



Interim Housing Needs Report

Electoral Area West
Electoral Area East

November 2024



Table of Contents

- INTRODUCTION..... 1
- HOUSING NEEDS REPORT HISTORY AND THE HNR METHOD..... 1
 - Initial Legislative Requirements (2019)..... 1
 - Legislative Amendments (2023)..... 1
- HOUSING NEEDS REPORT METHOD (HNRM) RESULTS 3
 - Electoral Area West..... 3
 - Electoral Area East 4
 - HNR Method Components 5
- INCOME GROUP ANALYSIS..... 8
 - Income Group Concept..... 8
 - Electoral Area West..... 10
 - Electoral Area East 13
- CONCLUSION 18
- APPENDIX A – ELECTORAL AREA WEST INTERIM HOUSING NEEDS REPORT
LEGISLATIVELY REQUIRED CONTENT..... 19
- APPENDIX B – ELECTORAL AREA EAST INTERIM HOUSING NEEDS REPORT
LEGISLATIVELY REQUIRED CONTENT..... 22
- LIST OF TABLES
 - Table 1: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, Electoral Area West..... 3
 - Table 2: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, Electoral Area East 4
 - Table 3: High Level Housing Solutions to Addressing HNR Method Components 8
 - Table 4: Income Groups by Income Type, Percent of Area Median Income, and National Average
Distribution (%)..... 9
 - Table 5: Income Ranges, Monthly Affordable Housing Cost, and Households by Income Group.... 10
 - Table 6: All Households, Household Size and Income Group Distribution, Electoral Area West 10
 - Table 7: Owner Households, Household Size and Income Group Distribution, Electoral Area West
..... 11
 - Table 8: Renter Households, Household Size and Income Group Distribution, Electoral Area West
..... 12
 - Table 9: All Households, Estimated Future Households by Household Size and Income Group,
2021-2031, Electoral Area West..... 13
 - Table 10: Income Ranges, Monthly Affordable Housing Cost, and Households by Income Group .13
 - Table 11: All Households, Household Size and Income Group Distribution, Electoral Area East.... 14
 - Table 12: Owner Households, Household Size and Income Group Distribution, Electoral Area East
..... 15
 - Table 13: Renter Households, Household Size and Income Group Distribution, Electoral Area East
..... 16
 - Table 14: All Households, Estimated Future Households by Household Size and Income Group,
2021-2031, Electoral Area East..... 17

Introduction

This Interim Housing Needs Report introduces the new legislatively mandated ‘HNR Method’ (referred to in legislation as the ‘applicable method’) to estimating current and future housing need in communities across British Columbia. This Report addresses the Interim Housing Needs Report requirements for the Regional District of Central Okanagan’s two Electoral Areas (EAs): Electoral Area West and Electoral Area East. The first section describes a brief history of housing needs report requirements in BC, followed by the mandatory calculation results. The remaining sections explore the distribution of household size and incomes for renter and owner households in each EA, with a future projection for all households based on the results of the HNR Method.

Housing Needs Report History and the HNR Method

Initial Legislative Requirements (2019)

Since 2019, local governments in British Columbia have been legislatively required to undertake a housing needs report (HNR) process every five years, with the first report due by 2022. While the requirements included stating an estimated number of additional housing units needed over the next five years to meet demand, there was no guidance or methodology for producing the estimate. As a result, most communities simply projected forward the last five years of household growth into the future, resulting in perpetuating any pre-existing undersupply or mismatch in the housing system. Similarly, there was no enforcement mechanism or requirement to implement policy to meet the potentially underestimated housing need.

Legislative Amendments (2023)

In Fall 2023, new legislation was introduced to amend a broad range of planning and land use tools, regulations, and requirements for local governments. A key change was a shift to more pro-active planning, the requirement to estimate 5- and 20-year housing need with a specific HNR Method (HNRM) and update Official Community Plans (OCPs) with consideration to the identified needs. An interim housing needs report (IHNR) with the results of the HNRM calculation must be completed by all local governments no later than January 1, 2025. There is no deadline to update OCPs for Regional Districts, while municipalities must update OCPs by December 31, 2025.

Municipalities must designate sufficient lands in OCPs for residential uses to meet the 20-year estimate; however, Regional Districts must simply consider the findings of the most recent housing needs report and include policies addressing each class of housing need identified. IHNRs have two additional components beyond the HNRM calculation, to make statements about the relationship between housing and transportation, and actions taken to address housing needs since the last

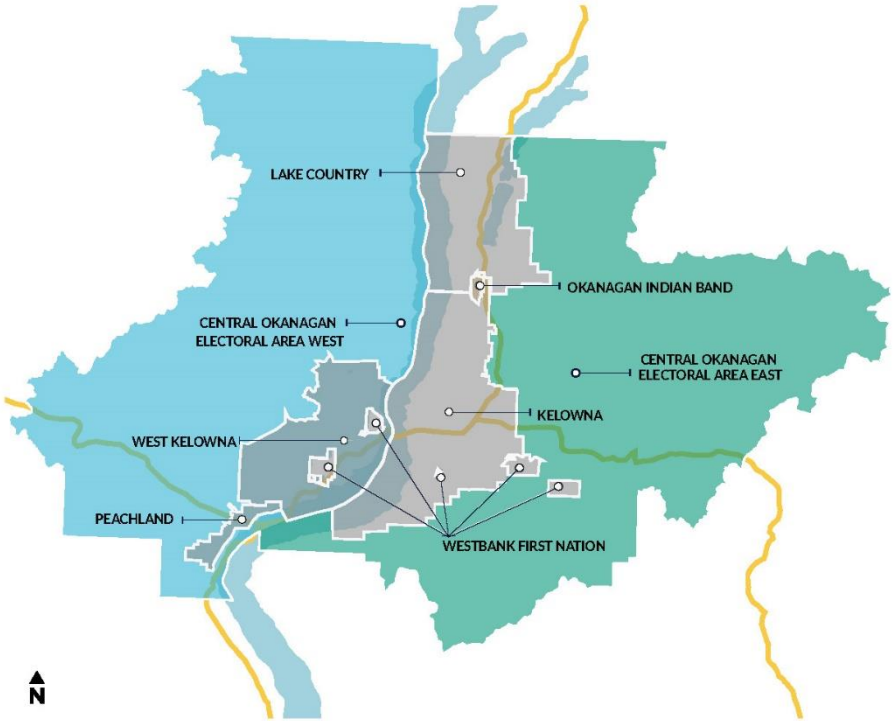
HNR was completed (see **Appendix A** and **Appendix B** for all required components for Electoral Area West and Electoral Area East, respectively).

The HNRM guidelines were released late June 2024, allowing for local governments to begin collecting the required information and complete the analysis. This IHNR includes all required content, in addition to a supplemental 10-year breakdown of the HNRM calculation.¹

Geographic Context

Figure 1 provides the geographic context for this Interim Housing Needs Report covering the region's two Electoral Areas: Electoral Area West and Electoral Area East.

Figure 1: Regional District of Central Okanagan Context Map



1. Note: the HNR Method only requires 5- and 20-year breakdowns, however, most new housing units realized over the next five years will be from in-stream projects, and it may be challenging for local governments to meaningfully shape outcomes on this timescale. The 20-year timeframe has the opposite challenge with the growth context likely to change over the extended time period. 10 years is a middle point where the need estimated today may still be relatively accurate, with the ability for local governments to implement policy with the capacity to impact development outcomes. The 10-year calculation follows the same logic and approach as described for 5- and 20-years in the HNRM guidelines, however, this is not an officially mandated methodology and some discretion around how to distribute the different components over time was required.

Housing Needs Report Method (HNRM) Results

The HNRM includes six components², five of which apply to EAs, each with a prescribed calculation method. It should be noted the five-year result is not simply one-quarter of the 20-year result. All estimates are benchmarked from 2021 to align with census data releases, and the next required update will be based on more current data after the release of the 2026 census in 2027. This means the 5-year number represents 2021-2026, the 10-year is 2021-2031, and the 20-year number is 2021-2041.³ Explanations of each HNRM component can be found in the next section (**HNR Method Components**). For regional districts, these numbers will inform future Official Community Plan updates in the Electoral Areas. However, these numbers are not targets and will be considered in the context of the need to limit urban sprawl and direct growth towards municipalities where the required infrastructure and services to support additional growth are present.

Electoral Area West

For Electoral Area West, the legislatively required 5- and 20-year estimates are for 304 and 1,004 additional units respectively (see **Table 1** for breakdowns by component). **Table 1** includes a supplemental 10-year estimate for 568 units. Each time frame represents the total amount from 2021 rather than being in addition to the previous timeframe. For example, between 2021 and 2031, the results for the first five year period is 304, with 264 more for the second five year period, resulting in a total 10-year estimate of 568.

Table 1: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, Electoral Area West⁴

COMPONENT	DESCRIPTION	5-YEAR	10-YEAR	20-YEAR
A	Extreme Core Housing Need	11.9	23.9	47.8
B	Person Experiencing Homelessness	8.2	12.4	16.5
C	Suppressed Household Formation	45.4	90.8	181.5
D	Anticipated Household Growth	237.8	439.4	756.3
E	Rental Vacancy Rate Adjustment	0.6	1.2	2.3
F	Demand Buffer	Not Applicable (Municipalities Only)		
Total Dwellings		304	568	1,004

2. Refer to the Ministry of Housing’s ‘Guidelines for Housing Needs Reports – HNR Method Technical Guidance’ document for further detail on the specific components, what they represent, and why they were included in the methodology. A brief overview is available in the next section of this report.

3. The timing of the first HNRM calculation is currently out of sync due to the most recent data being the 2021 census. Some data, such as market rental data, is updated through 2023, but 2021 data is used for all calculations to keep the components in alignment with each other in time. These estimates are technically the estimated current unmet housing need and future household growth from 2021 to 2026, 2031 and 2041.

4. The Ministry of Housing HNR Method guidelines state values should remain unrounded until the final total, which is to be rounded to the nearest whole number. For the components, one decimal place has been shown for clarity.

Component D, anticipated household growth, is the primary driver of the changing pace of growth over the 20 years, with an average estimated annual growth rate of 3.4% from 2021 to 2026, falling to 1.7% by 2031-2041.

In Electoral Area West, there were 1,295 dwellings counted by the 2021 census. This means the 5-year estimate represents a 23% increase in the number of dwellings; the 10- and 20-year estimates are 44% and 78% additional dwellings from 2021. On average, this means an annual increase of 61 additional dwellings for 2021-2026, 53 additional dwellings for 2026-2031, and 44 additional dwellings for 2031-2041.

Electoral Area East

For Electoral Area East, the legislatively required 5- and 20-year estimates are for 381 and 1,245 additional units respectively (see **Table 2** for breakdowns by component). **Table 2** includes a supplemental 10-year estimate for 707 units.

With the HNRM, Component D (anticipated household growth) is calculated for EAs by applying the projected regional growth rate to the current local population. As a result, Electoral Area East’s anticipated household growth rate is the same as for Electoral Area West: 3.4% from 2021 to 2026, falling to 1.7% by 2031-2041.

Table 2: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, Electoral Area East

COMPONENT	DESCRIPTION	5-YEAR	10-YEAR	20-YEAR
A	Extreme Core Housing Need	7.4	14.8	29.5
B	Person Experiencing Homelessness	12.1	16.2	24.2
C	Suppressed Household Formation	49.6	99.3	198.5
D	Anticipated Household Growth	311.3	575.2	990.0
E	Rental Vacancy Rate Adjustment	0.6	1.3	2.6
F	Demand Buffer	Not Applicable (Municipalities Only)		
Total Dwellings		381	707	1,245

In Electoral Area East, there were 1,695 dwellings counted by the 2021 census. This means the 5-year estimate represents a 22% increase in the number of dwellings; the 10- and 20-year estimates are 42% and 73% additional dwellings from 2021. On average, this means an annual increase of 76 additional dwellings for 2021-2026, 65 additional dwellings for 2026-2031, and 54 additional dwellings for 2031-2041.

HNR Method Components

The HNRM includes six components, each aiming to address different considerations of pre-existing or future housing need. Some components are direct measures of the jurisdiction being examined (Component A) or use community-specific data to estimate unmet demand (Component C,) while others are regional or provincial estimates allocated to smaller areas within (Components B, and E). Component F does not apply to EAs and is only required for municipalities.

Component A – Extreme Core Housing Need

Core housing need is a Census concept based on a two-part test and three housing standards:

- **Affordability:** households can afford their housing when they spend no more than 30% of before-tax income on housing;
- **Suitability:** housing is suitable when there are enough bedrooms for their household's type and size; and
- **Adequacy:** housing is adequate when it does not require any major repairs.

When a household does not meet any one of the housing standards and could not move to another dwelling in their community without spending more than 30% of their before-tax income on housing, they are classified as being in core housing need.⁵

Extreme core housing need is the same overall concept, except it only includes households spending more than 50% of their income on housing, indicating a higher level of housing stress or challenge than for households in core housing need. There is variation between households in core need and some households may only require repairs to their home, while others may require a different type of housing, more bedrooms, or a lower monthly cost. With this in mind, some households may need a new dwelling to resolve their core need, while others may just need support or assistance to address issues with their current dwelling.

Extreme core need was used in the methodology to be more conservative about the number of new dwellings required to address core need in the community, with the recognition some core housing need can be addressed without a household moving.

The HNRM applies the average extreme core housing need rate for renters and owners with a mortgage from the past four censuses.⁶ This average rate is then multiplied by the total number of households in each group, with the result summed together to get the final result for Component A.

This component could be described as a measure of pre-existing unmet housing need.

5. The local median rent is used as the test to determine if a household could move to another dwelling to resolve their core housing need.

6. Extreme core housing need for owners with a mortgage is only available in the 2021 census, while the renter data is available for all four censuses. In the 2026 update, the owner rate will be the average of the 2021 and 2026 census, with the four census average first being possible in 2036.

Component B – Persons Experiencing Homelessness

Component B attempts to estimate the number of permanent dwellings needed to address the needs of those experiencing homelessness. Data on people experiencing homelessness is challenging to produce accurately, with many individuals potentially hidden from view. For the HNRM, data on homelessness is derived from the Provincial Integrated Data Project (IDP), which provides data on people experiencing homelessness at any point in the year. To be included in these estimates, an individual must receive social assistance and have no fixed address for three consecutive months or stayed in a BC Housing shelter for at least one night. The most recent available data is from 2021 (which is the year being analyzed through the HNR Method).

To estimate homelessness, the HNRM proportionally allocates a regional estimate of homelessness to each local government. This value likely does not include all individuals experiencing homelessness in the RDCO's EAs but provides a standardized source applicable across the province and often captures more people than Point-in-Time homelessness counts. The methodology intentionally distributes the requirement to address the needs of people experiencing homelessness to all local governments in a region, with the aim of mitigating disproportionate and varied local government investment in supports and housing supporting those who are experiencing homelessness.

With a small share of RDCO households residing in the two EAs, the value of this component is only 1% (Electoral Area West) and 2% (Electoral Area East) of the regional total.

This component could be described as a measure of pre-existing unmet housing need.

Component C – Suppressed Household Formation

Component C aims to estimate the number of households that could not be formed due to high housing costs or insufficient availability between 2006 and 2021. This concept describes situations, such as adult children being unable to move out of their parental home or two couples living together when they would prefer to each have their own homes.

Suppressed household formation could be caused by high housing costs or housing supply being mismatched to needs. For example, if a community is predominantly detached houses, it may be challenging for a couple to find their first home together without enough income to afford a larger dwelling than they need. Similarly, if there are no one-bedroom units to rent or the cost is too high, young adults may struggle to move out of their parental home.

To estimate household suppression, the share of households led by people of different ages are compared between two years. For example, in 2006, 50% of 25- to 34-year-olds led a household, but by 2021 only 39% did (Electoral Area West). This suggests 22% of potential households may

have been suppressed between 2006 and 2021.⁷

This component could be described as a measure of pre-existing unmet housing need.

Component D – Anticipated Household Growth

Component D applies the most recent BC Statistics household projection to estimate the number of new households that may move to the community, or otherwise be formed from within the community, over the next 20-years. For Electoral Areas, the overall estimated percent growth for the region is calculated and then applied to the 2021 household count of the EA being examined.

For example, it is estimated the RDCO will grow by 58.4% between 2021 and 2041, and in 2021 there were 1,295 households in Electoral Area West. To estimate the future growth for the EA (+756), 1,295 is multiplied by 58%. While growth is often focused more toward urban areas where the appropriate infrastructure and servicing exists, the regional share of population growth stays relatively stable over time, so the growth rate can be applied equally throughout the region.

This component could be described as a measure of estimated future housing need.

Component E – Rental Vacancy Rate Adjustment

Component E seeks to estimate the number of vacant rental units required to maintain a vacancy rate of at least 3%. The result is not an estimate of how many rental units are needed in general, but rather how many more need to be vacant to maintain a balanced vacancy rate. A typical target vacancy rate for a well-functioning rental market is 3-5%, but the methodology seeks to be conservative with a 3% target. Rents tend to increase rapidly when the vacancy rate approaches or dips below 2%.

Canada and Mortgage Housing Corporation (CMHC) does not publish a rental vacancy rate for the RDCO EAs and where a local vacancy rate is not available, the BC-wide average vacancy rate is to be used as a proxy. As a result, the relationship between this component and local conditions may be weak for the EAs. However, with few existing renter households in the EAs, the impact of this component on the overall HNRM results is essentially zero, and the influence of the disconnect between the BC-wide vacancy rate and the local housing stock is small.

This component could be described as a measure of pre-existing unmet housing need.

Component F – Demand Buffer

Component F does not apply to EAs. This component seeks to estimate additional demand for housing to better account for the number of units required to establish “healthy” market dynamics.

⁷ Carrying forward the Electoral Area West 2006 headship rate of 50% to 2021 would result in 115 households led by someone aged 25-34. However, in 2021 there were only 90 households in this age range, which means 25 households were potentially suppressed. 25 of 115 is a 22% reduction in potential households.

Creating this additional buffer allows for easier movement within the housing system and addresses variations in preferences or housing needs between households.

With efforts to encourage the concentration of housing, services, amenities, transportation, and infrastructure, it is recognized EAs are not high growth areas and experience different demand pressures than municipalities.

POTENTIAL HOUSING SOLUTIONS BY COMPONENT

It is helpful to consider the outcomes of each HNRM component individually, but they do not identify the exact type of housing required. The HNRM ultimately aims to estimate the total number of units required, but in considering housing need more broadly, typical solutions could be allocated to the components. **Table 3** provides a potential housing solution for each HNRM component.

Table 3: High Level Housing Solutions to Addressing HNR Method Components

COMPONENT	DESCRIPTION	POTENTIAL HOUSING SOLUTIONS
A	Extreme Core Housing Need	Non-Market Rental Housing
B	Person Experiencing Homelessness	Deeply Subsidized Rental and Supportive Housing
C	Suppressed Household Formation	Market Rental and Entry-Level Ownership Housing
D	Anticipated Household Growth	Broad Range of All Housing Types and Tenures
E	Rental Vacancy Rate Adjustment	Market Rental
F	Demand Buffer	Not Applicable (Municipalities Only)

Income Group Analysis

Income Group Concept

The University of British Columbia’s Housing Research Collaborative received funding through Canada Mortgage and Housing Corporation’s Housing Supply Challenge to develop standardized, replicable, and equity-focused Housing Assessment Resource Tools (HART) to support better housing supply decision-making. The Housing Assessment Resource Tool introduced an income group concept allowing for the distribution of future demand (population projections) and unmet need (core housing need) into five income groups.

The HNRM does not take an income approach to estimating housing need like the HART method, however, it includes a much broader conceptualization of unmet housing need and uses a more refined household projection to estimate future need. **The key innovation of this work is the custom dataset allowing for crosstabulation of Census data by these five income groups.**

This cross-tabulation can be applied outside the standard HART method to better understand housing need by income in addition to the HNRM results.

Table 4 provides a high-level description of the income groups by their type of income, the resulting percentage of the area median (household) income they would earn, and the share of households falling into each group nationally.⁸ With the groups defined by a percentage of the area median income (AMI) each household earns, the exact income thresholds will vary by community, but the overall share of households falling into each group is generally consistent across all geographies.

The resulting income ranges are used to estimate the maximum affordable housing cost for each income group (based on households spending no more than 30% of their before-tax income on their housing).

Table 4: Income Groups by Income Type, Percent of Area Median Income, and National Average Distribution (%)

Source: StatCan. 2023. HART - 2021 Census of Canada [custom tabulation]

INCOME GROUP	INCOME TYPE OR SOURCE	PERCENT OF AMI	2021 NATIONAL AVERAGE DISTRIBUTION
Very Low	Social Assistance	< 20%	3%
Low	Minimum Wage Worker	20% – 49%	18%
Moderate	Entry-Level Professional Job	50% – 79%	18%
Average	Middle Class	80% – 120%	21%
Above Average	High-Income	> 120%	40%

8. See the updated HART Housing Need Assessment Tool Methodology Guide (2024) for further background on the income groups.

Electoral Area West

Income Groups

The 2021 Electoral Area West area median income was \$84,000. The resulting income ranges, maximum affordable housing cost, and number of households in each group are provided in Table 5.

Table 5: Income Ranges, Monthly Affordable Housing Cost, and Households by Income Group

Source: StatCan. Census of Population. RDCO Electoral Area West. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	INCOME RANGE	MAXIMUM MONTHLY HOUSING COST	NUMBER OF HOUSEHOLDS	SHARE OF HOUSEHOLDS
Very Low	< \$15,000	< \$375	55	4%
Low	\$15,000 – \$39,999	\$376 – \$1,000	205	16%
Moderate	\$40,000 – \$64,999	\$1,001 – \$1,625	235	18%
Average	\$65,000 – \$99,999	\$1,626 – \$2,500	275	22%
Above Average	\$100,000+	\$2,500+	505	40%

Income Group and Household Size Distribution

All Households

The 2021 distribution of all Electoral Area West households by income group and household size is shown in Table 6. Due to low values, rounding, and suppression in the Census, all rows and columns may not sum accurately. For best accuracy, exact values from the Census have been maintained.

Table 6: All Households, Household Size and Income Group Distribution, Electoral Area West

Source: StatCan. Census of Population. RDCO Electoral Area West. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
% AMI	<20%	20 – 49%	50 – 79%	70 – 119%	>120%		
HOUSEHOLD INCOME	<\$15,000	\$15,000 – \$39,999	\$40,000 – \$64,999	\$65,000 – \$99,999	\$100,000+		
MONTHLY AFFORDABLE HOUSING COST	<\$375	\$376 – \$1,000	\$1,001 – \$1,625	\$1,626 – \$2,500	\$2,500+	TOTAL	%
1-person	45	160	65	45	25	340	26%
2-person	0	40	135	160	250	595	46%
3-person	0	0	0	40	125	180	14%
4+person	0	0	0	35	105	170	13%
TOTAL	55	205	235	275	505	1,275	100%
%	4%	16%	18%	22%	40%		

Owner Households

The 2021 distribution of Electoral Area West owner households by income group and household size is shown in Table 7. Due to low values, rounding, and suppression in the Census, all rows and columns may not sum accurately. The exact total values from the Census have been maintained for accuracy. Almost all Electoral Area West households own their homes (approximately 90%), and, as a result, the distribution of households by income group is very similar between owners and all households.

Table 7: Owner Households, Household Size and Income Group Distribution, Electoral Area West

Source: StatCan. Census of Population. RDCO Electoral Area West. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
% AMI	<20%	20 – 49%	50 – 79%	70 – 119%	>120%		
HOUSEHOLD INCOME	<\$15,000	\$15,000 – \$39,999	\$40,000 – \$64,999	\$65,000 – \$99,999	\$100,000+		
MONTHLY AFFORDABLE HOUSING COST	<\$375	\$376 – \$1,000	\$1,001 – \$1,625	\$1,626 – \$2,500	\$2,500+	TOTAL	%
1-person	35	130	55	35	20	275	24%
2-person	0	35	130	145	240	555	48%
3-person	0	0	0	30	125	165	14%
4+person	0	0	0	35	85	150	13%
TOTAL	45	170	215	240	470	1,145	100%
%	4%	15%	19%	21%	41%		

With 94% of dwellings in Electoral Area West comprising detached houses and a \$1,018,000⁹ benchmark price, the relationship between local incomes and current housing prices is weak. To qualify for the benchmark priced home, a household would require an income of \$218,455 with a 20% downpayment of \$203,600.¹⁰ However, only 9% of households had incomes over \$200,000 in 2021. The income required to qualify would be lower with a higher downpayment, and most existing owners likely purchased when prices were lower or when they may have had higher incomes. Retired households may currently have low incomes but had already purchased their homes.

9. Association of Interior Realtors. September 2024 Summary Statistics, Central Okanagan, Detached.

10. Assuming an interest rate of 4.44%, with qualification at the stress test rate of 6.44%, amortization period of 25-years, a gross debt service ratio of 32%, and \$400 of monthly housing expenses (property taxes and heating).

Renter Households

The 2021 distribution of Electoral Area West renter households by income group and household size is shown in Table 8. With few renter households in Electoral Area West, data suppression or rounding in the Census results in the loss of 50% of the values. To manage this data limitation, renter households have been estimated by subtracting the owner households from the total values for all households – meaning the renter values are an extrapolation but should be more accurate than the available highly suppressed data.

Category totals are not summed from the results, but rather are the direct calculations subtracting owners from all households.

Table 8: Renter Households, Household Size and Income Group Distribution, Electoral Area West

Source: StatCan. Census of Population. RDCO Electoral Area West. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
% AMI	<20%	20 – 49%	50 – 79%	70 – 119%	>120%		
HOUSEHOLD INCOME	<\$15,000	\$15,000 – \$39,999	\$40,000 – \$64,999	\$65,000 – \$99,999	\$100,000+		
MONTHLY AFFORDABLE HOUSING COST	<\$375	\$376 – \$1,000	\$1,001 – \$1,625	\$1,626 – \$2,500	\$2,500+	TOTAL	%
1-person	10	30	10	10	5	65	50%
2-person	0	5	5	15	10	35	27%
3-person	0	0	0	10	0	10	8%
4+person	0	0	0	0	20	20	15%
TOTAL	10	35	15	35	35	130	100%
%	8%	27%	12%	27%	27%		

Only 10% of households in Electoral Area West were renting in 2021. Census data indicates all renter households were living in secondary rental dwellings in detached houses.

Future Projection by Income Group

The projected household growth for the next ten years can be applied to the household size and income group distribution to estimate future households by these variables. This approach assumes the overall household size and income distribution will be maintained going forward, but changes to the housing supply or local prices may drive shifting trends over time. Due to data limitations, this analysis has only been calculated for all households combined, although, most households are owners (approximately 90%).

Table 9 allocates the estimated 2021-2031 household growth from Component D of the HNRM by income group and household size.

Table 9: All Households, Estimated Future Households by Household Size and Income Group, 2021-2031, Electoral Area West

Source: StatCan. Census of Population. RDCO Electoral Area West. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
% AMI	<20%	20 – 49%	50 – 79%	70 – 119%	>120%		
HOUSEHOLD INCOME	<\$15,000	\$15,000 – \$39,999	\$40,000 – \$64,999	\$65,000 – \$99,999	\$100,000+		
MONTHLY AFFORDABLE HOUSING COST	<\$375	\$376 – \$1,000	\$1,001 – \$1,625	\$1,626 – \$2,500	\$2,500+	TOTAL	%
1-person	16	57	23	16	9	121	28%
2-person	0	14	48	57	89	208	47%
3-person	0	0	0	14	45	59	13%
4+person	0	0	0	13	38	51	12%
TOTAL	16	71	71	100	181	439	100%
%	4%	16%	16%	23%	41%		

Electoral Area East

Income Groups

The 2021 Electoral Area East area median income was \$99,000. The resulting income ranges, maximum affordable housing cost, and number of households in each group are provided in Table 10.

Table 10: Income Ranges, Monthly Affordable Housing Cost, and Households by Income Group

Source: StatCan. Census of Population. RDCO Electoral Area East. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	INCOME RANGE	MAXIMUM MONTHLY HOUSING COST	NUMBER OF HOUSEHOLDS	SHARE OF HOUSEHOLDS
Very Low	< \$20,000	< \$500	45	2%
Low	\$20,000 – \$49,999	\$501 – \$1,250	290	19%
Moderate	\$50,000 – \$79,999	\$1,251 – \$2,000	335	19%
Average	\$80,000 – \$119,999	\$2,001 - \$3,000	405	20%
Above Average	\$120,000+	\$3,000+	600	40%

The median income of households in Electoral Area East is higher than both the RDCO (\$87,000) and Electoral Area West (\$84,000).

Income Group and Household Size Distribution All Households

The 2021 distribution of all Electoral Area East households by income group and household size is shown in Table 11. Due to low values, rounding, and suppression in the Census, all rows and columns may not sum accurately. For best accuracy, exact values from the census have been maintained.

Table 11: All Households, Household Size and Income Group Distribution, Electoral Area East

Source: StatCan. Census of Population. RDCO Electoral Area East. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
% AMI	<20%	20 – 49%	50 – 79%	70 – 119%	>120%		
HOUSEHOLD INCOME	<\$20,000	\$20,000 – \$49,999	\$50,000 – \$79,999	\$80,000 – \$119,999	\$120,000+		
MONTHLY AFFORDABLE HOUSING COST	<\$500	\$501 – \$1,250	\$1,251 – \$2,000	\$2,001 – \$3,000	\$3,000+	TOTAL	%
1-person	40	150	60	45	0	295	18%
2-person	0	115	225	230	235	810	49%
3-person	0	0	15	60	155	240	14%
4+person	0	0	30	70	205	325	19%
TOTAL	45	290	335	400	605	1,670	100%
%	3%	17%	20%	24%	36%		

The income group distribution of households in Electoral Area East is shifted down slightly from the typical pattern. Typically, approximately 40% of households are in the above average group and 20-21% in the average group, but there is a higher concentration in the average group (24%).

Owner Households

The 2021 distribution of Electoral Area East owner households by income group and household size is shown in Table 12. Due to low values, rounding and suppression in the census, all rows and columns may not sum accurately. The exact total values from the census have been maintained for accuracy.

Table 12: Owner Households, Household Size and Income Group Distribution, Electoral Area East

Source: StatCan. Census of Population. RDCO Electoral Area East. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
% AMI	<20%	20 – 49%	50 – 79%	70 – 119%	>120%		
HOUSEHOLD INCOME	<\$20,000	\$20,000 – \$49,999	\$50,000 – \$79,999	\$80,000 – \$119,999	\$120,000+		
MONTHLY AFFORDABLE HOUSING COST	<\$500	\$501 – \$1,250	\$1,251 – \$2,000	\$2,001 – \$3,000	\$3,000+	TOTAL	%
1-person	35	135	35	40	0	250	16%
2-person	0	110	200	210	230	755	50%
3-person	0	0	15	40	150	210	14%
4+person	0	0	25	65	205	305	20%
TOTAL	35	265	270	360	585	1,515	100%
%	2%	17%	18%	24%	39%		

Renter Households

The 2021 distribution of Electoral Area East renter households by income group and household size is shown in Table 13. With few renter households, data suppression or rounding in the Census results in the loss of 39% of the values. To manage this data limitation, renter households have been estimated by subtracting the owner households from the total values for all households. This means the renter values are an extrapolation, but it should be more accurate than the available data.

Category totals are not summed from the results but rather are the direct calculations subtracting owners from all households.

Table 13: Renter Households, Household Size and Income Group Distribution, Electoral Area East¹¹

Source: StatCan. Census of Population. RDCO Electoral Area East. 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
% AMI	<20%	20 – 49%	50 – 79%	70 – 119%	>120%		
HOUSEHOLD INCOME	<\$20,000	\$20,000 – \$49,999	\$50,000 – \$79,999	\$80,000 – \$119,999	\$120,000+		
MONTHLY AFFORDABLE HOUSING COST	<\$500	\$501 – \$1,250	\$1,251 – \$2,000	\$2,001 – \$3,000	\$3,000+	TOTAL	%
1-person	5	15	25	5	0	45	30%
2-person	0	5	25	20	5	55	37%
3-person	0	0	0	20	5	30	20%
4+person	0	0	5	5	0	20	13%
TOTAL	10	25	65	40	20	155	100%
%	6%	16%	41%	25%	13%		

Census data indicates most renter households in Electoral Area East were living in detached houses (77%) or suites in detached houses (23%).¹² Only 9% of Electoral Area East households were renting in 2021.

11. Current renter household data is heavily suppressed with many zero values in the subcategories, resulting in an approximate 39% undercount. Renter household values shown were determined by subtracting owner households from the total household counts. With higher values overall, the all household and owner household counts are more accurate, allowing for more accurate renter values to be deduced.

12. 25 of 155 renter dwellings are unknown due to suppression.

Future Projection by Income Group

The projected household growth for the next ten years can be applied to the household size and income group distribution to estimate future households by these variables. This approach assumes the overall household size and income distribution will be maintained going forward, but changes to the housing supply or local prices may drive shifting trends over time. Due to data limitations, this analysis has only been calculated for all households combined, although, most households are owners (approximately 91% in 2021).

Table 14: All Households, Estimated Future Households by Household Size and Income Group, 2021-2031, Electoral Area East

Source: StatCan. Census of Population. RDCO Electoral Area East, 2021; Custom Order ORD-07412-P4R3D8

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
% AMI	<20%	20 – 49%	50 – 79%	70 – 119%	>120%		
HOUSEHOLD INCOME	<\$20,000	\$20,000 – \$49,999	\$50,000 – \$79,999	\$80,000 – \$119,999	\$120,000+		
MONTHLY AFFORDABLE HOUSING COST	<\$500	\$501 – \$1,250	\$1,251 – \$2,000	\$2,001 – \$3,000	\$3,000+	TOTAL	%
1-person	14	53	19	16	0	102	18%
2-person	0	42	79	79	82	282	49%
3-person	0	0	7	19	54	80	14%
4+person	0	0	11	25	75	111	19%
TOTAL	14	95	116	139	211	575	100%
%	2%	17%	20%	24%	37%		

Conclusion

This report provides the legislatively required content for an Interim Housing Needs Report with additional supplemental analysis. **Appendix A** (Electoral Area West) and **Appendix B** (Electoral Area East) includes all Interim Report requirements as per Part 14 of the *Local Government Act*.

1. “The number of housing units needed currently and over the next 5- and 20-years, calculated using the HNR Method provided in the Regulation;
2. 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,
3. A description of the actions taken by the local government, since receiving the most recent housing needs report, to reduce housing needs.”¹³

The supplemental analysis in this report provides a finer grain understanding of the total number of estimated units required by household size and price-point to meet local need as per the HNR Method and will support crafting effective housing policies and land use regulations in the RDCO's EAs.

13. Requirements as described in the Ministry of Housing's Guide to Requirements for Housing Needs Reports (June 2024).



APPENDIX A

ELECTORAL AREA WEST

INTERIM HOUSING NEEDS REPORT

LEGISLATIVELY REQUIRED CONTENT

Interim Housing Needs Report Legislative Requirements

Electoral Area West

Table 1 provides the required results of the HNR Method calculation as per the Ministry of Housing’s **Guidelines for Housing Needs Reports – HNR Method Technical Guidance** to estimate housing need for 5- and 20-years.

Table 1: 5- and 20-Year HNR Method Housing Need Estimates, Electoral Area West

COMPONENT	DESCRIPTION	5-YEAR	20-YEAR
A	Extreme Core Housing Need	11.9	47.8
B	Person Experiencing Homelessness	8.2	16.5
C	Suppressed Household Formation	45.4	181.5
D	Anticipated Household Growth	237.8	756.3
E	Rental Vacancy Rate Adjustment	0.6	2.3
F	Demand Buffer	Not Applicable (Municipalities Only)	
Total Dwellings		304	1,004

Statement on Housing Need in Proximity to Alternative Transportation Infrastructure

Electoral Area West is comprised of low density rural and single family residential properties which are serviced by provincially managed road networks. The area has little-to-no access to urban amenities such as transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation.

Due to the long distances between residents and destinations, alternative transportation is not practical or cost-effective in Electoral Area West, which means residents are dependent on private-vehicles. The Regional Growth Strategy and Electoral Area Official Community Plans direct most future growth towards the Region’s existing urban centres in member municipalities where alternative transportation is present. This approach helps reduce the cost-burden to taxpayers of expanded infrastructure, preserves rural character, and is also in line with provincial CleanBC targets for reduced vehicle kilometres travelled and emissions.

Description of Actions Taken by Local Government to Reduce Housing Need

In 2024, in response to the Province's Small-Scale Multi-Unit Housing initiatives, the Regional District amended its zoning bylaw to allow secondary suites in each of its 13 residential zones. In Electoral Area West an additional dwelling unit is now permitted on up to 2,464 parcels. As a significant number of lots are currently vacant (approximately 1,067), and few have an existing legal suite (14), Electoral Area West now has pre-zoned capacity for up to 3,517 additional dwelling units.

Although regional land use policies seek to focus housing development in urban areas, near to services, amenities and transportation infrastructure, the recent bylaw amendments now allow a greater diversity of housing options, which may better meet the needs of a broader range of household sizes and types.



APPENDIX B

ELECTORAL AREA EAST

INTERIM HOUSING NEEDS REPORT

LEGISLATIVELY REQUIRED CONTENT

Interim Housing Needs Report Legislative Requirements

Electoral Area East

Table 1 provides the required results of the HNR Method calculation as per the Ministry of Housing’s **Guidelines for Housing Needs Reports – HNR Method Technical Guidance** to estimate housing need for 5- and 20-years.

Table 1: 5- and 20-Year HNR Method Housing Need Estimates, Electoral Area East

COMPONENT	DESCRIPTION	5-YEAR	20-YEAR
A	Extreme Core Housing Need	7.4	29.5
B	Person Experiencing Homelessness	12.1	24.2
C	Suppressed Household Formation	49.6	198.5
D	Anticipated Household Growth	311.3	990.0
E	Rental Vacancy Rate Adjustment	0.6	2.6
F	Demand Buffer	Not Applicable (Municipalities Only)	
Total Dwellings		381	1,245

Statement on Housing Need in Proximity to Alternative Transportation Infrastructure

Electoral Area East is comprised of low density rural, agricultural and single family residential properties which are serviced by provincially managed road networks. The area has little-to-no access to urban amenities such as transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation. The only exception is Ellison, which has one limited-service bus route that operates along Old Vernon Rd.

Due to long distances between residents and destinations, alternative transportation is generally not practical or cost-effective in Electoral Area East, which means residents are dependent on vehicles to get around. The Regional Growth Strategy and Electoral Area Official Community Plans direct most future growth towards the Region’s existing urban centres in member municipalities where alternative transportation is present. This approach helps reduce the cost-burden to taxpayers of expanded infrastructure, preserves rural character, and is also in line with provincial CleanBC targets for reduced vehicle kilometres travelled and emissions.

Description of Actions Taken by Local Government to Reduce Housing Need

In 2024, in response to the Province's Small-Scale Multi-Unit Housing initiatives, the Regional District amended its zoning bylaw to allow secondary suites in each of its 13 residential zones. In Electoral Area East an additional dwelling unit is now permitted on up to 1,247 parcels. As approximately 103 lots are currently vacant, and few have an existing legal suite (7), Electoral Area East now has pre-zoned capacity for up to 1,408 additional dwelling units (including lots in the Joe Rich Rural Land Use Bylaw area which were not impacted by the Small-Scale Multi-Unit Housing legislation).

Although regional land use policies seek to focus housing development in urban areas, near to services, amenities and transportation infrastructure, the recent bylaw amendments now allow a greater diversity of housing options, which may better meet the needs of a broader range of household sizes and types.



**Regional District of
Central Okanagan**

