

# 2015 Housing Report

April 2016

1435 Water Street  
Kelowna, BC V1Y 1J4  
TEL 250 469-8610  
FAX 250 862-3349  
ask@kelowna.ca

[kelowna.ca](http://kelowna.ca)

# TABLE OF CONTENTS

<b>Introduction</b> .....	<b>1</b>
<b>Housing Starts</b> .....	<b>1</b>
<b>Ownership Housing Market</b> .....	<b>2</b>
Home Sales.....	2
Median Home Sale Price .....	3
<b>Rental Housing Market</b> .....	<b>4</b>
Primary Rental Market, Kelowna Census Subdivision (CSD) .....	4
Rental Condominium Market, Kelowna Census Metropolitan Area (CMA).....	5
Secondary Rental Market, Kelowna Census Metropolitan Area (CMA).....	6
<b>Non-Market Housing</b> .....	<b>6</b>
<b>Housing Affordability</b> .....	<b>7</b>
Affordable Ownership Housing .....	7
Affordable Rental Housing .....	8

# Introduction

The annual Housing Report is an overview of the ownership and the rental housing market data for the city of Kelowna for the previous year. Housing starts are based on building permits issued by the City of Kelowna. Ownership market data is from the BC Assessment Authority’s record of 2015 home sales which includes, but is not limited to, MLS sales. The rental housing market data is based on results referenced in the Canada Mortgage and Housing (CMHC) Rental Market Report for 2015. Housing affordability data is based on information from the 2011 National Household Survey from Statistics Canada, Environics Analytics and BC Housing.

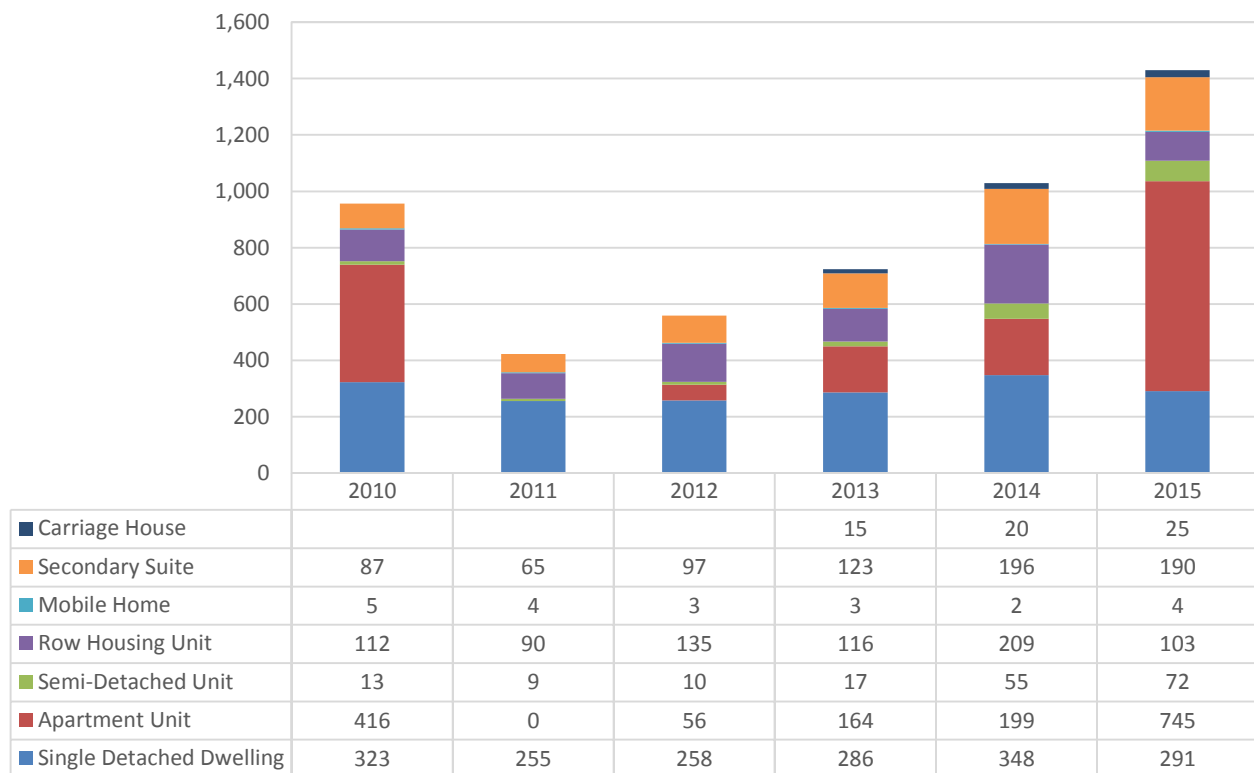
This data was collected in February and March 2016. This report compliments the annual OCP Indicator Report and the Community Trend Report.

## Housing Starts<sup>1</sup>

Building permits were issued for a total of 1,430 new residential units in 2015, up 39% from 1,029 units in 2014. These units represent both the ownership and rental markets. The last five years have seen a steady increase in the total number of new housing starts and shifts in the distribution of the type of units being constructed. While the number of new single detached dwellings has not changed significantly, they represent a smaller portion of the overall number of new residential units, with apartment units representing a larger share over the last five years.

The graph and table below show the number of new building permits issued by unit type.

Number of New Building Permits by Type (2010-2015)



Note: Carriage house building permits were not tracked prior to 2013.

<sup>1</sup> Permits for new residential units. Source: City of Kelowna Building Permits.

# Ownership Housing Market

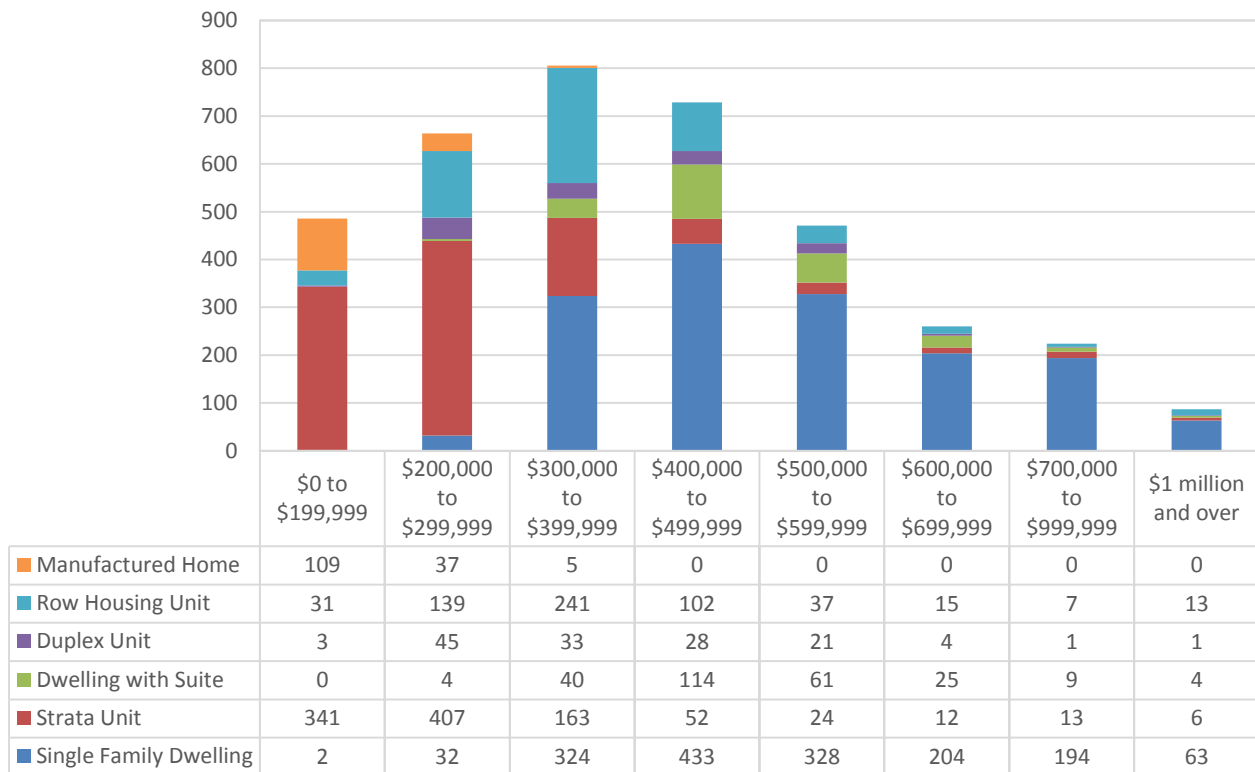
## Home Sales<sup>2</sup>

A total of 3,727 homes were sold in 2015, an increase of 17% over 2014. Just over 30% of home sales were under \$300,000, homes between \$300,000 and \$499,999 accounted for just over 40% of sales, and nearly 30% of sales were over \$500,000. This is comparable to 2014 results.

Strata units accounted for 65% of sales under \$300,000, with row housing units making up another 15%. Homes between \$300,000 and \$399,999 had the most even distribution of unit types, with 45% being single family dwellings (including dwellings with suites), 30% being row housing units, 20% being strata units, and the remaining 5% being duplex units and manufactured homes.

The graph and table below show the distribution of home sales by price and dwelling type.

Number of Home Sales by Price and Dwelling Type (2015)

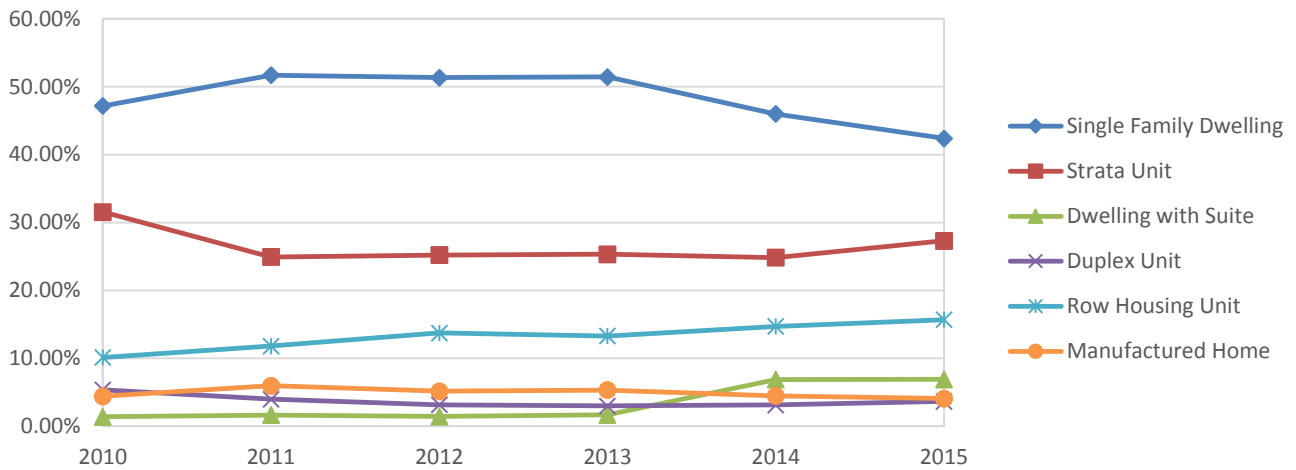


Over the last five years, the distribution of sales across dwelling types has seen a slight and gradual reduction in the portion of sales attributed to single family dwellings (including dwellings with suites) and a corresponding increase in sales of strata units and row housing units. This is consistent with the trend for new construction; however, the ratio of new home sales versus resales of older housing stock is unclear.

The graph below shows the distribution of home sales by type.

<sup>2</sup> Source: British Columbia Assessment Authority (BCAA). Note: data may change slightly depending on timing of data request.

Percentage of Home Sales by Type (2010-2015)

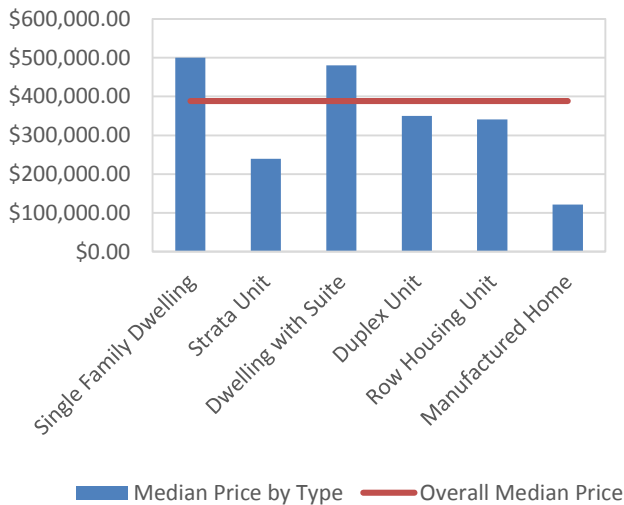


### Median Home Sale Price<sup>3</sup>

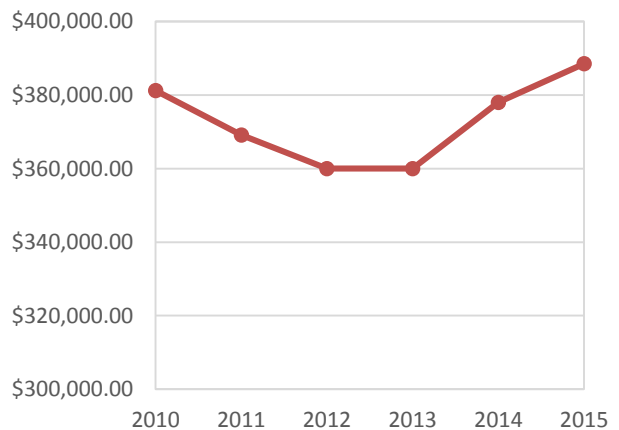
The median home sale price increased to \$388,500 in 2015, up 2.8% from \$378,000 in 2014. Despite greater increases to the median sale price of individual housing types, the relatively small overall increase reflects a higher number and ratio of sales of strata, semi-detached and row housing units. Together these accounted for 47% of 2015 home sales versus 43% in 2014. These housing types generally cost notably less than single detached dwellings; 81% of attached units were under \$400,000 while only 23% of single detached dwellings were under \$400,000.

The graphs below show the median home price by type in 2015 on the left and the overall median price from 2010 to 2015 on the right.

Median Home Price by Type (2015)



Median Home Price (2010-2015)



<sup>3</sup> Median home sale price is the middle sale price in a series of sales, where half of the sales are of lower value and half are of higher value.  
 Source: British Columbia Assessment Authority (BCAA). Note: data may change slightly depending on timing of data request.

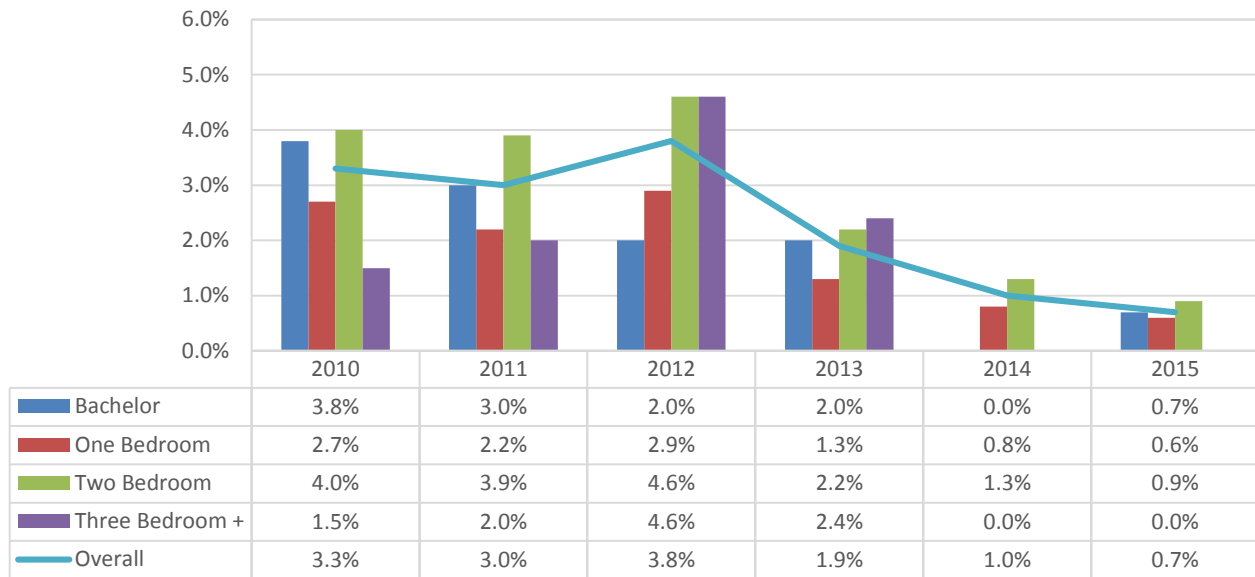
# Rental Housing Market

## Primary Rental Market<sup>4</sup>, Kelowna Census Subdivision (CSD)<sup>5</sup>

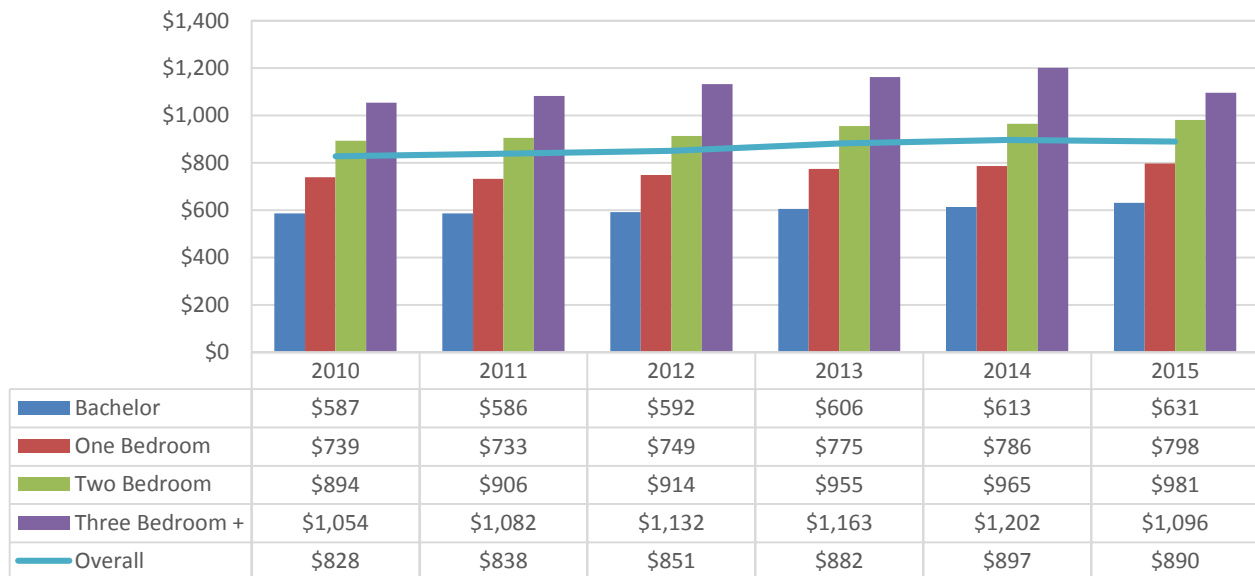
The vacancy rate for the primary rental market in the city of Kelowna has been decreasing since 2012 and was 0.7% in 2015 with three plus bedroom units experiencing the lowest vacancy rates at 0.0%. Overall average rent decreased slightly in 2015 to \$890 and the total number of units increased to 4,791. Provincially, the average vacancy rate was 1.3% and the overall average rent was \$1,042 in 2015.

The tables and graphs below show primary rental market data by unit type from 2010 to 2015.

Vacancy Rate by Unit Type (2010-2015)



Average Rent by Unit Type (2010-2015)



<sup>4</sup> The primary rental market represents units in purpose-built rental structures with three or more self-contained units.

<sup>5</sup> The Kelowna Census Subdivision (CSD) is specific to the city of Kelowna.

Source: CMHC Rental Market Report - Kelowna CSD - Fall 2015.

Number of Units by Unit Type (2010-2015)



## Rental Condominium Market<sup>6</sup>, Kelowna Census Metropolitan Area (CMA)<sup>7</sup>

The 2015 CMHC Rental Market Report for the Kelowna CMA includes information on the rental condominium market for the first time, offering more complete information about the rental market. At this time only vacancy rates and the total number of units are reported. This data will be included in the annual Housing Report going forward, and will be added to as more reliable data becomes available.

The vacancy rate for the rental condominium market was 2.1% in 2015. Of the total 12,730 condominium units in the Kelowna CMA, 3,136 or 25% were rented, demonstrating the significance of these units as a subset of the overall rental market.

<sup>6</sup> The condominium rental market represents rented condominium (strata) apartment units.

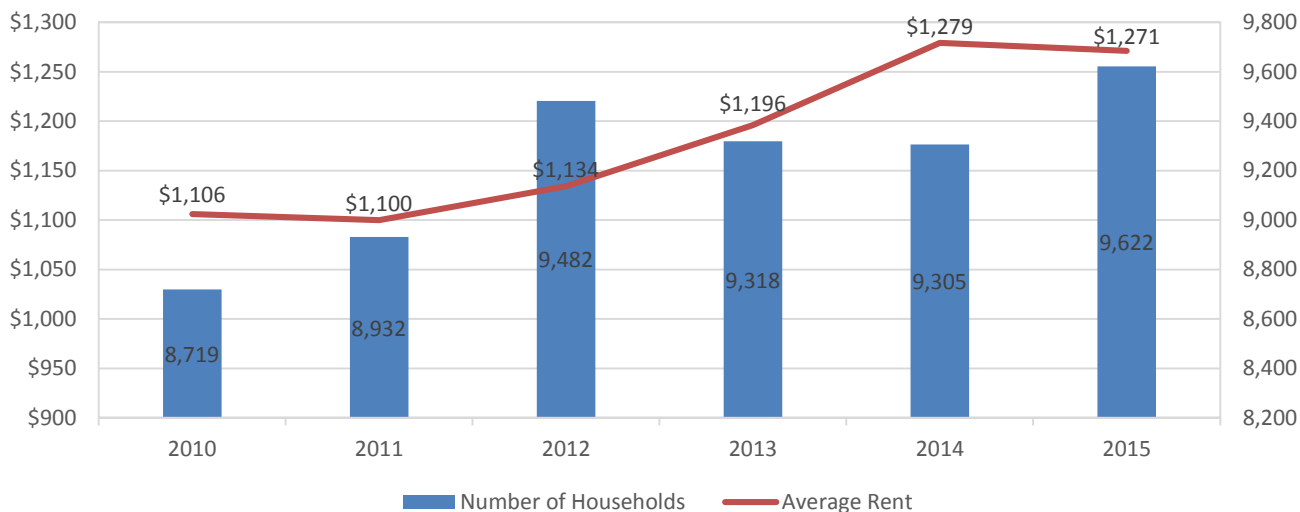
<sup>7</sup> The Kelowna Census Metropolitan Area (CMA) includes the entire Regional District of Central Okanagan.

Source: CMHC Rental Market Report - Kelowna CMA - Fall 2015.

## Secondary Rental Market<sup>8</sup>, Kelowna Census Metropolitan Area (CMA)

Kelowna's secondary rental market, which includes secondary suites in private dwellings, carriage houses and rented homes among other housing types, is substantial. In 2015 there were over 9,600 households in the secondary market across the Kelowna CMA, which is an increase of 3.4% over 2014. The average rent for the secondary rental market was \$1,271, significantly higher than the average rent of \$890 in the primary rental market.

Average Rent and Estimated Number of Households (2010-2015)



## Non-Market Housing<sup>9</sup>

Non-market housing covers a range of housing serving different needs, including emergency shelters, short-term transitional housing, supportive housing and subsidized housing. This sector has not previously been included in the annual Housing Report. Several emergency shelters and transitional housing providers operate in Kelowna; however, comprehensive data is not currently available for these types of non-market housing. As more information and data sources that offer reliable reporting are identified, they will be added to this report to provide a more comprehensive picture of non-market housing options, need and availability in Kelowna.

The Interior Health Authority maintains a listing of residential care and assisted living providers that offer supportive housing for those who are no longer able to reside at home. Some of these units are partially subsidized while others are paid for privately. Based on information from the Interior Health Authority, Kelowna has an estimated 1,305 supportive housing beds or units across 15 facilities offering long-term care.

BC Housing maintains a listing of housing providers that provide subsidized long-term housing with rent geared to income. In Kelowna, BC Housing identifies three housing developments that provide subsidized housing for singles and couples, and another 26 developments that provide housing for families, seniors, and adults with disabilities. Definitions for each demographic group are provided by BC Housing and applicants must apply either to BC Housing's Housing Registry or directly to the non-profit societies and housing co-ops that operate the developments. A total of 1,347 subsidized housing units are identified, of which 83 are geared to singles and couples, and the remainder are for families, seniors, and adults with disabilities. The majority are one and two bedroom units.

<sup>8</sup> The secondary rental market represents units in private structures (e.g. rented homes, suites) with less than three self-contained units, and does not include condominiums.

<sup>9</sup> Source - Supportive Housing: Interior Health Authority Residential Care and Assisted Living Listings.

Source - Subsidized Housing: BC Housing Housing Listings.

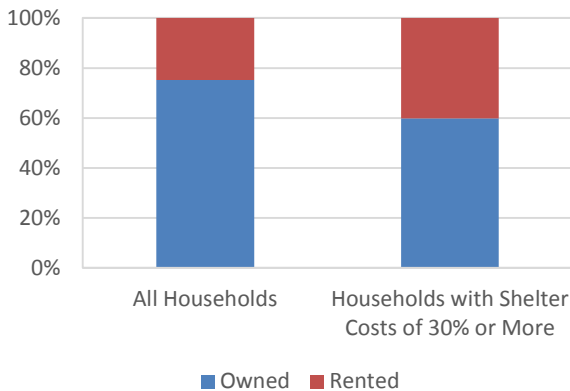


# Housing Affordability

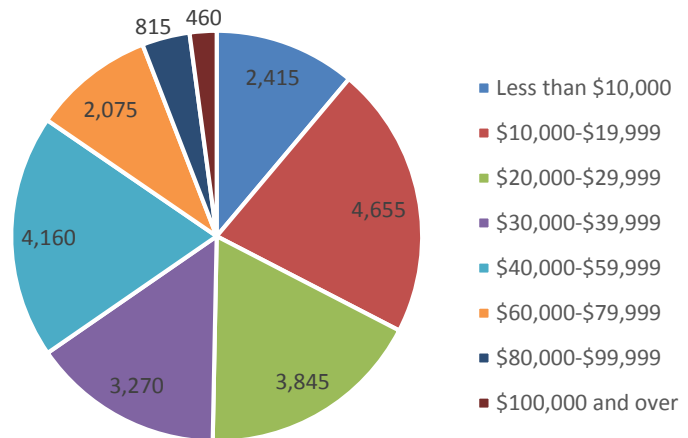
Housing is generally considered affordable if the amount spent on shelter is less than 30% of total before-tax household income. Based on the 2011 National Household Survey, 21,690 households in the Kelowna CMA spent 30% or more of household income on shelter costs in 2010. This represents 31% of all households, compared to the national average of 25%. Renters represent a disproportionate number of households with unaffordable housing costs. While 25% of all households rent, 40% of households spending 30% or more of income on shelter costs are renters.

The graphs below show household tenure (left) as well as the income levels (right) of households with shelter costs of 30% or more in the Kelowna CMA<sup>10</sup>.

Tenure of All Households vs Households with Shelter Costs of 30% or More (2010)



Income Levels of Households with Shelter Costs of 30% or More (2010)

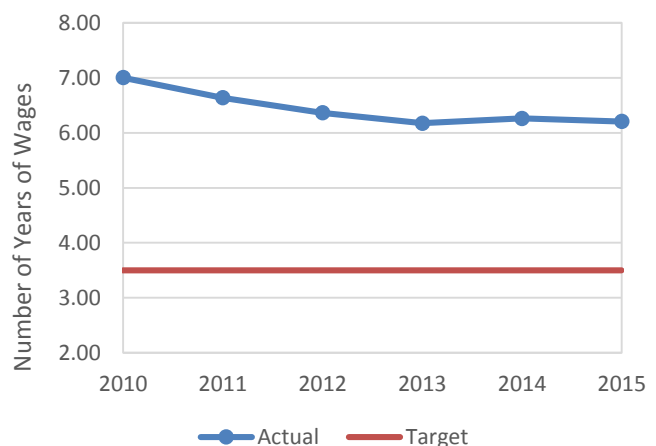


## Affordable Ownership Housing<sup>11</sup>

Another indicator of housing affordability is the median multiple, which compares median household income against the median home price to measure the number years of wages needed to purchase a home. This does not take into account other home ownership costs such as utilities and property tax.

In 2015, the median household income was \$62,586 and the median home sale price was \$388,500 for a median multiple of 6.2. While this still exceeds the targeted 3.5, the data over the past six years shows home ownership is trending in a more affordable direction.

Median Multiple (2010-2015)



<sup>10</sup> Source: Statistics Canada, 2011 National Household Survey, Statistics Canada Catalogue no. 99-014-X2011031.

<sup>11</sup> Source - Median Household Income: Environics Analytics.

Source - Median Home Sale Price: BCAA.

## Affordable Rental Housing<sup>12</sup>

BC Housing publishes annual Housing Income Limits, which represent the income needed to afford the average market rent, based on CMHC's Rental Market Report from the previous fall. The 2015 Housing Income Limits are shown below by unit size.

Unit Size	Average Monthly Rent	Annual Household Income Limit
Bachelor	\$613	\$26,000
One Bedroom	\$786	\$32,500
Two Bedroom	\$965	\$40,500
Three Bedroom +	\$1,202	\$50,500

## How the City supports Affordable Housing

The City of Kelowna has several financial incentives to encourage affordable housing, including: the [Housing Opportunities Reserve Fund](#), the [Rental Housing Grant Policy](#), the [Revitalization Tax Exemption](#), and the [Permissive Tax Exemption](#). In 2015, six rental buildings with a total of 329 eligible units were approved for a total of \$285,895 in grant funding through the City of Kelowna's Rental Housing Grant Policy. This marks the first year since the development of the 2012 *Housing Strategy* that the goal of 300 new rental units per year is being achieved.

---

<sup>12</sup> Source - Average Monthly Rent: CMHC Rental Market Report - Kelowna CSD - Fall 2014. Data represents the primary rental market. The Kelowna CSD is specific to the city of Kelowna.

Source - Annual Household Income Limit: BC Housing 2015 Housing Income Limits.