Regional District of Central Kootenay

HOUSING NEEDS REPORT UPDATE

Regional Summary

DECEMBER 2024

Acknowledgments

The authors of this report acknowledge that this study takes place on the traditional land and territory of the Sinixt, the Syilx, the Ktunaxa and the Secwépemc. We hope to continue their legacy of learning from, caring for, protecting, and enjoying the blessings of tradition and territory.

The development of this Regional Summary was led by the Regional District of Central Kootenay (RDCK) and supported by staff from the Land Use and Planning department. We would like to acknowledge and thank elected officials and members of the community who participated in engagement sessions, including:

- Electoral Area Directors
- Staff from the Villages of Kaslo, Slocan, Salmo, Nakusp and Silverton
- Castlegar Community Services
- Creston Family Community Housing Society
- HappiPad

- Interior Health
- New Denver Housing Society
- Salmo and Area Supportive Housing Society
- Slocan Valley Seniors Housing Society
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Data Disclaimer

The Regional District of Central Kootenay (RDCK) Board of Directors recognizes that local governments are required to complete and publish interim Housing Needs Reports (HNR) following the HNR Method, in accordance with the Local Government Act and the Housing Needs Report Regulation. The RDCK has completed this exercise and is publishing its interim HNR and HNRs (Community Profiles) for the Villages of Kaslo, Nakusp, Salmo, and Slocan in order to meet the legislated requirements.

Data limitations were identified in compiling this HNR, which are discussed further in Section 1.6 of this Report.

The RDCK Board of Directors noted concerns that these data limitations may have an impact on the projected populations, households, and units in the RDCK's smaller municipalities and electoral areas.

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Executive Summary

In 2020, the Regional District of Central Kootenay (RDCK), in partnership with participating member municipalities, released its first iteration of Housing Needs Reports (HNRs) in response to new legislation and the changing housing landscape. Like many other regions across BC, the RDCK is facing escalating housing pressures and rising housing costs.

Recognizing the dynamic nature of the housing market, the availability of new data, and the necessity for updated housing reports, the RDCK commissioned HNR updates for its rural Electoral Areas (A, B, C, D, E, F, G, H, I, J, and K) and partnering municipalities (the Villages of Kaslo, Nakusp, Salmo, Silverton, and Slocan). It serves as an update to the previously completed 2020 needs report while incorporating new analyses and data. This report aims to provide a regional overview of current and anticipated housing conditions and needs.

KEY FINDINGS

The RDCK Population is Growing and Changing

- RDCK's total population grew 5% between 2016 to 2021. During this same period, households grew 6%. It is anticipated that the region will continue to experience growth over the next two decades.
- In 2021, the RDCK's population in the electoral areas and municipalities was 64,705. Projections anticipate there may be about 81,845 residents across the RDCK by 2041, and 37,970 households.
- Growth has historically been, and may continue to be, led by seniors and older residents. Projections also anticipate increases among 25- to 44-year-olds over the next 20 years.

Sale Prices are Rising, and Home Ownership is Increasingly Out of Reach for Many

- The median home sale price in the RDCK rose approximately 54% between 2019 and 2022. The median single-detached home sold for $549,900 in the RDCK in 2022. Despite increased interest rates introduced at the beginning of 2022 to mitigate escalation, home prices across the RDCK have continued to rise since 2022.
- Since 2016, the median price of a home has become increasingly out of reach for all household family types, with the largest widening occurring after the notable appreciation post-2019.
- House prices across the RDCK are increasing at a much higher rate than incomes, making it increasingly more difficult for current and future residents to purchase a home in the region.

Rural Residents are Facing Housing Affordability Challenges

- In 2021, 11% of regional households lived in a home that was in need of major repairs, overcrowded, and/or unaffordable – referred to as living in "Core Housing Need."
- Renter households are more severely affected by Core Housing Need. This is largely related to renter households having lower household income levels that make it more difficult to access adequate, suitable, and affordable housing. In 2021, approximately 23% of renter households in the region were in Core Housing Need.

- About 19% of RDCK households (5,415 households) earned a "very low income" or "low income." These households can afford at most a monthly mortgage or rent of $640. Many of these households may already own their home or are eligible for shelter assistance, so they may be able to afford more than is otherwise identified. However, this income group has higher susceptibility to sudden changes in costs (whether it is a repair or increase in rent).

Demand is Expected to Increase over the Next 20 Years

- Over the next two decades, provincial projections suggest the regional district may need to add a total of 15,265 new homes across the housing spectrum to mitigate increased market imbalances, account for anticipated new demand, and address existing housing deficits.
- Much of the demand will be influenced by population growth. Growth is largely driven by factors outside of local government control including economic opportunities, available services, infrastructure, transportation, natural disasters, federal and provincial policy, and education opportunities.

KEY AREAS OF LOCAL NEED

Based on analysis of data and feedback from elected officials and community organizations, the following summary statements describe the current and anticipated housing needs across the following seven key areas: affordable housing, rental housing, special needs housing, housing for seniors, housing for families, shelters for individuals experiencing or at risk of homelessness and housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit, and alternative forms of transportation.

Table 0-1: Key areas of local need

Need	Description
Affordable housing	Affordability is the largest contributor to Core Housing Need in the RDCK. Estimates from 2016 to 2022 indicate that the gap between income purchasing power and actual house prices has widened, indicating that homeownership is further out of reach for most residents, particularly, first-time homebuyers.
	Individuals or families with one income are struggling the most to find affordable housing options in the community, whether to rent or own. Approximately 19% of RDCK households earned a "very low" or "low" income (see section 3.3.2 for income categorization information). While many in these categories may already be shelter-secure (e.g., retired households with fully paid-off mortgages), this percentage represents a significant portion of the population that may be especially vulnerable to affordability challenges.
	Projections anticipate at least 5,142 subsidized affordable units (34% of all units) and 10,122 additional market units will be needed by 2041 to meet demand and begin to balance prices.

Need	Description
Rental housing	Homeownership is becoming increasingly unaffordable for the typical household, forcing many who would prefer to own a home to rent instead. Although the cost of renting is also likely increasing, it often remains the more cost-effective option between the two tenures. Approximately 22% of RDCK dwellings are rented. Broader tenure trends in the RDCK and across BC suggest that rates of rentership will rise over the next two decades. As rental vacancy rates continue to decrease, this identifies a clear increase in demand for rental housing relative to available supply. Although vacancy rates typically reflect purpose-built rentals in urban areas, a declining vacancy rate in these markets (i.e., Nelson) forces households to seek alternatives in lower-density markets where there is better availability and prices. This leads to increased demand overall.
Special needs housing	Although data on waitlists and core housing need is not specific to community members with special needs, national disability statistics show that overall rates of disability increased from 22.3% to 27.0%[1] between 2017 and 2022 surveys. Much of this increase is attributed to the growth of the senior population. As the population in the RDCK ages, projections expect the need for more accessible and specialized housing to increase. Increases were also observed among youth and working-age adults, with significant rises in mental health, learning, and developmental challenges. This indicates a broad need for improved access to supportive housing options that cater to various specific support needs and age demographics.
Housing for seniors	According to BC projections, the RDCK can anticipate that senior-led households will continue to grow over the next two decades. By 2041, senior-led households may increase by 38% and could comprise 38% of total regional households. In 2022, the Canadian disability rate among the senior population was 40%, an increase of three percentage points since the last survey in 2017. A significant portion of this rate is related to mobility issues, and the likelihood of disability that increases with age. Given the anticipated growth in senior households and the elevated disability rate within this group, increased senior housing interventions are necessary. These could include ensuring senior housing and facilities are widely permitted locally, further modifying building standards to support aging in place, and/or developing and improving existing senior services and programs. While many solutions fall outside the direct influence of local government, there may be opportunities to partner with other levels of government and local or regional organizations to encourage appropriate seniors housing.

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

| Need	Description
Housing for families	Projections anticipate that young family aged households may increase over the next two decades, potentially at a faster pace than senior-led households. Consequently, the change in demand for family-specific dwellings (e.g., those with more bedrooms or larger floor areas) may be notable. The growth of family-aged individuals is vital for sustaining local employment and productivity. Affordable options with multiple bedrooms are key to meeting the needs of families, especially lone parent households who often need non-market options to ensure appropriate affordability. Families may also be served by interventions in other areas of the housing spectrum, for example by additional seniors housing that helps reintegrate larger homes back into the market.
Shelters to address homelessness	While shelters are often located in larger urban communities, homelessness is not confined to these areas. National and provincial trends show that overall homelessness is on the rise, with hidden homelessness likely increasing, particularly in small urban and rural areas. About 2% of RDCK households were identified as earning "very low" incomes. These individuals are the most vulnerable to changes in their housing circumstances and are the most likely to require emergency housing interventions. Addressing homelessness locally is ideal, as it allows residents to remain within their community. However, doing so can be challenging, especially in rural areas, without provincial or federal support. Regional homelessness strategies should be developed and/or strengthened to help coordinate and determine the allocation of emergency housing services and programs.
Proximity to transportation	Current residential development patterns within the RDCK are predominantly rural and dispersed, posing significant challenges in establishing transportation infrastructure that supports alternative modes of transportation, such as walking, cycling, and public transit. Presently, the Regional District lacks public transit options and the necessary infrastructure to facilitate active transportation, including shoulders on rural roads and dedicated off-street pathways. With limited funding models to support transportation infrastructure across the rural RDCK, even in areas where new housing developments are planned, the scope of transportation service options for future expansion remains constrained. The RDCK recognizes the critical role that active transportation plays in connecting communities and supporting broader social determinants of health, particularly in relation to housing. Given these considerations, the RDCK acknowledges the opportunity to further explore options for developing transportation networks that can accommodate alternative modes of transportation in line with community needs and future housing policy directives across the electoral areas.

1. Introduction

1.1 OVERVIEW

Using a wide range of quantitative data and qualitative input from elected officials and community organizations, this document analyzes existing and anticipated housing needs and gaps in the RDCK.

All data presented in the report refers to the region overall (municipalities and electoral areas) unless otherwise identified in the text.

Like many regions across British Columbia, the RDCK is experiencing significant housing pressures, accelerating home sale prices, and rising rents. The purpose of this Housing Needs Report (HNR) update is to develop an understanding of the current and anticipated housing conditions for the Region. The report provides an overview of existing housing gaps, and potential opportunities to expand or create new partnerships critical to the provision of housing.

A thorough assessment of housing need is a vital foundation to support future initiatives. The data gathered and insights generated by a needs report can inform land use and social planning initiatives at the regional level as well as provide hard evidence to further advocacy to senior levels of government. They are also a useful resource for those engaged in or entering the housing sector.

Figure 1-1: Location map – electoral areas (EAs) and municipalities
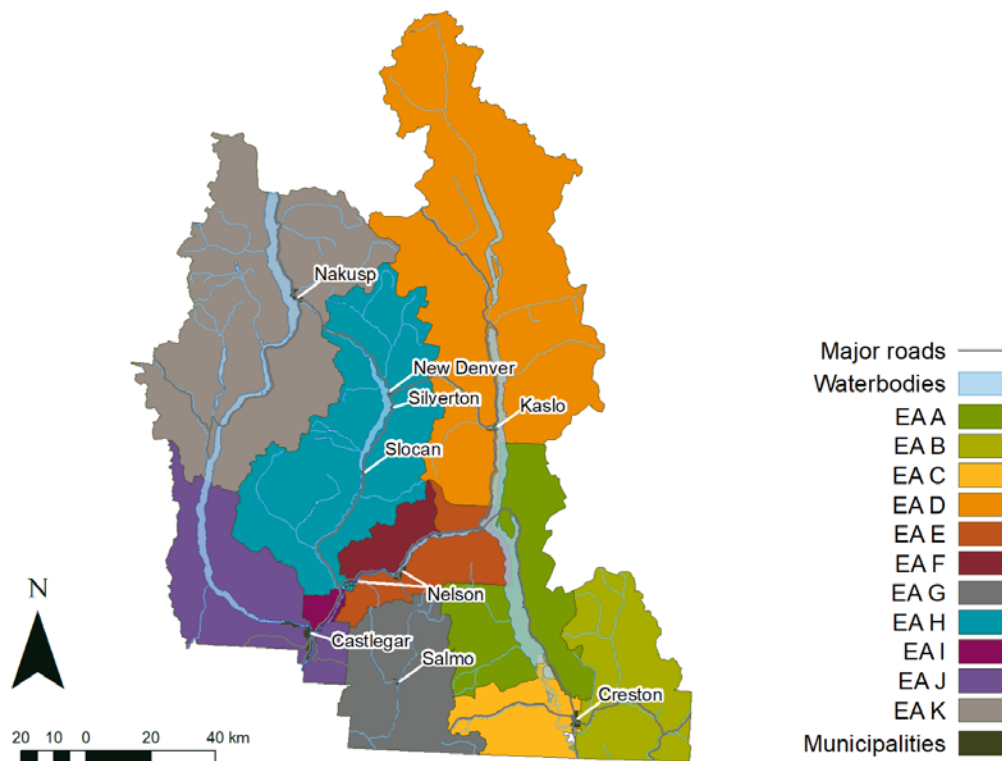
Source: BC Geo Warehouse, Statistics Canada

Table 1-1 – Participating municipalities and electoral areas

Municipalities	Electoral Areas
Village of Kaslo	Electoral Area A – Wynndel/East Shore-Kootenay Lake
Village of Nakusp	Electoral Area B – Rural Creston
Village of Salmo	Electoral Area C – West Creston
Village of Silverton	Electoral Area D – North Kootenay Lake
Village of Slocan	Electoral Area E – West Arm Kootenay Lake
	Electoral Area F – West Arm North Shore
	Electoral Area G – Salmo River Valley
	Electoral Area H – The Slocan Valley
	Electoral Area I – Sentinel Mountain
	Electoral Area J – Columbia/Lower Arrow
	Electoral Area K – The Arrow Lakes

1.2   REPORT ORGANIZATION

The RDCK HNR Update includes the following reports:

Regional Summary Report

The Regional Summary Report provides a regional overview of current and anticipated housing needs and conditions. Unless explicitly noted, the data discussed in this summary report is for the entire region and is meant to be used in conjunction with the Village Community Profiles and Electoral Area Summary Report.

Village Community Profiles

Each participating municipality has its own stand-alone Community Profile with village specific data and analysis. While these profiles contain updated data and the legislated Interim Housing Needs Report (IHNR) reporting requirements, the Regional Summary Report contains additional in-depth analysis and commentary. We recommend that these be reviewed along with the Regional Summary Report to ensure the most complete housing picture is available for your community.

Electoral Area Summary Report

The Electoral Area Summary Report includes data and analysis as well as the legislated Interim Housing Needs Report (IHNR) reporting requirements for each electoral area (A-K). Like the Community Profiles, we recommend the Electoral Area Summary Report be reviewed along with the Regional Summary Report to ensure the most complete housing picture is available for your community.

Engagement Summary Report

The Engagement Summary Report summarizes engagement activities conducted by the consulting team in collaboration with RDCK staff for the HNR updates. The report captures key themes and feedback shared by engagement groups, including RDCK elected officials, municipal staff, and community organizations/groups. The feedback gathered through these engagement activities informed and contextualized sections of the HNR updates. These findings are incorporated throughout the Regional Summary Report, Village Profiles, and Electoral Area Summary Report.

1.3 HOUSING NEEDS REPORT HISTORY AND THE HNR METHOD

Initial Legislative Requirements (2019)

Since 2019, BC has required local governments to complete a Housing Needs Report (HNR) every five years, with the first reports required in 2022. Although the mandate called for an estimated number of housing units needed over the next five years to meet demand, it lacked standardized guidelines or methodology for producing these estimates. As a result, most communities projected household growth based on the previous five years, which often reinforced existing shortages or mismatches within the housing system. Additionally, no enforcement mechanism or policy implementation requirement was included to address the likely underestimated housing need.

Legislative Amendments (2023)

In 2023, amendments to the *Local Government Act* and the *Vancouver Charter* introduced additional requirements for HNRs. Local and regional governments are now required to follow a standardized methodology (the HNR method) to project housing needs over 5- and 20-year timeframes. Local governments must also update their official community plans and zoning bylaws to accommodate the identified number of housing units.

HNR Method

The HNR method (described in greater detail in section 5 of this report) estimates the total number of housing units required to address a community's current and anticipated housing needs over 5- and 20-year timeframes, based on publicly available data sources that can be applied to communities of various scales. It is composed of six components (labeled A through F in Table 1-2). The standardized method for calculating demand ensures that all local governments produce consistent and comparable assessments of their housing need.

Table 1-2: HNR Method Components

Component	Housing units for:	Intention
A	Households in Extreme Core Housing Need	To estimate the number of new units required for those in vulnerable housing situations. Extreme need refers to those paying more than 50% of household income on shelter costs.
B	Individuals experiencing homelessness	To quantify the supply of permanent housing units required for those currently experiencing homelessness.
C	Suppressed households	To address those households that were unable to form between 2006 and the present due to a constrained housing environment (e.g., low vacancy rates, high rent prices, escalating house sale prices).
D	Anticipated household growth	To quantify the additional households required to accommodate an increasing population over twenty years. Note that anticipated growth for electoral areas is based on regional projections.
E	Increasing the rental vacancy rate to 3%	To add surplus rental units to restore local vacancy rates to levels representing a healthy and well-functioning rental housing market. Typically, rates between 3% and 5% are considered healthy rates.
F	A local demand buffer	To reflect additional demand for housing within a given community, beyond the minimum units required to adequately house current and anticipated residents. This is called the "demand buffer" and is designed to better account for the number of units required to meet "healthy" market demand in different communities. For the purposes of HNRs, a demand factor is based on a ratio of housing price to housing density and is calculated for each applicable community.

Two additional required components beyond the projections include:

- A statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation; and,
- A description of the actions taken by local government, since receiving the most recent housing needs report, to reduce housing needs.

Local and regional governments must complete an interim HNR with the new information requirements or by January 1, 2025. The RDCK and its rural electoral areas, in partnership with participating municipalities, have elected to complete the interim report requirements and a full data update using 2021 census data. The interim reporting requirements for each of the electoral areas and participating municipalities are included in the **Electoral Area Summary Report** and **Village Community Profiles**.

1.4   THE HOUSING CONTINUUM

The "housing continuum" refers to the range of housing options generally available in British Columbia. This includes emergency shelters and transitional housing, supportive housing for vulnerable populations, including seniors and people with mental illness, non-profit affordable rental housing, market rental, and home ownership. Ideally, there is an appropriate variety of options available in all sections of the housing continuum to support a diverse population.

In the most common depiction of the housing continuum in Canada, housing options are depicted as a linear progression from homelessness through to homeownership. Though helpful, this model can affirm the assumption that people start somewhere along the horizontal axis and move from left to right, with market home ownership being the ultimate goal.

Figure 1-2: The Housing Continuum

Source: CMHC

In reality, many people and households do not move linearly from one state of housing to the next, but rather jump from type to type based on changes to their professional or personal lives. For example, an individual in market rental housing may suddenly find themselves evicted from their unit in a low vacancy rental market. The struggle to find housing may lead to homelessness. Alternatively, a senior household may choose to sell their home and downsize to an appropriate rental option.

To better represent the realities of individuals navigating the housing system, some communities are exploring an alternative to the continuum. Instead of the linear view, the City of Kelowna applies a circular model known as the "Wheelhouse", which reflects the fluid nature of housing choices based on lifestyle preferences and financial circumstances.

The Wheelhouse model better represents how people move around or across the circle between different types of housing. A healthy housing stock must include diverse housing forms and tenure types to meet needs of different socio-economic backgrounds and life stages. The Wheelhouse breaks down housing supply into six key areas:

Table 1-3: Wheelhouse Key Housing Areas

Key Area	Description
Emergency Shelters	Temporary shelter, food and other support services, generally operated by non-profit housing providers.
Short-term Supportive Housing	Stable housing along with support services offered by non-profit providers as a step between shelters and long-term housing (with typical stays of two to three years).
Long-term Supportive Housing	Long-term housing offered by non-profit providers, along with support services ranging from supportive care to assisted living and residential care.
Subsidized Rental Housing	Subsidized rental homes operated by non-profit housing providers, government, and housing co-operatives through either monthly government subsidies or one-time capital grants.
Ownership Housing	Includes fee simple homeownership, condominium ownership, multi-unit and single-family homes, and shared equity (such as mobile homes or housing co-operatives).
Rental Housing	Includes purpose-built long-term rental apartments, private rental townhomes, secondary suites, garden suites, and single-family rental homes.

Figure 1-3: The Housing Wheelhouse
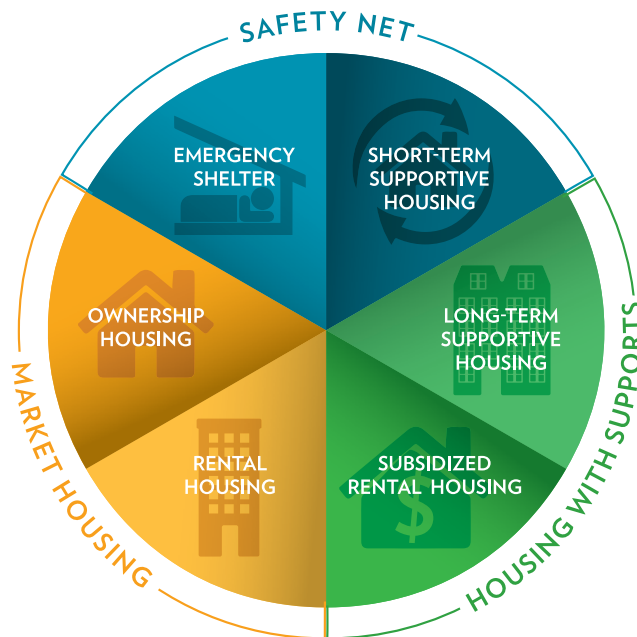
Source: adapted from CMHC & City of Kelowna[2]

2   Elver, D., Tang, E., & Baynes, S. (2019, August 7). The Wheelhouse: A New Way of Looking at Housing Needs. Canada Mortgage & Housing Corporation. Retrieved from https://www.cmhc-schl.gc.ca/en/housing-observer-online/2019-housing-observer/wheelhouse-new-way-looking-housing-needs

1.4.1   Defining "Affordable"

Providing a definition for affordable housing can be challenging. Communities have varying needs and demands, varying incomes and economies, and different housing stock ecosystems, all of which can influence affordability. The most commonly accepted definition of affordable housing comes from the Canada Mortgage and Housing Corporation (CMHC), which considers housing to be "affordable" when the household spends less than 30% of their pre-tax income on adequate shelter. It is a very broad definition that does not account for typology, tenure, or household structure. An affordable home can be a rental apartment, a single-detached house, a co-op, condo, or social housing, provided it costs no more than 30% of the resident household's pre-tax income.

1.4.2   Non-Market Housing

Non-market housing is typically facilitated by non-profit or senior government providers and subsidised predominantly by provincial and federal government funding programs. Local, regional, and Indigenous governments are key facilitators of non-market development, often providing low-cost land or supporting approval processes. In some cases, local governments develop and operate non-market housing themselves, often indirectly through a municipal corporation or non-profit organization. Though difficult to develop, not only because of community perceptions about below market housing, but also because of limited funding and appropriately serviced and sited land, non-market units are one of the only ways to secure affordability in the face of unprecedented market pressures.

Although tools for setting the price of a non-market unit may vary by funding program, all non-market units meet some definition of affordability and have that affordability secured for a minimum period. Non-market stock is key to providing safe, affordable, appropriate housing to residents in the RDCK. Increasing the number of non-market housing units was a key recommendation that emerged from the 2020 Regional District of Central Kootenay (RDCK) Housing Needs Assessment and is similarly highlighted in the RDCK's Housing Action Plan.

1.4.3   Workforce Housing

Workforce housing is a type of non-market, affordable rental housing that is affordable to individuals and families who earn around the median income in the community. Eligibility for these units can be tied to employment status within a community but is not tied to a specific employer.

1.4.4   Employee Housing

Employee housing is owned and provided by an employer and tied to an individual's employment status with the company or organization. Employee housing is not typically considered non-market housing as it is privately owned and subsidized by a private entity.

1.4.5   Affordable Ownership

Affordable home ownership options can be classified as both market and non-market housing depending on the level of support being received from a public entity. Lower cost home ownership in the market often takes the form of smaller, denser ownership options, like laneway housing, manufactured homes, or housing co-operatives. Though often mission driven and potentially founded with assistance from a government program, housing co-operatives are still typically classified as market housing as their price is set by a private co-op board or internal bylaws.

Non-market home ownership is very challenging to initiate. Almost all current funding programs are focused on rental housing, and very few organizations can offer an ownership model to community members. When organizations do offer affordable ownership, the right to purchase is typically restricted to residents of a community or employees in a certain industry and the organization retains the right of first refusal to purchase the unit back. Resale price is typically restricted to the original sale price of the home plus inflation.

In the absence of specific funding programs, affordable home ownership may not be a feasible path for communities to improve affordable housing stock. However, an organization or entity that operates affordable rentals may choose to privately fund affordable ownership options once they have accrued enough capital to pursue development without a senior funding partner.

1.5   THE ROLE OF LOCAL AND REGIONAL GOVERNMENTS

Legislation and circumstance are placing considerable pressure on local and regional governments to become more active providers and facilitators of affordable housing. Housing issues are often felt most acutely at the local level where the effects of an affordability and availability crisis manifests in visible homelessness, overburdened housing services and supports, worker shortages, and population movement.

1.5.1   Local Government Actions

Local governments have traditionally acted as facilitators and regulators of affordable housing. As housing needs continue to rise, local governments have expanded their role to support the creation of affordable market and non-market housing through policy, zoning, partnerships, financial incentives, staff capacity, and resources. Their authority comes from Provincial legislation: the *Community Charter*, the *Local Government Act*, the *Strata Property Act*, and the *Local Government Statutes (Housing Needs Reports) Amendment Act*.

Local government actions in housing are often grouped into four categories.

Facilitate New Development

Local governments can encourage new forms of market and non-market housing through Official Community Plans, infrastructure and growth plans, and housing policies (e.g. community amenity contributions, density bonusing provisions, etc.).

Regulate

Local government can regulate the form and tenure of housing through the zoning bylaw and development permit processes and can designate certain areas or parcels as a "rental only" zone. Local governments can also regulate and restrict short-term vacation rentals.

Incentivize

By reducing parking requirements, expediting approvals, and reducing fees and taxes, local government can encourage certain forms of desired housing, typically housing that is secured at an affordable rate through legal agreement.

Local governments can also incentivize new affordable housing by directly contributing capital or land to new affordable projects or redevelopment initiatives. Though land is the most common contribution, many municipalities use their Affordable Housing Reserve Fund to kick-start new projects, supporting site due diligence and initial design work.

Partnership, Education, and Advocacy

Local governments across the RDCK can work with housing and service providers to build new housing, educate residents about the value of affordable housing, and advocate for increased funding and support from senior levels of government.

Other Roles for Local Government

Local governments in BC are rarely directly involved in the building and operating of affordable housing and related services. Instead, local governments typically partner with and support community organizations, developers, and senior levels of government who lead construction and ongoing operations. In some cases, local governments develop and operate non-market housing themselves, often indirectly through a municipal corporation or non-profit organization.

1.5.2   Regional Government Actions

Regional districts were formed in BC during the 1960s as a way to efficiently manage community issues that took place outside of existing municipalities. As a significant percentage of BC's population lives outside of municipalities in unincorporated areas of the province, regional districts provide residents with necessities like fire protection, water supply, and shared community resources like recreational facilities and museums.

Today, regional districts have three main roles:

- Functioning as a local government to unincorporated electoral areas, providing basic local services such as community planning and mapping, building permitting, water supply, waste management and resource recovery, fire protection, emergency response, and parks.
- Serving as an inter-jurisdictional service body, providing a framework for sub-regional services to different combinations of electoral areas, municipalities, and First Nations.
- Providing regional governance and services and undertaking activities on behalf of the entire region.

While regional districts have limited regulatory authority compared to municipalities, they can still decide where and how housing can be built. Community Planning and land use controls directly affect the housing supply and permitted housing types. It is these controls that make up the basket of tools with which a regional government and its electoral areas can support shelter affordability.

Regional Districts can also support and fund non-market housing development through the implementation of a Regional Housing Service Bylaw (RHSB). There is a wide range of flexibility as to how a region decides to allocate RHSB funds, such as providing start-up/pre-development funding for non-market development projects or entering into agreements with third parties (e.g., housing entities) to address regional housing needs and demands.

Since the last HNR in 2020, several regional planning initiatives have been completed or are underway to better understand and begin to address housing need in the RDCK. In 2023, the RDCK completed a Housing Action Plan (HAP) that identifies key actions that the Regional District, in partnership with its member municipalities, can take to support residents facing housing challenges. Since its adoption, the RDCK has been working to implement actions identified in the plan, including a Regional and Local Community Needs Project under the Complete Communities Program and a Housing Development and Costing Study. This work will help inform growth management planning in the RDCK's municipal and fringe areas and identify opportunities for sustainable housing development.

1.6   DATA SOURCES

This report refers to several pieces of data that work together to contextualize housing conditions experienced by residents of the RDCK. The following is a list of secondary quantitative data sources (i.e., information collected by other organizations and used for this report):

- BC Assessment
- British Columbia Statistics
- Canada Mortgage and Housing Corporation (CMHC)
- Local government data
- Statistics Canada
- UBC Housing Assessment Resource Tools (HART)

Limitations for each source are detailed in the next subsection. At a high level, no analysis can be exact without individualized person or household datasets. Many datasets in this report rely on population samples which, though statistically sound, may not feel representative or reflect lived experience in the RDCK's rural areas and smaller municipalities. Any analysis in this report should be considered informed estimates rather than precise descriptions.

This is especially applicable to projection work from any source. Estimating variable changes without knowledge of future conditions is inherently flawed. The projections included in this report are subject to economic, social, and environmental conditions that may not persist in the future. Projections should serve as guideposts, regularly recalculated and adjusted every five years as HNRs are updated to incorporate new information as needed.

1.6.1   Data Limitations

BC Assessment

Grouped Information

BC Assessment provides assessment roll spreadsheets for communities across British Columbia for the years 2005/2006 through 2022/2023. Assessment roll information is not on an individual property level; rather, similar types of properties are grouped together in "folios" based on several factors, such as property type and dwelling type. These folio groups also mean that assessment and sale price values reflect averages, making it more difficult to express community level average and median values.

British Columbia Statistics

Urban focus

BC Statistics helpfully consolidates most data related to complete Housing Needs Reports, like the new homes registry, non-market housing, post-secondary student housing, and homeless count sources. The database primarily offers data for urban areas, potentially excluding unincorporated or rural data, or suppressing data for confidentiality. This is often due to urban communities having greater data quality and quantity.

Canada Mortgage & Housing Corporation (CMHC)

Reporting landscape

CMHC conducts its Rental Market Survey (RMS) every year in October to estimate the relative strengths in the rental market. The survey collects samples of market rent levels, turnover, and vacancy unit data for all sampled structures. The survey only applies to **primary rental markets**, which are those urban areas with populations of 10,000 and more. The survey targets only privately initiated purpose-built rental structures with at least three rental units, which have been on the market for at least three months. For instance, a single family dwelling with a rental suite would not be collected. Nor would a stratified apartment that the owner has on the market as a rental. In the RDCK, CMHC only collects rental data for the City of Nelson.

Statistics Canada

Area & data suppression

Some geographic areas are too small to report, resulting in the deletion of information. Suppression can occur due to data quality or for technical reasons, limiting the use of granular Census geographies. This was not a particular concern for this study but limited the ability to use granular Census geographies (specifically, Dissemination Areas – see **Definitions**).

Random rounding

Numbers are randomly rounded to multiples of "5" or "10," leading to potential discrepancies when summed or grouped. If results are small enough, this may also mean values are rounded down to 0. Percentages derived from rounded data may not accurately reflect true percentages, introducing a level of approximation. Additionally, the sums of percentages may not equal 100%.

UBC Housing Assessment Resource Tools (HART)

Sourced from Statistics Canada

While HART offers detailed methodologies for their analysis, they do rely on Statistics Canada datasets. Consequently, the same limitations as stated above apply for HART analysis results.

1.6.2   Quantitative Assumptions

Demographic projection methodology

For municipalities, the BC government's "Population Extrapolation for Organizational Planning with Less Error" (P.E.O.P.L.E.) provides historical population estimates and projections by gender and age cohorts. Readers interested in the outputs or the methodology can access both from the BC Government's Population Projections webpage.

Like for population, the BC government offers historical household estimates and household projections for municipalities. Readers interested in the outputs or the methodology can access both from the BC Government's Household Projections webpage.

Note that the BC government also provides population and households projections for the electoral areas; however, these projections are for the entirety of the electoral areas. Adjustments must be made to translate regional rural projections to individual EAs.

Unit demand methodology

Total unit demand calculations follow the requirements set out by the HNR Method Technical Guidance document, which aggregates six components of need together (discussed in more detail in section 5) to determine how many dwellings may be needed over the next 5 and 20 years. The methodology can be found in the BC Government's Guideline's for Housing Needs Reports.

Affordability analysis

Several sections of the report estimate what the reasonable income, rent, or purchase price may be for a particular household. The following assumptions are used to complete these analyses:

- Amortization period = 25 years
- Payment frequency = monthly
- Interest rate = the average weekly rate for 5-year fixed mortgage for the noted year
- Down payment = 10%
- CMHC insurance = 3.10%
- Income used for shelter expenses = 30%
- Ancillary shelter costs (i.e., utilities, insurance, taxes) = 25%
- Direct shelter costs (for a mortgage payment or rent) = 1 – ancillary = 75%

1.7 ENGAGEMENT

The consulting team with support from RDCK and Village staff, initiated a high-level engagement process in fall 2024 for the HNR update. The process was not exhaustive, given that recent housing engagement was completed for the RDCK Housing Needs Assessment (2020) and the RDCK Housing Action Plan (2023). Additionally, the RDCK and member municipalities are legislatively required to complete a regular HNR in 2028 (and every 5 years thereafter) following the release of new Census data.

The HNR update engagement process involved gathering insights and validating preliminary data findings through presentations and discussions with RDCK elected officials and staff, municipal representatives and community groups/organizations. Engagement objectives are outlined below.

1) **Meet New Provincial Requirements for HNR**

    Gather information to meet the new provincial requirements for interim housing needs reports, which include the following new items:

    a. The number of housing units needed currently and over the next 5 and 20 years, calculated using the HNR Method;

    b. A statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation; and,

    c. A description of the actions taken by the local government, since receiving the most recent housing needs report, to reduce housing needs.

2) **Collect Additional Data**

    Quantitative data can be very effective at showing housing needs, but often qualitative data like quotes or stories can have a greater impact with community members and decision-makers. Additional data captured through the engagement process will illustrate qualitative findings and give the RDCK and partnering municipalities more information about the people impacted by housing, rather than just numbers.

3) **Ground Truth Data Findings**

    In smaller communities, Census Canada data can be unreliable and may not paint an accurate picture of housing needs. Additionally, the most recent available data is from 2021 and may be out of date in communities that have experienced market fluctuations or substantial shifts in employment or population. Engagement captures up-to-date experiences that can inform findings and help validate the accuracy of external data sources.

4) **Promote Equity Through the Engagement Process**

    Planning processes that incorporate equity and inclusion have been shown to promote health, well-being, and community connectedness. When people are asked to participate in a planning process, they are more likely to feel a sense of ownership over decisions that are made and are more likely to support recommendations or priorities set by decision-makers.

The feedback gathered through these engagement activities informed and contextualized sections of the HNR update reports. These findings are incorporated throughout the RDCK Regional Summary Report, Electoral Area Summary Report, and Village Profiles. More information on the key themes and feedback shared by engagement groups, including RDCK elected officials, municipal staff, and community organizations/groups can be found in the **Engagement Summary Report**.

2. Demographic Profile

2.1 POPULATION

2.1.1 Historical & Anticipated Population

British Columbia's population grew by nearly 8% between 2016 and 2021 (according to BC Government estimates), driven by economic opportunities, immigration, and the quality of life. This growth has heightened the demand for housing, infrastructure, and services, presenting both opportunities and challenges for the province as it adapts to a changing demographic landscape.

Government of British Columbia estimates show that the RDCK grew 5% between 2016 and 2021. Figure 2-1 illustrates the changing total regional population from 2016 to 2021 (based on BC estimates for Census years) and five-year intervals from 2026 to 2041 (BC Government projections).

Figure 2-1: Historical and anticipated population, net anticipated change of population since 2021
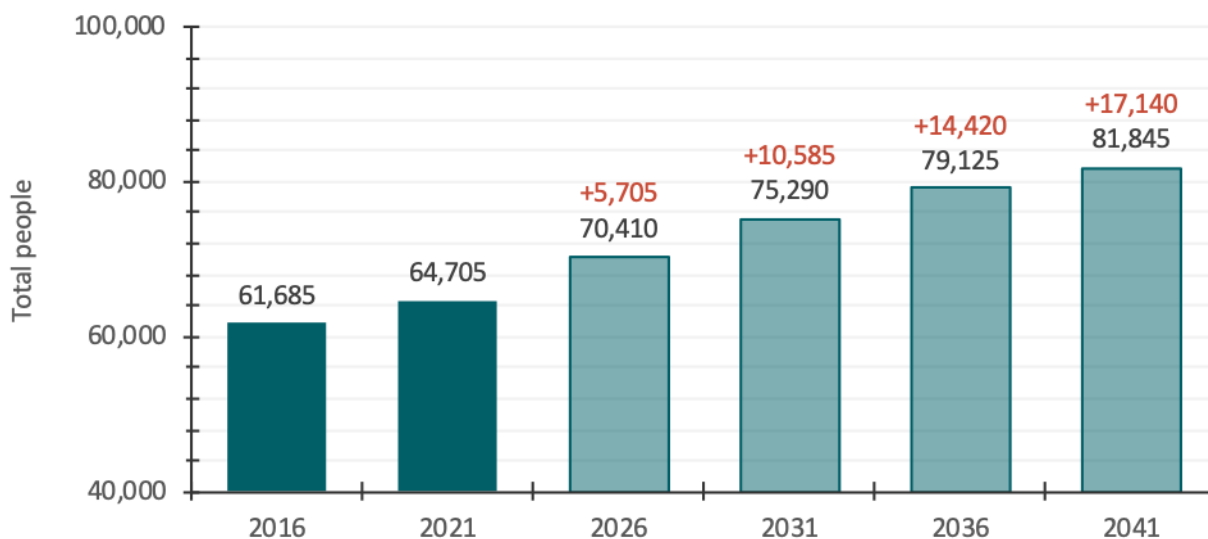
Source: BC P.E.O.P.L.E estimates, BC P.E.O.P.L.E projections

Table 2-1 provides a summary of the historical population changes across different age cohorts and includes anticipated population figures over the next two decades.

Table 2-1: Historical (BC Gov't estimates) and anticipated population by age group (BC Gov't projections)

	Total	0 to 14	15 to 24	25 to 44	45 to 64	65 to 84	85+
Historical population							
2016 population	61,685	8,505	5,895	13,685	19,650	12,395	1,550
2021 population	64,705	8,715	5,660	15,450	18,330	14,975	1,575
% change ('16-'21)	+5%	+2%	−4%	+13%	−7%	+21%	+2%
Anticipated population							
2026 population	70,410	8,465	6,860	17,725	18,125	17,285	1,945
% change ('21-'26)	+9%	−3%	+21%	+15%	−1%	+15%	+23%
2041 population	81,845	9,210	5,815	21,380	22,690	17,705	5,050
% change ('26-'41)	+16%	+9%	−15%	+21%	+25%	+2%	+160%
% change ('21-'41)	+26%	+6%	+3%	+38%	+24%	+18%	+221%

Source: BC P.E.O.P.L.E estimates, BC P.E.O.P.L.E projections

- The province estimates that the RDCK's total population was 64,705 in 2021, up from 61,685 in 2016. Note that the 2021 Census reports the total as 62,510. The difference between the two values is that the estimates (also produced from Statistics Canada) are adjusted for potential Census undercounts (i.e., to account for the number of people who might not have responded to or received the Census).

- Historically, the highest rates of growth have been largely among senior (65+) populations, with increases also occurring among youth and adults aged 25 to 44. Across this same time period, young adults (15 to 24) and older working age adults (45 to 64) reported decreases.

- The total population may grow 26% over the next two decades, possibly reaching about 81,845 people in 2041, according to BC government calculations. Most age groups are anticipated to contribute to growth, with a notable percent rise among 25- to 44-year-olds.

- About 17,140 more people may call the RDCK home by 2041.

Projection methodology

- For municipalities, the BC government's "Population Extrapolation for Organizational Planning with Less Error" (P.E.O.P.L.E.) provides historical population estimates and projections by gender and age cohorts. Readers interested in the outputs or the methodology can access both from the BC Government's Population Projections webpage.

- P.E.O.P.L.E. projections are unavailable for individual electoral areas. Instead, the government produces outputs for the total unincorporated areas of a regional district. In the case of the RDCK, this would be the total of Electoral Areas A to K.

- To project results for individual electoral areas, a "constant share" method is applied, maintaining consistency with government outputs. This involves determining the total population by age cohort for an electoral area in 2021, dividing it by the total population for all local unincorporated areas in 2021, and applying this ratio to BC projections for the respective age cohort.

- For instance, if in 2021 there are 100 people aged 30 to 34 in Area A and 300 people that age across all unincorporated areas, then Area A makes up 1/3 of the rural population of that age cohort. So, if the anticipated 30 to 34 age bracket total is 390 people in 2031, then Area A would be 130 people.

2.1.2   Migration

Figure 2-2 illustrates migration data for the RDCK, including migration components and the population change based on net natural change (births minus deaths). Migration refers to whether a person has moved to the region from within British Columbia (intraprovincial), another province (interprovincial), or another country (international).

The region has historically experienced a net positive influx of people, with net migration notably increasing since 2014 compared to prior years.

Figure 2-2: Annual demographic change related to migration
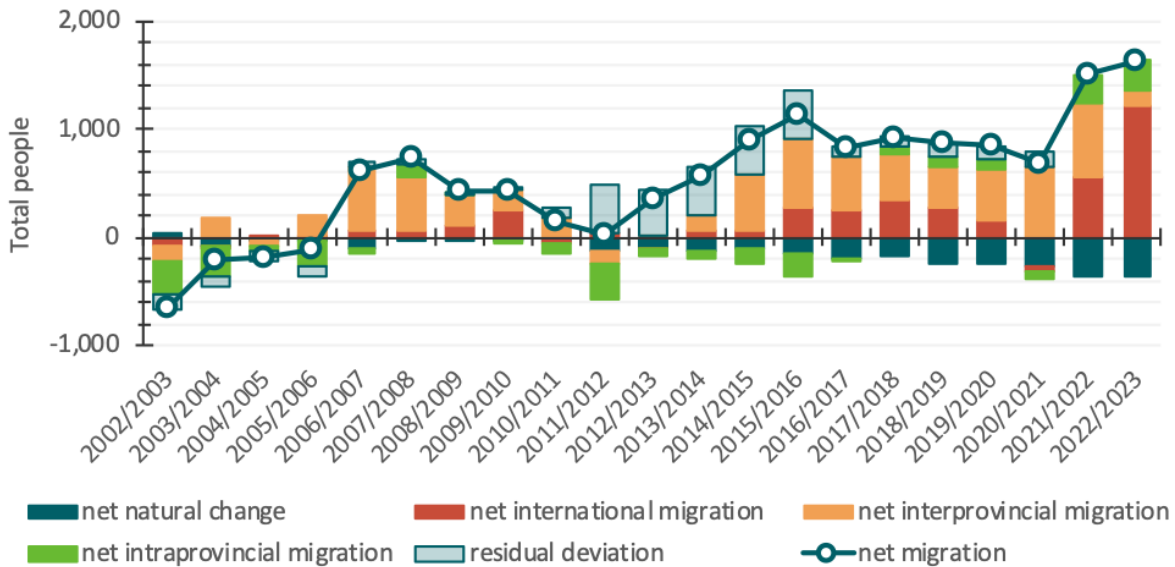
- From 2014 to 2023, approximately 990 people moved to the RDCK annually, versus approximately 300 annually from 2005 to 2014.

- Historically, intraprovincial in-migration was not a notable source of growth. More residents left the RDCK for other parts of BC than moved to the region from other parts of the Province. However, since 2017/18, this historical trend has shifted and there has been a relatively consistent inflow of people from elsewhere in the province since then. Most intraprovincial migration occurred between 2022 and 2023.

- Most newcomers to the region are from other parts of Canada or the world. Since 2014, an average of 315 people move to the RDCK from another country and approximately 455 from another province annually.

- The region reported gradually higher volumes of deaths compared to births (net natural change) since 2011/12, demonstrating local growth is attributed to migration.

2.2   HOUSEHOLDS

Statistics Canada defines a household as a person or group of persons sharing the same dwelling without another usual residence. A household is the highest-level descriptor of many unique living situations. Households are often categorized in this report by the primary household maintainer's age, which is the age of the person responsible for major expenses like rent, mortgage, taxes, and utilities. When multiple people share this responsibility, the first listed individual becomes the primary household maintainer.

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3   Statistics Canada. Table 17-10-0140-01 Components of population change by census division, 2016 boundaries. DOI: https://doi.org/10.25318/1710014001-eng

2.2.1 Historical & Anticipated households

Total households and the age distribution of maintainers are influenced by population changes and driven by factors like relocations, preferences, and financial situations. Changes in household patterns typically align with broader population trends. Household growth is a key driver of housing demand. Since households need dwellings, projections are closely tied to the needed increase in housing stock to accommodate expected population changes. Economic and financial drivers, while influential, are excluded since they are difficult to predict, both in the near- and long-term.

Figure 2-3 illustrates the RDCK's 2021 estimated total households and the anticipated 20-year net growth in households.

Figure 2-3: Historical and anticipated households, net anticipated change of households since 2021
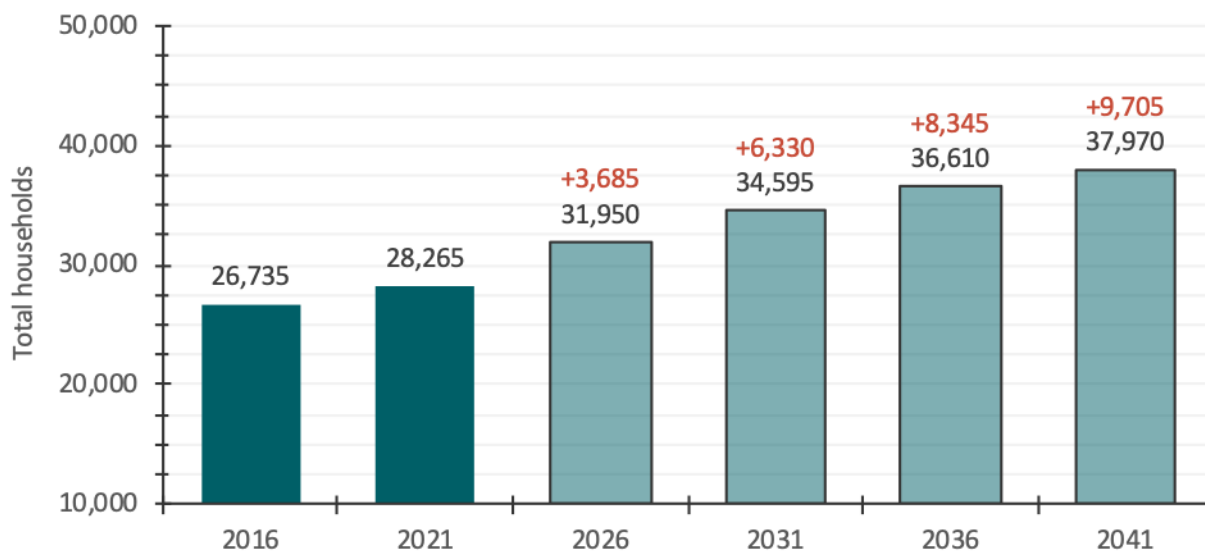
Source: Statistics Canada, BC P.E.O.P.L.E estimates, BC P.E.O.P.L.E projections

Table 2-2 summarizes historical shifts in total households, providing insights into expected figures over the next two decades.

Table 2-2: Historical and anticipated households by primary maintainer age (BC Gov't projections)

	Total	15 to 24	25 to 44	45 to 64	65 to 84	85+
Historical households by primary maintainer age						
2016 households	26,735	555	6,460	10,965	7,920	835
2021 households	28,265	425	6,955	10,415	9,455	1,025
% change ('16-'21)	+6%	–23%	+8%	–5%	+19%	+23%
Anticipated households by primary maintainer age						
2026 households	31,950	595	8,375	10,470	11,315	1195
% change ('21-'26)	+13%	+40%	+20%	+1%	+20%	+17%
2041 households	37,970	500	10,115	12,855	11,455	3,040
% change ('26-'41)	+19%	–16%	+21%	+23%	+1%	+154%
% change ('21-'41)	+34%	+18%	+45%	+23%	+21%	+197%

Source: Statistics Canada, BC P.E.O.P.LE estimates, BC P.E.O.P.LE projections, Turner Drake & Partners

- The province estimates that the RDCK had 28,265 households in 2021, up 6% from 26,735 in 2016. As demonstrated by many individual RDCK communities, growth was largely amongst senior-led households and 25- to 44-year-old-led households.

- Total households may grow 34% over the next two decades (2021 to 2041), reaching approximately 37,970. It is not uncommon for communities to have a higher rate of household growth than population growth. As a community ages, more people tend to live in smaller households (e.g. 1- or 2-person households rather than 3- or 4-person households.) This drives the average household size down and increases the number of households needed per capita.

- About 9,705 additional households may call the RDCK home by 2041.

Projection methodology

- Like for population, the BC government offers historical household estimates and household projections for municipalities. Readers interested in the outputs or the methodology can access both from the BC Government's Household Projections webpage.

- BC government outputs provide total households without age distribution. To derive age-specific distributions, we employ headship rates. These rates are calculated using 2021 population and household age cohorts, ensuring proportional adjustments to align with Census data.

- Headship rates represent the ratio of households to population within a specific age group. For example, if there were 100 households led by individuals aged 25 to 34 in 2021, with a corresponding population of 300 in that age group, the headship rate is 1/3. This rate is then applied to future population age groups to estimate potential households.

- Since household maintainer age cohorts are a Census product, each household result must then be adjusted proportionally by the difference between BC estimates of total households and the sum of individual headship results in a given year.

- Household projections are not available for individual electoral areas. For these areas, the government provides outputs for the total unincorporated sections of a regional district (e.g., Electoral Areas A to K). To project results for electoral areas, the "constant share" method is applied, focusing on total households. The age distribution is determined using a similar process to that described above.

2.2.2   Additional household characteristics

Figure 2-4 illustrates the changes in total households by their size between the 2016 and 2021 Censuses, as well as the reported overall change between the years.

Figure 2-4: Change in households by household size and community, 2016 to 2021
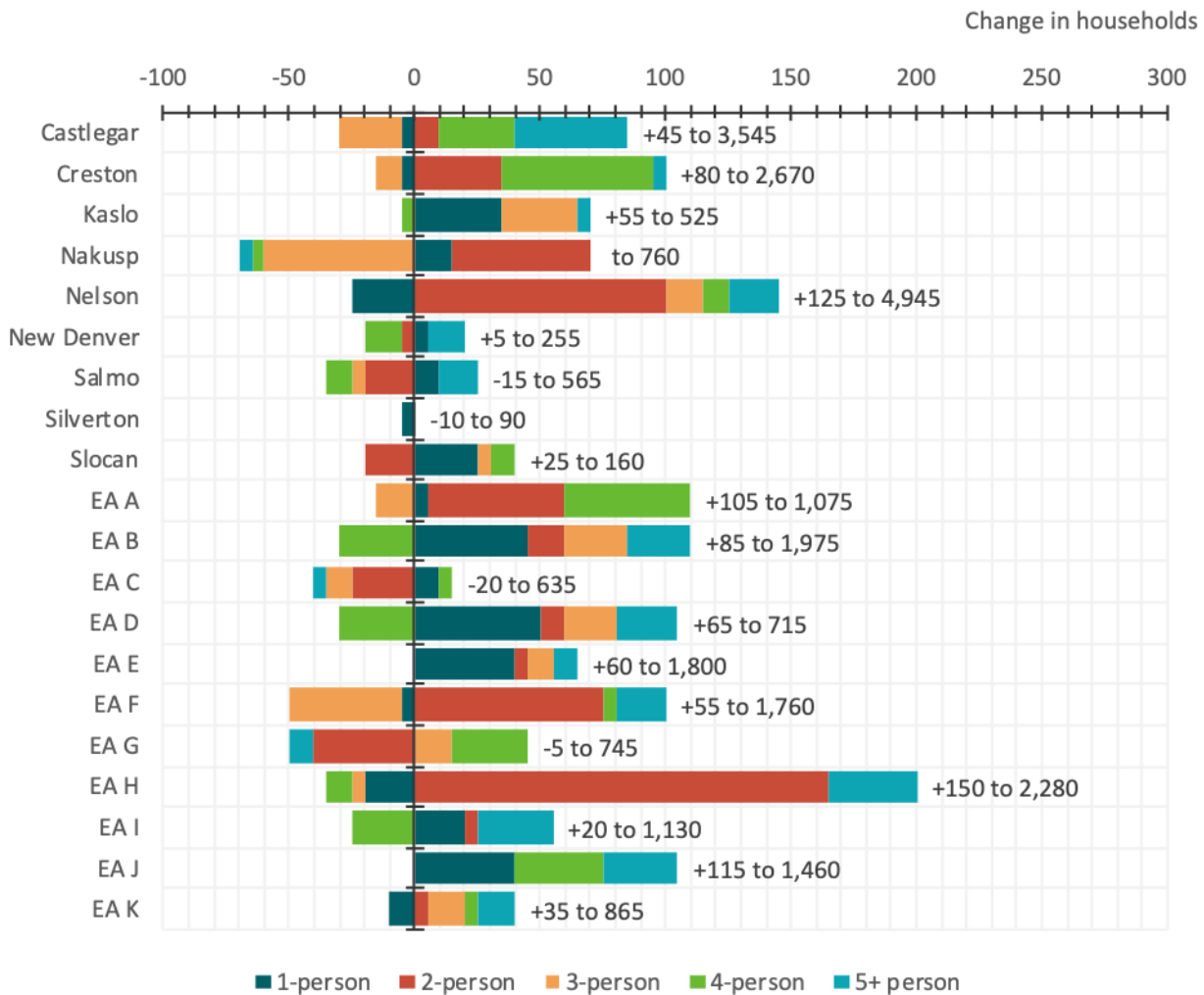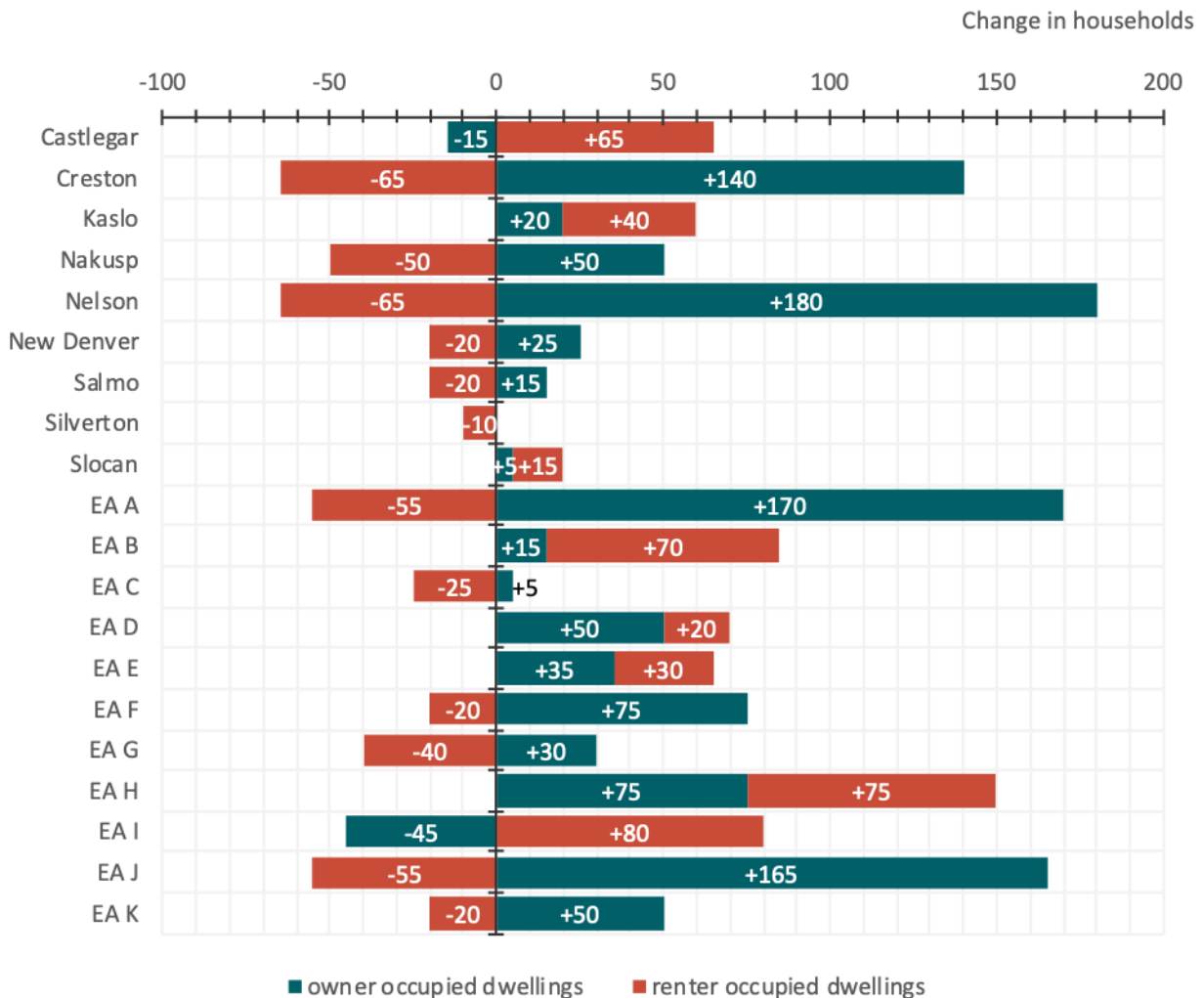

Source: BC Government purchased Custom Statistics Canada Census Tabulations

- Growth occurred among most household types (except 3-persons), with the greatest absolute growth amongst 2-persons households (increase of 425). In percentage terms, 5+ persons households grew the fastest (24%), representing 290 households.

- Not all of the RDCK's communities follow the regional household trends. For example, 1-person households decreased in Nelson and Electoral Areas F and H, and 2-persons households decreased in Salmo and Electoral Areas C and G.

Figure 2-5 demonstrates the changes in total households by their tenure (i.e., an owner or renter occupied dwelling) between the 2016 and 2021 Censuses.

Figure 2-5: Change in households by household tenure and community, 2016 to 2021
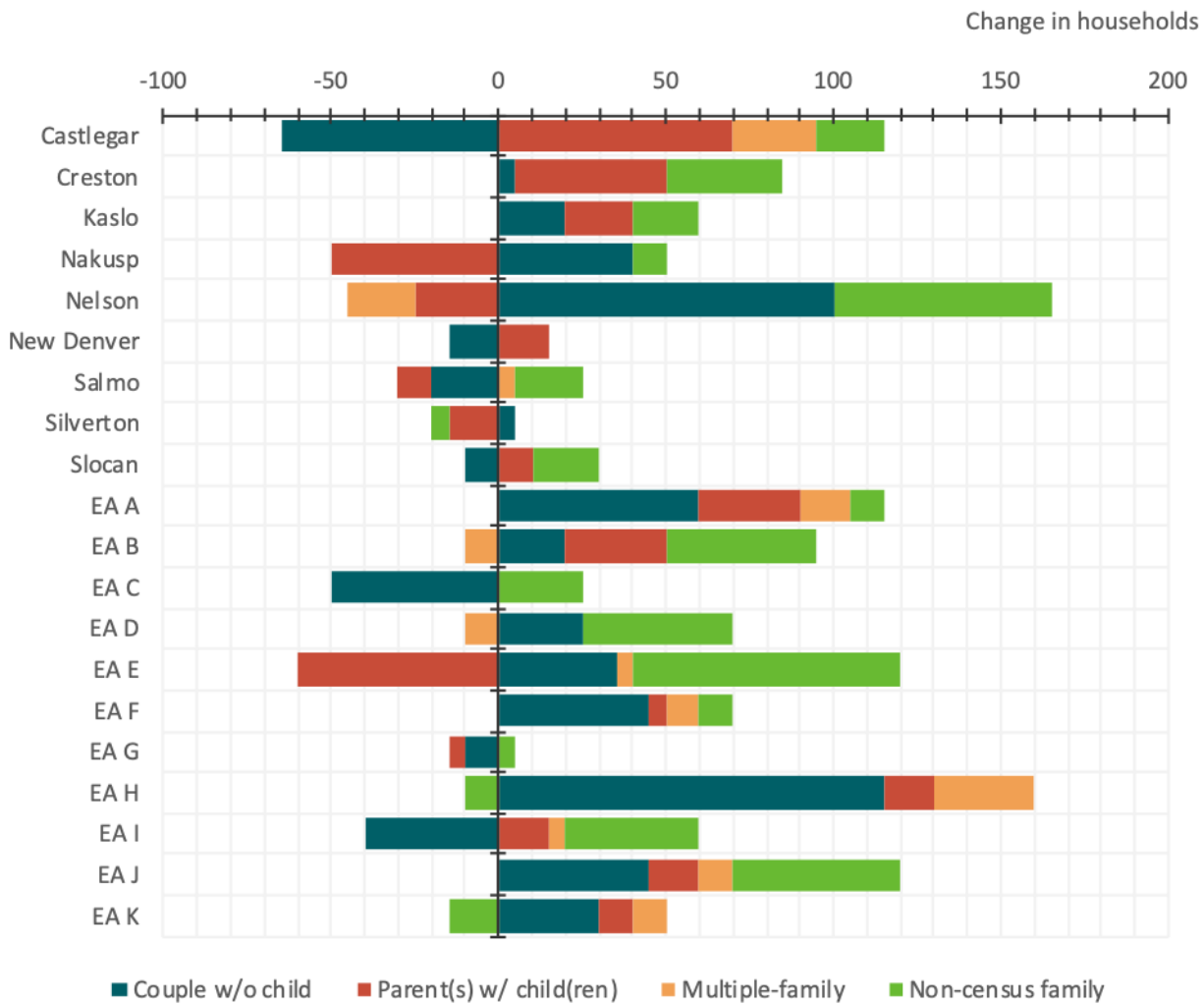

Source: BC Government purchased Custom Statistics Canada Census Tabulations

- In 2021, renter households accounted for 22% of all households in the RDCK, a slight decrease from 23% in 2016. Between 2016 and 2021, total renter households decreased by 75, while owners rose by 1,045. Among the RDCK communities, seven reported an increase in renters, of which five were electoral areas.

Figure 2-6 summarizes the change in households by their household family type between 2016 and 2021. Note that a "non-census family" refers to a household made up of a single person or unrelated individuals (i.e., roommates).

Figure 2-6: Change in household by household family type and community, 2016 to 2021

* Non-census family refers to a household made up of a single person or unrelated individuals (i.e., roommates).
Source: BC Government purchased Custom Statistics Canada Census Tabulations

- Regionally, all defined household family types experienced some level of growth between 2016 and 2021. However, this growth varied across communities. Notably, parents (inclusive of couples and lone parents) with a child or children grew by a slight 1%, or 105 households.

- The largest growth occurred among non-census families. Growth among non-census families and couples without children is often tied to growth among senior-led households (a trend common across the RDCK).

2.3   INCOME

Income statistics are critically important for determining affordability. How much a household earns is the most important factor in determining what type and size of home the household can afford. A household's earnings are largely contingent on the characteristics and composition of the people making up the household (e.g., how old is the household, how many people are in the household, does a household own or rent their dwelling?) Most affordability calculations use median before-tax household, or the total income earned by a household before income taxes and other elements are deducted, as the primary input.

Key Definition

Median before-tax household income: the total income earned by a household before income taxes and other elements are deducted. Commonly used to determine housing affordability.

Note: Canadian Emergency Response Benefit (CERB) relief payments may have artificially boosted income data in the 2021 Census, obscuring some housing need. Though a necessary stimulus during the height of the COVID-19 pandemic, CERB temporarily raised the annual income for many residents of the RDCK, mostly in the lowest income brackets. Most households briefly pulled out of housing need by CERB likely returned to pre-COVID income levels after support programs ended.

2.3.1   Median before-tax household incomes

Figure 2-7 summarizes the median before-tax household incomes by tenure and household family type. Not all categories are displayed due to suppression, which is used by Statistics Canada to ensure confidentiality for small datasets.

**Figure 2-7: Median before-tax household income by tenure and household family type, 2021**
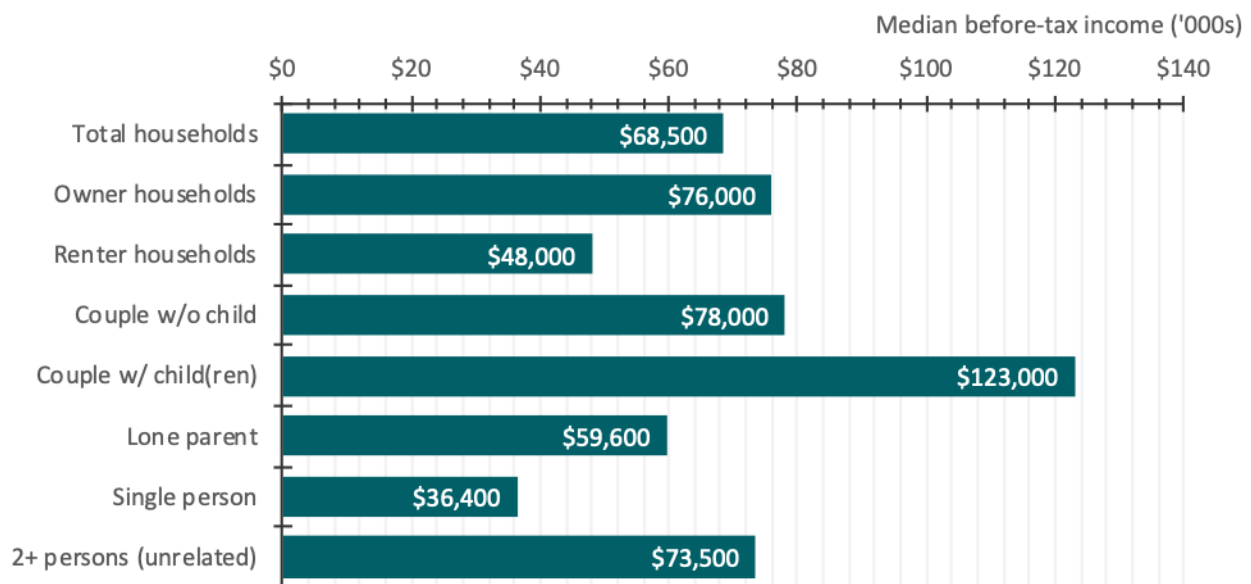
Source: BC Government purchased + Turner Drake purchased Custom Statistics Canada Census Tabulations

- In 2021, the regional median household earned $68,500 before-tax, up from $55,130 (+24%) since 2016. This is a sharp increase relative to historical changes. For example, the median household increased just 3% between 2011 and 2016. The recent income growth is largely attributed to the impacts of COVID-19 relief payments, explained above.

- Two or more person households are more likely to earn higher incomes than single person households. Couples with children and couples without children were the households that had the highest median annual income, earning $123,000 and $73,500, respectively.

- Owner households, which report a higher average household size, reported a higher median income than renter households.

2.3.2   Income distribution

The distribution of household incomes varies based on household configuration and tenure. Households with lower incomes tend to be single-income households. This income group has higher susceptibility to sudden changes in costs and overall housing hardship. Figure 2-8 compares the distribution of incomes for owner and renter households across the RDCK.

**Figure 2-8: Income distribution by tenure, 2021**
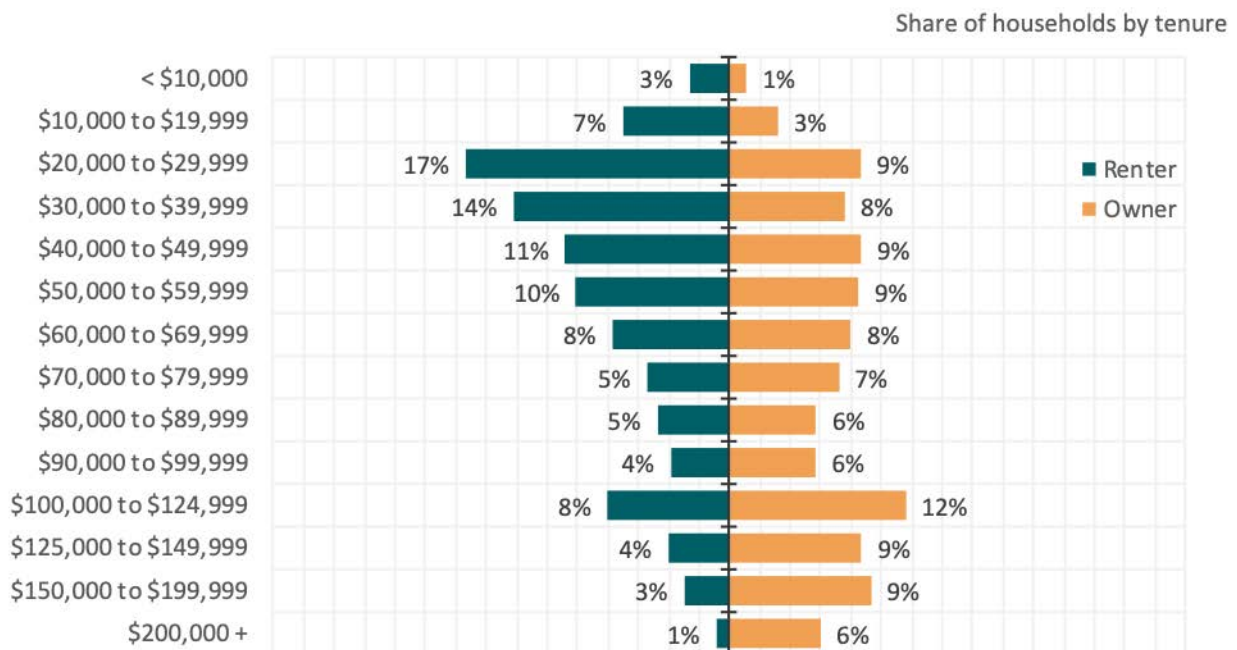
Source: BC Government purchased Custom Statistics Canada Census Tabulations

- Renter households (often smaller households) have lower incomes compared to owner households, with about 41% earning less than $40,000. Homeowners have significantly higher incomes, with 35% earning above $100,000. Only 16% of renter households earned above $100,000 in 2021.

Figure 2-9 illustrates the change in household income between 2016 and 2021. The chart attempts to visualize the significant impact of CERB. While CERB served as a stimulus during the peak of the COVID-19 pandemic, it has likely attributed to inflated changes in reported income between Census periods. This is most evident in the shift in households earning less than $20,000 annually, with approximately 13% of all households earning that amount in 2016, compared to roughly 5% in 2021.

Figure 2-9: Income distribution of total households, 2016-2021
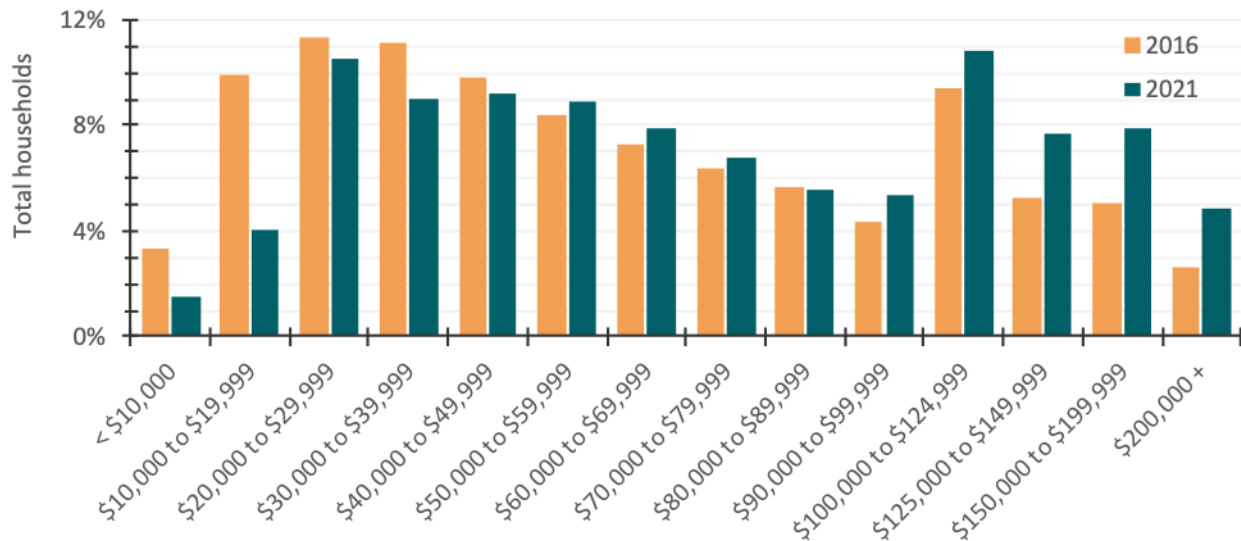
Source: BC Government purchased Custom Statistics Canada Census Tabulations

2.3.3   Income categories

This report adopts methods used by UBC's Housing Assessment Resource Tools (HART), which uses custom Statistics Canada Census tabulations to establish five household income categories that can help inform the share of the population most at risk of financial pressures related to housing. The categories are as follows:

- **Very low income**: 20% or less of area median household income (AMHI), generally equivalent to shelter allowance for income support recipients.
- **Low income**: 21-50% AMHI, generally equivalent to one full-time minimum wage job.
- **Moderate income**: 51-80% AMHI, generally equivalent to a starting salary, depending on the job and sector.
- **Median income**: 81-120% AMHI, representing the 'middle class.'
- **High income**: More than 120% AMHI, the group with the greatest housing wealth

Table 2-2 summarizes the share of households that belong to each income category, and the approximate range of shelter costs that a household can afford. Note that the affordable shelter costs use Statistics Canada's 30% shelter-cost-to-income ratio (i.e., affordability threshold), further adjusted to account for an assumed 25% of shelter costs being allocated to ancillary costs like insurance or utilities. In other words, the affordable shelter cost provided in the table represents only a rent or mortgage payment.

Table 2-2: Income category summary, 2021

Income category	Annual household income	Affordable shelter cost	Estimated share of total households
Very low income	≤ $13,700	< $255	2%
Low income	$13,701 to $34,250	$260 to $640	17%
Moderate income	$34,251 to $54,800	$645 to $1,030	19%
Median income	$54,801 to $82,200	$1,030 to $1,540	21%
High income	$82,201 +	$1,540 +	40%

Source: UBC Housing Assessment Resource Tools (HART)

- In 2021, about 40% of households earned a "high income," and could afford monthly mortgage payments or rent at a minimum of $1,540.
- About 20% of households earn a "very low income" or "low income," totalling about 5,415 households. These households can afford on average a monthly mortgage or rent of $640. Many of these households may already own their home or are eligible for shelter assistance, so they may be able to afford more than is otherwise identified. However, this income group has higher susceptibility to sudden changes in costs (whether it is a repair or increase in rent).
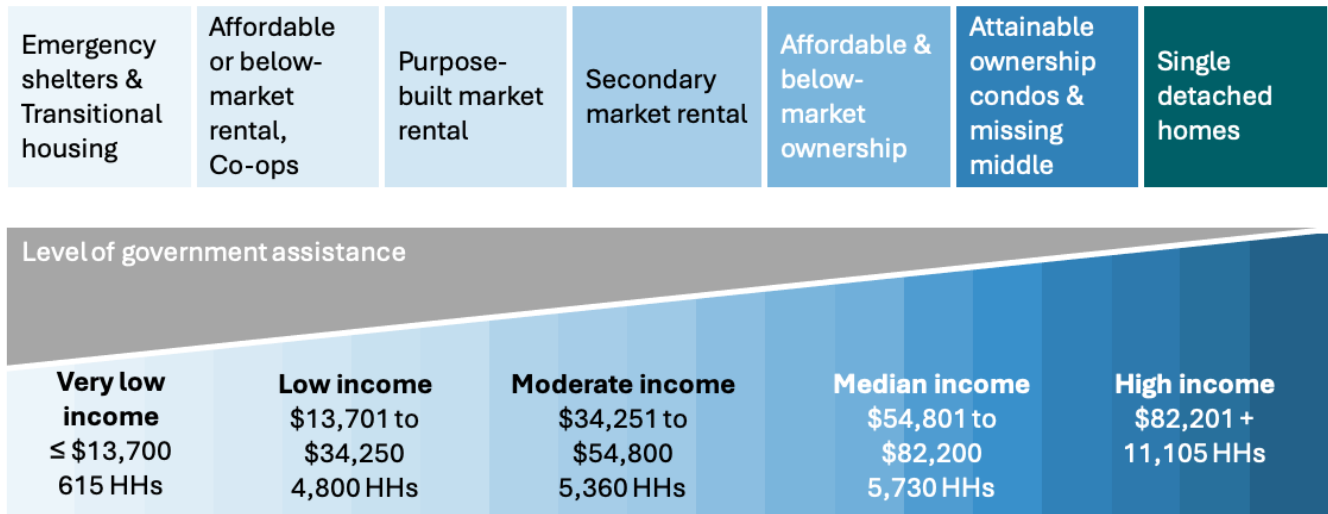
2.3.4 Income vs. Housing Continuum

Figure 2-10 illustrates a varied version of the housing continuum, originally created by the Canadian Mortgage and Housing Corporation (CMHC) and demonstrates how income categories and households within each category may align along this continuum.

It is challenging to determine the exact number of households that should occupy each type of housing given the specific circumstances of individual households are not known. However, this figure provides an estimate of the number of units needed to potentially accommodate the maximum number of households' needs.

Around 5,415 local households earn at most a low income (earning less than or equal to $34,250), often single individuals, and are at higher risk of needing emergency housing services due to sudden personal, physical, or financial changes.

Figure 2-10: Rough distribution of households on the housing continuum

Emergency shelters & Transitional housing	Affordable or below-market rental, Co-ops	Purpose-built market rental	Secondary market rental	Affordable & below-market ownership	Attainable ownership condos & missing middle	Single detached homes

Level of government assistance

Very low income ≤ $13,700 615 HHs	Low income $13,701 to $34,250 4,800 HHs	Moderate income $34,251 to $54,800 5,360 HHs	Median income $54,801 to $82,200 5,730 HHs	High income $82,201 + 11,105 HHs

While rent and mortgage costs have risen considerably in recent years, the income required to meet these market rates has not kept pace. As a result, an increasing number of moderate-income households are vulnerable to sudden cost changes and could benefit from non-market housing options, such as below-market rentals. If affordability challenges persist, a growing segment of the population may face financial strain and heightened vulnerability.

3. Housing Profile

The 2021 Census recorded 31,588 total dwellings across the RDCK, of which 28,005 were occupied by usual residents. A usual resident is an owner or renter that lives in their dwelling more than half of the year, which qualifies the dwelling as their primary place of residence. Conversely, a non-usual resident occupied dwelling could include a recreational property, short-term rental, or unoccupied dwelling.

Given these numbers, it is estimated that 11% of local dwellings may have been used for purposes other than permanent occupation. In 2016, this number was about 12%, indicating a marginal change and suggesting that the notable growth reported over the five years was less an outlier caused by the pandemic, but rather the pandemic accelerating regional in-migration trends (i.e., moving to the community for retirement).

Table 3-1 summarises the totals and distribution by structure type for the regional district.

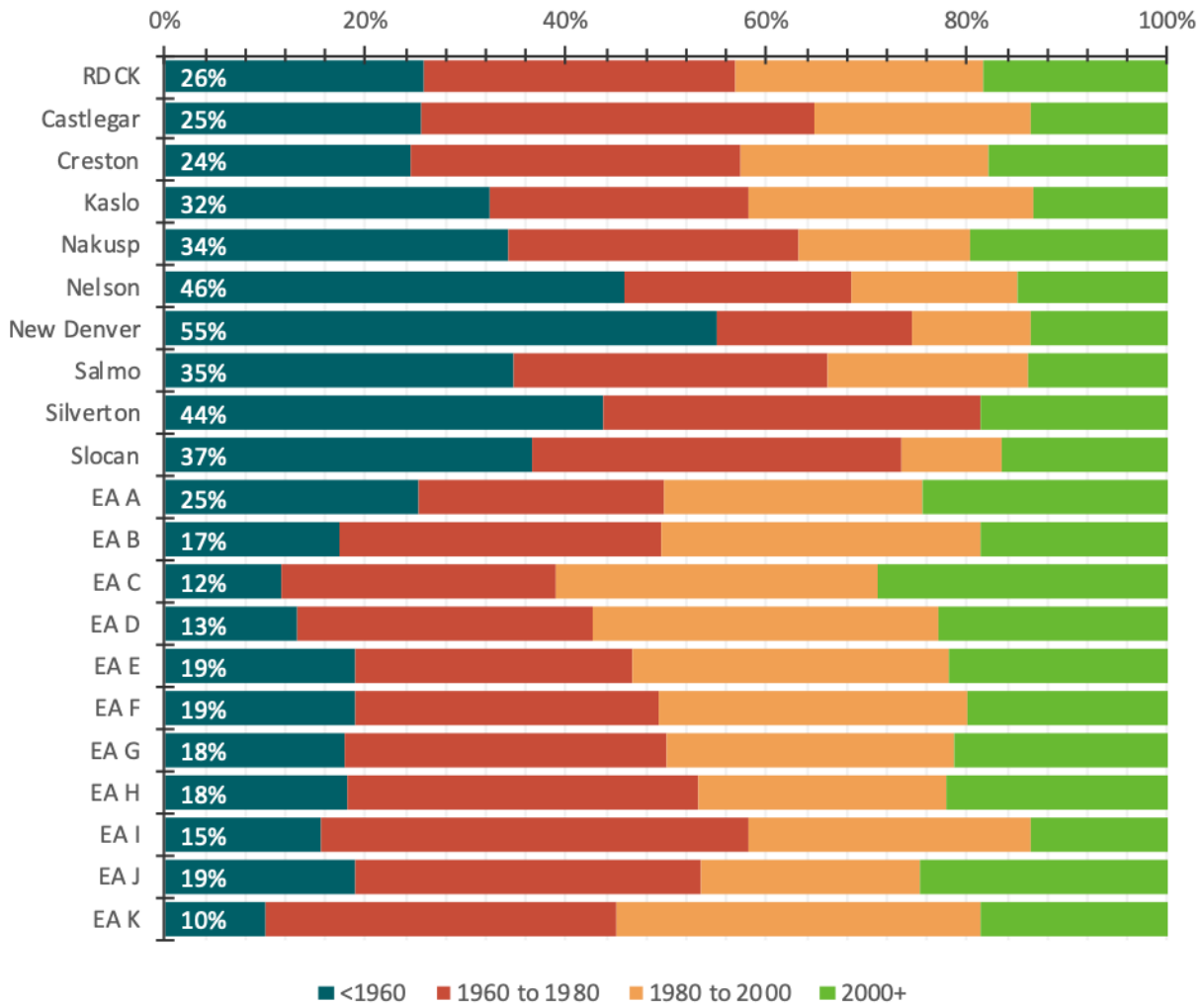**Table 3-1: Dwellings occupied by usual residents by structural type and tenure, 2021**

	Total	Single	Row	Semi	Duplex	Apt (<5 floors)	Apt (5+ floors)	Mobile
Total	28,005	21,555	830	645	1,325	1,875	0	1,600
Share	100%	77%	3%	2%	5%	7%	0%	6%
Owner	78%	87%	42%	60%	52%	23%	–	76%
Renter	22%	13%	58%	40%	48%	77%	–	24%

Source: BC Government purchased Custom Statistics Canada Census Tabulations

• Single-detached homes account for about 77% of the housing supply (21,555 units) followed by apartment dwellings at 7% (1,875 units) and duplexes at 5% (1,325 units). Note that Statistics Canada's definition of a duplex includes single-detached dwellings with an accessory apartment.

Figure 3-1 shows the distribution of community dwelling inventories by their ages of construction.

Figure 3-1: Dwellings occupied by usual residents by age of construction and community, 2021


Source: BC Government purchased Custom Statistics Canada Census Tabulations

- Almost 60% of the RDCK's dwelling inventory was built before 1980. Since 2000, about 245 new dwellings (that are occupied by a usual resident) were built annually across the region.

- While considerable volumes of new dwellings are being built in the municipalities (namely, Castlegar, Creston, and Nelson), these municipalities also have high shares of dwellings built before 1960. Generally, the older a dwelling is, the greater likelihood of it being in disrepair or in an inadequate condition.

- Dwelling growth since the 1980s was the greatest among the electoral areas. This indicates that the RDCK's rural areas have played an important role in addressing regional housing demand.

3.1   PROPERTY OWNERSHIP

The Census identified that approximately 11% of dwellings in the RDCK were reported as not being occupied by a usual resident in 2021, indicating that a notable portion of the housing inventory is used for alternative purposes. Figure 3-2 illustrates how this percentage varies across RDCK communities.

Figure 3-2: Share of non-usual resident occupied dwellings by community, 2021
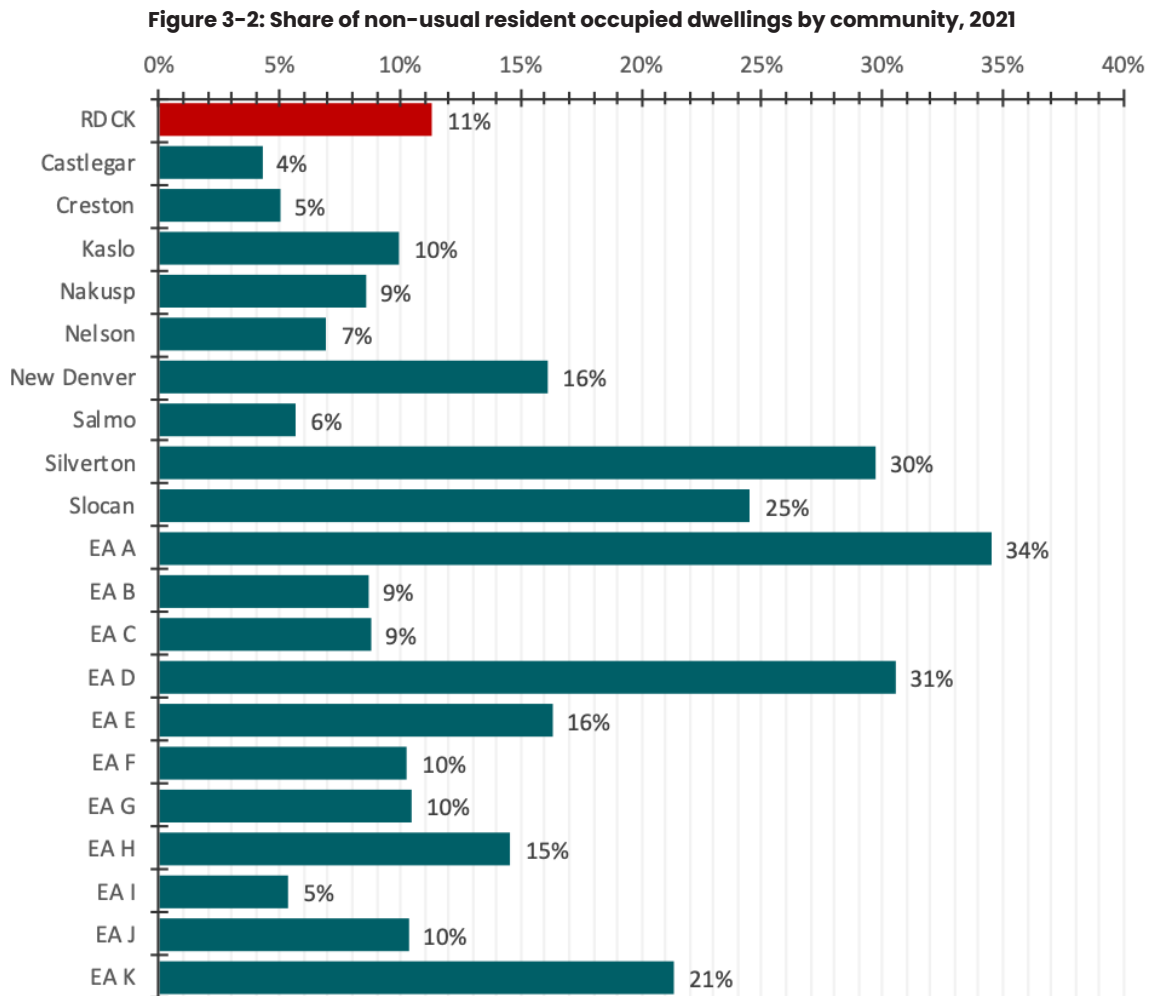
Source: Statistics Canada 2021 Census

- On average, there are less homes in municipalities that are not used as a primary residence when compared to the electoral areas. This trend is typical, as there are often more properties that are used recreationally or infrequently, like cabins or cottages, in rural areas.
- Notably, Silverton and Slocan demonstrate high rates of non-permanently occupied dwellings – 30% and 25%, respectively.

While a useful number to quantify the relationship between permanently and non-permanently occupied dwellings, Statistics Canada does not offer much in terms of who owns these non-permanent dwellings.

Despite the lack of detailed data, some initiatives from Statistics Canada – particularly the Canadian Housing Statistics Program – provide some insights. Figure 3-3 shows the percentage of dwellings owned by individuals or groups who did not reside on the property in 2022 (i.e., the share of investor-owned properties).

Key Definitions

Investment property: A property owned by someone that is not identified as a primary place of residence by the owner.
Non-investment property: A property owned and occupied by the owner.
Resident: A person who lives in Canada as their primary country of residence.
Non-resident: A person who does not live in Canada as their primary country of residence.

Figure 3-3: Share of property investors by investor type and by community, 2022
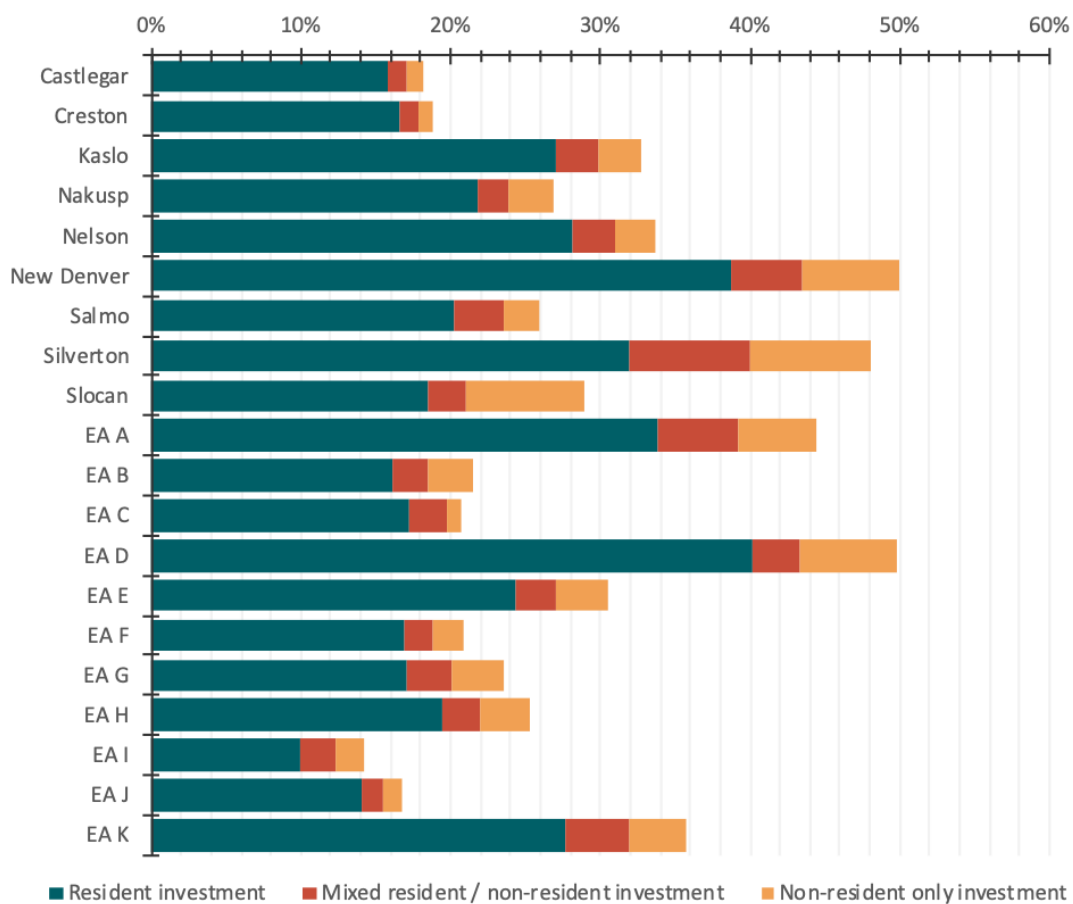
Source: Canadian Housing Statistics Program

- In municipalities, high levels of investment are often associated with rental properties, which are classified as investment properties. While the exact share of long-term rental property owners is unclear, the elevated rates of investment relative to Census renter data suggest significant investment across the RDCK, particularly within the electoral areas.

- Most local investment properties are owned by Canadian residents, but the proportion of non-resident or non-resident-affiliated investors varies. For example, 16% of properties in Silverton are partially or wholly owned by non-residents, compared to approximately 2% in Creston and Castlegar.

- In contrast to trends in permanently versus non-permanently occupied dwellings, municipalities have higher rates of both resident and non-resident investment than electoral areas. Approximately 7% of municipal dwellings have at least partial non-resident ownership, compared to 6% in electoral areas.

3.2 RENTAL UNIVERSE

The rental universe includes a variety of different types of rental housing, most commonly categorized as either primary market, secondary market, or non-market rental housing.

CMHC's Rental Market Survey provides detailed data on the primary rental market. Unfortunately, CMHC only surveys communities with a population of larger than 10,000 people. Because many of the communities in the RDCK do not meet the minimum community size requirements, there is limited data available for most municipalities, other than the City of Nelson. Given these data limitations, this section utilizes data for Nelson, which includes information about rents, the rental stock, and vacancy.

Figure 3-4 summarizes the distribution of primary rental stock by unit size and building age.

Key Definitions

Primary Market Rental: Purpose-built rental buildings with at least three rental units. These units are privately initiated, usually with the intention of being offered for rent at market rates.

Secondary Market Rental: All privately rented homes not categorized as primary market rentals. Can include: Rented detached homes, duplexes, semi-detached homes or row homes, rented freehold row/town homes, rented accessory apartments or suites, and rented condominiums.

Figure 3-4: Primary rental universe by unit size and building age, Nelson CA, 2023
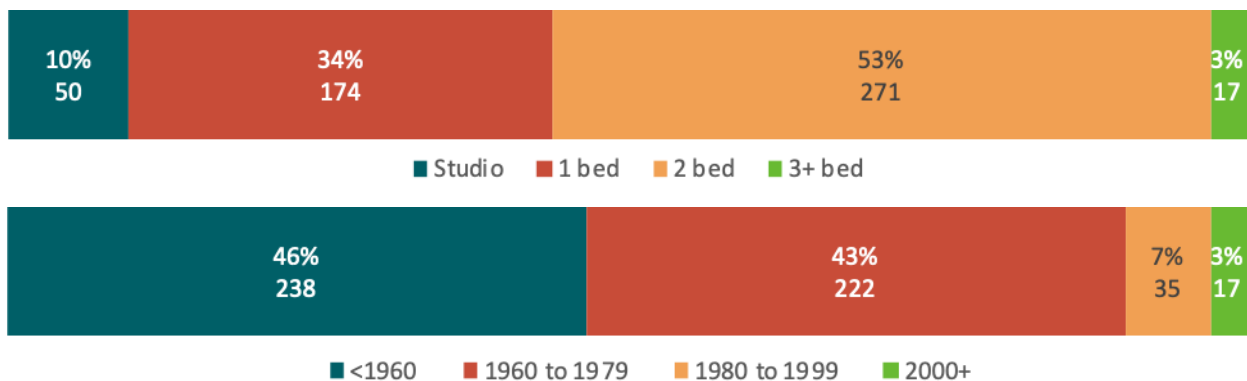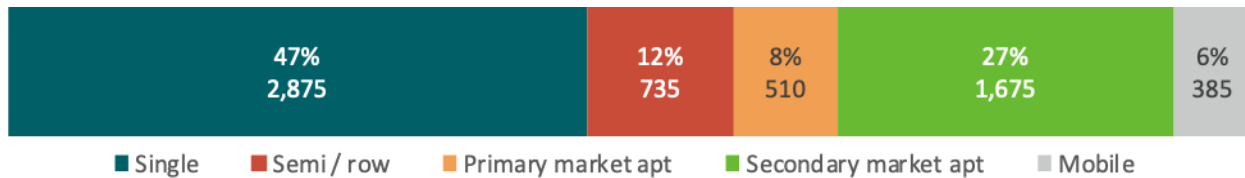

Source: CMHC Rental Market Survey

- More than half of all primary market rentals in Nelson are two-bedroom units.

- There has been no notable change in the total primary rental universe size since 2013, nor any changes by unit size. This suggests that purpose-built rental completions have largely replaced, not supplemented, older rental stock.

- Like for the general market, rental construction activity was highest pre-1980.

- About 1,820 dwellings in Nelson were occupied by renters in 2021 – about 510 at the time were from the primary rental market. In other words, a possible 1,310 units existed in the secondary market, of which 675 were apartments.

- The remaining 635 were distributed across lower density forms of housing, like single- and semi-detached homes or rowhouses.

Figure 3-5 provides an overview of the overall rental stock in 2021, distinguishing between primary rentals and secondary rentals (i.e., all rentals not part of the primary stock). The use of 2021 data is to create consistency between the two sources: CMHC and Statistics Canada.

Figure 3-5: Estimated overall rental universe by dwelling type, 2021

| 47% 2,875 | 12% 735 | 8% 510 | 27% 1,675 | 6% 385 |

■ Single   ■ Semi / row   ■ Primary market apt   ■ Secondary market apt   ▪ Mobile

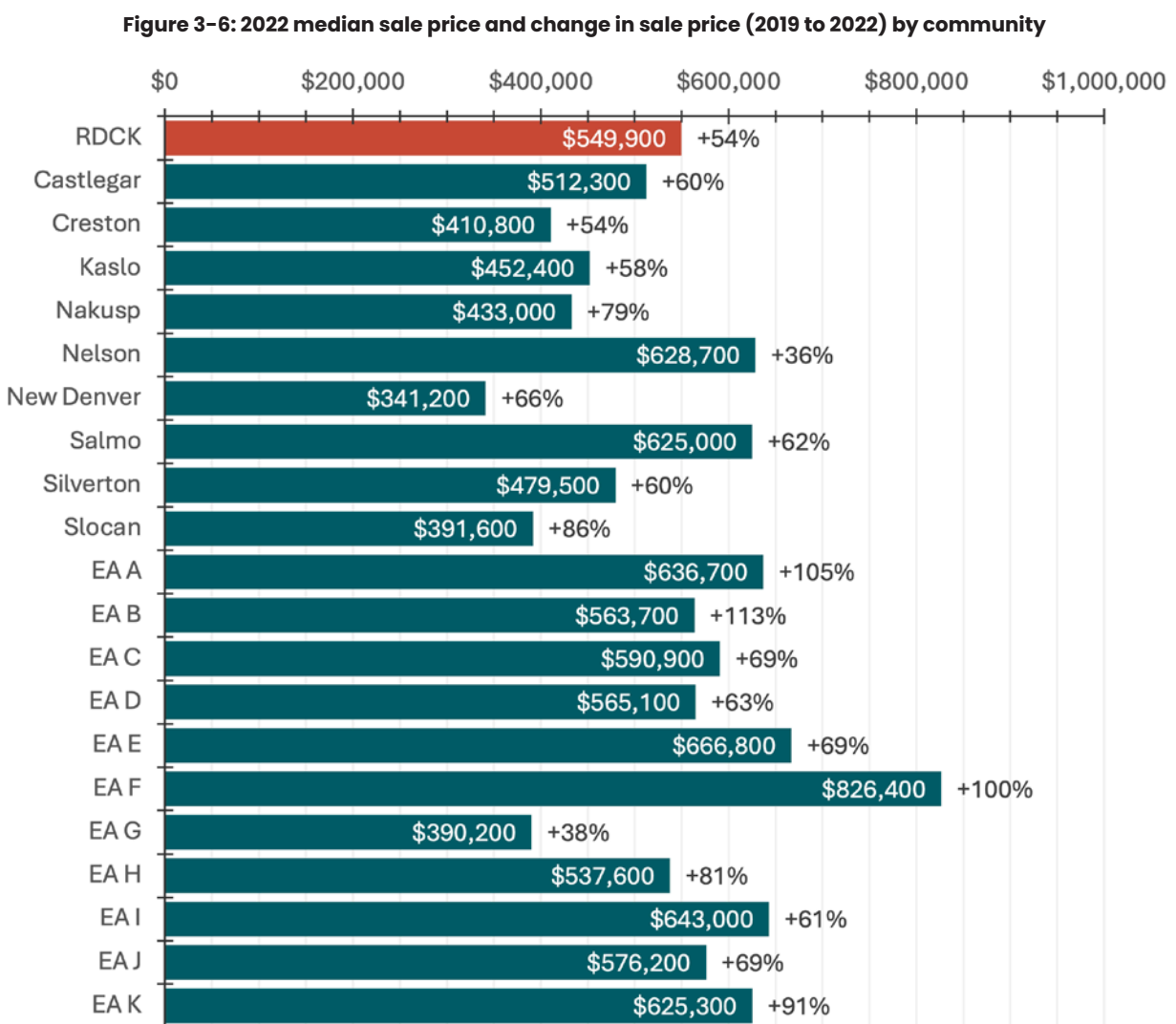*Source: BC Government purchased Custom Statistics Canada Census Tabulations*

- In 2021, approximately 6,180 of RDCK's dwellings were occupied by renters. Among these, about 510 were from the primary rental market in Nelson. This means there were potentially 5,670 units in the secondary market, including 1,675 apartments. The remaining 3,995 were non-apartment dwellings (like single- and semi-detached homes or rowhouses).

3.3 MARKET HOUSING ACTIVITY

3.3.1 Home price trends

Market housing is housing that is privately owned by an individual (or a company) and generally does not receive subsidies to purchase or maintain it. Prices are set by the private market.

Figure 3-6 illustrates the 2022 median home prices by municipality and electoral area, as well as the percentage change between 2019 and 2022 (pre- and post-pandemic). The data is sourced from BC Assessment's historical revised rolls, which include sales information up to and including 2022.

Figure 3-6: 2022 median sale price and change in sale price (2019 to 2022) by community

| Community	Median Sale Price	Change
RDCK	$549,900	+54%
Castlegar	$512,300	+60%
Creston	$410,800	+54%
Kaslo	$452,400	+58%
Nakusp	$433,000	+79%
Nelson	$628,700	+36%
New Denver	$341,200	+66%
Salmo	$625,000	+62%
Silverton	$479,500	+60%
Slocan	$391,600	+86%
EA A	$636,700	+105%
EA B	$563,700	+113%
EA C	$590,900	+69%
EA D	$565,100	+63%
EA E	$666,800	+69%
EA F	$826,400	+100%
EA G	$390,200	+38%
EA H	$537,600	+81%
EA I	$643,000	+61%
EA J	$576,200	+69%
EA K	$625,300	+91%

Source: derived from BC Assessment

- From 2019 to 2022, the median home price in the RDCK increased by 54%. Although all communities experienced rapid price growth, some saw more significant increases than others. For example, the median sale prices in Electoral Areas A, B, and F more than doubled over this period.

- By 2022, the median home price in the RDCK was approximately $549,000.

- With higher interest rates introduced after 2022 to curb nationwide home price surges, it is likely that local price growth has somewhat slowed; however, homeownership has become increasingly out of reach for many.

3.3.2   Homeownership attainability

Figure 3-7 illustrates how the regional historical median cost of housing compares to estimated affordable housing prices (based on a set of mortgage assumptions and regional annual incomes) by household family type. The purpose is to highlight the impact of changing local incomes and prices on affordability.

Figure 3-7: Historical estimated affordable dwelling price by household type vs actual median price, RDCK
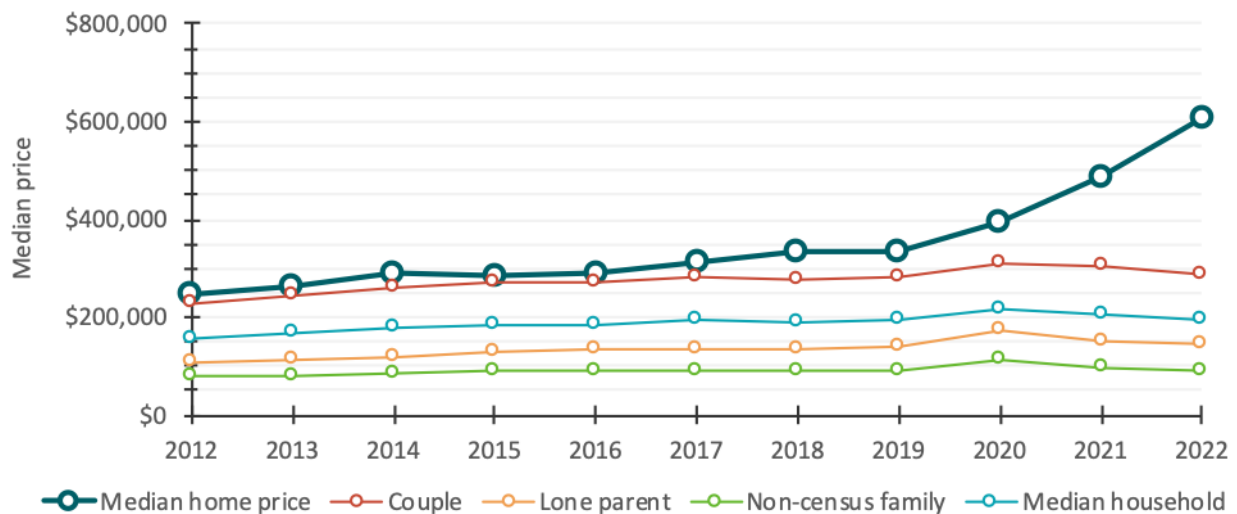
Source: derived from BC Assessment, custom Statistics Canada dataset[4] and mortgage assumptions

- Since at least 2012, median household incomes have not kept pace with median house prices. This has created a considerable affordability gap, especially for first-time buyers without accumulated equity or external financial support.

- From 2012 to 2017, the difference between actual and affordable home prices remained relatively stable. Since 2018, the median price of a home has become increasingly out of reach for all median household types.

- Historically, couple households were the most capable of accessing housing given the increased likelihood of having a dual income. Yet even for these households – particularly first-time buyers – purchasing power has diminished notably since 2019.

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

Important note: The gap between the affordable purchase price and actual price reflects the median. There are individuals or households who face significantly greater and significantly less financial challenges related to their shelter. As of 2021, 12% of owner households in the RDCK reported not reasonably affording where they live.

Assumptions

- Same mortgage and affordability assumptions as stated in the Introduction, except that interest rates reflect the annual average of weekly interest rates for each respective year.

Calculations

- Collect annual median income data for the RDCK (in this case, from a custom Statistics Canada dataset previously purchased by Turner Drake).

- Estimate an affordable monthly payment using affordability assumptions above (i.e., income x 30% x [1 – 25%] = monthly payment).

- Convert the affordable monthly payment to an affordable purchase price, based on mortgage and down payment assumptions.

- Collect the historical median purchase prices by dwelling type

- Compare historical median purchase prices to the estimated historical affordable purchase prices.

Figure 3-8 further demonstrates how housing attainability has changed over time by estimating how many dwelling sales in 2017 and 2022 would have been affordable (i.e., 30% of income) for various income levels. The analysis is based on sales from across the RDCK and used similar mortgage assumptions as noted above.

Figure 3-8: Change in the share of dwellings afforded by defined income, RDCK
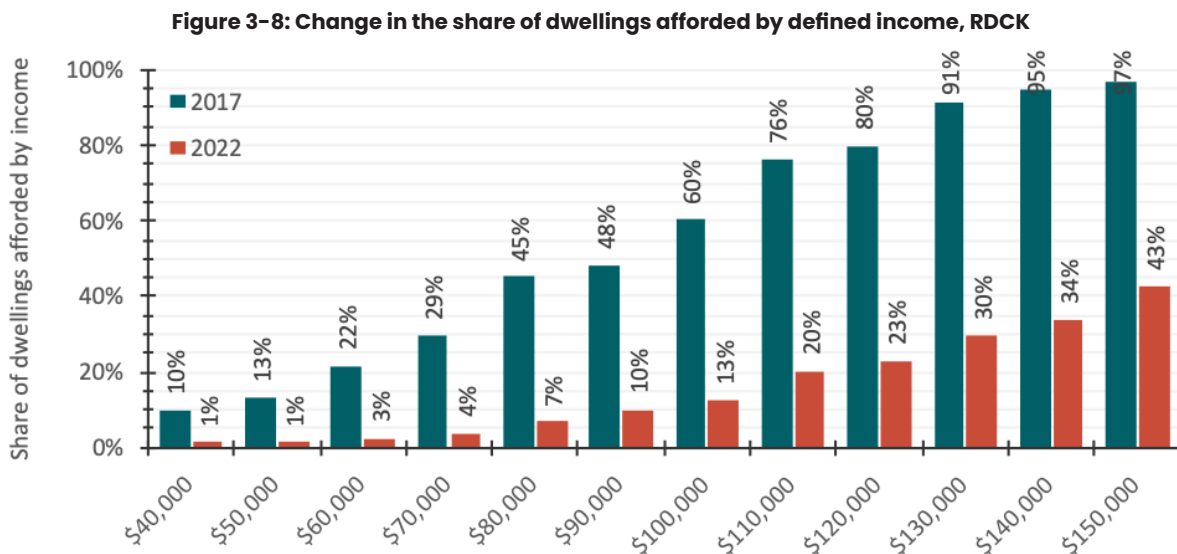
Source: derived from BC Assessment

- In 2017, approximately 45% of regional sales (including new and old housing) may have been affordable for a household making $80,000 a year. By 2022, only 7% of regional sales may have been affordable for that same income group. Similarly, the shares were 80% and 23% for a household making $120,000.

- Although the data presented is a rough estimate, the overall conclusion remains the same: homeownership is increasingly and more broadly out of reach across the RDCK, even for those classified as having a "high" income ($80,000+ per year).
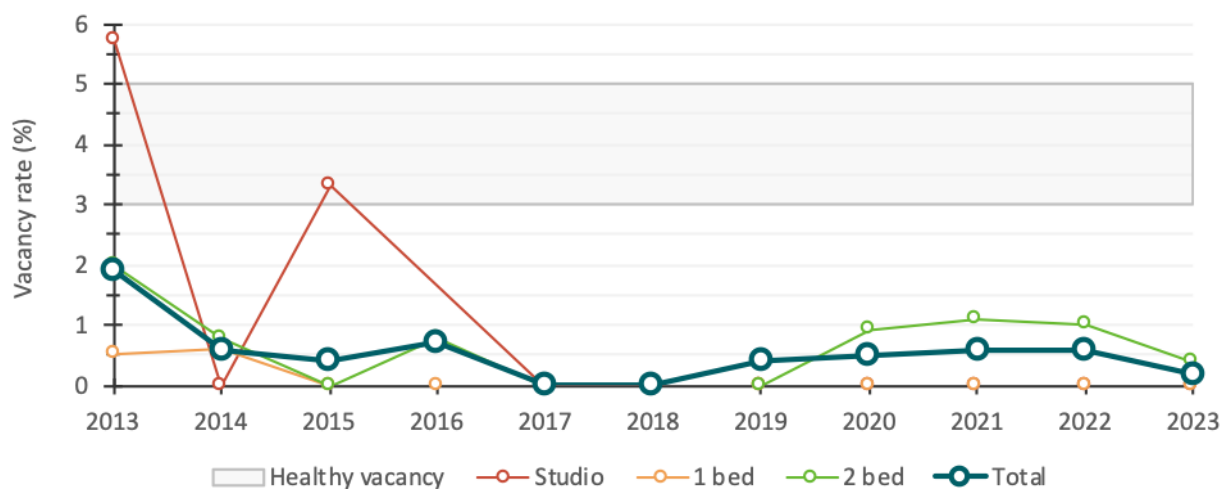
3.3.3   Rental market

As previously noted, most of the RDCK's communities do not meet the requirements of CMHC's Rental Market Survey. As a result, there is limited rental market data available for the regional district.

However, CMHC does provide information for the City of Nelson. Figure 3-9 illustrates the change in Nelson vacancy rates as an example of the health of local rental markets. Since the beginning of reporting for Nelson in 2013, no annual vacancy rate was above 3%, signifying a deficit of local rental housing.

A "healthy" vacancy rate is generally considered to be between 3% and 5%. Low vacancy rates signify that rental options are scarce, expensive, and highly competitive. Landlords also have more leverage to increase prices if rental options are limited. While there is limited rental data for other communities, low vacancy rates in cities like Nelson impact adjacent areas since persons or households that cannot find housing in Nelson must look elsewhere for alternatives – including the electoral areas and villages. This increases rental demand and overtime, can contribute to deteriorating rental conditions and vacancy rates across the RDCK.

**Figure 3-9: Annual vacancy rate for Nelson by dwelling size, as of October of each year**

Source: CMHC Rental Market Survey

3.4   NON-MARKET HOUSING INVENTORY

Non-market housing encompasses all forms of housing not subject to market forces. This includes public or social housing, affordable housing offered by non-profit organizations, and transitional and emergency shelters, among others.

Figure 3-10 provides an overview of the current, BC Housing affiliated non-market housing and program offerings across the RDCK's communities, as reported by BC Housing in March 2024.

Figure 3-10: Number of individuals / households serviced by BC Housing affiliated non-market units or programs by community, March 2024
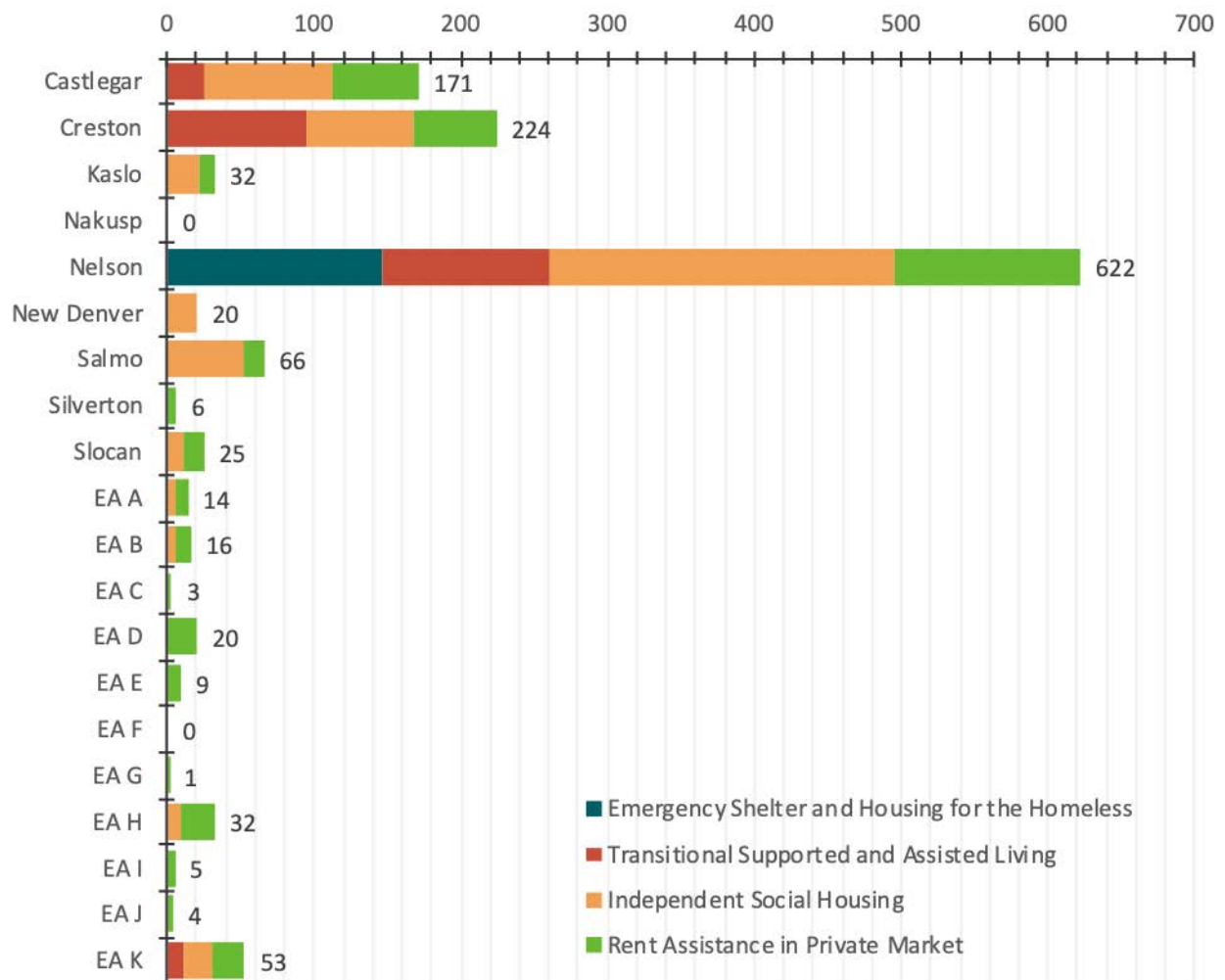
Source: BC Housing

- The RDCK's non-market inventory was 1,323 in March 2023, broken down as follows:
  - 147 units of emergency housing,
  - 248 units of transitional/assisted living housing (mostly for senior populations),
  - 539 units of social housing (largely geared towards families), and
  - 389 recipients (mostly seniors) of rent assistance.

- The City of Nelson offers almost half of the regional district's BC Housing affiliated non-market units (622) and is the only RDCK community to offer emergency shelters and housing for the homeless. Castlegar and Creston also offer a substantial number of non-market units.
- While some electoral areas offer a variety of non-market options, most interventions are in the form of rental assistance in the private market.

4. Housing Need

4.1 HOUSING CRITERIA

CMHC's Core Housing Need (CHN) metric measures three critical housing criteria and whether reasonable alternatives exist in the market. A household is in core housing need if its housing does not meet one or more of the following standards:

Adequate
Housing is considered adequate when it isn't in need of major repairs. Major repairs include defective plumbing or electrical wiring, or structural repairs to walls, floors, or ceilings.

Suitable
Housing is considered suitable when there are enough bedrooms for the size and make-up of resident households. This is according to National Occupancy Standard (NOS) requirements.
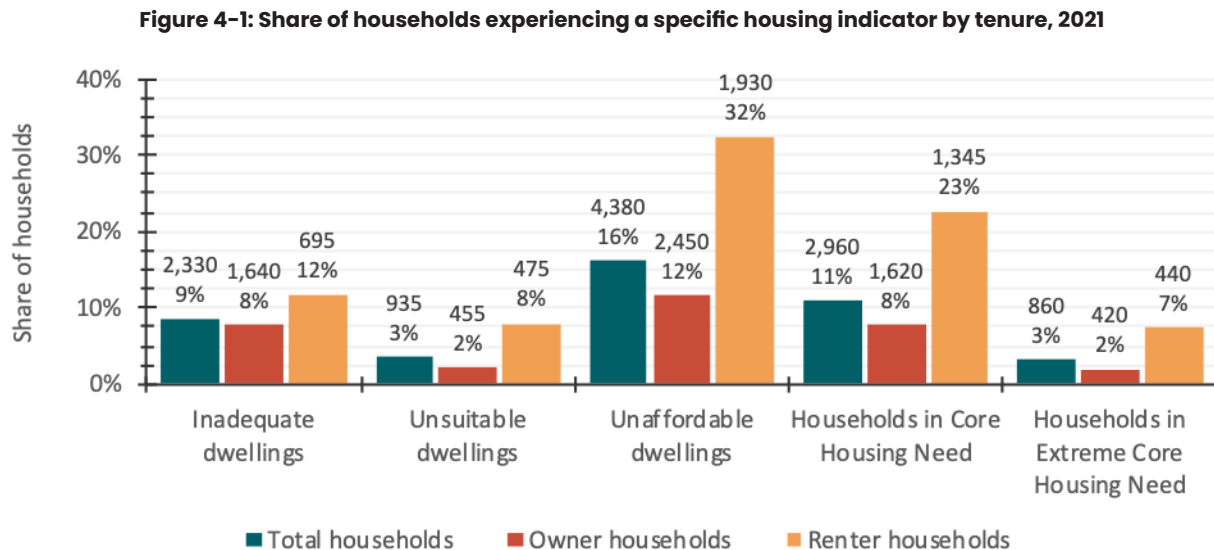
Affordable
An affordable home costs less than 30% of the occupying household's before-tax household income.

Acceptable housing is adequate in condition, suitable in size, and affordable. An added metric is "Extreme Core Housing Need (ECHN)," which refers to a household paying more than 50% of their income on shelter costs.

Historically, unaffordability has contributed the most to rates of CHN. However, a household in an unaffordable home does not necessarily mean they are experiencing CHN. CHN also considers whether affordable alternatives exist. In other words, CHN accounts for and does not include households living in an unaffordable home by choice (e.g., buying a home that is expensive now, but may be affordable later as the household income grows).

4.2   HOUSING NEED BY TENURE

Figure 4-1 shows rates of inadequacy, unsuitability, unaffordability, CHN, and ECHN for all RDCK households, as well as households by tenure.

Figure 4-1: Share of households experiencing a specific housing indicator by tenure, 2021
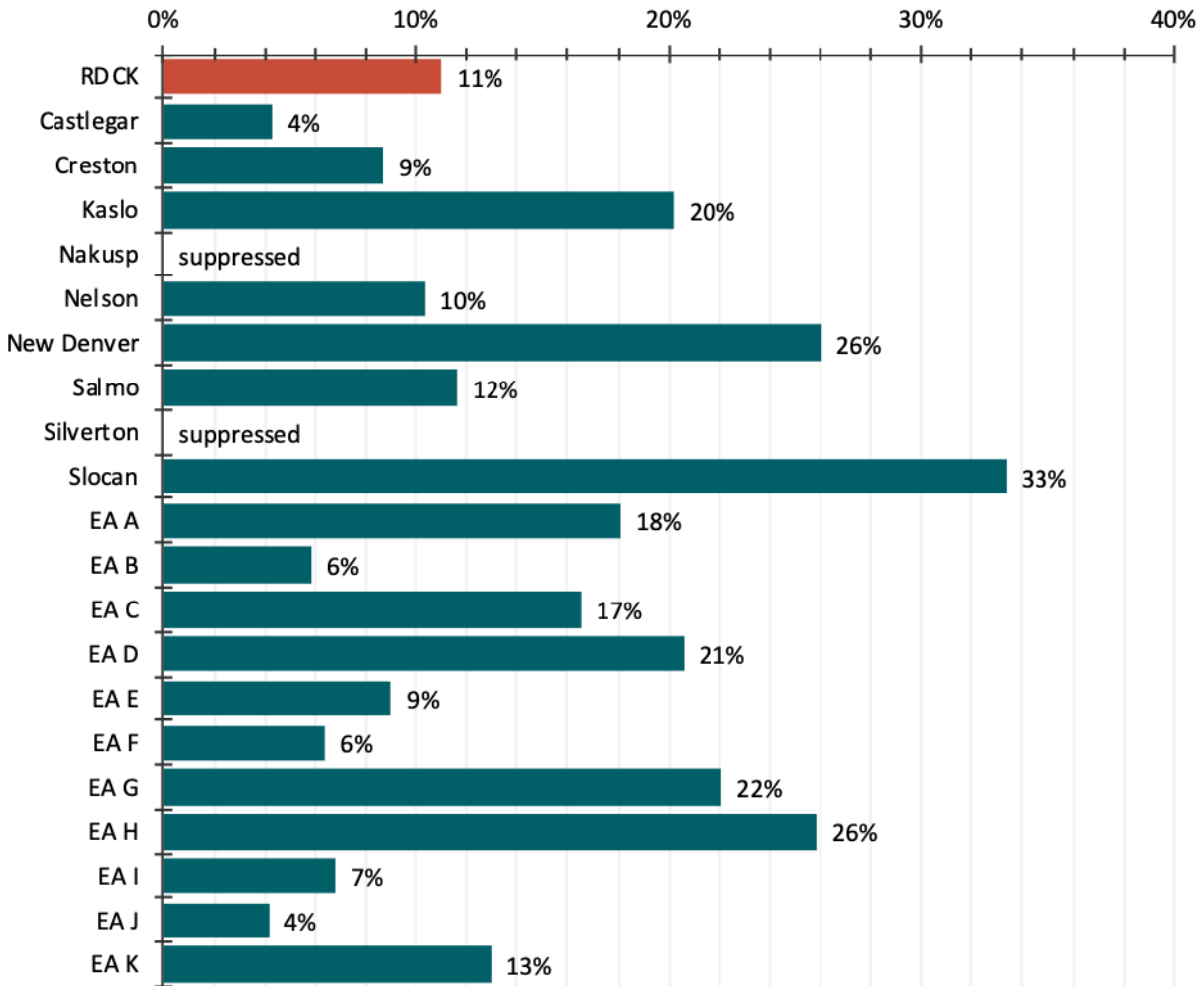

Source: BC Government purchased Custom Statistics Canada Census Tabulations

- About 9% of households lived in a home requiring major repairs and 3% lived in a home that was too small.

- Unaffordability is the housing indicator most prevalent among households. In the RDCK, 16% of households lived in unaffordable circumstances.

- Renter households are most severely affected by unaffordability, but also experience high rates of inadequacy and unsuitability. This is largely related to renter households having lower incomes than owner households.

- About 2,960 households in the RDCK reported living in CHN (11%) and 860 households (3%) identified as being in ECHN.

Figure 4-2 illustrates how CHN differs across communities in the RDCK. Note that some data is suppressed to protect confidentiality.

Figure 4-2: Core Housing Need by community, 2021

Source: BC Government purchased Custom Statistics Canada Census Tabulations

4.3 ENERGY POVERTY

There are several expenses that contribute to the overall cost of housing. While these costs have always been a critical factor in determining a home's affordability, recent years of high inflation have brought household expenses to the forefront — namely, the rising cost of energy. Alongside increasing mortgage and rent payments, concurrently rising energy costs are pushing more households into "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 have developed three key thresholds to define a disproportionate energy cost burden relative to a household's average after-tax income. A home is considered in energy poverty if it meets any of the following criteria:

• Spending more than 6% of after-tax income on utilities,

• spending more than 4% of after-tax income on fuel used for transportation, and

• spending more than 10% of after-tax income for the combined of (1) and (2).

Figure 4-3 illustrates the average share of after-tax income spent on energy, by energy expense type and by community. These estimates are produced using Statistics Canada's 2019 Household Spending Survey data, adjusted by inflation and estimated locally based on distributions of dwelling structure types.

Figure 4-3: Average energy share of income by community and poverty threshold type, 2023
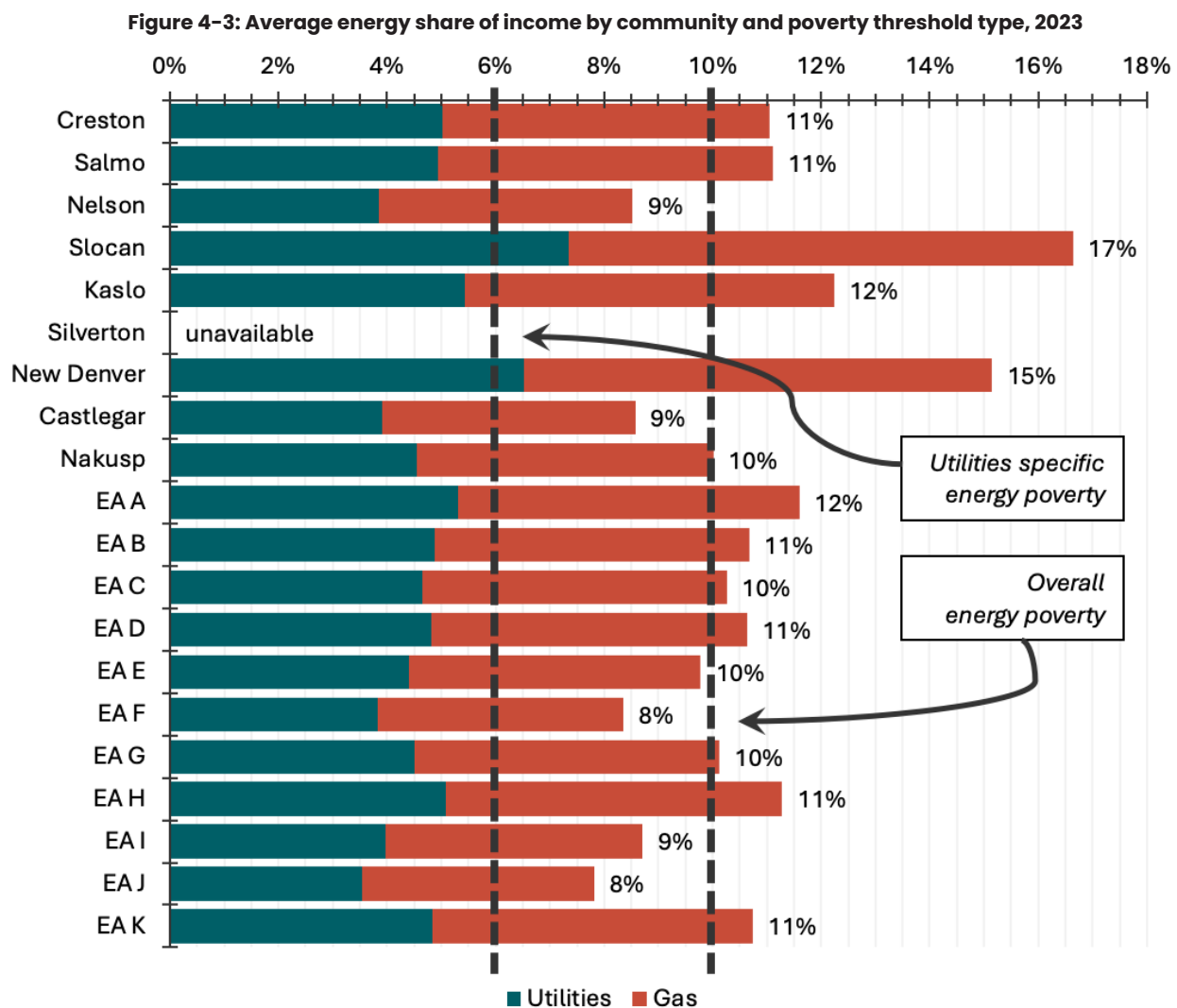
Source: Statistics Canada Household Spending Survey, 2019 – adjusted to 2023 dollars using annual CPI

- On average, RDCK households spend 4.8% of their after-tax income on utilities such as water, electricity, or heat (if not electric), staying below the 6% threshold for utility-specific energy poverty. This average suggests that a majority of households are in relatively favourable circumstances; however, it does not capture households' comfort levels. Households near the energy poverty line are more likely to compromise comfort to reduce their energy costs.

- Slocan and New Denver exceed the energy poverty threshold, indicating higher rates of energy hardship in these communities.

- When transportation costs (e.g., fuel) are factored in, most communities come close to or exceed the overall energy poverty threshold of 10%. The typical RDCK household spends approximately 10.7% of after-tax income on combined energy expenses, reflecting rising fuel costs and the extensive travel distances that many residents must regularly travel to access amenities, services, and employment.

4.4 UNHOUSED PERSONS

The Province of British Columbia and BC Housing jointly produce estimates of the homeless population across British Columbia on an annual basis.[5] These estimates have been available since 2021, with more recent results released for 2022 in October 2024. While detailed data is largely focussed at the provincial level, there are estimated totals across each regional district. Figure 4-4 illustrates the change over recent years.

Figure 4-4: Number of estimated unhoused persons and ratio to total population, RDCK
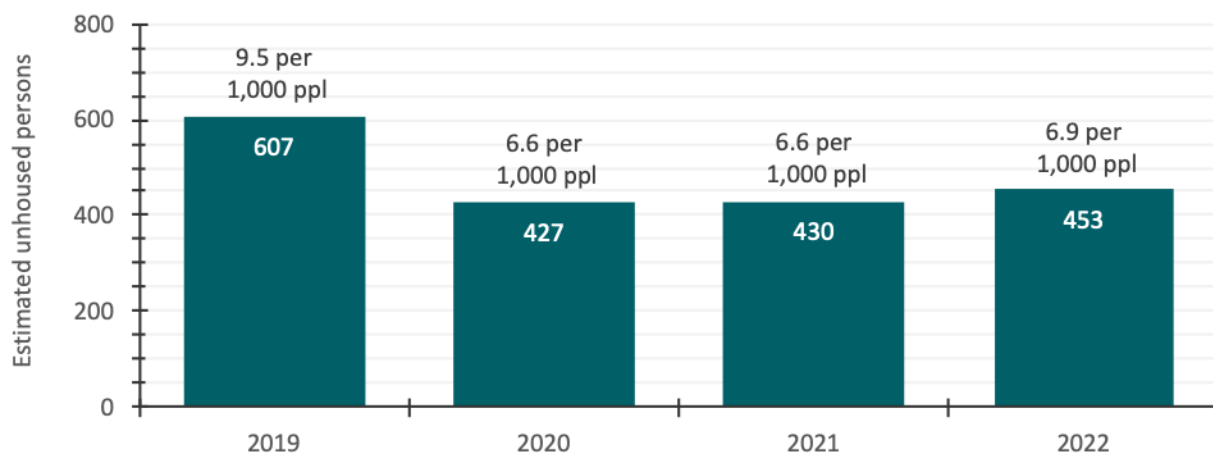
Source: derived from the Government of British Columbia and BC Housing

- Estimates indicate that homelessness peaked in 2019 at 607 individuals. By 2020, this number had decreased to 427, followed by a gradual increase in 2021 and 2022. Note that annual figures fluctuate, so the total reported in 2019 is unlikely to match the 2019 estimate calculated in 2022.

- Between 2021 and 2022, the percentage growth of regional unhoused persons exceeded that of the total population, resulting in more persons without permanent shelter as a percent of total residents.

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5   British Columbia. (2024, October 23). Preventing and reducing homelessness: An integrated data project. https://www2.gov.bc.ca/gov/content/housing-tenancy/affordable-and-social-housing/homelessness/homelessness-cohort

While the numbers above provide insight into trends in visible homelessness, they do not account for "hidden homelessness," a situation where individuals are not known to service providers and often reside in unstable, inadequate or unsafe conditions. Several datapoints and anecdotal evidence demonstrate how strained local housing markets have become since 2019. Rental options remain scarce, expensive, and highly competitive, with extremely low vacancy rates for one-bedroom and studio units across most communities in the RDCK. This leaves individuals already marginalized by homelessness and poverty at a severe disadvantage. The availability of genuinely affordable housing falls far short of meeting regional demand.

Generally, hidden homelessness can occur for several reasons:

Safety concerns: Some individuals avoid shelters due to safety concerns, fearing theft, lack of privacy, or potential violence in overcrowded or understaffed environments.

Personal preferences or restrictions: Others may opt to avoid shelters if they have personal belongings, pets, or family members that cannot be accommodated there.

Mental health or substance use stigmas: Mental health challenges or substance use disorders may lead to mistrust of shelters, where strict policies or stigmatization can deter individuals.

Lack of availability: Even when shelters exist, the scarcity of space means they may be frequently full, or the perception of being full may be a deterrent.

Homelessness is a multifaceted issue extending beyond housing scarcity. Many individuals experiencing homelessness confront complex challenges requiring additional support to secure and maintain housing, as well as to foster their overall health and well-being. While there are some supportive housing units in Nelson, there remains a pressing need for a substantial increase in such accommodations in the RDCK, alongside dedicated resources catering to individuals with intricate health needs.

5. Anticipated Housing Demand

5.1 ANTICIPATED DEMAND

In June 2024, the Province of British Columbia released a standardized HNR demand calculation methodology. The HNR method estimates the total number of housing units required to address current and anticipated housing needs over 5- and 20-year timeframes, based on publicly available data sources, that can be applied to communities of various scales. It is composed of six components (labeled A through F in Table 5-1). The standardized method for calculating demand ensures that all local governments produce consistent and comparable assessments of their housing need.

Table 5-1 provides a summary of the result for each component of the HNR method over the next 5 years and 20 years, as required by legislation. Note that the results are not based on regional specific inputs. Instead, they are the aggregate of the HNR method being applied to each individual RDCK community.

Table 5-1: Anticipated housing demand* by anticipated period and component, RDCK overall

Component	Housing units for:	Intention	5 year (by 2026)	20 year (by 2041)
A	Households in Extreme Core Housing Need	To estimate the number of new units required for those in vulnerable housing situations. Extreme need refers to those paying more than 50% of household income on shelter costs.	216	862
B	Individuals experiencing homelessness	To quantify the supply of permanent housing units required for those currently experiencing homelessness.	205	409
C	Suppressed households	To address those households that were unable to form between 2006 and the present due to a constrained housing environment.	586	2,344
D	Anticipated household growth	To quantify the additional households required to accommodate an increasing population over twenty years. Note that anticipated growth for municipalities is based on the average of local and regional projections (thus, population / household growth trends discussed above may not follow the same trajectory as dwelling projections) and electoral areas use solely regional projections.	4,012	10,192

Component	Housing units for:	Intention	5 year (by 2026)	20 year (by 2041)
E	Increasing the rental vacancy rate to 3%	To add surplus rental units to restore local vacancy rates to levels representing a healthy and well-functioning rental housing market. Typically, rates between 3% and 5% are considered healthy rates.

If a local vacancy rate does not exist for the calculation, the provincial vacancy rate is applied instead. | 30 | 118 |
| F | A local demand buffer | To reflect additional demand for housing within a given community, beyond the minimum units required to adequately house current and anticipated residents. This is called the "demand buffer" and is designed to better account for the number of units required to meet "healthy" market demand in different communities.

For the purposes of HNRs, a demand buffer is based on a ratio of housing price to housing density, and is calculated for each applicable community. | 335 | 1,339 |
| **TOTAL** | | | **5,383** | **15,265** |

* The sum of the components may not equal the total due to rounding
Source: HNR demand calculation methodology (link)

HNR Method Considerations

The HNR method prescribed by the BC Government is a standardized demand calculation methodology to ensure that all local governments produce consistent and comparable assessments of their housing need. This methodology works better for some areas than others. For municipalities and electoral areas with a small population base, the methodology is likely to result in an overestimate of demand. No projections are perfect, which is why the provincial legislation requires that municipalities repeat them every five years (as new information and data becomes available) as part of the HNR updates. The purpose of these projections is to serve as a target for municipalities to consider when assessing their zoning capacity to prepare for potential housing demand.

While it is required by legislation to report both the 5- and 20-year demand, the BC government is more interested in the 20-year projection. The short-term projection was a focus of the previous iteration of the HNR legislation which has since been revised to encourage communities to align housing projections with long term planning policies and tools (e.g., official community plans, zoning bylaws).

- The results indicate that approximately 15,265 units will need to be built in the RDCK and its member municipalities by 2041. While much of the demand will come from future growth, the number of supressed households since 2006 also contributes significantly.
- Components A, B, C, and E attempt to catalog unmet "current" demand, and thus serve as an estimate of the existing housing shortage (without considering any changes since 2021, which is the reference year).

Figure 5-1 illustrates how many units the HNR Method projects will be required for municipalities and electoral areas in the RDCK.

Figure 5-1: Number of new dwelling units required by 2041, by community
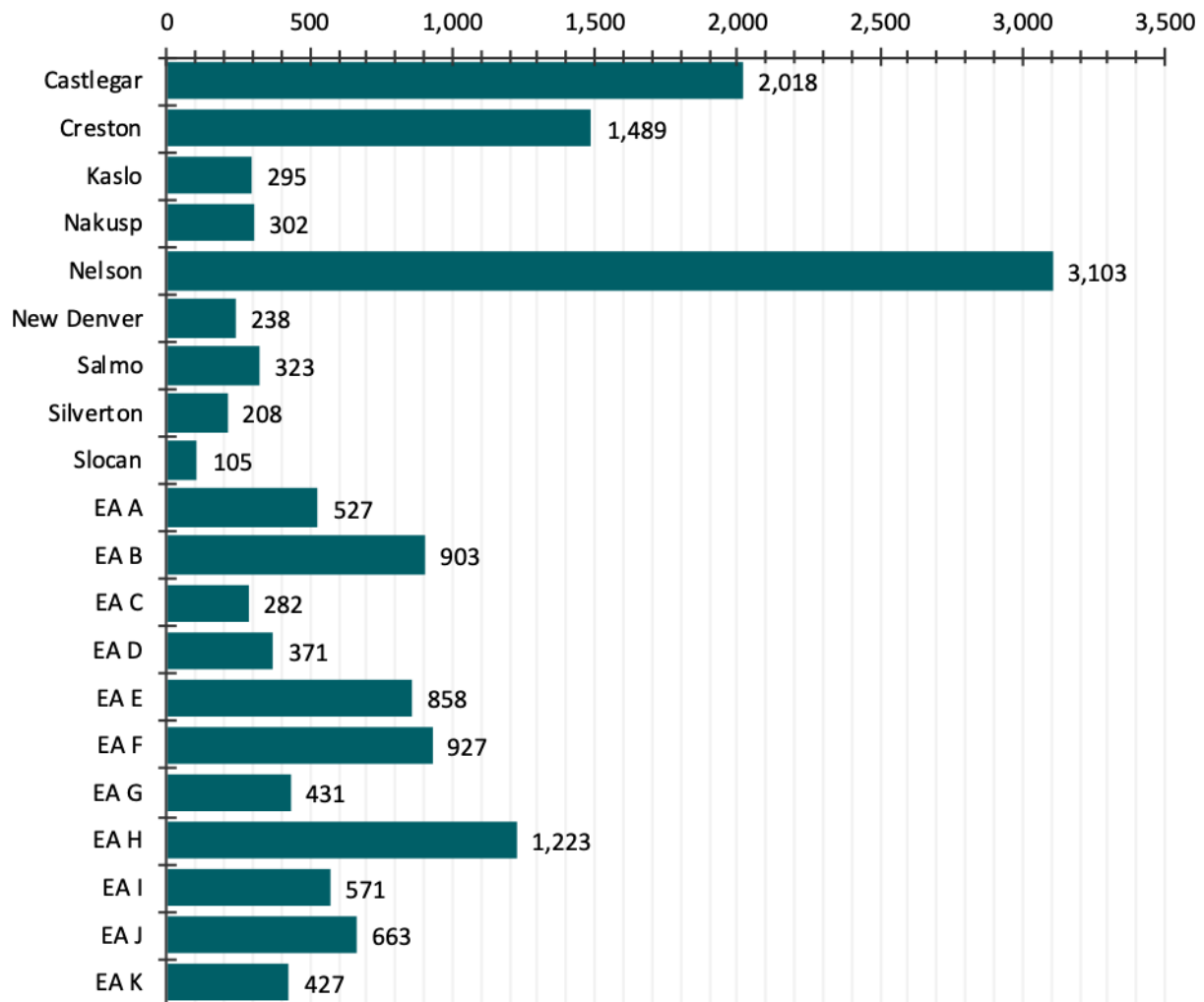
Source: HNR demand calculation methodology (link)

5.2   DISTRIBUTION OF ANTICIPATED DEMAND

An adaptation of the HNR Method provides a rough idea of current market and non-market housing demand and what the RDCK can expect over the 20-year projection period. HNR Method guidelines do not prescribe how to perform this analysis, which could allow for more community level discretion.

5.2.1   Process

The determination of demanded unit size by number of bedrooms varies between market and non-market housing. In market housing, bedroom size is driven by developers who cater to buyer or renter preferences, offering layouts that align with market trends. In contrast, non-market housing focuses on providing essential shelter, generally prioritizing minimum standards to ensure affordability. Thus, units in non-market housing are typically smaller and more utilitarian, designed to meet basic needs rather than personal preferences.

The HNR Method, in conjunction with UBC HART's income categories, gives a rough idea of what volume of current and future units demanded may be for market and non-market units. The process for determining the distribution of unit size (by number of bedrooms) for each is outlined below.

Need based on National Occupancy Standards

Understanding the variation in household sizes across different family types is crucial for determining the number of bedrooms required in a dwelling to meet specific needs. To estimate these outcomes, we use 2021 Census Public Use Microdata Files (PUMF) from Statistics Canada for BC's non-metropolitan areas, which allow us to estimate maintainer age to total bedroom conversion rates based on National Occupancy Standards (NOS). This methodology draws inspiration from the approach presented in the City of Burnaby's Housing Needs Report from January 2021.[6]

Briefly, Burnaby estimates the demand for particular unit sizes by determining the minimum number of bedrooms needed (as per NOS) based on the number of persons in a household and their relationship (e.g., a studio or one-bedroom unit as the minimum requirement to meet the needs of a couple without children). This approach is particularly useful when addressing non-market housing provision, a notable limitation being that there is no detailed information about the characteristics of non-market housing occupants. As a proxy, we limited the households studied to those that experienced Core Housing Need in 2021.

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6   City of Burnaby. (2021 January). Housing Needs Report. https://www.burnaby.ca/sites/default/files/acquiadam/2021-07/Housing%20Needs%20Report.pdf

Table 5-2 summarizes how unit sizes (by number of bedrooms) may distribute by household type in 2021 for the non-metropolitan areas of BC. Figure 5-2 displays the results of converting the table results to unit sizes by maintainer age. The purpose of this relationship being that we can then apply these ratios to household projections.

Table 5-2: Household type to unit size conversion for those in Core Housing Need, BC non-CMA sample

Household type	Total sample	Studio / 1-bed	2-bed	3-bed	4+ bed
Couple w/o child(ren)	5,810	100%	0%	0%	0%
Couple w/ child(ren)	3,075	0%	39%	36%	25%
Lone parent	8,735	0%	50%	35%	15%
Non-relatives	34,475	92%	7%	1%	0%
Other families	1,470	0%	0%	40%	60%
Total	**53,565**	**70%**	**15%**	**9%**	**6%**

Source: 2021 Census Public Use Microdata File (PUMF) – Statistics Canada

Figure 5-2: Primary household age group to unit size for those in Core Housing Need, BC non-CMA
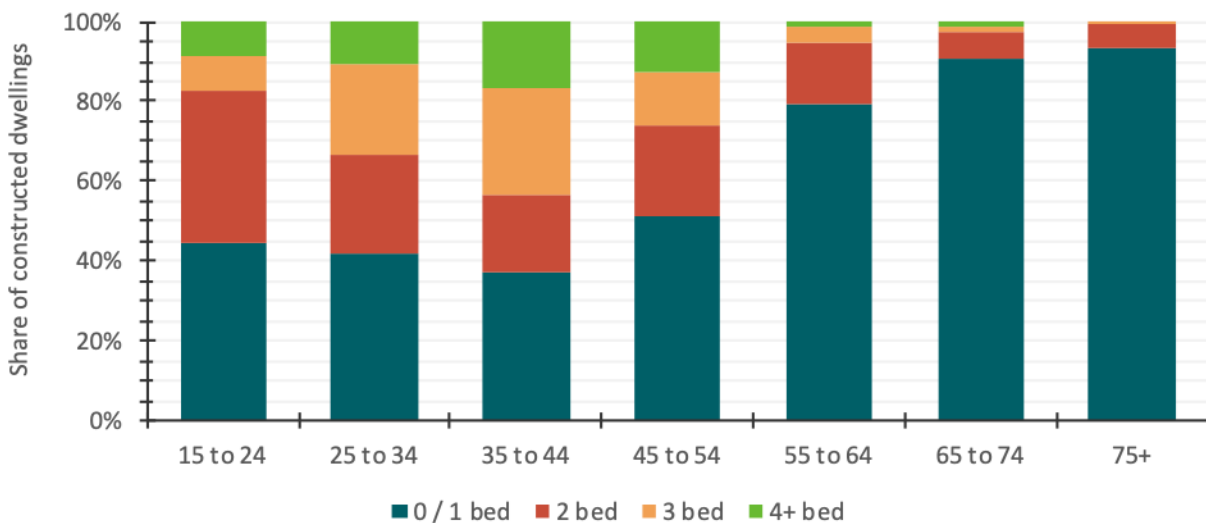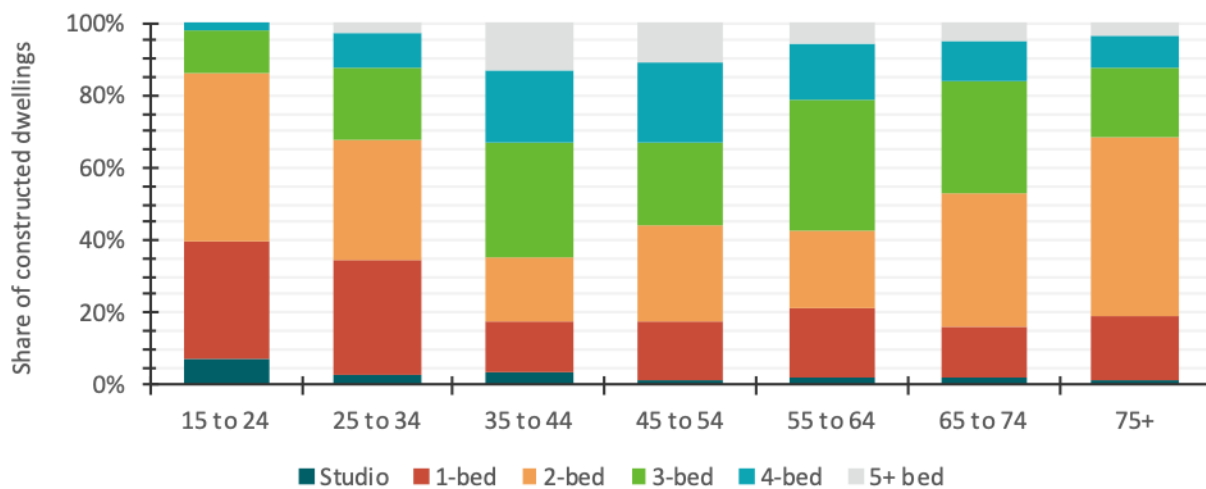

Source: 2021 Census Public Use Microdata File (PUMF) – Statistics Canada

Demand based on recent market housing outcomes

While the preceding analysis addresses spatial requirements, private market outcomes often notably differ. To estimate these outcomes, we utilize the same 2021 PUMF data for BC's non-metropolitan areas. Specifically, we establish how primary maintainers distribute across unit sizes (by number of bedrooms) for dwellings constructed between 2016 and 2021.

By incorporating projected household maintainer age data, we can assess how bedroom demand may evolve over the specified period based on anticipated demographic changes. Figure 5-3 illustrates the construction activity in those five years, disaggregated by number of bedrooms and maintainer age groups.

Figure 5-3: Distribution of dwellings (by number of bedroom) among primary maintainer age groups, 2016 to 2021, all areas of BC outside CMAs

Source: 2021 Census Public Use Microdata File (PUMF) – Statistics Canada

Results are then further adjusted for the change in the above relationship from 2011 to 2021 (2011 data reflects construction activity from 2006 to 2011) to estimate how preferences may be changing over time (with the understanding and limitation that changes in preference may be influenced more so by the existing strained conditions of BC housing markets).

Readers may notice a stark contrast between Figure 5-2 and Figure 5-3 due to differences in the presented methodologies. Using the 75+ age group as an example, the NOS assumptions suggest this cohort will primarily require one-bedroom or smaller units, reflecting that many in this group—especially those in Core Housing Need—are single-person households and do not need larger homes. In contrast, the latter figure shows that, while additional space may not be necessary, this age group often seeks it based on preferences, as seen in recent construction absorption trends.

Minimum need versus potential market outcomes

Table 5-3 provides a concise summary of the overall distributions derived from both analyses, as of the 20-year projection period. The disparity of bedroom number distribution underscores the absence of a universal solution in housing provision. This suggests that while relying solely on the market may lead in a specific direction (i.e., centred around wants/preferences – like a couple purchasing a home with extra bedrooms in anticipation of a growing family), there remains a need to offer smaller unit sizes, especially for affordable housing initiatives.

Table 5-3: Share of dwellings by number of bedrooms, minimum need versus market driven outcomes

	Studio / 1-bed	2-bed	3-bed	4+ bed
Minimum need	71%	14%	9%	6%
Market driven outcomes	20%	33%	27%	21%

5.2.2   Housing price model and dwelling size results

As mentioned, a subsequent analysis of the HNR Method provides a rough idea of what the RDCK could expect in terms of market and non-market housing demand currently and over the 20-year projection period. Note that HNR Method guidelines do not prescribe how to perform this analysis, allowing for community level discretion.

Table 5-4 summarizes the results of applying the dwelling size distributions to these estimations. The outcome of this analysis is a table outlining anticipated demand, disaggregated by the number of bedrooms and intended market / price model. Note that non-market housing has been further separated into "affordable / below-market" housing (i.e., housing explicitly offered at prices below market, like the 80% of Median Market Rent criteria described by CMHC funding opportunities or rent-geared to income housing) and "deeply affordable" housing (i.e., rents offered at the shelter rate of income assistance, often combined with support services).

To distinguish what portion of the community might benefit from non-market housing, HART's income categories and how they overlap across the housing continuum are considered. Briefly, we apply the historical proportions of households earning "very low", "low", and a portion of "moderate" incomes to demand totals. The demand for deeply affordable and below-market units is a function of these respective income categories. Note that moderate income earners are becomingly increasing impacted by rising shelter costs – growing portions of this segment would benefit from non-market interventions.

Table 5-4: Anticipated demand* disaggregated by anticipated price model and required number of bedrooms

	Market		Affordable / below-market		Deeply affordable		Total	
	5-year	20-year	5-year	20-year	5-year	20-year	5-year	20-year
0- / 1-bed	722	2,024	996	2,797	295	785	2,014	5,607
2-bed	1,178	3,281	199	582	59	165	1,436	4,029
3-bed	956	2,696	123	385	37	111	1,115	3,192
4+ bed	718	2,120	78	246	23	71	819	2,436
Total	3,574	10,122	1,395	4,010	415	1,132	5,383	15,265

* The sum of the components may not equal the total due to rounding

Figure 5-4 illustrates the distributions of the above price models by the number of bedrooms to show what dwelling sizes are best targeted by market or non-market interventions.

Figure 5-4: Distribution of price model demand by number of bedrooms, 2041
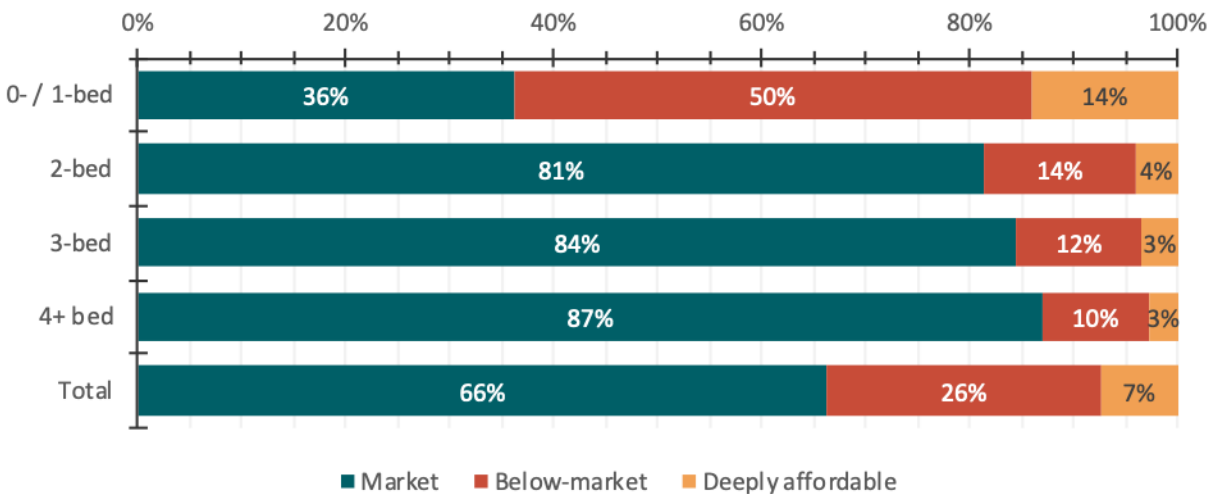
- The 5- and 20-year demand projections suggest a need for 5,381 and 15,265 units across the regional district, respectively.

- Market housing should remain the primary contributor to the local inventory, though there is a clear need for non-market interventions. By 2041, the RDCK may need 4,010 affordable / below-market offerings and 1,132 additional deeply affordable units.

- As suggested by the previously calculated shares of units by number of bedrooms, market housing demand will likely focus more so on 2- and 3-bedroom units; whereas, non-market solutions may distribute more so to 0- and 1-bedroom dwellings.

6. Recommendations

The following key recommendations emerged through the HNR update process. They respond to the quantitative and qualitative findings and attempt to recognize the ability and limitations of regional government scope and policy approaches. The RDCK is already supporting many of these recommendations and should continue to monitor progress moving forward.

Continue Advocacy and Education Efforts

Advocacy and education within the RDCK and to other levels of government is an ongoing and often unsung aspect of addressing affordable housing. Regional policy tools are limited, and the Provincial and Federal governments are primarily responsible for the provision of affordable housing. However, local and regional governments are routinely the most aware of specific needs and service gaps and, as a result, are the best positioned to address housing needs. The Regional District and its municipal partners play a key role in building awareness of the need and acceptance of new housing among residents and can continue to coordinate and collectively build on incentives, regulations, advocacy, and education initiatives.

Promote and Protect Housing Affordability in the Market

The RDCK is facing escalating housing pressures and rising housing costs. The median price of a home has become increasingly out of reach for most residents and low to middle income earners are struggling to find adequate housing, especially in the rental market. Engagement participants expressed the importance of ensuring all demographics in their community have access to non-market, affordable housing options in the place they call home.

When appropriately sized units are available, many exceed a price that is considered affordable or are reported to be in substandard condition, putting prospective tenants into Core Housing Need. Additional rental options will not solve housing affordability concerns across the Regional District. By expanding available stock, the market can alleviate immediate issues for many priority populations including seniors hoping to downsize, single-income households, and families unable to find appropriately sized units. Additional stock could slow down increases in the cost of renting, but market rentals are not capable of providing the services, deep affordability, or rent-geared-to-income approaches that many residents across the RDCK need now or may need in the future.

Work with Partners to Expand Non-Market, Affordable Housing Options

Though difficult to build and support in many rural areas, non-market, affordable housing options will be critical to providing stable and appropriate options to many residents of the RDCK. Non-market, affordable housing units can be secured at affordable rates through covenants or agreements with senior government. These units are typically facilitated by non-profit or senior government providers, but local and regional governments are key facilitators of development. Non-market stock is key to providing safe, affordable, appropriate housing for RDCK residents. Most non-market units will continue to be sited in municipalities, but the Regional District can support applications, coordinate land acquisition, and even provide support through capacity and expertise.

Regional Districts can also support and fund non-market housing development through the implementation of a Regional Housing Service Bylaw (RHSB). In communities without significant private housing development,

it is incredibly difficult to build up and maintain an affordable housing reserve or leverage affordable housing development for the benefit of the community. Implementing an RHSB can help address this, and a variety of other housing challenges, and provide secure, predictable funding either directly or in partnership with third parties, such as housing societies. There is a wide range of flexibility as to how a region decides to allocate RHSB funds, such as providing start-up/pre-development funding for non-market development projects or entering into agreements with third parties (e.g., housing entities) to address regional housing needs and demands. Although it may be challenging to first implement a RHSB, once the service is in place, it becomes a regular and routine financial contribution that residents living in the region understand and are familiar with.

Encourage Densification in Serviced Areas

Servicing and infrastructure maintenance are a consistent challenge in rural areas that can result in increasing costs for existing properties and more expensive development conditions. Life-cycle costs of infrastructure and servicing are significantly more cost-efficient when growth occurs in existing neighbourhoods, and within urban containment boundaries, compared to sprawl. Engagement respondents expressed that it is critical that new growth and settlement is sited in well-serviced areas whenever possible. Opportunities to densify through secondary suites and accessory dwelling units should be encouraged. Growth management planning or a Regional Growth Strategy covering the entire region can help to ensure efficient expansion of servicing and infrastructure in line with long-term community development goals.

7. Conclusion

The RDCK's housing landscape is evolving among its urban and rural areas, driven by a notable increase in both population and households from 2016 to 2021. This growth trend is expected to continue through the next two decades, leading to a sustained rise in housing demand.

Population expansion has coincided with housing price increases. The median home price rose 54% between 2019 and 2022, reaching $549,900. This has exacerbated housing affordability challenges overall and increased strain on alternatives in both the urban and rural rental markets. Expected low RDCK rental vacancy and a connected low rental supply should further challenge residents looking for rental units.

In 2021, approximately 11% of regional households were in Core Housing Need, with greater rates across the electoral areas. Core Housing Need is most often influenced by rates of unaffordability. High rates of unaffordability in the region can be attributed to slowly growing incomes relative to increasing housing costs. Thus, meeting the demand for affordable housing options in the region is crucial. Estimates suggest that about 5,142 subsidized units could be required over the next 20 years to meet the needs of those most vulnerable. Overall, the RDCK may require an additional 15,265 total housing units (across the municipalities and the rural areas) by 2041 to mitigate existing and future market imbalances.

Since the last HNR, several regional planning efforts have been completed or are currently in progress to better understand and address housing needs in the RDCK. In 2023, the RDCK finalized a Housing Action Plan (HAP), which outlines key actions the Regional District, in collaboration with its member municipalities, can take to support residents facing housing challenges. Since the plan's adoption, the RDCK has been working to implement the identified actions, including a Local Community Needs Project as part of the Complete Communities Program and a Housing Development and Costing Study. These initiatives will help guide growth management planning in both the municipal and rural areas of the RDCK, while also identifying opportunities for sustainable housing development.

The data presented here is intended to support and supplement the important work already being undertaken by the RDCK and its partners. Though it will be challenging, the RDCK, with support from municipal, non-profit and private partners, and senior levels of government, is more than capable of addressing the housing needs outlined in this report.
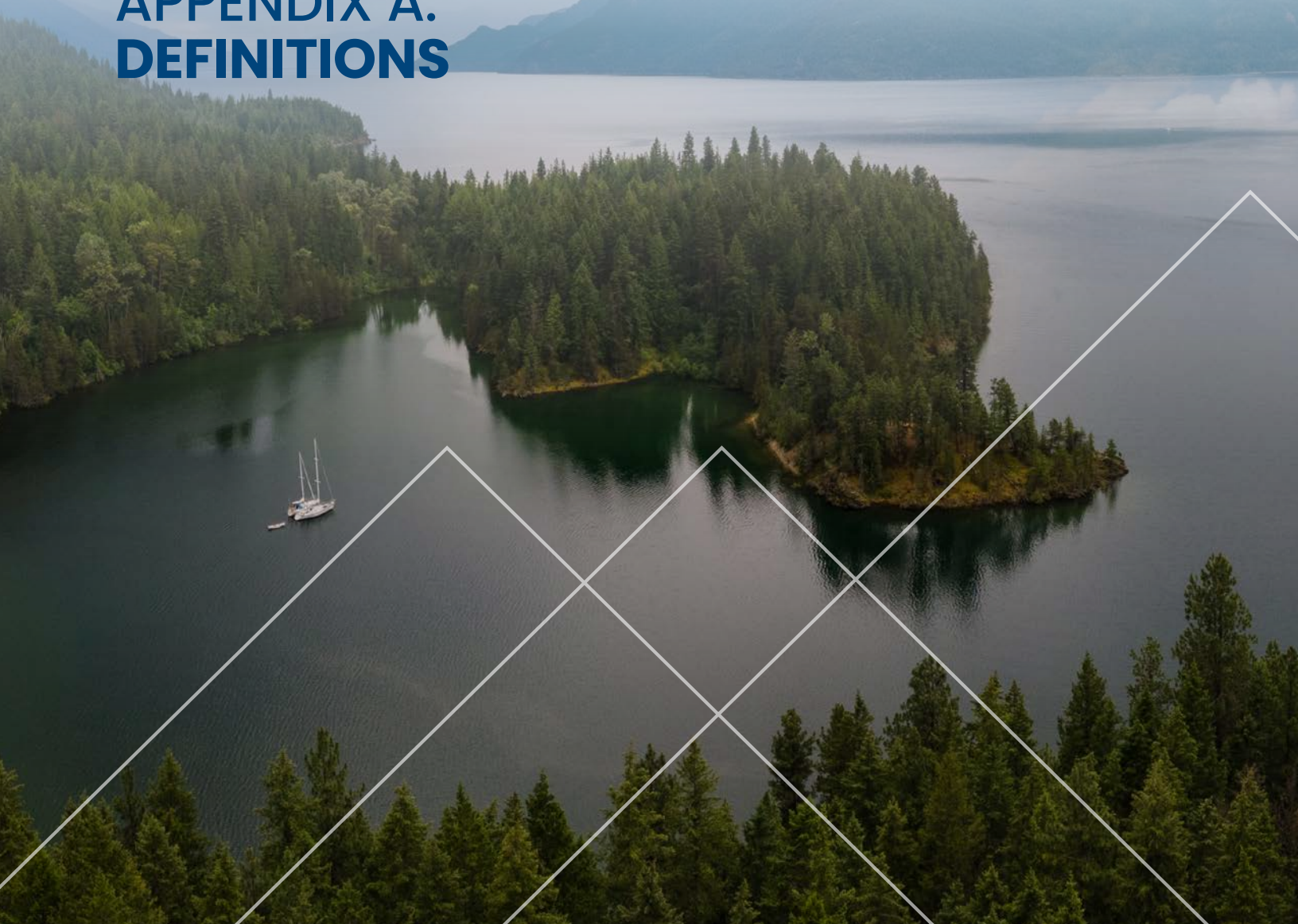
Regional District of Central Kootenay

HOUSING NEEDS REPORT UPDATE

Electoral Area Summary

APPENDIX A:
DEFINITIONS

Definitions

"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 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;

"components of demographic growth" refers to any of the classes of events generating population movement variations. Births, deaths, migration, marriages, divorces, and new widowhoods are the components responsible for the variations since they alter either the total population or the age, sex, and marital status distribution of the population:

> **"emigrant"** refers to a Canadian citizen or immigrant who has left Canada to establish a permanent residence in another country.

> **"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;

"interprovincial migration" refers to movement from one province or territory to another involving a permanent change in residence. A person who takes up residence in another province or territory is an out-migrant with reference to the province or territory of origin and an in-migrant with reference to the province or territory of destination;

"intraprovincial migration" refers to movement from one region to another within the same province or territory involving a permanent change of residence. A person who takes up residence in another region is an out-migrant with reference to the region of origin and an in-migrant with reference to the region of destination;

"non-permanent residents" refers to persons who are lawfully in Canada on a temporary basis under the authority of a temporary resident permit, along with members of their family living with them. Non-permanent residents include foreign workers, foreign students, the humanitarian population and other temporary residents;

"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;

"dwelling" is defined as a set of living quarters. Two types of dwelling are identified in the Census, collective dwellings and private dwellings. The former pertains to dwellings which are institutional, communal or commercial in nature. The latter, Private dwelling refers to a separate set of living quarters with a private entrance either from outside the building or from a common hall, lobby, vestibule or stairway inside the building. The entrance to the dwelling must be one that can be used without passing through the living quarters of some other person or group of persons;

> **"private dwelling occupied by usual residents"** refers to a private dwelling in which a person or a group of persons is permanently residing. Also included are private dwellings whose usual residents are temporarily absent on May 11, 2021.

> **"private dwelling not occupied by usual residents"** refers to a private dwelling which is not considered the primary place of residence of a household over a calendar year.

"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;

> **"single-detached house"** means a single dwelling not attached to any other dwelling or structure (except its own garage or shed). A single-detached house has open space on all sides, and has no dwellings either above it or below it. A mobile home fixed permanently to a foundation is also classified as a single-detached house;

> **"semi-detached house"** means one of two dwellings attached side by side (or back to back) to each other, but not attached to any other dwelling or structure (except its own garage or shed). A semi-detached dwelling has no dwellings either above it or below it, and the two units together have open space on all sides;

"row house" means one of three or more dwellings joined side by side (or occasionally side to back), such as a townhouse or garden home, but not having any other dwellings either above or below. Townhouses attached to a high-rise building are also classified as row houses;

"duplex" (also known as apartment or flat in a duplex) means one of two dwellings, located one above the other, may or may not be attached to other dwellings or buildings;

"apartment in a building that has five or more storeys " means a dwelling unit in a high-rise apartment building which has five or more storeys;

"apartment in a building that has fewer than five storeys" means a dwelling unit attached to other dwelling units, commercial units, or other non-residential space in a building that has fewer than five storeys;

"mobile home" means a single dwelling, designed and constructed to be transported on its own chassis and capable of being moved to a new location on short notice. It may be placed temporarily on a foundation pad and may be covered by a skirt;

"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;

"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;

> **"owner household"** refers to a private household where some member of the household owners the dwelling, even if it is still being paid for;

> **"renter household"** refers to private households where no member of the household owns their dwelling. The dwelling is considered to be rented even if no cash rent is paid;

"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. In the case of a household where two or more people are listed as household maintainers, the first person listed is chosen as the primary 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;

"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;

"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;

"Rental Market Survey" refers the collection of data 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;

"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;

"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;

"vacancy" means a unit that, at the time of the CMHC Rental Market Survey, it is physically unoccupied and available for immediate rental.

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