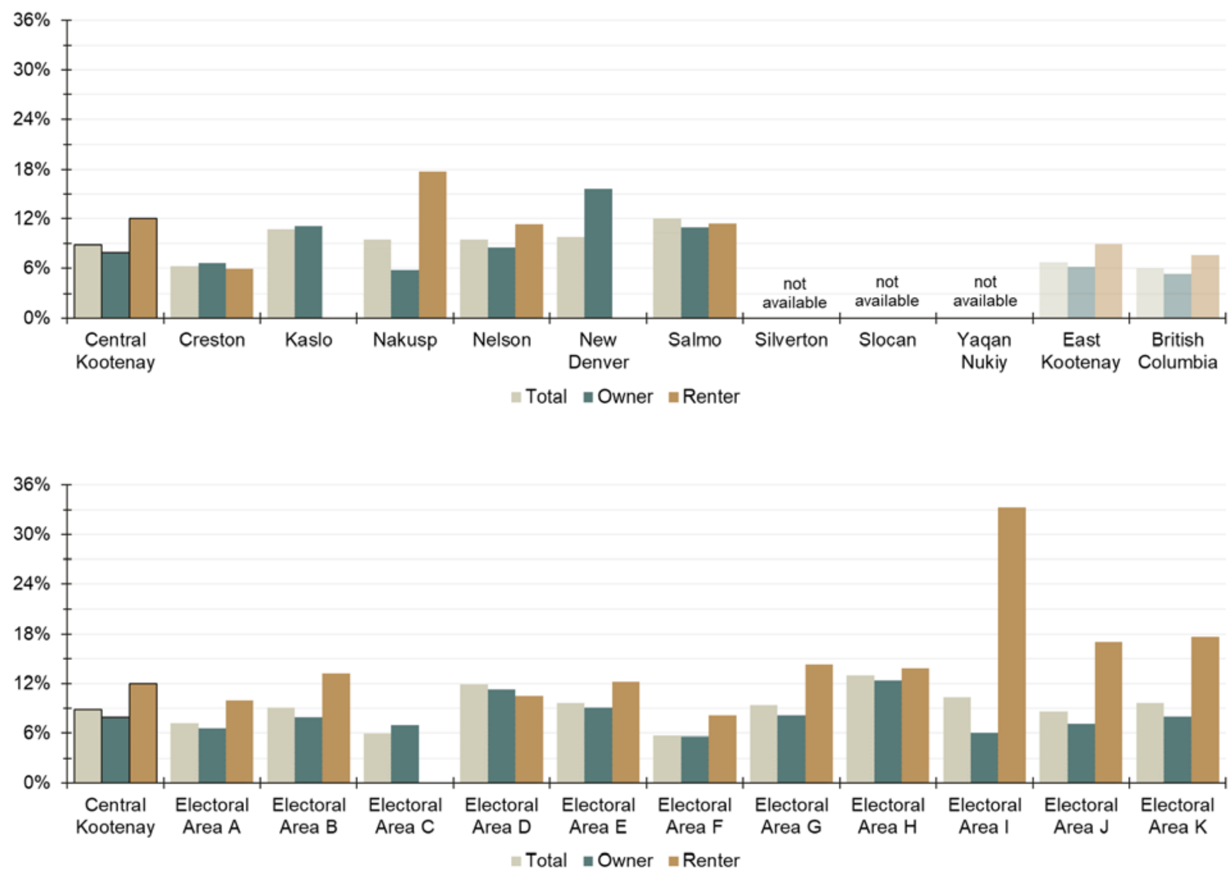
Source: Statistics Canada

Inadequate Housing

About 9% of households (2,270) lived in a dwelling requiring major repair in 2016, a decrease since 2006. Overall rates of major repair do not vary greatly across the RDCK. That said, renter households in Electoral Areas I to K and Nakusp demonstrate high need of repair; Electoral Area I's rate (33%) is almost double the next highest community rate.

The distribution of dwelling age is often the best indicator of the need for repair (the older the home, the greater tendency for condition to diminish). Nevertheless, even if the municipalities typically have an older dwelling stock relative to their totals, they exhibit similar need for repair as the electoral areas. It is possible that the more transient populations attributed to municipalities increases the number of owners that occupy or rent out a particular home, which may increase the likelihood that repairs, or updates are done to meet their needs. Conversely, rural areas may have greater tendencies of long-term occupants/owners.

Figure RDCK – 19b: Inadequate Housing by Tenure, 2016



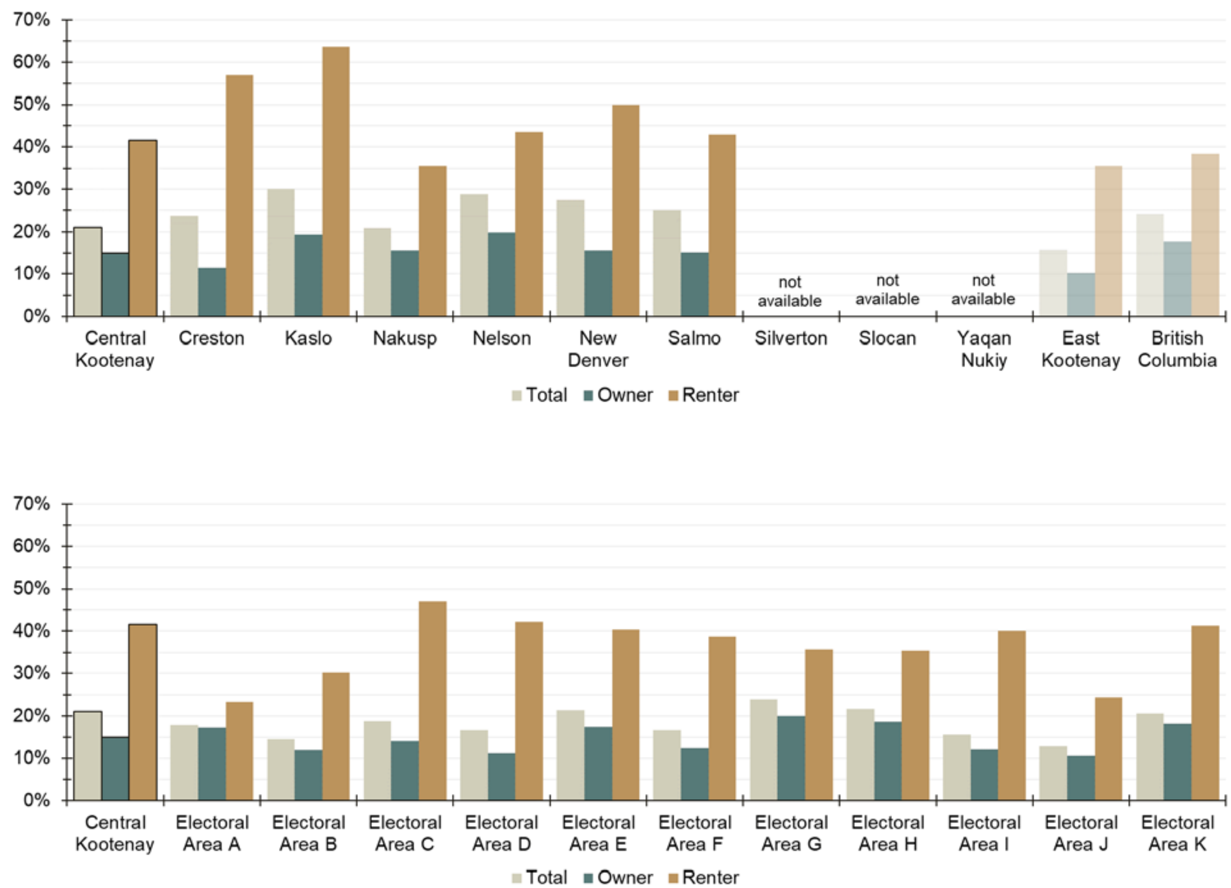
Source: Statistics Canada

Unaffordable Housing

In 2016, Statistics Canada reported that 4,630 RDCK households lived in home that put them outside their financial means (using more than 30% of their before-tax household income on shelter costs), equating to 20% of surveyed households. Renters, who as a whole earn less than owners, are much likelier to allocate unreasonable amounts to shelter (42%). Greatest overall affordability challenges were in Kaslo and Nelson (30% and 29%, respectively), but greatest renter household challenges were in Creston and Kaslo (57% and 64%, respectively).

Overall, total unaffordable housing and the rate of unaffordability increased slightly since 2006. This could either mean that shelter costs are generally growing faster than incomes, putting involuntary strain on household finances, or that households may be less risk averse and are voluntarily choosing to purchase or rent housing that is above their financial means but meets their living needs. Income estimates appear to be growing (on average) faster than housing prices; nevertheless, prices do not include insurance, taxes, or utilities which can quickly make shelter unaffordable (to illustrate, see **Section 21: Affordability – Energy Poverty).**

Figure RDCK – 19c: Unaffordable Housing by Tenure, 2016



Source: Statistics Canada

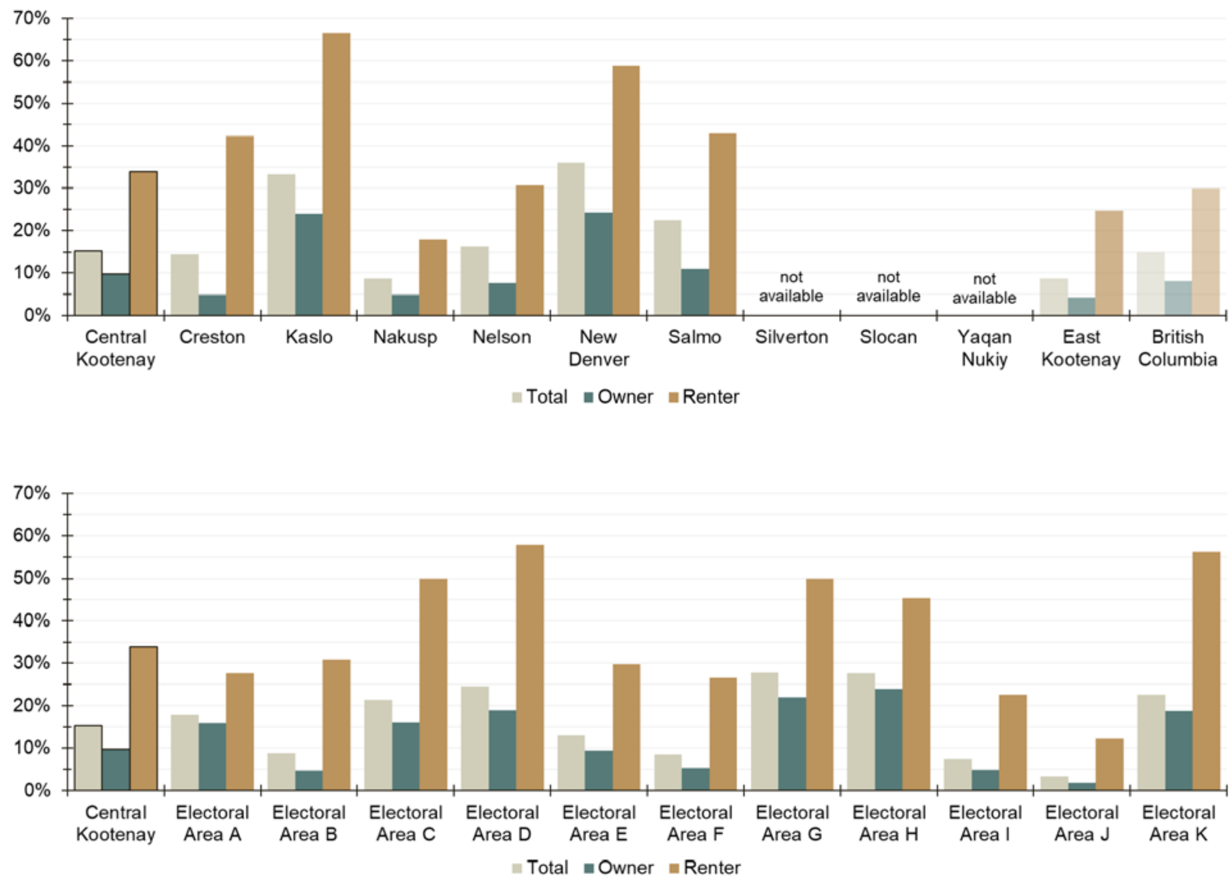
20. CORE HOUSING NEED

Overall Core Housing Need

If a household is in core housing need, it means that they experience at least one of the above hardships with one major difference: affordability is not only whether expenses surpass the 30% threshold, but also takes into account whether an affordable alternative option exists in the market (given a household's needs). Simply, core housing need filters out those who voluntarily spend more money on housing because their means (generally) allow them to. For instance, a household earning $300,000 would likely be able to spend a significant proportion of their income on housing without seriously impacting their ability to afford other necessities. Unfortunately, Core Housing Need does still undercount total households experiencing financial hardship due to housing, particularly owner households who may pay more than they can afford to get their foot in the market, receive higher quality, or simply meet their nuanced family needs.

In 2016, 15% of RDCK households (3,930) were in core housing need, a decrease from 2006's 19%. As mentioned, renter households experience greater difficulty, largely due to lower incomes. Both owner and renter household had lower rates than the previous decade.

Figure RDCK – 20a: Households in Core Housing Need by Tenure, 2016

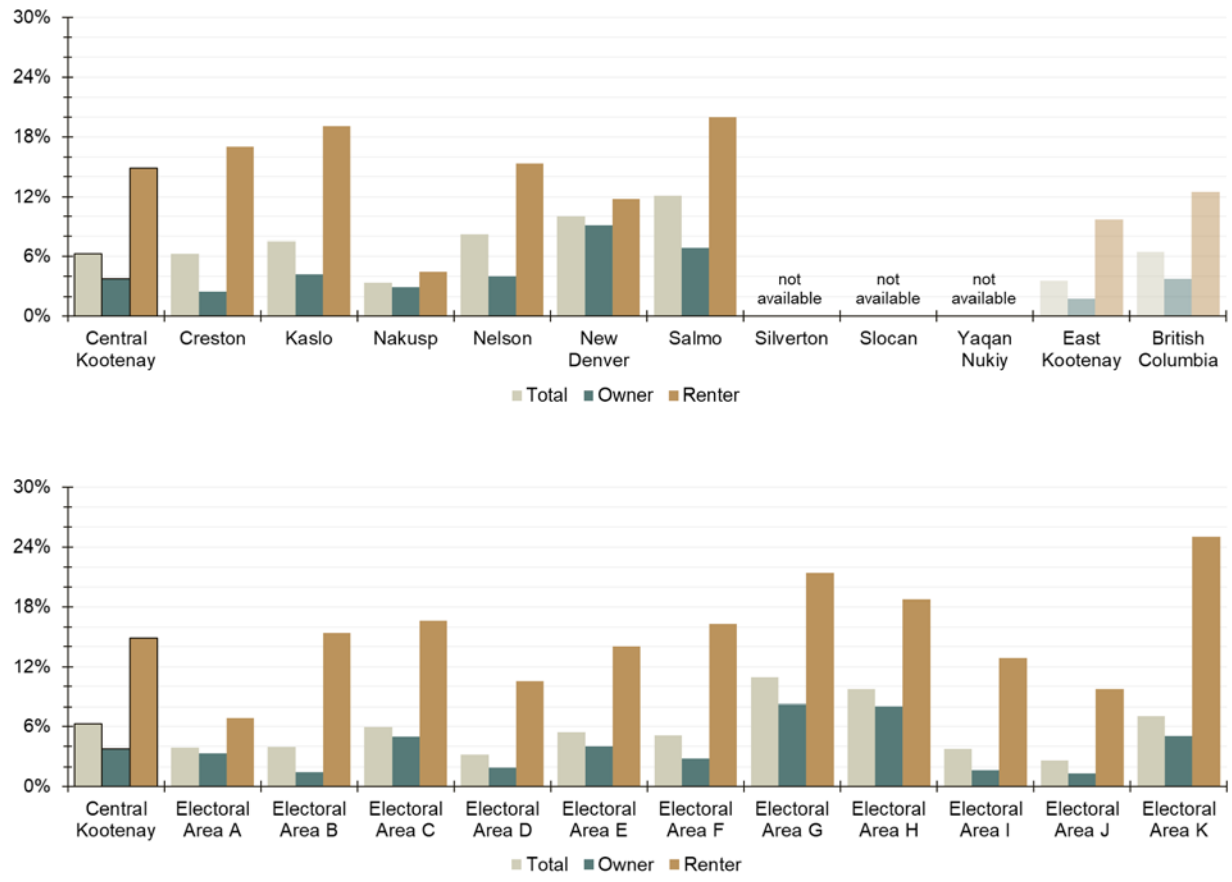


Source: Statistics Canada

Extreme Core Housing Need

Extreme core housing need adjusts the original definition by amending the 30% threshold to 50% in an effort to determine how many households are facing substantial financial hardship. In 2016, extreme need was at about 6% (1,610 households), marginally higher than 2006. Renters continue to be most impacted relative to their totals, marked by an increase over the decade from 14% to 15% of RDCK households.

Figure RDCK – 20b: Households in Extreme Core Housing Need by Tenure, 2016



Source: Statistics Canada

Core Housing Need – Household Income

Household earnings are a major determinant of whether a household experiences core housing need or not. **Figure RDCK – 20c** illustrates that the median household in core housing need earns 31% of a non-core housing need income ($23,862 versus $58,995).

Figure RDCK – 20c clearly shows that households in core housing need (CHN) are in such housing situations predominantly because of incomes and relative affordability. The median amount of household income earned does vary by tenure type for those in core housing need with owners earning $23,540 and renters earning $18,958.

Households that experience hardship based on affordability criteria only earn $35,777 and $19,872 for owner and renter households, respectively. Higher median incomes exist for the criteria (mostly owners) compared to core housing need because it does not filter out those households that have a reasonably priced alternative available; meaning, it can include people or families who actively choose to purchase above their means because they may feel comfortable doing so.

The median household living in an unsuitable home earns significantly more than the overall median. Households in inadequate housing earn below the overall median but still noticeably higher than those in core housing need. This could suggest there is a demand for homes, but the current stock is insufficient to meet dwelling space and quality needs, directing purchasers to smaller or older alternatives.

Figure RDCK – 20c: Core Housing Need & Need Criteria Households Incomes by Tenure, 2016

Source: Statistics Canada (Custom Data Table)

Core Housing Need – Maintainer Age

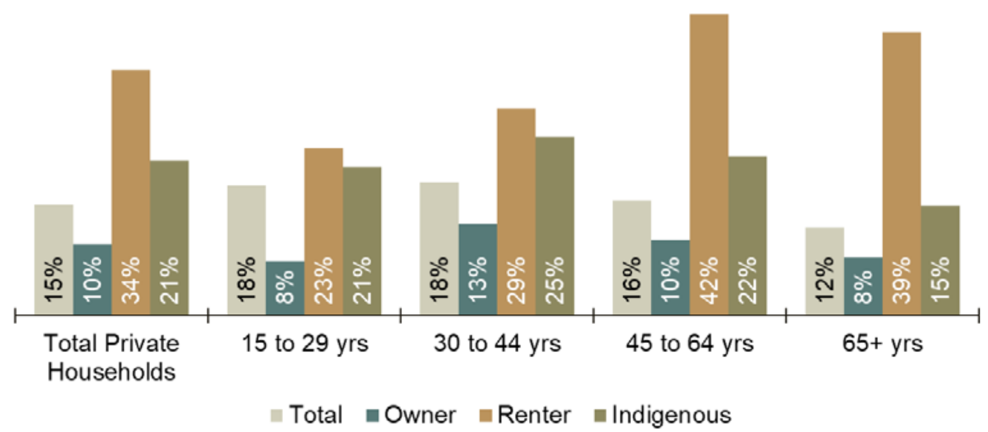
Since core housing need is largely tied to a household's income, there is often an inverse relationship between a household maintainer's age and the overall rate of core need due to income growth over one's lifetime. **Figure RDCK – 20d** shows this trend across cohort totals; the rate of need gradually decreased from the 15 to 29 year cohort (18%) to 65+ (12%)

There are, of course, deviations within the overall totals. Renter household maintainers between 45 and 64 years old were most likely to experience core housing need (42%), followed by seniors at 39%.

Data rounding and suppression seem to impact Indigenous data results. Of what is available, 30 to 44 year old Indigenous people are most likely to be in core housing need. Indigenous people have higher rates of core need compared to the overall population in each cohort.

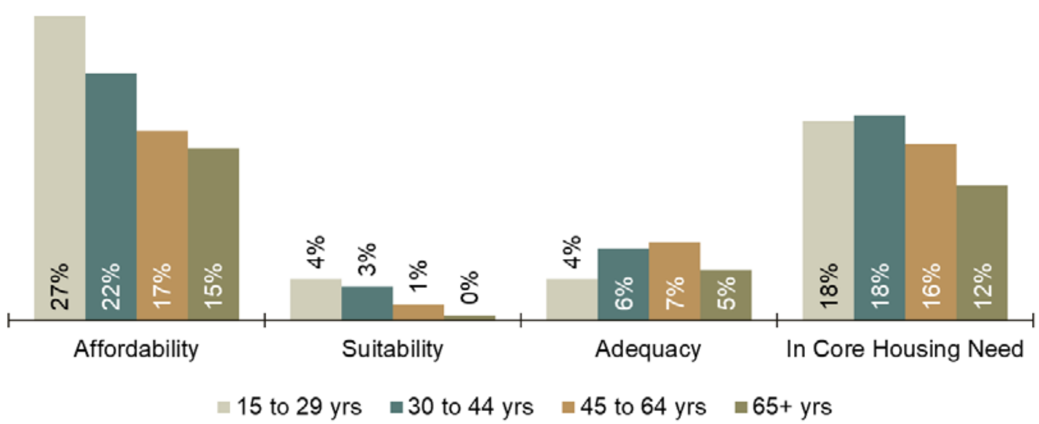
When it comes to affordability, younger households are more prone to facing affordability, suitability, and core housing need challenges. For adequacy, households 45 to 64 years old are most likely to live in a home needing major repair.

Figure RDCK – 20d: Core Housing Need by Maintainer Age, 2016



Source: Statistics Canada (Custom Data Table)

Figure RDCK – 20e: Need Criteria by Maintainer Age, 2016



Source: Statistics Canada (Custom Data Table)

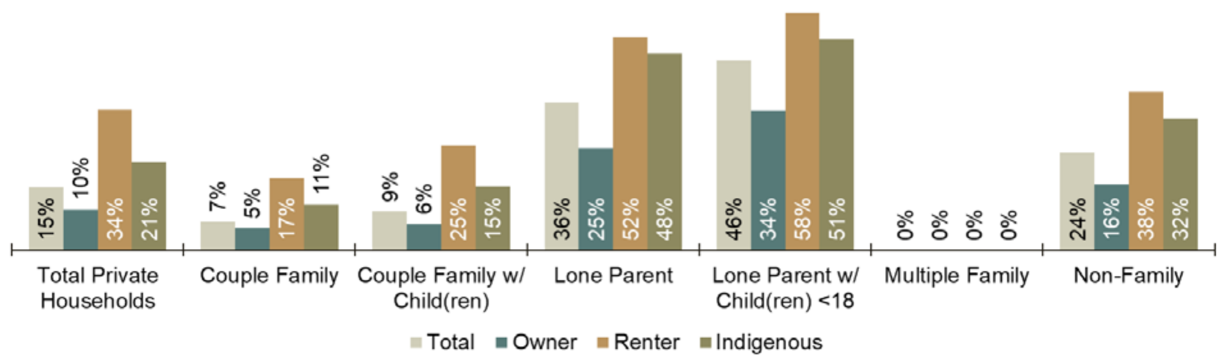
Core Housing Need – Household Type

When regarding household type, two person households (i.e. couples) are less likely to experience core housing need. **Figure RDCK – 20f** demonstrates that, overall, 7% of couples are in core need, compared to 36% of lone parent and 24% of non-family households.

Families with children generally have greater need, largely due to different standards for space requirements and dwelling condition. Core housing need is particularly present for lone parents as their financial capacity is generally limited to their sole income. Lone parents with at least one child below 18 experience more hardship, tied to lower incomes being earlier in their career and the increased financial dependence of non-adult children.

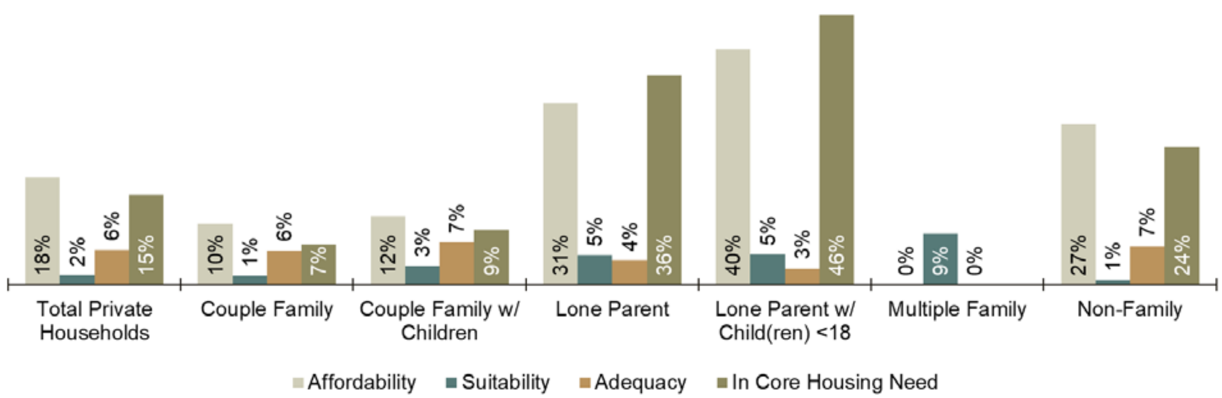
Suitability and adequacy challenges are also higher, though not by near as great a magnitude as affordability, for lone parents (**see Figure RDCK – 20g**) likely due to places that said parents can afford are often not large enough.

Figure RDCK – 20f: Core Housing Need by Household Type, 2016



Source: Statistics Canada (Custom Data Table)

Figure RDCK – 20g: Need Criteria by Household Type, 2016



Source: Statistics Canada (Custom Data Table)

21. AFFORDABILITY

Since it is impossible to express every household's experience, this report developed specific income categories based on the sub-regional median before-tax household income. The categories are defined as follows:

- **Very low income** – making less than 50% of median income
- **Low income** – making between 50 and 80% of median income
- **Moderate income** – making between 80 and 120% of median income
- **Above moderate income** – making between 120 and 150% of median income
- **High income** – those making above 150% of median income

The report applies the following steps to calculate affordable house and rental prices:

1. determine the maximum achievable income in a particular income category range;
2. calculate an affordable monthly rent or dwelling price for said category using Statistics Canada's 30% affordability threshold; and
3. compare these calculations to median market rents and median house prices.

The following tables and figures are the combination of multiple data sources (BC Assessment, CMHC, Statistics Canada, and custom tabulations from Environics Analytics). Each source uses different ways to collect, organize, or define its data. Although efforts have been taken to make the data as compatible as possible, results should not be taken as absolute fact; rather, they are estimates intended to illustrate a high-level trend. The following rules and assumptions were used for this exercise:

- values are rounded for readability;
- rental rates are based a scan of current asking rates in the entire RDCK (determining specific unit prices per community was not feasible);
- estimated dwelling values are derived from an affordable mortgage payment with a 10% down payment, a 3% interest rate, and a 25-year amortization period;
- median income will grow by the historical annual growth rate until 2019; and
- households will spend 6% of their income on utilities.

Calculations do not consider the added cost of property taxes or insurance, which can quickly change an accommodation from affordable to unaffordable.

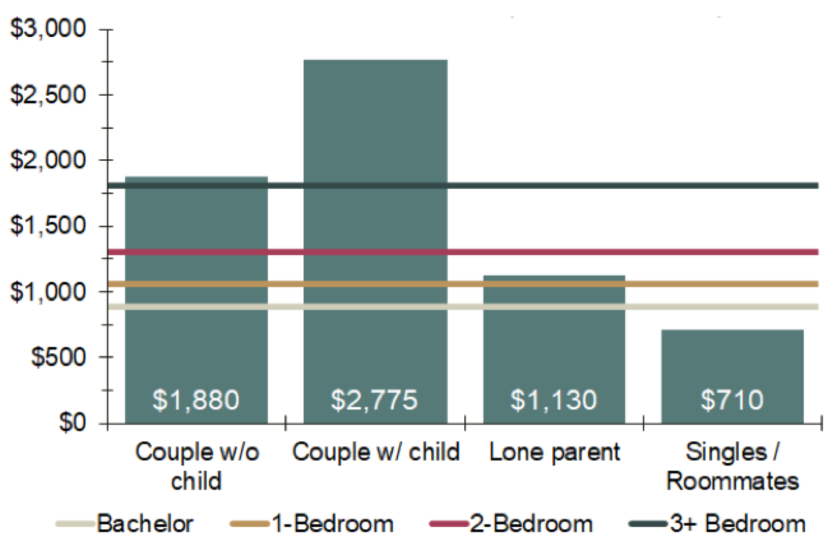
Rental Market Affordability

Figures RDCK - 21a and 21b illustrate how the affordable rents for each median family type and income category defined above compare to the actual costs of renting.

Generally, couples (with or without children) and above moderate income households earn enough to comfortably rent all unit sizes. Households in the moderate income category would need to earn at the higher end of the range to afford all types.

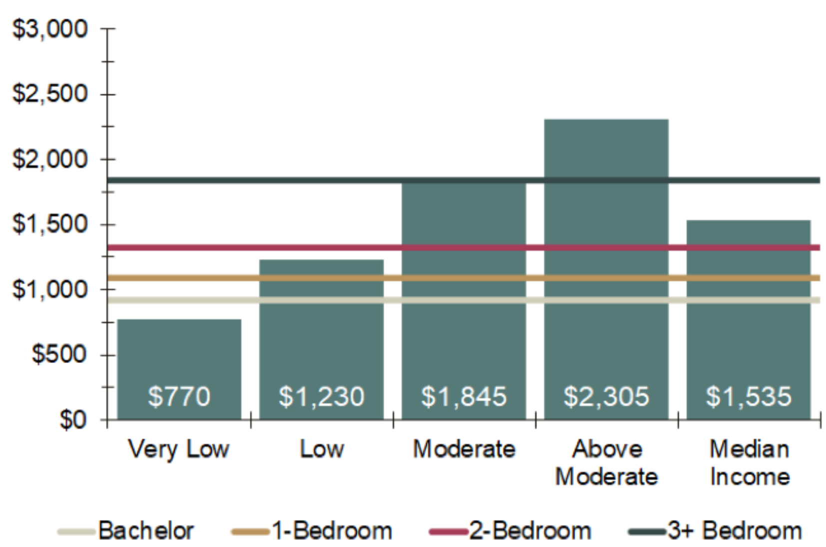
The median lone parent and a low-income household can reasonably afford a 1-bedroom unit, Singles and very low-income households cannot afford current market rental prices.

Figure RDCK – 21a: 2019 Unit Rents v. Affordable Rent Prices by Family Type



Source: CMHC, Local Listings, Statistics Canada

Figure RDCK – 21b: 2019 Unit Rents v. Affordable Rent Prices by Income Category



Source: CMHC, Local Listings, Statistics Canada

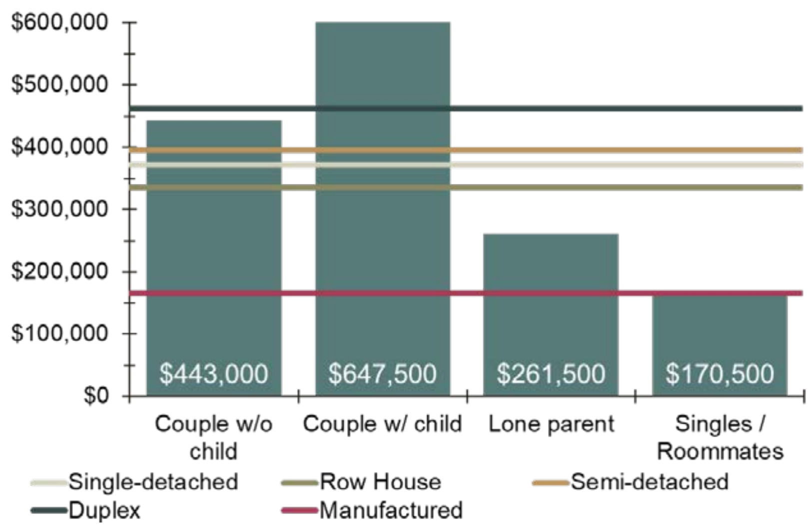
Owner Market Affordability

Figures RDCK – 21c and 21d illustrate how the affordable dwelling prices for each median family type and income category defined above compare to current housing prices.

Generally, couples (with or without children) and moderate-income households earn enough to comfortably purchase a single-detached dwelling. Prices across dwelling types tend to collect around similar prices, resulting in the median price of smaller and denser housing typologies not being accessible for households earning lower incomes. For instance, the median lone parent cannot reasonably afford any dwelling type a mobile home. The same issue occurs for low income earning households. That said, their likely do exist some homes that are appropriate for smaller budgets; however, these will often be smaller or in greater need of repair, which imposes additional burdens that may not be quantifiable at the time of a purchase.

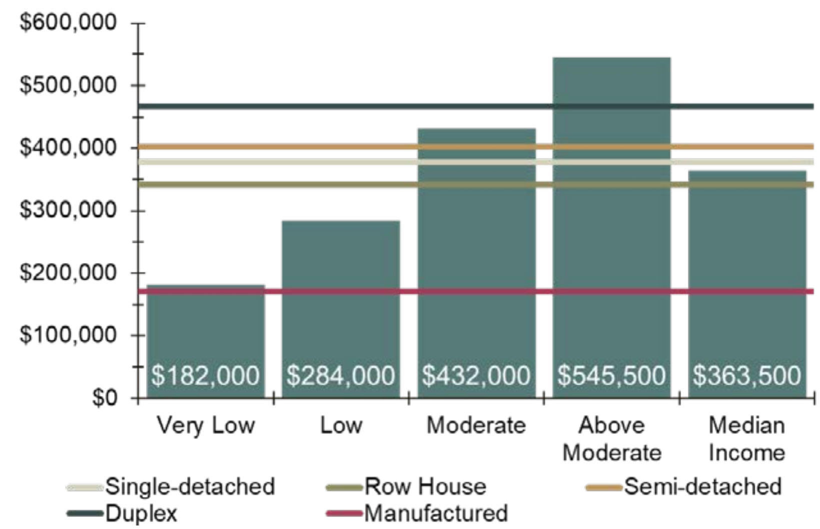
Singles or very low-income households cannot reasonably afford any median dwelling price in RDCK, but can, or are close to, affording manufactured/movable homes.

Figure RDCK – 21c: 2019 Dwelling Prices v. Affordable Prices by Family Type



Source: BC Assessment, Statistics Canada

Figure RDCK – 21d: 2019 Dwelling Prices v. Affordable Prices by Income Category



Source: BC Assessment, Statistics Canada

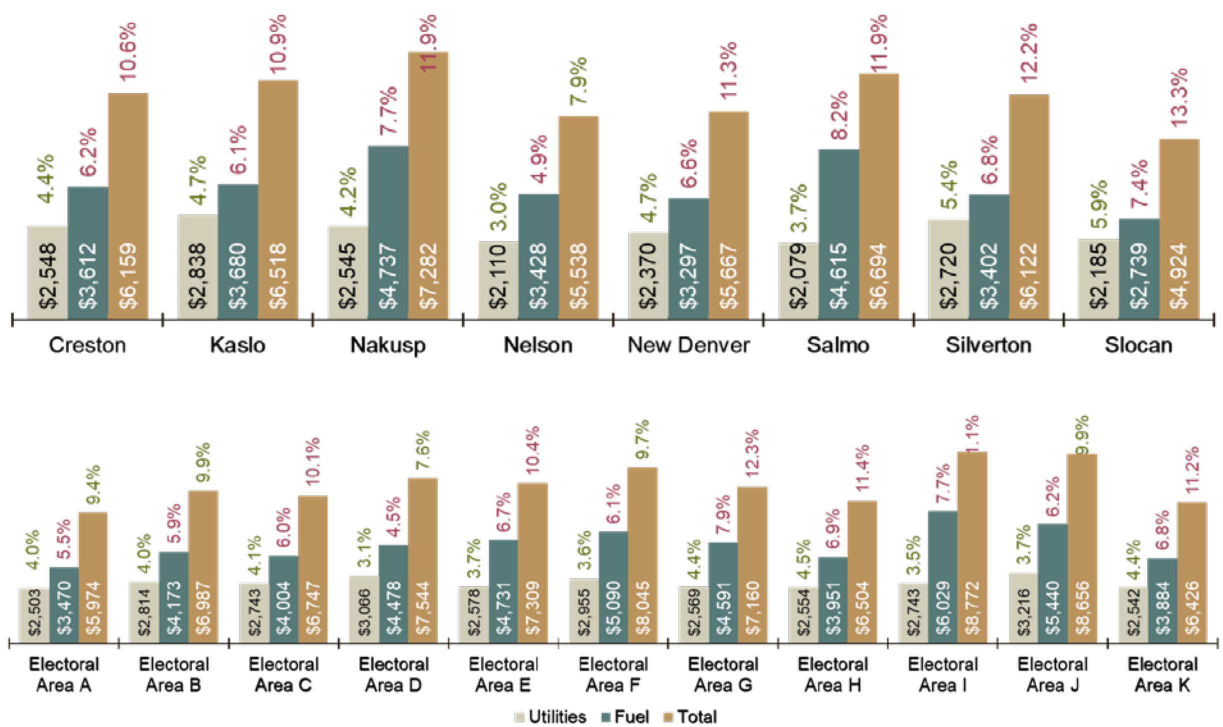
Energy Poverty

According to the Canadian Urban Sustainability Practitioners (CUSP), energy poverty refers to the experience of households or communities that struggle to heat and cool their homes and power their lights and appliances. Canadian academics consider those households that take on a disproportionate energy cost burden relative to their average after-tax income are said to be experiencing energy poverty. Three thresholds exist for energy poverty: (1) 6% of after-tax income when considering utilities only, (2) 4% of after-tax income for fuel used for transportation (whether for work, errands, or social visits, and (3) 10% of after-tax income for the combined of (1) and (2).

For greater detail about the calculation process and the assumptions used, please refer to the Regional Housing Needs Report.

Based on their respective after-tax household incomes, utilities are "affordable" for all communities, though each (except Nelson) exceed the national average of 3%. Once fuel costs for transportation are included, 13 of the 19 above communities spend above their means on energy, meaning they fall within CUSP's definition of energy poverty.

Figure RDCK – 21e: Annual Energy Expenses & Percent of Income by Utility Type, 2019 dollars
(red: in energy poverty, green: not in energy poverty)



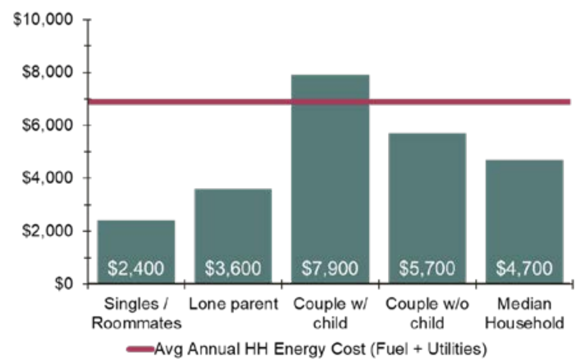
Source: Statistics Canada, Environics Analytics

Figure RDCK – 21f and **21g** illustrate how the average annual energy cost (utilities and vehicle fuel combined) compares to the maximum amount of an affordable budget for a household's energy expenses, based on the type of family or income category within said household. It is important to note that the value compared is an average. In many cases households will spend less either by ability to upgrade their homes to be more efficient or by necessity (for example, a low-income home may have to decide what utilities to sacrifice when budgets are tight). Conversely, some may pay more as energy expenses are often an afterthought of living costs (rent and mortgages are primary concerns) or they have larger household sizes that draw more energy. As such, please consider the following a high-level review.

Generally, only households earning above moderate incomes can reasonably afford their energy expenses, which typically means couple families with children are the most financially capable to meet their needs. Single or very low-income households may potentially pay almost 3 times more than they can afford if their expenses matched the average.

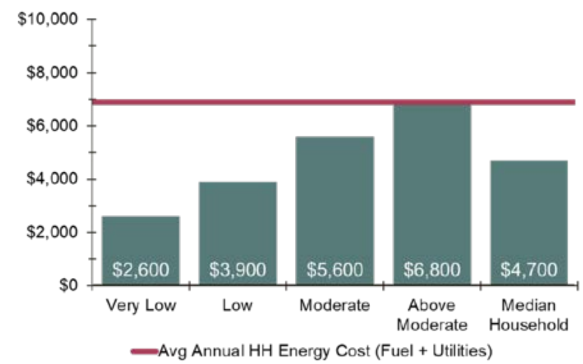
Fuel costs are the most significant contributor to overpaying on energy expenses. In the RDCK, transportation by car is often the only way to access services, work, and social events. When comparing only utility costs (no fuel) to affordable budgets for utility expenses, we see a vastly different picture. **Figure RDCK – 21h** and **21i** demonstrate that most families or households can afford their utilities (based on the median). Unfortunately, single and very low-income households are still far from meeting their budget (6% of average after-tax income).

Figure RDCK – 21f: 2019 Avg Total Energy Cost v. Affordable Budget by Family Type



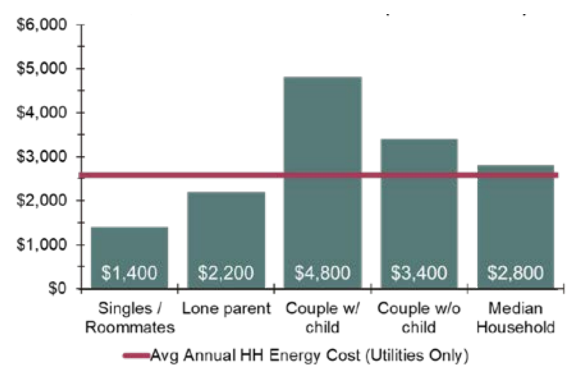
Source: Statistics Canada, Environics Analytics

Figure RDCK – 21g: 2019 Avg Total Energy Cost v. Affordable Budget by Income Group



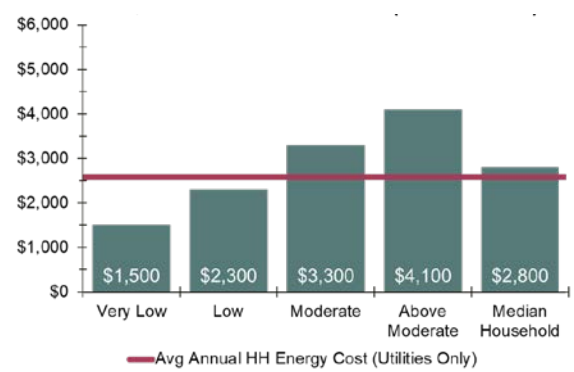
Source: Statistics Canada, Environics Analytics

Figure RDCK – 21h: 2019 Avg Utility Cost v. Affordable Budget by Family Type



Source: Statistics Canada, Environics Analytics

Figure RDCK – 21i: 2019 Avg Utility Cost v. Affordable Budget by Income Group



Source: Statistics Canada, Environics Analytics

Glossary

"activity limitation" refers to difficulties that people have in carrying out daily activities such as hearing, seeing, communicating, or walking. Difficulties could arise from physical or mental conditions or health problems.

"bedrooms" refer to rooms in a private dwelling that are designed mainly for sleeping purposes even if they are now used for other purposes, such as guest rooms and television rooms. Also included are rooms used as bedrooms now, even if they were not originally built as bedrooms, such as bedrooms in a finished basement. Bedrooms exclude rooms designed for another use during the day such as dining rooms and living rooms even if they may be used for sleeping purposes at night. By definition, one-room private dwellings such as bachelor or studio apartments have zero bedrooms;

"census" means a census of population undertaken under the *Statistics Act* (Canada);

"census division (CD)" means the grouping of neighbouring municipalities, joined together for the purposes of regional planning and managing common services – Regional District of Central Kootenay is a census division;

"census family" is defined as a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a lone parent of any marital status with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling. A couple may be of opposite or same sex;

"census subdivision (CSD)" is the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes (i.e. electoral areas);

"child" refers to any unmarried (never married or divorced) individual, regardless of age, who lives with his or her parent(s) and has no children in the same household.

"commuting destination" refers to whether or not a person commutes to another municipality (i.e., census subdivision), another census division or another province or territory. Commuting refers to the travel of a person between his or her place of residence and his or her usual place of work;

"core housing need" is when housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that meets all three housing standards;

"adequate housing" means that, according to the residents within the dwelling, no major repairs are required for proper use and enjoyment of said dwelling;

"affordable housing" means that household shelter costs equate to less than 30% of total before-tax household income;

"suitable housing" means that a dwelling has enough bedrooms for the size and composition of resident households according to National Occupancy Standard (NOS) requirements;

"dissemination area (DA)" refers to a small, relatively stable geographic unit composed of one or more adjacent dissemination blocks with an average population of 400 to 700 persons based on data from the previous Census of Population Program. It is the smallest standard geographic area for which all census data are disseminated. DAs cover all the territory of Canada;

"dwelling" is defined as a set of living quarters;

"dwelling type" means the structural characteristics or dwelling configuration of a housing unit, such as, but not limited to, the housing unit being a single-detached house, a semi-detached house, a row house, an apartment in a duplex or in a building that has a certain number of storeys, or a mobile home;

"economic family" refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law union, adoption or a foster relationship. A couple may be of opposite or same sex. By definition, all persons who are members of a census family are also members of an economic family;

"employment rate" means, for a particular group (age, sex, marital status, geographic area, etc.), the number of employed persons in that group, expressed as a percentage of the total population in that group;

"equity seeking groups" are communities that face significant collective challenges in participating in society. This marginalization could be created by attitudinal, historic, social and environmental barriers based on age, ethnicity, disability, economic status, gender, nationality, race, sexual orientation and transgender status, etc. Equity-seeking groups are those that identify barriers to equal access, opportunities and resources due to disadvantage and discrimination and actively seek social justice and reparation;

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

"family size" refers to the number of persons in the family;

"full-time equivalent (FTE) student" represents all full-time and part-time enrolments, converted to represent the number of students carrying a full-time course load. One student whose course load is equal to the normal full-time number of credits or hours required in an academic year would generate 1.0 Student FTE. A student taking one-half of a normal course load in one year would be a 0.5 Student FTE;

"household" refers to a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad;

"household maintainer" refers to whether or not a person residing in the household is responsible for paying the rent, or the mortgage, or the taxes, or the electricity or other services or utilities. Where a number of people may contribute to the payments, more than one person in the household may be identified as a household maintainer;

"household size" refers to the number of persons in a private household;

"household type" refers to the differentiation of households on the basis of whether they are census family households or non-census-family households. Census family households are those that contain at least one census family;

"immigrant" refers to a person who is, or who has ever been, a landed immigrant or permanent resident. Such a person has been granted the right to live in Canada permanently by immigration authorities;

"Indigenous identity" refers to whether the person identified with the Aboriginal peoples of Canada. This includes those who are First Nations (North American Indian), Métis or Inuk (Inuit) and/or those who are Registered or Treaty Indians (that is, registered under the Indian Act of Canada), and/or those who have membership in a First Nation or Indian band;

"labour force" refers to persons who, during the week of Sunday, May 1 to Saturday, May 7, 2016, were either employed or unemployed;

"living wage" means the hourly amount that each of two working parents with two young children must earn to meet their basic expenses (including rent, childcare, food, and transportation) once government taxes, credits, deductions, and subsidies have been taken into account;

"low-income measure, after tax," refers to a fixed percentage (50%) of median adjusted after-tax income of private households. The household after-tax income is adjusted by an equivalence scale to take economies of scale into account. This adjustment for different household sizes reflects the fact that a household's needs increase, but at a decreasing rate, as the number of members increases;

"migrant" refers to a person who has moved from their place of residence, of which the origin is different than the destination community they reported in. Conversely, a non-migrant is a person who has moved within the same community;

"mobility status, one year" refers to the status of a person with regard to the place of residence on the reference day in relation to the place of residence on the same date one year earlier;

"NAICS" means the North American Industry Classification System (NAICS) Canada 2012, published by Statistics Canada;

"NAICS industry" means an industry established by the NAICS;

"participation rate" means the total labour force in a geographic area, expressed as a percentage of the total population of the geographic area;

"primary rental market" means a market for rental housing units in apartment structures containing at least 3 rental housing units that were purpose-built as rental housing;

"precarious housing" means housing that is not affordable, is overcrowded, is unfit for habitation, or is occupied through unstable tenancy;

"secondary rental market" means a market for rental housing units that were not purpose-built as rental housing;

"shelter cost" refers to the average or median monthly total of all shelter expenses paid by households that own or rent their dwelling. Shelter costs for owner households include, where applicable, mortgage payments, property taxes and condominium fees, along with the costs of electricity, heat, water and other municipal services. For renter households, shelter costs include, where applicable, the rent and the costs of electricity, heat, water and other municipal services.

"short-term rental" means the rental of a housing unit, or any part of it, for a period of less than 30 days;

"subsidized housing" refers to whether a renter household lives in a dwelling that is subsidized. Subsidized housing includes rent geared to income, social housing, public housing, government-assisted housing, non-profit housing, rent supplements and housing allowances;

"tenure" refers to whether the household owns or rents their private dwelling. The private dwelling may be situated on rented or leased land or be part of a condominium. A household is considered to own their dwelling if some member of the household owns the dwelling even if it is not fully paid for, for example if there is a mortgage or some other claim on it. A household is considered to rent their dwelling if no member of the household owns the dwelling;

"unemployment rate" means, for a particular group (age, sex, marital status, geographic area, etc.), the unemployed in that group, expressed as a percentage of the labour force in that group;

"visible minority" refers to whether a person belongs to a visible minority group as defined by the *Employment Equity Act* and, if so, the visible minority group to which the person belongs. The *Employment Equity Act* defines visible minorities as "persons, other than Aboriginal peoples, who are non-Caucasian in race or non-white in colour."

REGIONAL DISTRICT
CENTRAL KOOTENAY