



HOUSING NEEDS ASSESSMENT

2021-2031

*The City of Kelowna is located on the traditional, ancestral,
unceded territory of the syilx/Okanagan people*

Kelowna's Housing Need



Qualitative Engagement:

Qualitative research methods were employed, providing a **well-rounded perspective** on the housing needs within Kelowna

71

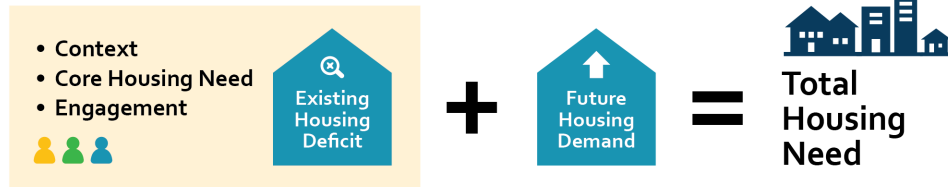
Total individuals were engaged in the process



- 34 People with lived experience
- 34 Local organizations and groups
- 3 Other

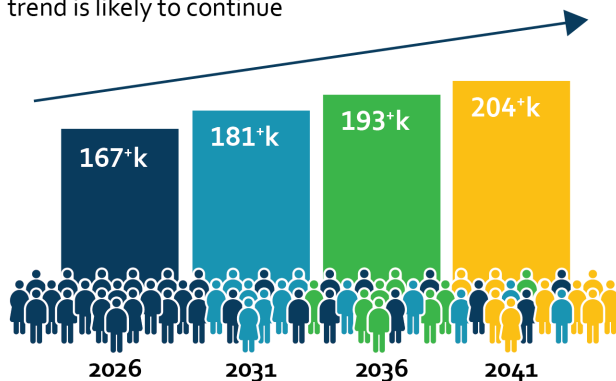
Total Housing Need Determination:

Total housing need was determined by analyzing Kelowna's current context, the **existing deficit** of housing, and the future demand for housing



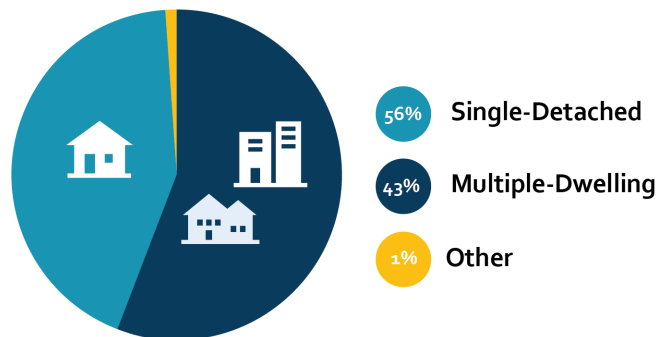
Anticipated Population:

Kelowna's population has **grown faster** than expected, placing further pressure on housing affordability; this trend is likely to continue



Housing Stock:

Households are getting smaller, and Kelowna's housing stock has shifted towards **more multi-family housing**



Data Analysis:

To complete this housing needs assessment, **thousands of data points were analyzed from diverse sources**, including Statistics Canada, The Central Okanagan Journey Home Society, Canada Mortgage and Housing Corporation, The City of Kelowna, as well as home sales and rental market data.

Income and Affordability:

Kelowna's median household income in 2021 was \$83,000, with a **notable discrepancy** between homeowners (\$100,000) and renters (\$60,800)



This gap, combined with a 2022 median rent of \$1,390 and median home sales price of \$745,000, underscores the challenges of housing affordability in the area.



Subsidized Rental Gap:

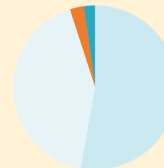
The City is approving adequate levels of ownership and market rental housing, but there's a significant **shortfall of subsidized rental housing**.



Ownership & Market Rental:
Adequate levels Approved



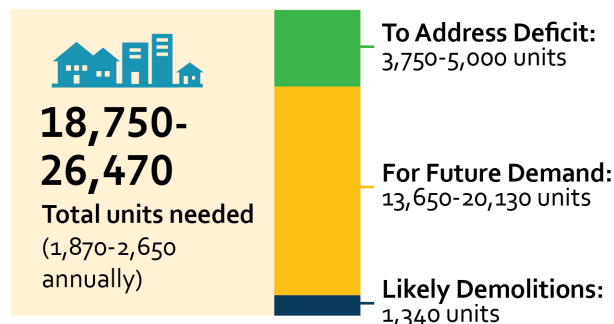
Subsidized Rental:
Major Gap



53% Market Rental
43% Ownership
3% Subsidized Rental
2% Supportive Housing

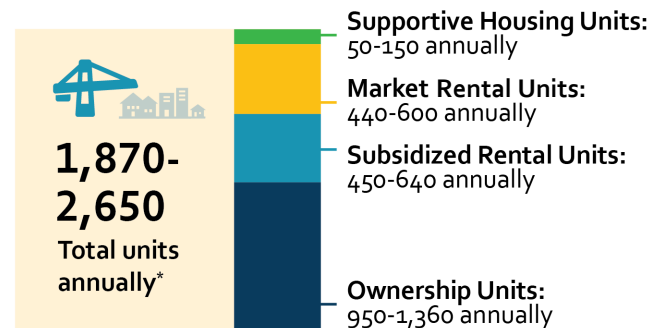
Overall Housing Unit Needs (2021-2031):

Kelowna **requires a substantial number** of new housing units over the next decade to address existing deficits, future demand, and potential demolitions



Annual Housing System Targets (2021-2031):

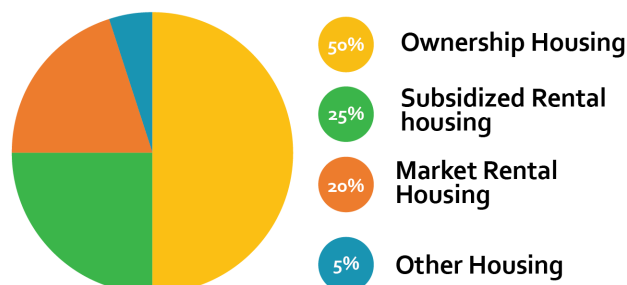
Each year from 2021 to 2031, Kelowna has specific targets for various **housing categories** to meet the community's diverse and evolving needs



*With a target rental vacancy rate of 3-5%

Meeting Housing Need:

To address the diverse housing requirements in Kelowna, a **balanced approach** is being proposed that encompasses various types of housing



Disproportionate Housing Needs:

Currently, some priority groups face greater challenges in housing, including:

- One-Person Households
- Indigenous-Led Households
- Women-Led Households
- Female Lone Parent Households
- Renters Aged 65+



City of
Kelowna

City of Kelowna, 2023

ACKNOWLEDGMENTS

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rennie advisory services

Central Okanagan Journey Home Society

Contributions from community members, subject matter experts,
those with lived experience, public / private / non-profit organizations
that participated in the engagement sessions

The City of Kelowna would also like to thank Union of BC
Municipalities for their financial support of this HNA

EXECUTIVE SUMMARY

Kelowna's housing system is facing complex challenges, and improving access to housing that meets people's needs is a priority for the City. Increasing pressure on the City's housing system is expected to continue as the population grows. The most challenging impacts will be felt by those with the lowest incomes and least resources including priority groups such as seniors, refugees, people with disabilities, and female-led lone parent households.

This Housing Needs Assessment (HNA) provides a comprehensive analysis of the current state of housing in Kelowna, as well as how much and which types of housing are needed today and in the future. The aim of this analysis is to provide a rigorous and reliable base of information to ground future housing policies, strategies, and actions. Unlike previous HNAs, this document takes the next step in addressing our housing challenges by identifying Housing System Targets.

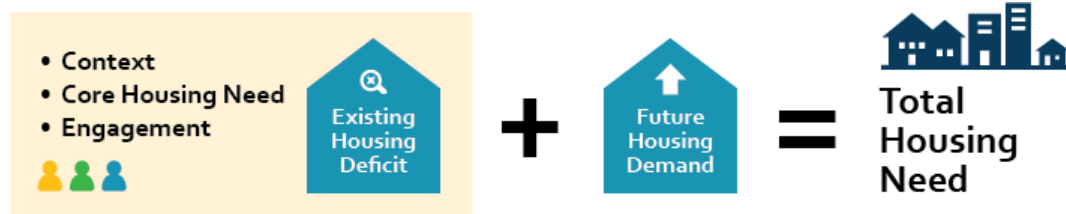
There are 10 key findings from this Housing Needs Assessment:

1. Low income renters and priority groups are disproportionately affected by challenges across the Housing Wheelhouse; housing affordability and availability are key drivers of homelessness
2. Kelowna's population has grown faster than expected, placing further pressure on housing affordability; this trend is likely to continue
3. Kelowna's existing housing deficit is 3,750 – 5,000 homes; these are homes that are needed for existing residents even before future growth is considered
4. An additional 13,650-20,130 homes are needed to meet future housing demand by 2031; up to about 50 per cent more than expected
5. We have demonstrated that the City can approve housing quickly enough to meet community need; however, the pace of housing construction needs to increase
6. Kelowna has a major shortage of subsidized rental housing; we need a tenfold increase in the delivery of subsidized rental housing annually, requiring unprecedented collaboration and partnership
7. Approximately two thirds of subsidized housing that is needed could be accommodated on existing public and non-profit lands
8. Additional supportive housing is needed, and emergency shelter housing will be necessary at least in the short-term
9. A historic amount of market rental housing has been built since 2016, with more on the way; we need to keep up the pace considering nearly half of new households will be renters
10. The overall level of ownership housing construction is on-track; further action is required to increase the diversity of housing types and price points

Total housing need

Overall, ongoing delivery of housing is critical to meeting housing needs from 2021-2031. Without an adequate overall supply of housing, the community's housing challenges will persist or worsen. Highlights of total housing need from 2021-2031 are listed below:

- Kelowna has an existing housing deficit of 3,750-5,000 units
- An additional 13,650-20,130 units are needed from 2021-2031 to accommodate for future growth
- 1,340 units are expected to be demolished from 2021-2031 as redevelopment occurs
- **In total, at least 18,750-26,470 housing units are estimated to be needed from 2021-2031 (1,870 – 2,650 units annually)**



From an overall unit count perspective, the City of Kelowna is approving new housing (tracked by the issuance of building permits) at a level that is in alignment with total housing need. That said, the on-the-ground delivery of new housing (tracked by the issuance of occupancy permits) has been at lower-than-adequate levels. To address Kelowna's existing housing deficit and meet future demand, housing should be delivered as outlined in the table below. A brief description of the situation in each segment of the wheelhouse follows.

Wheelhouse Segment ¹	Proportion Needed	Proportion In-stream	Units Needed 2021-2031	Units Built 2018-2021	Anticipated Income of Residents ²
Ownership	50%	42%	950-1,360/year (9,500-13,630 total)	1,160/year	80% or more of median income
Market Rental	20%	53%	440-600/year (4,360-6,000 total)	580/year	80% or more of median income
Subsidized Rental	25%	2%	450-640/year (4,530-6,430 total)	45/year	Less than 80% of median income
Supportive Housing	5%	3%	50-150/year (500-1,500 total)	45/year	Less than 80% of median income

¹ See section 1.5.1 for more information about the Housing Wheelhouse.

² Compared to Kelowna's median income.

Subsidized rental housing

Based on current market rates, very low, low, and moderate income households are challenged to find market rental housing that is affordable. These households' needs would be best met through subsidized rental housing; however, there is currently a major gap in subsidized rental housing being delivered in Kelowna. That said, there is significant public land capacity to deliver more subsidized rental housing in Kelowna through collaboration and partnerships.

Supportive housing

Supportive housing is only needed by a small portion of Kelowna's population, but it is critically important to ensuring that our housing system works for all community members. Supportive housing is particularly important for residents with complex, intersecting health and social needs, and can assist people who are experiencing homelessness access housing that they can maintain. To be effective, supportive housing must align with residents' needs rather than a one-size-fits-all approach.

Emergency shelter housing

If housing needs are met across the housing wheelhouse, emergency shelter housing would only be needed for occasional, temporary situations. However, because housing takes years to build and there is a large existing housing deficit today, it is likely that there will be ongoing need for emergency shelter housing, particularly in the short term. Current shelter availability has been unable to keep pace with the number of people experiencing homelessness.

Market rental housing

Affordability challenges are driving a shift towards rental housing in Kelowna. Approximately 48 per cent of future housing demand is expected to be for rental housing. The demand for rental housing is being reflected in the housing being approved in Kelowna, with adequate levels of market rental housing being constructed in recent years. Of note, there appears to be a lack of larger rental units – approximately 25 per cent of future demand for rental housing will be for three-plus person households, but less than 10 per cent of the rental stock delivered in recent years was three-plus bedroom units.

Ownership housing

Based on recent occupancy permit volume, the City is on track with the level of ownership housing that is being delivered. This HNA identified several considerations to help ensure that the ownership housing being delivered is in close alignment with the needs of Kelowna residents including:

- Smaller units suitable for one and two person households are in demand, and there is a gap in three plus bedroom housing suitable for families with children.
- Missing middle housing is still missing– most smaller units are in apartments and most larger units are single dwelling homes. Additional housing options, including house-plexes and townhouses, would help provide more attainable forms of ownership housing.

Setting targets

The current lack of housing options at affordable prices in Kelowna makes it challenging for people to move through the housing wheelhouse as their needs change. A bottleneck in one area of the wheelhouse has ripple effects through all the other wheelhouse segments. For example, the shortage of subsidized rental housing is increasing the prevalence and risk of homelessness. In turn, this may increase demand for supportive housing and emergency shelter housing. Similarly, increasing home sales prices push homeownership out of reach and residents are therefore renting for longer, causing market rental rates to rise.

Better aligning the housing being delivered with housing needs outlined in this HNA will allow Kelowna's housing system to function more effectively and provide housing that works for all community members. This HNA establishes bold Housing System Targets to ensure that progress can be tracked and policy changes can be made accordingly:

Housing System Targets

Target Measures	Annual Target
Ownership Units	950-1,360
Market Rental Units	440-600
Vacancy Rate (%)	3-5
Subsidized Rental Units	450-640
Supportive Housing Units	50-150

Accomplishing these Housing System Targets is a joint responsibility, with roles for all levels of government, non-profit organizations, private industry, and other groups. Significant changes across the housing system are required to meet the Housing System Targets outlined in this HNA, particularly regarding housing affordability. Accomplishing the Housing System Targets will also require ongoing monitoring and reporting, and will be achieved in alignment with an updated Housing Strategy. This will be completed to reinforce the growth strategy objectives as established in the recently updated 2040 OCP.

Next steps & final Reflections

For many residents, the results of this HNA will confirm what they already feel intuitively: Kelowna is facing a housing crisis and residents, businesses, and institutions are experiencing the impacts daily. Meeting the housing needs of our community in the face of these challenges is no small feat. One thing is clear: to make real progress, every partner in the housing system will need to step forward and redouble their efforts to meet this crisis. The upcoming Housing Strategy update will be a vital opportunity to bring the entire housing sector together to develop the tools needed to meet these targets.

Decisions made today regarding housing will not be fully realized for years – potentially decades – down the road, but by responding to current challenges with urgency, it is possible to shift Kelowna's housing system towards one that is in stronger alignment with the housing needs of current and future residents. In many ways, there has never been a better time for action on housing than now.

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1. BACKGROUND

1.1. Introduction & Purpose

Housing has a large impact on quality of life and community wellbeing. Improving access to housing that meets people's needs is a priority across Canada, and is especially urgent in fast-growing, high cost of living urban areas like Kelowna. Within the City of Kelowna, community members are burdened by rising home prices and rental rates. Kelowna also faces other challenges including a low vacancy rate, increasing homelessness, and ongoing need for supportive and subsidized housing.

Access to adequate, affordable, and suitable housing is a basic human right that provides stability and security. Challenges accessing housing affect people living in Kelowna in different and complex ways. People in equity-seeking groups in particular face intersectional barriers to accessing appropriate housing, resulting in higher risk living situations and inequitable outcomes – see the "Housing & Equity" call out box for examples.

Housing has been as identified as a focus area by Kelowna City Council and by community members in the 2022 Citizen Survey. Solutions to Kelowna's housing challenges will be established in an upcoming Housing Strategy. Prior to developing the Housing Strategy, however, it is critical to understand the current state of housing need in Kelowna; this information is provided by this Housing Needs Assessment.

1.2. Report Structure

This Housing Needs Assessment (HNA) is organized into the following sections:

1. **BACKGROUND:** The background section introduces the HNA including what an HNA is and why the City of Kelowna prepared an updated HNA. This section also outlines the City of Kelowna's housing policy context.
2. **METHODOLOGY & DATA:** The second section of this report outlines the methodological approach used to create this HNA. This section also provides information about the data used to inform the HNA.
3. **KELOWNA HOUSING CONTEXT:** This section includes contextual information about the City of Kelowna including demographic and housing-related data and provides an overview of each section of the housing wheelhouse.
4. **EXISTING HOUSING DEFICIT:** Section four quantifies the existing housing deficit in Kelowna – i.e., the housing that is needed today to meet the needs of current residents.

5. **FUTURE HOUSING NEED:** Section five provides an estimate of what how much housing will be needed in Kelowna until 2031 based on projected population growth.
6. **TOTAL HOUSING NEED:** Section six combines data from section four on the existing deficit of housing in Kelowna with data from section five about anticipated future housing need to provide a total housing need estimate.
7. **MEETING HOUSING NEED:** This section provides an estimate of how much housing needs to be built in total and annually to both address the existing housing deficit and the future demand for housing in Kelowna. Housing need is broken down by wheelhouse segment and is compared to current levels of housing being built in Kelowna.
8. **NEXT STEPS & CONCLUSION:** This section summarizes the HNA findings and describes how the City of Kelowna will use the HNA results to inform an updated Housing Strategy.
9. **APPENDICES:** Several appendices are provided, including a glossary and qualitative data summary. Appendix 9.3 is an evaluation of publicly owned land within the City of Kelowna that may be suitable for the development of affordable housing. Additionally, the Summary Report required by the provincial government is included as Appendix 9.4.

1.3. What is an HNA?

Housing Need Assessments (HNA) are reports that identify current and future housing needs in a city or other area, including information about how much and which types of housing are needed. To prepare an HNA, quantitative and qualitative data is collected, analysed, and reported on.

This HNA describes current and future housing needs within the City of Kelowna. This HNA does not provide recommendations about how to meet the identified housing needs; recommendations will be established in an updated City of Kelowna Housing Strategy. See section 8.1 for more information.



The non-profit sector identified the shortage of affordable rental housing is increasing the prevalence and risks of homelessness in Kelowna. People with lived and living experience shared stories of having to work multiple jobs to be able to afford rent and often must choose between paying rent and other costs like utilities, food, or transportation.

– Engagement Finding

Housing & Equity

Our current housing system works better for some people than it does for others. Without access to housing that is affordable and appropriate, community members may have to rely on housing that is overcrowded, precarious, or unsafe – or face homelessness. Housing needs can be shaped in complex ways by intersecting aspects of people’s identities such as age, Indigenous identity, socioeconomic status, sexual orientation, gender identity, racial identity, and disability status. For example:

- Indigenous community members are overrepresented in homelessness, and face barriers to accessing affordable, culturally appropriate housing that responds to the historic and ongoing impacts of colonization
- Female-led households are overrepresented in core housing need, and may need higher levels of access to affordable family-oriented units and amenities such as schools, transit, and daycare
- Seniors – particularly seniors who rent – face barriers related to navigating the housing system to find appropriate housing that is affordable and has the supports they need
- Lower income residents are more likely to be renters – access to transit and walkability could help reduce the overall cost burden for these residents

This Housing Needs Assessment looks at housing need across the City of Kelowna as a whole, but also takes an equity-centred approach by focusing on priority populations with high housing needs. By focusing on the most pressing housing needs in our community, we can work towards solutions that are responsive to local housing challenges.



1.4. Why did we prepare this HNA?

Preparing this Housing Needs Assessment provided an opportunity to comprehensively evaluate housing data and answer questions including:

- What are the biggest housing challenges in Kelowna?
- How much housing is needed in Kelowna currently, and how much will be needed in the future?
- What kind of housing is needed, and how much should it cost?
- Does the housing being built align with the housing that is needed?
- Who is facing the most critical need for housing in our community, and what barriers are they facing to access the housing they need?
- How might housing needs in Kelowna change over time?

Overall, this HNA provides information about housing in Kelowna that supports the following goals:

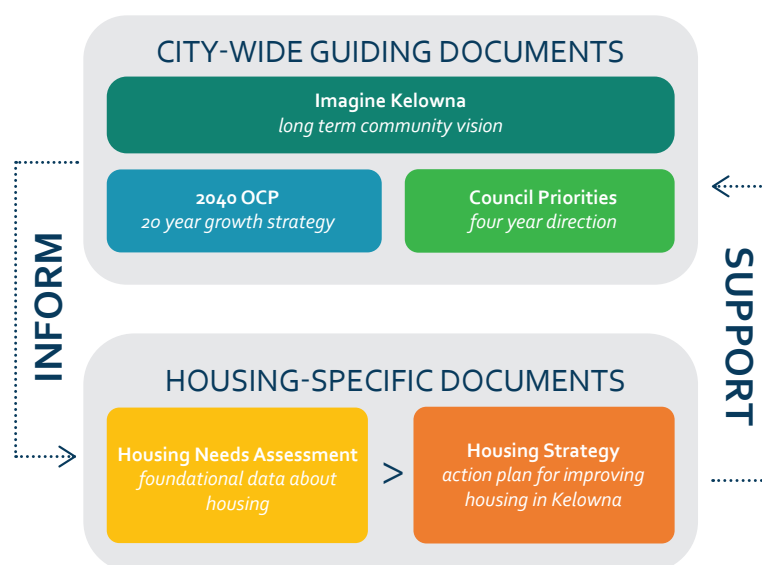
1. Provide data on current and future housing need in Kelowna that can be used as a foundation for an updated Housing Strategy
2. Improve understanding and decision-making related to housing in Kelowna
3. Meet provincial requirements for reporting on housing need

1.5. The City of Kelowna's Approach to Housing

1.5.1. Policy Context

Housing is a foundational part of people's lives, and a well-functioning housing system allows people to thrive in their community. The City of Kelowna acknowledges the importance of supporting a housing system that works for current and future community members, as referenced in several key policies and guiding documents (Figure 1).

Figure 1 – City of Kelowna housing policy context



Imagine Kelowna – the City's long-term community vision – provides high-level guidance related to housing.¹ Imagine Kelowna calls for building healthy neighbourhoods that support a variety of households, income levels, and life stages. Imagine Kelowna underscores that everyone in our community should be able to access housing that is stable and appropriate.

Kelowna's 2040 Official Community Plan (OCP) also provides policy direction for housing.² Multiple OCP Pillars relate to housing and aim to limit urban sprawl, target growth in Urban Centres and along transit corridors, and increase housing diversity to better meet the needs of our community members. Additionally, the 2040 OCP prioritizes equity and promotes a community where everyone has the same opportunities to thrive – including opportunities related to housing.

Kelowna City Council Priorities set high-level direction for the City.³ Two of Council's six priority areas relate directly to housing. Under the "Affordable Housing" priority area, Council seeks to acquire land for affordable housing, increase the number of below-market rental units in Kelowna, and partner on the creation of a low-cost affordable housing pilot project. Under the "Homelessness" priority area, Council seeks to advocate for complex care housing, explore partnership opportunities, advocate for purpose-built permanent shelter with supports, and develop an emergency winter shelter program.

Overall, guidance from Imagine Kelowna, the 2040 OCP, and Council Priorities sets the direction for the City's approach to housing. However, to effectively meet the overarching goals set out in these documents, a more detailed action plan is needed. This action plan will be provided in an updated Housing Strategy. To ensure that the Housing Strategy addresses the City's most pressing housing issues, it will be based on the comprehensive review of housing data provided by this Housing Needs Assessment.

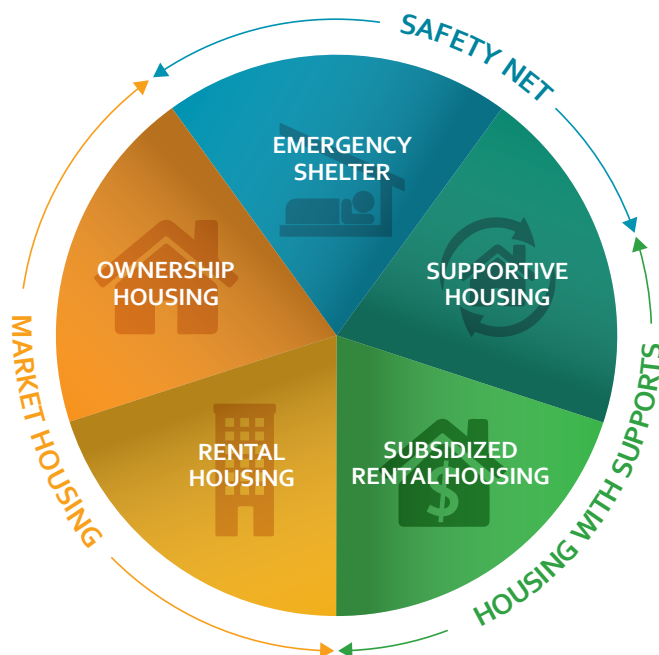
¹ City of Kelowna. [Imagine Kelowna](#).

² City of Kelowna. [2040 Official Community Plan](#).

³ City of Kelowna. [Council Priorities](#).

1.5.2. Building on Previous Work

The City of Kelowna completed its most recent Housing Needs Assessment in 2017.⁴ Through the 2017 HNA, the City established the housing wheelhouse, an award-winning way to understand the housing system (Figure 2). The wheelhouse re-thinks the idea that the housing spectrum is inherently linear and instead offers a circular approach.



*Figure 2 –
The housing
wheelhouse*

One of the goals of the wheelhouse is to promote equity and inclusion, recognizing that housing must reflect the diverse socioeconomic and demographic needs of Kelowna residents and that people may move around the wheelhouse throughout their lives. The wheelhouse continues to guide how the City categorizes housing. The wheelhouse was updated in 2021 to better reflect supportive housing in Kelowna.⁵ The following wheelhouse categories are defined in the glossary and are referenced throughout this HNA:

- Ownership housing
- Market rental housing
- Subsidized rental housing
- Supportive housing
- Emergency shelter housing

Findings from the 2017 HNA assisted the City in establishing the Healthy Housing Strategy and supported the development of the Journey Home Strategy (JHS).^{6,7} The Healthy Housing Strategy focuses on policy, regulatory, and procedural recommendations for subsidized rental, market rental, and ownership housing. The Journey Home Strategy, currently overseen by the Central Okanagan Journey Home Society (COJHS), focuses on the system of services supporting those who are experiencing homelessness and those at risk of homelessness.

⁴ City of Kelowna. [Our Homes Today & Tomorrow: A Housing Needs Assessment](#).

⁵ "Short-term supportive housing" and "long-term supportive housing" were combined into a general "supportive housing" category. This change acknowledges that supportive housing is a large, complex category of housing that provides a variety of supports and services, to a variety of populations, for a variety of different time frames.

⁶ City of Kelowna. [Healthy Housing Strategy](#).

⁷ City of Kelowna. [Journey Home](#).

The COJHS supported the City in completing the 2023 Housing Needs Assessment by providing high-quality, detailed quantitative and qualitative information related to homelessness in Kelowna. In 2024, the role of convener or backbone entity for the JHS will transfer from COJHS to the City. Key objectives of this transition include: increasing systems coordination, enhancing upstream initiatives, and an overall renewal of the Journey Home Strategy.



People with lower incomes – including younger people, people working in tourism/service sector – despite driving our economy, those sectors don’t pay well. People not at a living wage are having a tough time – which is also impacting small businesses.”

– Private Sector Workshop



People with lived experience report challenges accessing information, resources, and support to find housing. Many reported waiting years before being able to connect with the correct support staff to help them start applications for subsidized housing or financial supports. This process can be particularly challenging for older adults, people with disabilities, and Indigenous people.

– Engagement Finding

2. METHODOLOGY & DATA

2.1. Methodology

The City of Kelowna completed this Housing Needs Assessment (HNA) with support from CitySpaces Consulting, rennie advisory services, and the Central Okanagan Journey Home Society. The methodological approach to this HNA began by building a comprehensive understanding of the existing housing deficit and potential future demand for housing in the city using both quantitative and qualitative data. From a quantitative perspective, in addition to several innovative approaches to quantifying the existing housing deficit, this HNA expands on a project called Housing Assessment Resource Tools (HART) that was led by the University of British Columbia's Housing Research Collaborative in early 2021. Qualitatively, an inclusive community consultation process that included engaging with people with lived and living experience of housing insecurity, was also used.

2.1.1. The Housing Assessment Resource Tools (HART) Methodology

The HART methodology is a standardized approach that measures housing need by cross referencing core housing need – an indicator of housing need provided by the census – with household income and household size. This method quantifies the amount of housing that is needed at specific price points and by number of bedrooms. The HART methodology incorporates several best practices including:

- **Estimating the existing housing deficit:** some approaches to HNA only quantify future need, which assumes that the housing system is working for existing residents – this results in under-reporting total housing need. The expanded HART approach undertaken in this HNA acknowledges and quantifies the existing housing deficit.
- **Tying housing need to income:** the HART approach provides information on how much housing should cost in relation to local incomes, which is key to delivering housing that will meet the needs of current and future Kelowna residents.
- **Providing an approach that is tested and replicable:** this HNA's methodology is intended to be replicable and provide a benchmark for tracking over time.
- **Incorporating equity:** the HART methodology considers equity impacts by gathering data on several priority groups that have been identified by the National Housing Strategy as having disproportionate housing need.

The HART methodology also uses population projections to estimate future housing need. Additionally, the HART methodology recommends accompanying HNAs with an assessment of publicly owned land that could be used for housing – see Appendix 9.3 for more information.

2.1.2. Expanding the HART Methodology

While the HART methodology provides a strong base for this HNA, core housing need does not capture all unmet need, and explicitly excludes certain households from consideration. Core housing need also only addresses the unmet needs of households who are currently housed, and does not consider issues such as homelessness, hidden homelessness, student housing, suppressed household formation, vacancy rates required for a healthy rental market, or stock of ownership housing required to reduce price escalations. The City of Kelowna supplemented the core housing need-based analysis provided by the HART methodology by:

- Exploring additional ways to assess existing housing need, including areas of existing unmet housing need that are not captured directly through the HART methodology
- Exploring ways to evaluate unmet housing need by housing type and tenure in addition to cost and size
- Investigating alternative methods to project future population growth and the housing needs associated with a growing and changing population
- Collecting and analyzing qualitative data to ground truth and provide additional context to quantitative findings
- Supplementing the report to ensure all provincial reporting requirements are met (see Appendix 9.4)

2.2. Data & Data Limitations

This HNA includes quantitative and qualitative data to provide a comprehensive understanding of housing need in Kelowna today and in the future. Data sources and limitations are listed below.

2.2.1. Quantitative data

This HNA relied heavily on data from the 2021 Census of Population. In addition, this HNA drew from several other data sources to develop a more robust picture of housing need, including:

- **Statistics Canada:** wherever possible, census data was analysed at the census subdivision geographic scale, which aligns with the City of Kelowna municipal boundary. The primary data set used in this HNA was a custom tabulation of households in core housing need from the 2021 census. Other historical census data were used including detailed consideration of the patterns of change in age-specific household formation.
- **The Central Okanagan Journey Home Society (COJHS):** the COJHS provided high-quality data on rates of homelessness and shelter capacity in Kelowna. Because of COJHS's data collection and sharing efforts, this HNA was able to assess homelessness in Kelowna in much more detail than would otherwise be possible.
- **Canada Mortgage and Housing Corporation (CMHC):** CMHC collects data about housing across Canada, including the annual Rental Market Survey, which is referenced in this HNA.
- **The City of Kelowna:** the City of Kelowna tracks housing data as development applications move through the approvals process including permit data and rental housing data.
- Home sales and rental market data from various sources as referenced.

2.2.2. Qualitative data

The City of Kelowna opted to layer qualitative data into this HNA process. There were several objectives of collecting quantitative data including: verifying quantitative findings, understanding gaps in quantitative analysis, and adding depth by hearing from people with lived and living experience. The City took an equity-centred approach to engagement by focusing the most intensive engagement efforts on priority groups with disproportionate levels of housing need. Data was also gathered from local service providers and private sector organizations. Qualitative data was gathered through various methods, including:

- **Virtual and in-person focus groups:** a series of workshops was held to collect Kelowna-specific information on housing challenges, gaps, priorities, and solutions.
- **One-on-one interviews:** longer one-on-one interviews were conducted with key informants to understand their insights into housing issues.
- **Indigenous community engagement:** Indigenous organizations and service providers were invited to share input about housing needs specific to local Indigenous communities.
- **Lived and living experience engagement:** the project team prioritized connecting with people from identified priority populations who are disproportionately experiencing housing need.

Qualitative data is integrated throughout this report, and an in-depth qualitative engagement summary can be found in Appendix 9.2.

2.2.3. Data limitations

While every effort has been made to make this HNA as comprehensive as possible, the data used in this report are limited in several ways including:

- **Limited data about priority groups:** the National Housing Strategy identified 13 population groups that are experiencing disproportionate housing need; however, data is not readily available about all priority groups (see section 4.1.2). In addition, this HNA has limited ability to address issues of intersectionality – for example, some households may have members in multiple priority groups (i.e., a female Indigenous single parent with a child who has a disability). Collecting qualitative data from priority groups directly helped to address this limitation.
- **Accuracy of projections:** it is impossible to forecast housing trends over the next 10 years with perfect accuracy, but it is still necessary to estimate future housing need to understand the magnitude of the challenge and focus areas for future housing policy.
- **Data age and timing:** the census data used in this HNA was collected in 2021, so it is likely that there have been changes in the on-the-ground housing situation in Kelowna by the time of reporting. Other data used in this report may be from different time periods.
- **COVID impacts:** impacts of the COVID-19 pandemic on Kelowna's housing system are complex and ongoing. Because the 2021 census was conducted during the height of the pandemic, the data collected was likely impacted, and ongoing monitoring is needed. See the "COVID, Incomes & Housing" call out box in section 3.3 for more information.

3. KELOWNA HOUSING CONTEXT

The City of Kelowna is located on the traditional, ancestral, unceded territory of the syilx/Okanagan people. Kelowna is a mid-sized, fast-growing city located within the Regional District of Central Okanagan. Furthermore, Kelowna is the largest city in the region and acts as a central hub offering a diverse economy, wide array of educational facilities, an international airport, recreational opportunities, and a variety of other amenities and services.

This section provides data and context related to housing in the City of Kelowna including:

- Population and age
- Economy and income
- Households and household size
- Housing type, age, and size
- Information about each segment of the housing wheelhouse

Data in this section is from the census of population unless otherwise noted.

3.1. Population

The City of Kelowna is a mid-sized city with a population of 144,576 (2021). Kelowna has grown at a faster rate than the province and other similar sized cities over the past 20 years (Figure 3). From 2016 to 2021, Kelowna experienced a 13.5 per cent increase in population compared to 7.6 per cent in BC and 5.2 per cent in Canada. From 2011 to 2021, Kelowna's overall population grew by 27,264 people (Table 1).

**Figure 3 –
Population change
(%), 1996 to 2021**

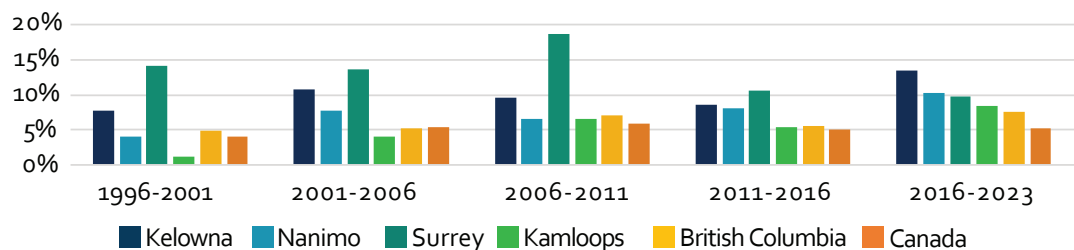


Table 1 – Population growth, Kelowna, 2006 to 2021

2006 Population	2011 Population	2016 Population	2021 Population	Growth, 2011-2021	Percent Change, 2011-2021	Annual Growth Rate
106,707	117,312	127,390	144,576	27,264	23%	2.1%

Generally, most of Kelowna's population growth is attributed to people moving here rather than due to births. In 2021/2022, most of the people moving to the Kelowna Census Metropolitan Area came from other provinces, followed by international immigrants, people from within BC, and then natural births (Figure 4).

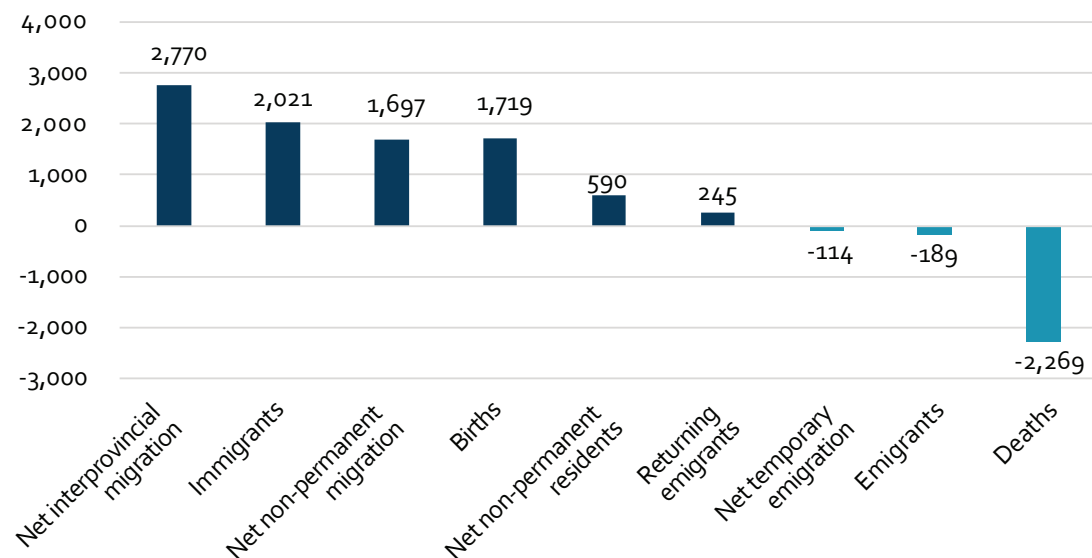


Figure 4 – Components of population change, Kelowna Census Metropolitan Area, 2021/2022

Over the next 20 years, Kelowna's population is expected to continue growing at a similar rate to the growth seen from 2011 to 2021, with particularly high population growth expected over the next 15 years. By 2041, it is anticipated that Kelowna will be home to over 200,000 residents (Table 2). Ongoing population growth means that demand for housing is also expected to grow over time.

Table 2 – Anticipated population growth, Kelowna, 2026 to 2041

Kelowna	2026	2031	2036	2041
Anticipated Population	167,198	181,372	193,705	204,421
Change from 2021 (#)	17,592	31,766	44,099	54,815
Change from 2021 (%)	12%	21%	29%	37%

Source: Population Projection for Kelowna CY, rennie, June 2022. Population projection estimated based on 2021 population that has been adjusted for census undercount.

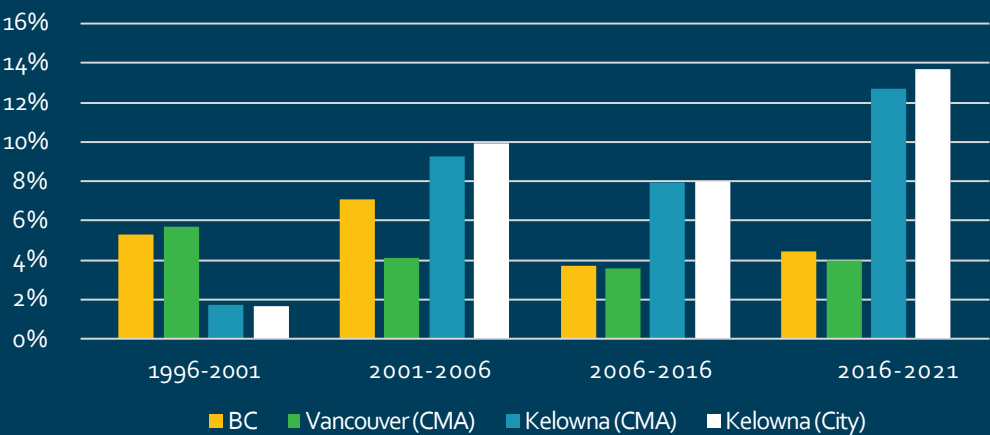
Population Diversity & Housing

As Kelowna grows, the composition of the City’s population is changing. For example, over the past 20 years, Kelowna has seen an increase in the diversity of residents in terms of places of birth, ethnicity, language, and religion.

Growth from international immigration has been increasing in Kelowna, and this trend is expected to continue. In 2021, 22,000 people living in Kelowna immigrated to Canada at some point in time, accounting for approximately 15 per cent of the City’s total population. Additionally, the number of non-permanent residents in Kelowna nearly doubled between 2016 and 2021. In total, there were close to 4,000 non-permanent residents in Kelowna in 2021.

The proportion of Kelowna residents who identify as members of a visible minority group has also shifted, increasing from approximately 5 per cent in 2001 to 14 per cent in 2021. While the overall proportion of Kelowna residents who identify as members of a visible minority group is lower than BC and Vancouver, the growth of the visible minority population is increasing much faster in Kelowna (Figure 5).

Figure 5 –
Growth rate of
visible minority
population, 1996
to 2021



The number of people living in Kelowna who identify as Indigenous has also increased over the past 20 years and is expected to continue increasing. In 2021, approximately 6 per cent of the population in Kelowna identified as Indigenous. This represents almost 8,000 people, up from 2,000 people who identified as Indigenous in 2001. Over 20 years, this represents a 269 per cent growth in the Indigenous population in Kelowna, compared to 50 per cent growth in Kelowna’s overall population.

As referenced in the “Housing & Equity” call out box in section 1.1, housing needs can be shaped in complex ways by intersecting aspects of people’s identities such as age, Indigenous identity, socioeconomic status, sexual orientation, gender identity, racial identity, and disability status. Many of these groups, face disproportionate levels of housing need. Understanding how Kelowna’s population is changing and becoming more diverse provides a deeper understanding of housing needs in our community. See more in section 4.1.2 on housing need by priority population.

3.2. Age

While generally, Canada’s population has been aging since the early 20th century,¹ Kelowna saw a decrease in median age – the age at which half the population is younger and half the population is older – from 43.8 years to 42.4 years between 2016 and 2021. Additionally, while Kelowna’s median age has historically been higher than the median age of the province, in 2021, for the first time in more than 25 years, Kelowna’s median age (42.4) was lower than the provincial median age (42.8) (Figure 6).

Table 3 – Median age, Kelowna, 2006 to 2021

Year	Median Age
2006	42.8
2011	43.0
2016	43.8
2021	42.4

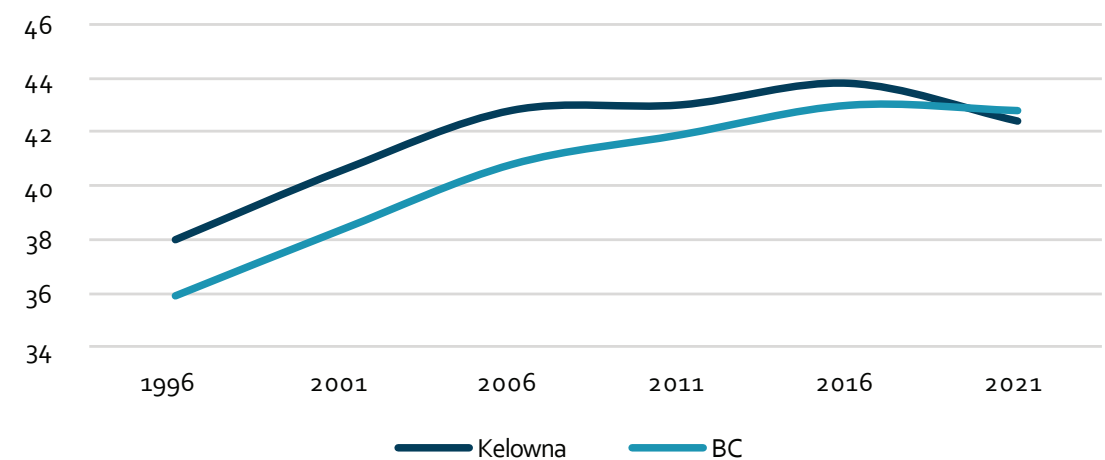


Figure 6 – Median age (years), 1996 to 2021

The decrease in Kelowna’s median age from 2016 to 2021 can largely be attributed to an increase in the number of people aged 20 – 34, who are in the young adulthood and household-formation stages of life (Figure 7). Those in their primary working years, aged 35 – 54, remain the largest age group in Kelowna. Proportionally, age groupings have stayed fairly consistent in Kelowna since 2006.

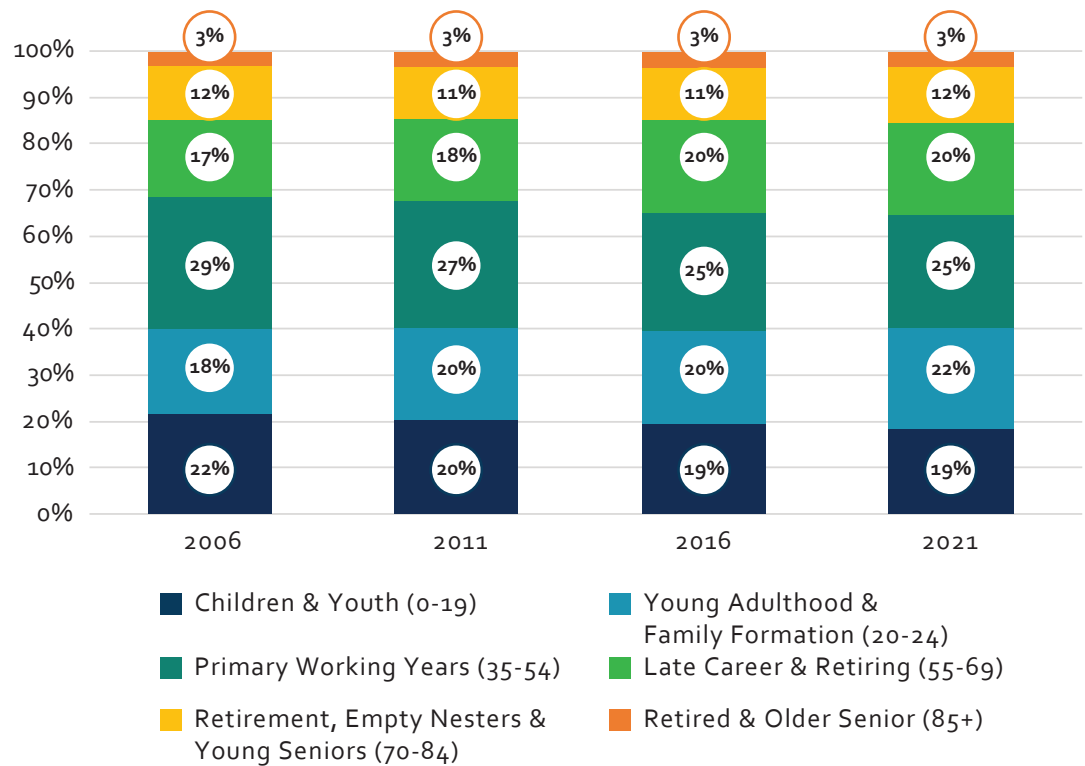


Seniors report 'living on the edge' and feel frustrated that they are at-risk of experiencing homelessness. This is particularly evident for older adults who have worked for more than 40 years and want to retire but are instead working to afford rent. Low-income seniors are challenged to afford other necessities due to the high cost of housing and sometimes go without food or health care.

– Engagement Finding

¹ Statistics Canada. (2022). [Population Projections for Canada \(2021 to 2068\), Provinces and Territories \(2021 to 2043\)](#).

**Figure 7 –
Population by age
group, Kelowna,
2006 to 2021**



Based on an age projection provided by BC Statistics, Kelowna’s median age is anticipated to decrease to 40.7 in 2028 (Table 4). In terms of population by age group, Kelowna is expected to have a similar proportion of residents in each age group from 2026 to 2041 (Figure 8). Slight shifts are anticipated including an increase in residents aged 35-54 and 85+, and a decrease in residents aged 0 – 14 and 20 – 24.

Table 4 – Projected median and average age, Kelowna, 2022 to 2028

	2024	2026	2028
Median Age	40.8	40.7	40.7
Average Age	42.4	42.5	42.6

Source: Planning and Land Use Management Branch. Kelowna CSD. Population and Household Projections (2019-2028)



Costs of construction, rising lending rates, and the costs/shortages of labour are impacting the feasibility of housing development. Further market fluctuations are anticipated, and it will be important to monitor development sector trends over time.

Skilled trades workers are needed to build new housing, yet these industry professionals cannot afford to live in Kelowna.

– Engagement Findings

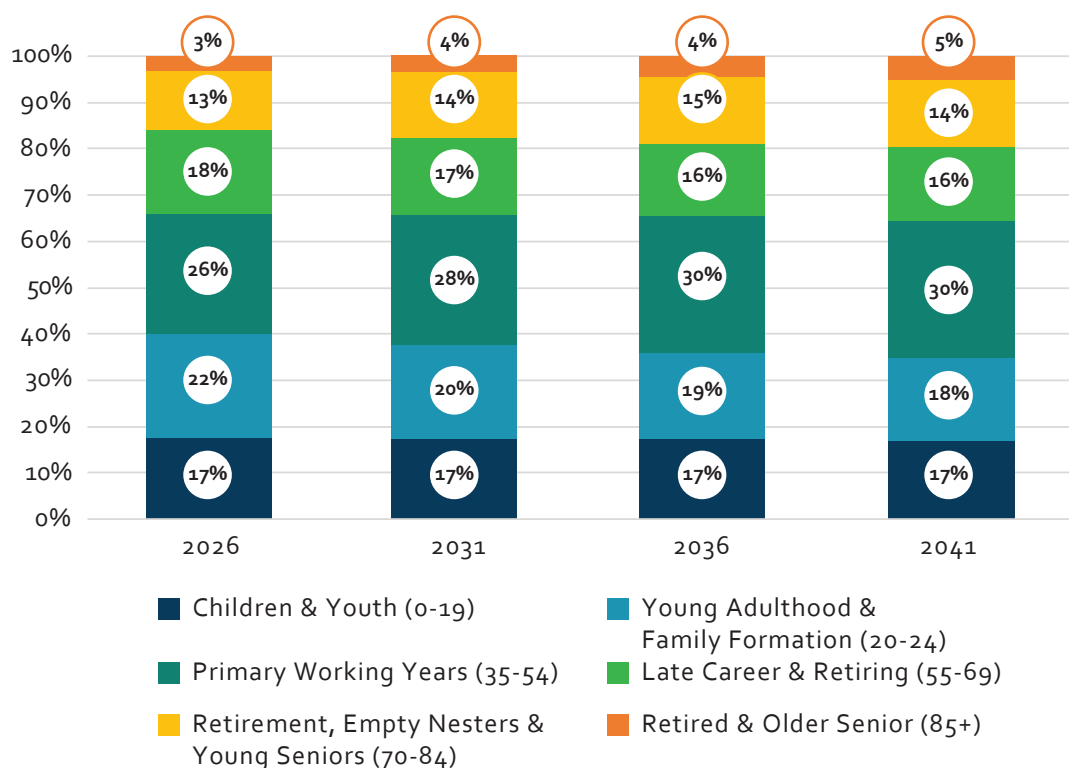


Figure 8 – Projected population by age group, Kelowna, 2026 to 2041

Source: Population Projection for Kelowna CY, rennie, June 2022

An estimated 30 per cent of housing built in Kelowna over the coming years will have to meet the needs of the increasing number of community members aged 35-54. This age cohort is in the primary working stage of life and includes professionals seeking meaningful careers as well as families looking for suitable and attainable housing. Additionally, as the proportion of Kelowna's population aged 65 and older increases, housing – and the supports that go along with it – will have to meet the needs of older adults, particularly for the increasing proportion of the population aged 85 plus.

3.3. Economy & Income

As Kelowna's population grows, the city's labour force is also growing and becoming more diverse. As indicated in Table 5, Kelowna's labour force is growing overall and as a proportion of population. In 2006, 53.6 per cent (57,160 people) of Kelowna residents were in the labour force, which increased to 55.3 per cent (79,955 people) in 2021. The participation rate also increased between 2006 and 2021 from 64.8 per cent to 65.4 per cent. Unemployment rates have fluctuated in Kelowna since 2006, and the unemployment rate of 7.9 per cent recorded in 2021 was likely influenced by the COVID-19 pandemic. BC Labour Force Statistics reporting indicates a strong post-pandemic recovery, with an average unemployment rate for 2023 (January – May) of 3.3 per cent.²

² Government of British Columbia Labour Market Statistics. [Monthly Highlights Data Tables, May 2023](#).

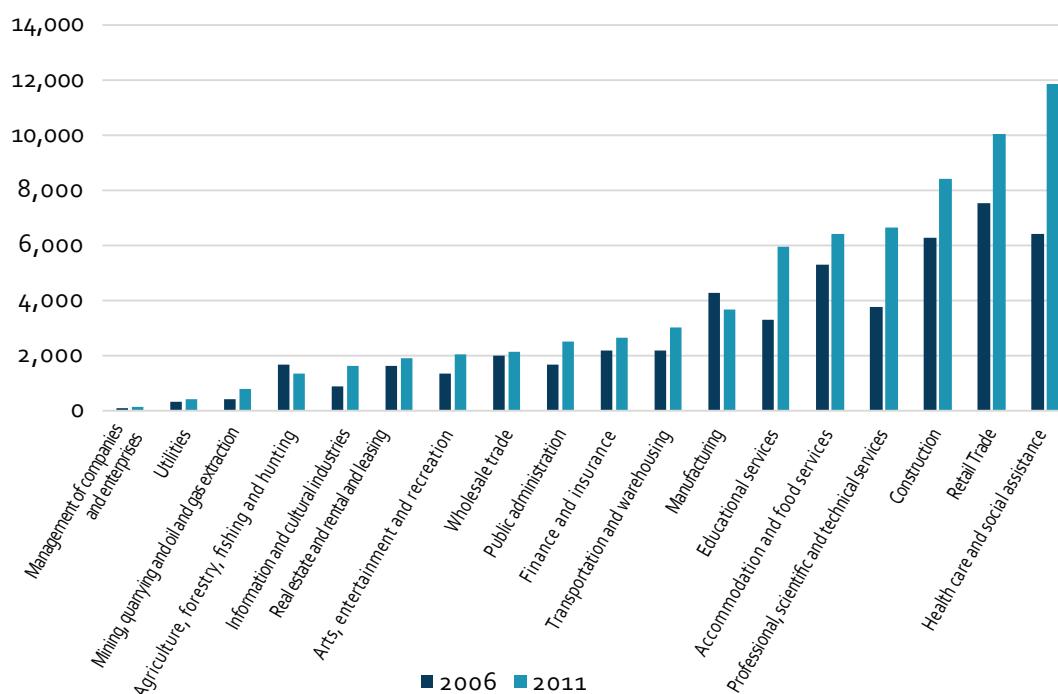
Table 5 – Labour force statistics, Kelowna, 2006 to 2021

Statistic	2006	2011	2016	2021
Total number of workers	57,160	63,565	69,145	79,955
Labour force* (%)	53.6%	54.2%	54.3%	55.3%
Participation rate* (%)	64.8%	65.0%	65.0%	65.4%
Unemployment rate* (%)	4.8%	8.1%	6.9%	7.9%

*Labour force refers to the percentage of the total population who are working or willing and able to work. Participation rate refers to percentage of the population 15 years of age and over who are in the labour force. Unemployment rate is the percentage of the labour force that is not working.

In terms of occupation types, most sectors in Kelowna saw growth between 2006 and 2021. Sectors including professional, technical, scientific, educational, and health services grow particularly quickly (Figure 9). A few sectors, including jobs in agriculture and manufacturing, declined between 2006 and 2021. Construction, retail trade, and accommodation and food services make up significant components of Kelowna's labour force and provide critical amenities, services, and skills; however, jobs in these sectors tend to be lower paying than jobs in other sectors.

Figure 9 – Number of workers by industry, Kelowna, 2006 to 2021



Kelowna is home to several employment hubs including Downtown, the Landmark District, Kelowna International Airport, and Kelowna General Hospital. Additionally, Kelowna is home to two major post-secondary institutions: Okanagan College and the University of British Columbia (UBC) Okanagan. Okanagan College has 1,200 staff members across all campuses and approximately 4,500 students.^{3,4} UBC Okanagan has approximately 2,000 staff and faculty members and 12,000 students.^{5,6}

³ Okanagan College. [People Services](#).

⁴ Okanagan College. Demographics Reports. Fall 2021.

⁵ The University of British Columbia Okanagan Campus. [Facts & Figures](#).

⁶ UBC Enrollment Reports, 2021-2022.

Almost all Kelowna residents work within the city (89 per cent), while most other workers commute within the region (7 per cent) (Figure 10). The COVID-19 pandemic also impacted the way that Kelowna residents work, with 20 per cent of the labour force working from home in 2021 compared to 9 per cent in 2016.

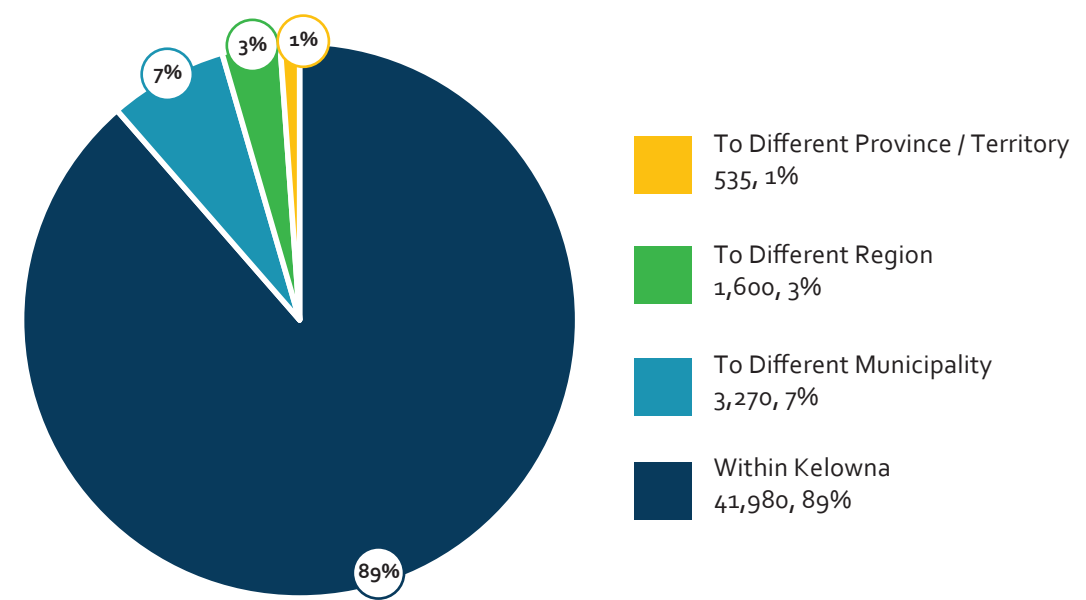


Figure 10 – Commuting destination, number and percentage of workers, Kelowna, 2021

Kelowna’s median household income increased 42 per cent from \$57,809 in 2006 to \$83,000 in 2021; in comparison the increase across BC from 2006 to 2021 was 61 per cent (Figure 11)⁷. The median household income of homeowners is consistently higher than the median household income of renters; however, the renter median household income increased proportionally more between 2006 – 2021 compared to owners. The median household income of renters increased 58 per cent from \$38,518 in 2006 to \$60,800 in 2021. The median household income of homeowners increased 45 per cent from \$68,951 in 2006 to \$100,000 in 2021.

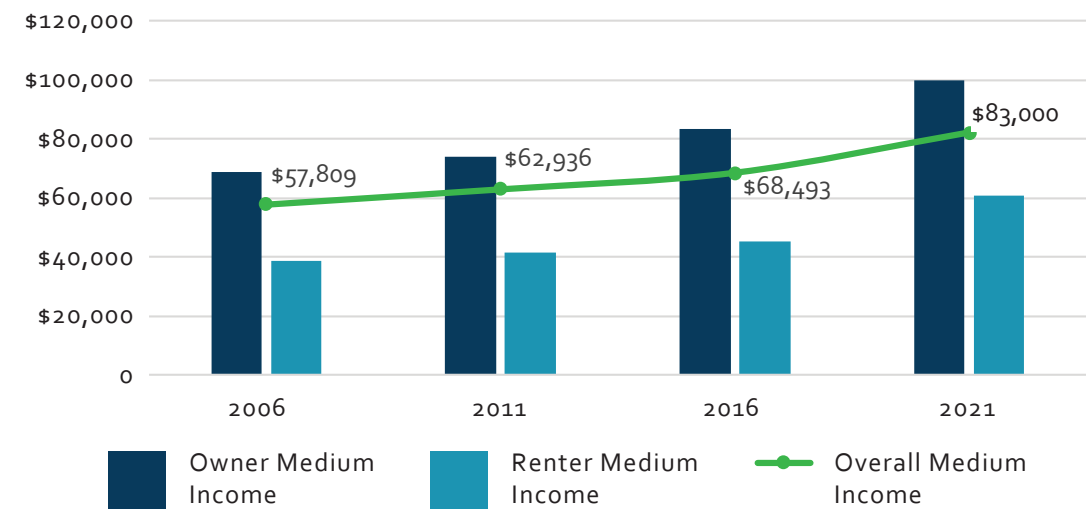


Figure 11 – Median household income of owners and renters, Kelowna, 2006 to 2021

Values in Figure 11 not adjusted for inflation.

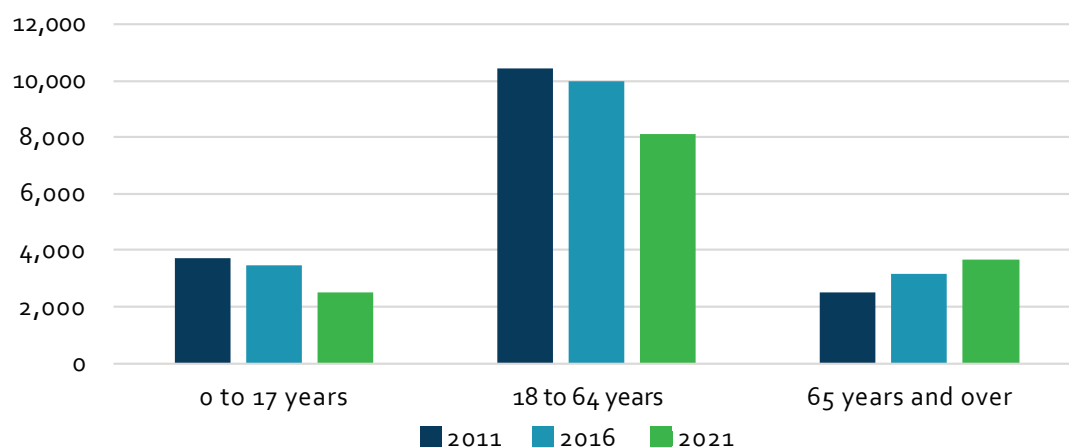
7 Not adjusted for inflation.

Along with rising median household incomes, the 2021 census also reported a decrease in the prevalence of low income residents in Kelowna. Overall, 10 per cent of Kelowna residents – 14,290 people – are classified as low income, down from 13 per cent in 2016 (Table 6).⁸ The 65 plus age cohort is the only age group that experienced an increase in the number of low income residents between 2016 and 2021 (Figure 12). While the reduction in low income residents reported in the 2021 census is promising, it is likely that COVID-19 relief programs impacted income reporting in 2021 – see the “COVID, Incomes & Housing” call out box in this section for more information.

Table 6 – Number and percent of low income residents, Kelowna, 2016 and 2021

Age Group	2016		2021	
	#	%	#	%
0 to 17 years	3,480	16%	2,525	11%
18 to 64 years	9,965	13%	8,110	9%
65 years and over	3,160	13%	3,660	13%
TOTAL	16,605	13%	14,295	10%

Figure 12 – Number of low income residents by age, Kelowna, 2011 to 2021



A gender wage gap is also evident in Kelowna with men earning a 23 per cent higher median income than women (Table 7). Additionally, more women (7,795) are classified as low income than men (6,500). That said, the wage gap does appear to be decreasing over time – in 2000, average earnings were 40 per cent higher for men than for women in Kelowna.

Table 7 – Median income and low income prevalence by gender, Kelowna, 2020

Gender	Median Income	Number of Low-income Residents
Men	\$42,400	6,500
Women	\$34,400	7,795

Kelowna residents today and in the future require housing options that are attainable and that provide access to employment opportunities – particularly when it comes to accessing major employment hubs such as Kelowna General Hospital, the Landmark District, and post-secondary institutions. Planning for and supporting the development of complete communities – where people can live, work, and access most daily services and amenities without needing a vehicle – can meet

⁸ Based on Statistics Canada's "prevalence of low income based on the low-income measure, after tax (LIM-AT) (%)", which refers to a fixed percentage (50%) of median adjusted after-tax income of private households.

multiple objectives, including helping to reduce the total household cost burden by lowering car dependency.

As indicated in section 3.3.1, the overall median household income in Kelowna has increased since 2006. However, compared to housing costs, incomes are not keeping up (Table 8). Between 2006 and 2021, the median income for owners increased by 45 per cent, whereas the median value of dwellings increased by 120 per cent. The increase in dwelling values compared to incomes disproportionately affects first time home buyers. Longer-term homeowners, in comparison, have seen their homes appreciate in value in recent years. In terms of rental housing, between 2006 and 2021 the median income for renters increased by 58 per cent, whereas median rent increased by 70 per cent. The relative increase in renter incomes compared to owner incomes may be due to rental households renting for longer as they are not able to access homeownership.

Table 8 – Percent increase in incomes and housing costs, Kelowna, 2006 to 2021

	% Increase 2006 - 2021
Median Income – Owners	45%
Median Value – Owned Dwellings	120%
Median Income – Renters	58%
Median Rent	70%

Sources: Median Value Of Dwellings – Census Profiles (2021, 2016, 2011) And Statistics Canada, 2006 Census Of Population, Statistics Canada Catalogue No. 97-554-Xcb2006040 (2006). Median Rents – CMHC. Rental Market Survey. Kelowna CSD. October 2022.

If housing costs continue to rise faster than incomes, Kelowna residents will be increasingly unable to afford housing that meets their needs. Negative impacts associated with the lack of affordability seen today may be exacerbated. For example, renters may be less frequently able to move into homeownership, causing ripple effects through the housing wheelhouse including need for more market and subsidized rental housing. Instances of homelessness due to a lack of affordable housing are also likely to increase. Priority groups that are already more likely to be classified as low-income – such as women and seniors – may face further barriers.



Middle-income earners are challenged to afford the cost of market rental housing and indicated purchasing their first home to be out-of-reach. Some households reported they were able to purchase a home, but they could not afford to purchase the type of housing that meets their needs (i.e., not enough bedrooms, not pet-friendly). Households report staying in the rental market for longer than previous generations, creating additional pressure on existing rental housing.

– Engagement Finding



COVID, Incomes & Housing

This Housing Needs Assessment relies heavily on data from the 2021 Census of Population. Due to the timing of the census in relation to the COVID-19 pandemic, some of the data – particularly data related to incomes, housing affordability, and core housing need – likely reflects impacts of temporary pandemic relief programs.

The Government of Canada deployed several pandemic relief programs to mitigate pandemic-related employment and earnings losses. These relief programs provided approximately \$82 billion in income support to millions of Canadians in 2020. As a result, income inequality was reduced with approximately 1.4 million fewer Canadians living in poverty, representing a reduction in poverty rate of more than one third. In Kelowna specifically, 33,160 individuals received COVID-19 emergency and recovery benefits.

Because pandemic relief programs increased incomes, there was a decrease in the number of Canadians living in unaffordable housing and core housing need. In Kelowna specifically, there were 455 fewer households in core housing need in 2021 compared to 2016. Core housing need declines were more pronounced for households in social and affordable housing and for first-time home buyers.

While pandemic relief programs contributed to reducing core housing need, housing challenges are ongoing, particularly for vulnerable groups. The pandemic relief programs were temporary, and ongoing monitoring is needed to understand the impacts of ending these programs. Qualitative data collected as part of this HNA indicates that Kelowna residents, particularly people who are precariously housed, are facing challenges maintaining housing in the absence of the pandemic relief programs.

3.4. Households

Over time, more households – groups of people occupying the same dwelling – are moving to Kelowna and forming within Kelowna (Table 9). The “household formation rate” refers to the change in the number of households from year to year and is how population growth is transformed into demand for new housing. The total number of households in Kelowna increased by 15 per cent from 53,905 in 2016 to 62,210 in 2021. Additionally, the average household size in 2021 was 2.3 people, which has been consistent since 2006.

Table 9 – Number of households and average household size, Kelowna, 2006 to 2021

Kelowna	2006	2011	2016	2021
Total number of households	44,990	49,670	53,905	62,210
Average household size	2.3	2.3	2.3	2.3

Proportionally, smaller households make up most households in Kelowna. Specifically, two person households have made up most of Kelowna's households – approximately 40 per cent – since 2006 (Figure 13). The next most common household size in Kelowna is one person households, which increased from 29 per cent in 2006 to 31 per cent in 2021. Three, four, and five plus person households make up smaller proportions of Kelowna's total households at approximately 13, 11, and 6 per cent respectively.

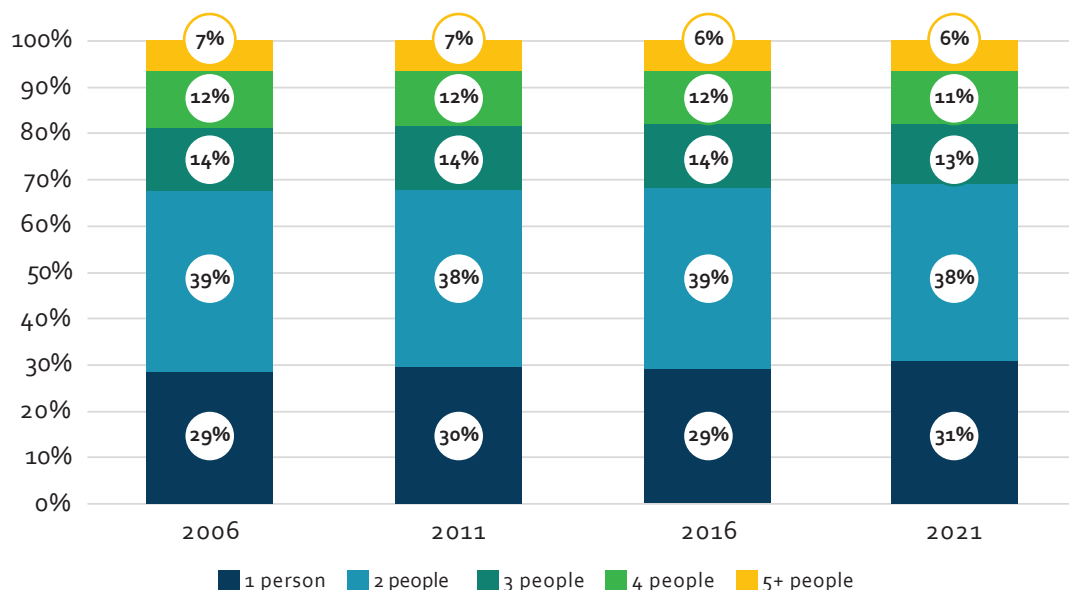


Figure 13 – Household size, Kelowna, 2006 to 2021

As per section 2.1, this housing needs assessment uses the HART methodology, which evaluates housing need by income quintile. Table 10 provides a breakdown of all Kelowna households by income quintile based on the 2021 median income of \$83,000. The largest share of households in Kelowna (24,405 households or 40 per cent) fall within the above average quintile, meaning their household income is more than 120 per cent of Kelowna's median household income. The smallest share of households in Kelowna (1,785 households or 3 per cent) fall within the very low income quintile, meaning their household income is less than 20 per cent of Kelowna's median household income. Compared to elsewhere in Canada, a smaller share of households is in the very low income quintile in Kelowna (3 per cent vs. 6 per cent nationally).

Table 10 – Number of and share of households by income quintile, Kelowna, 2021

Quintile	Threshold*	Income Range	Max. Monthly Housing Cost	Total # of Households	% of all Households
Very Low	Up to 20%	Less than \$15,000	Up to \$375	1,785	3%
Low	20% - 49%	\$15,000 - \$39,999	\$376 - \$1,000	11,165	18%
Moderate	50% - 79%	\$40,000 - \$64,999	\$1,000 - \$1,625	11,395	18%
Average	80% - 120%	\$65,000 - \$99,999	\$1,625 - \$2,500	12,960	21%
Above Average	More than 120%	More than \$100,000	More than \$2,500	24,405	40%

*Threshold refers to per cent of Kelowna's median household income that corresponds with each quintile – i.e., the low-income quintile includes households making 20 per cent (\$16,600) to 49 per cent (\$41,500) of Kelowna's overall 2021 median income of \$83,000.

The number of households in Kelowna is anticipated to continue growing at a similar rate as seen from 2006 to 2021. Overall, it is projected that total number of households in Kelowna will increase 45 per cent from 62,210 households in 2021 to 90,454 households in 2041. The average household size will trend downward over the coming years and is anticipated to be 2.26 people per household by 2041 (Table 11). If household size decreases as expected, more dwellings would be needed to accommodate more smaller households. Additionally, a higher proportion of homes built may need to be suitable for one and two person households.

Table 11 – Number and size of households, Kelowna, 2026 to 2041

Kelowna	2026	2031	2036	2041
Anticipated Number of Households	71,384	77,583	84,210	90,454
Average Household Size	2.34	2.34	2.30	2.26

Source: Housing Unit Projection for Kelowna CY, rennie, June 2022

3.5. Housing Type, Age & Size

From 2016 to 2021, the total number of private dwelling units in Kelowna increased 17 per cent from 57,433 to 67,115 (Table 12). The percentage of dwellings in which a person or a group of persons is permanently residing – referred to as “dwellings occupied by usual residents” in the census — has fluctuated between 91 and 94 per cent of total dwellings since 2006.

Table 12 – Dwelling and household statistics, Kelowna, 2006 to 2021

Kelowna	2006	2011	2016	2021
Total number of private dwellings	47,727	54,760	57,433	67,115
Dwellings occupied by usual residents (#)	44,912	49,668	53,903	62,209
Dwellings occupied by usual residents (%)	94%	91%	94%	93%

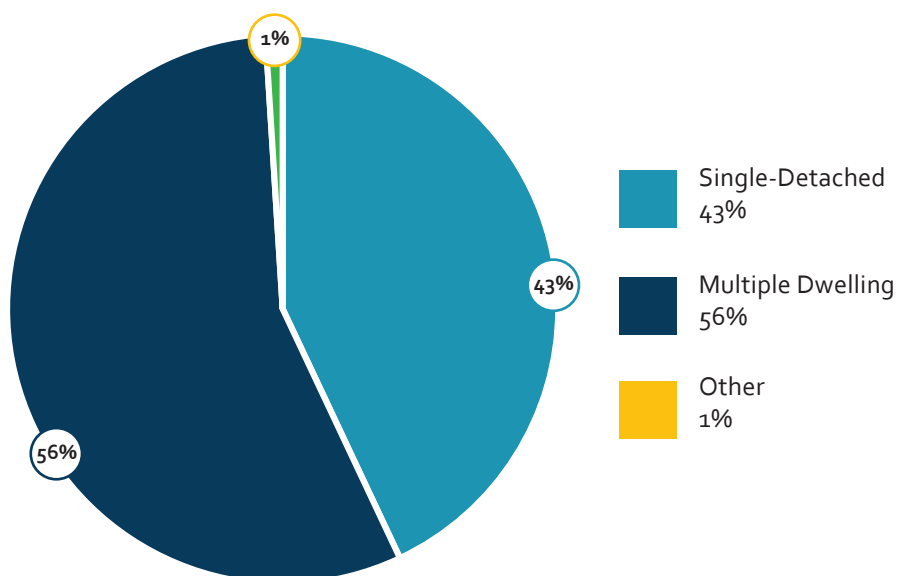
In terms of housing type – also called housing form or structure – the largest share of Kelowna’s housing stock has historically consisted of single detached homes. In recent years, however, Kelowna’s housing stock has shifted towards multiple dwelling housing including apartments, townhouses, and house-plexes. Combined, all forms of multiple dwelling housing (56 per cent, 34,845 units) made up a higher proportion of Kelowna’s housing stock than single detached homes (43 per cent, 26,440 units) in 2021 (Figure 14).



Non-profits indicated that while some renters may be living in housing they can afford, they would be extremely challenged to find a comparable home should they have to relocate. Tenant displacement was a top concern for advocates, non-profit providers, and people with lived experience. When apartments are redeveloped, long-term tenants experience significant challenges finding alternative housing they can afford.

– Engagement Finding

Figure 14 – Units by dwelling type, Kelowna, 2021



Between 2016 and 2021, Kelowna saw an increase in most housing types. The most significant increase was in the number of units in apartments with fewer than five storeys with an increase of 3,165 units (Figure 15). The next largest increase was in the number of single detached homes (1,870 units) followed by duplex units (1,220 units), townhouses (990 units) and units in apartments with five or more storeys (710 units). Proportionally, the largest increase was units in apartments with five or more storeys; this housing type saw a 42 per cent increase between 2016 and 2021.

Figure 15 – Change in units by dwelling type, Kelowna, 2016 to 2021

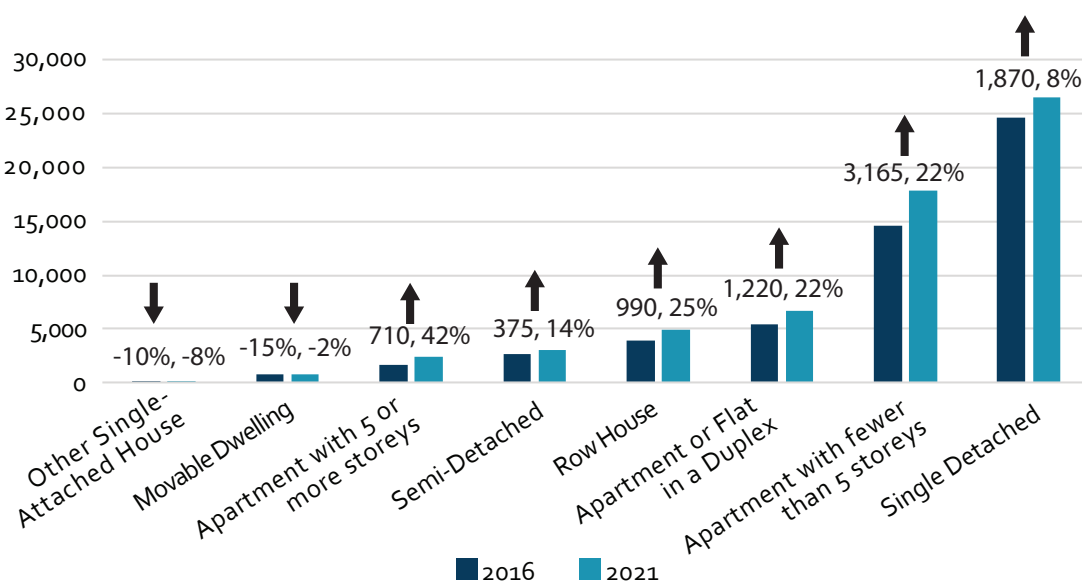
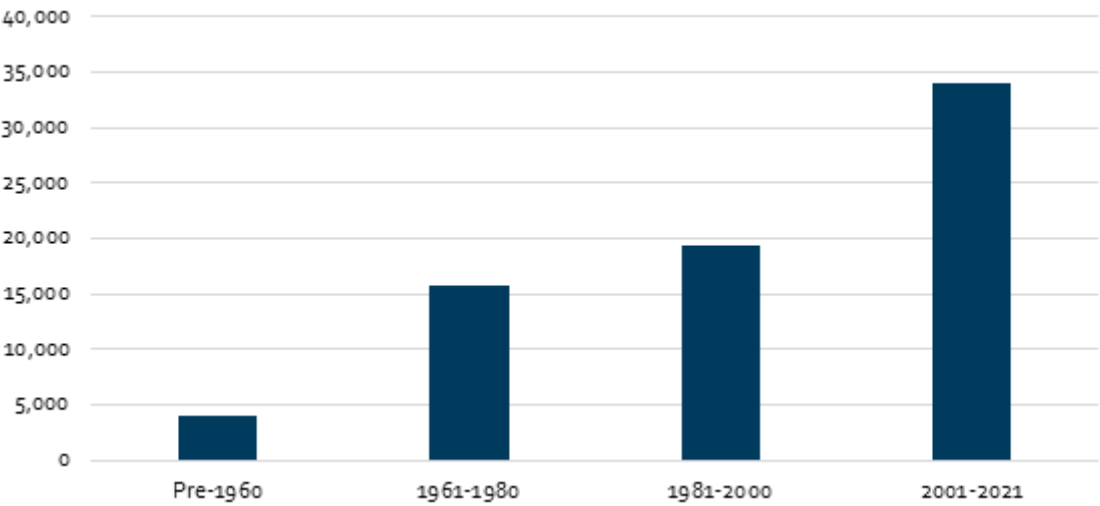
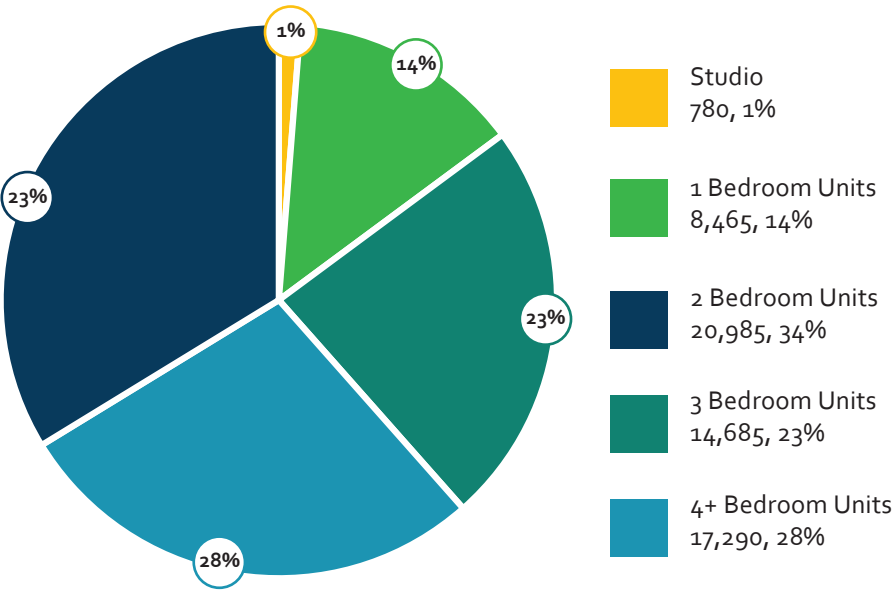


Figure 16 – Housing stock by year built, Kelowna, pre-1960 to 2021



In terms of age, 32 per cent of Kelowna’s housing stock is over 40 years old and 63 per cent is over 20 years old (Figure 16). 55 per cent of housing units in Kelowna were built between 2001 and 2021. As indicated in Figure 17, in 2021 the most common unit size in Kelowna is two-bedrooms (34 per cent), followed by four plus bedrooms (28 per cent), three-bedrooms (23 per cent), one-bedroom (14 per cent), and studios (1 per cent). The overall proportion of different unit sizes remained the same between 2016 and 2021, and Kelowna saw growth in all unit types during this period (Figure 18). That said, smaller units were built between 2016 and 2021, with a 271 per cent increase in studio units and a 37 per cent increase in one-bedroom units. Overall, two-bedroom units were the most common unit type built between 2016 and 2021, with an increase of 3,065 units (17 per cent).

Figure 17 – Proportion of unit sizes, Kelowna, 2021



Kelowna's Missing Middle Housing

As shown in Figure 20, most one- and two-bedroom units in Kelowna are in apartment buildings under five storeys in height. In contrast, most three and four plus bedroom units are in single detached homes. Medium density forms of housing such as row-houses, semi-detached houses, and house-plexes are less prevalent in Kelowna – this is known as “missing middle” housing.

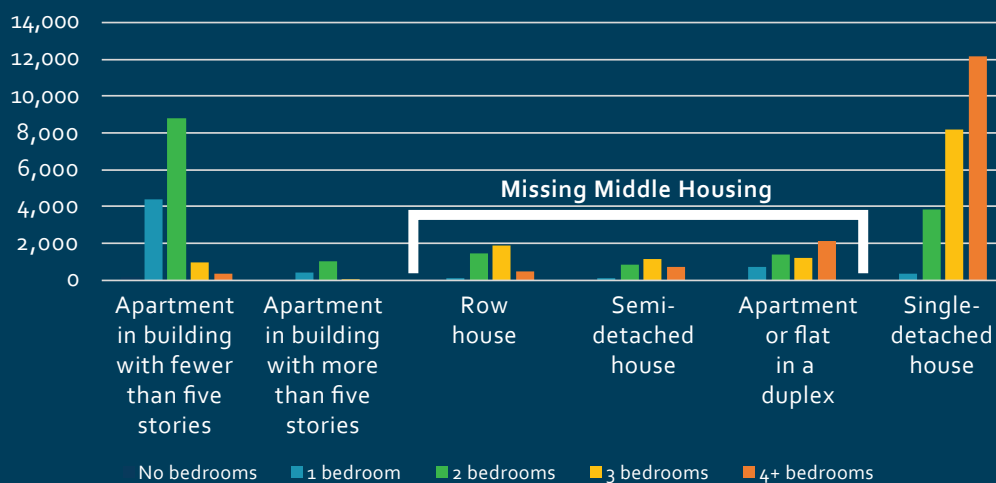
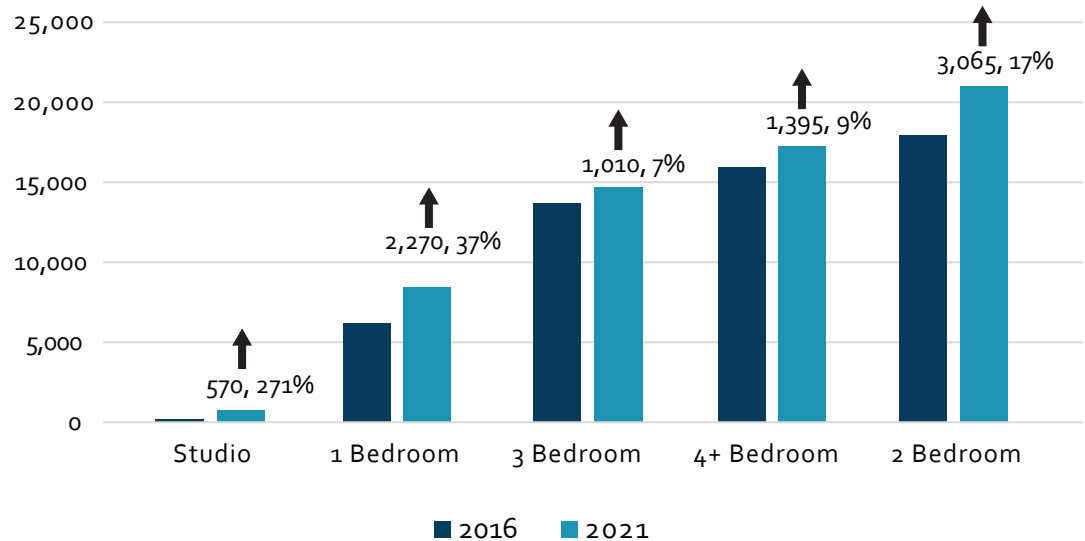


Figure 20 –
Total number
of bedrooms by
housing type,
Kelowna, 2021

The City of Kelowna is currently working to increase the amount of missing middle housing – particularly house-plexes – through the Infill Options program. Most of the land in Kelowna is currently dominated by low-density housing, and historically zoning has been the biggest barrier to building much-needed supply. This is why the City is working to expand permissions, unlock land for building infill, and streamline development processes to create more homes – in more areas – more quickly than today.

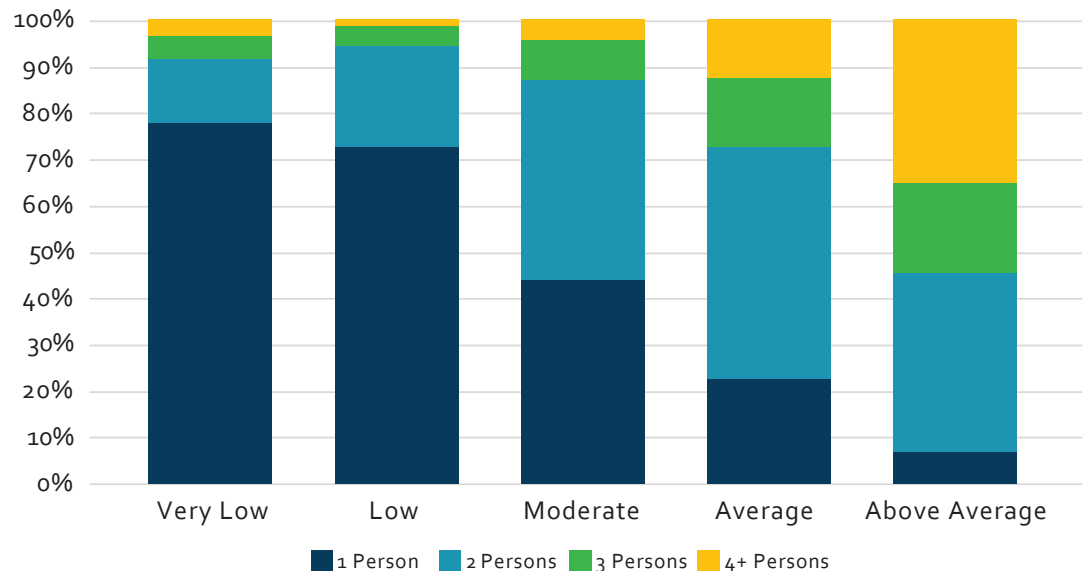
Efficiently using City infrastructure by adding new housing to central neighbourhoods is vital to the long-term health of the community, but only if done right. The City is working to ensure that infill housing is high-quality and designed to complement surrounding neighbourhoods.

Figure 18 – Change unit size, Kelowna, 2016 to 2021



In terms of household size by income quintile, households in the very low income quintile are much more likely to be smaller households; 78 per cent of very low income households are one person households. Increasingly larger household sizes are correlated with increasingly higher income quintiles; this trend is consistent in both rental and owner households (Figure 19).

Figure 19 – Household size by income quintile, Kelowna, 2021



Most new housing being built in the coming years is expected to be in the form of multiple dwelling housing including apartments, townhouses, and house-plexes. The trend of new units being smaller is likely to continue; this is in alignment with building higher-density housing that is more attainable for an increasing number of smaller households. As older housing stock in Kelowna ages further, additional opportunities for redevelopment may arise. While new development may generate needed additional housing units, it may also result in demolition of existing affordable housing units and displacement of existing residents.

3.6. Ownership Housing

In terms of housing tenure, most Kelowna residents are homeowners (Table 13). Ownership housing is any form of housing that is privately owned, and can be fee simple, strata, or shared equity models such as mobile home parks and cooperatives (co-ops). The number of owned dwellings in Kelowna has increased by 24 per cent from 32,385 units in 2006 to 40,250 units in 2021. Despite this growth, ownership housing has declined as a share of the total housing market, decreasing from 72 per cent in 2006 to 65 per cent in 2021.

Table 13 – Number and per cent of owned and rented units, Kelowna, 2006 to 2021

Housing Tenure	2006		2011		2016		2021	
	#	%	#	%	#	%	#	%
Renter	12,605	28%	14,090	28%	17,180	32%	21,955	35%
Owner	32,385	72%	35,575	72%	36,725	68%	40,250	65%

The median sales price of ownership housing has increased significantly in Kelowna over the past 20 years (Figure 21). The overall median sales price increased 118 per cent from \$342,000 in 2013 to \$735,000 in 2022. So far in 2023, however, median sale prices for all housing types have moderated (Table 14).

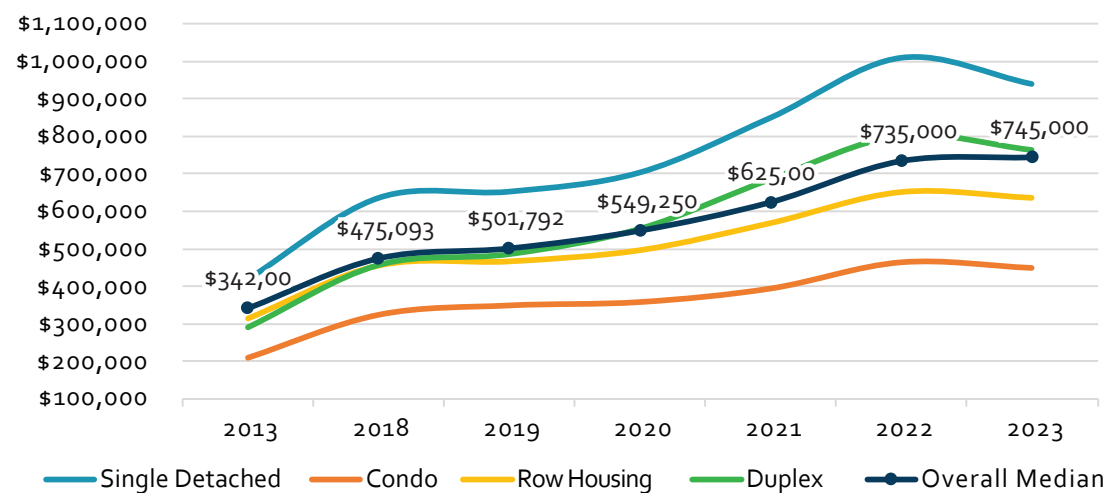


Figure 21 – Median sales price, Kelowna, 2013 to 2023

Source: BC Assessment & City of Kelowna Historical Sales Data.

Table 14 – Change in median sales price, Kelowna, 2013 to 2023

	2022 - 2023 (1 Year)	2018-2023 (5 Years)	2013-2023 (10 Years)
Single Detached	-7%	48%	125%
Condo	-3%	38%	114%
Townhouses	-2%	40%	103%
Duplex	-5%	67%	163%

Source: BC Assessment & City of Kelowna Historical Sales Data.



Sally and Raul have two young children and are expecting another later this year. They are hoping to purchase a new home for their growing family and have been making sacrifices to save 15% of their income for a down payment since 2019. As a plumber and teacher, they make close to \$125,000 before taxes, which puts them in the top 20% of earners in Kelowna. When they started saving, they thought it would take about five years to be able to comfortably afford the down payment for a townhouse. They kept living in their 2-bedroom apartment even though it wasn't enough room for them, but felt it would be worth the short-term discomfort to be able to purchase a secure home to raise their family in.

With their third child on the way, they must move soon regardless of whether they are able to buy – they simply don't have enough space. However, since 2019, the price of a townhouse has grown almost 10% per year. Despite their best attempts to save, and being a relatively high-income household, they have only gotten further away from being able to buy. Based on current prices, they don't have even half the down payment they would need to qualify for a townhouse. If they could qualify, their monthly mortgage payment would be about \$2,500, which they could afford. They are considering renting, but ads for 3-bedroom rentals are more than \$1,000 higher than their monthly mortgage payments would be, and it is very hard to find 4-bedroom rentals at all!

They worry about being able to afford such high rent, and know they would have to give up on their dream of homeownership if they spend so much each month. They feel stuck and frustrated that they missed their chance to access the housing their family needs.



There's a lot of housing prejudice and discrimination against individuals who are visibly Indigenous. I'm working with a family right now; we were walking up the driveway to an open house to put in an application and the landlord told us they weren't renting before we got to the door. "

– Key Informant Interview

In terms of sales price by housing type and size, smaller apartment units tend to be more affordable overall, followed by townhouse units, with single detached homes typically being the most expensive. This correlates with number of bedrooms: units with more bedrooms tend to be more expensive (Figure 22).

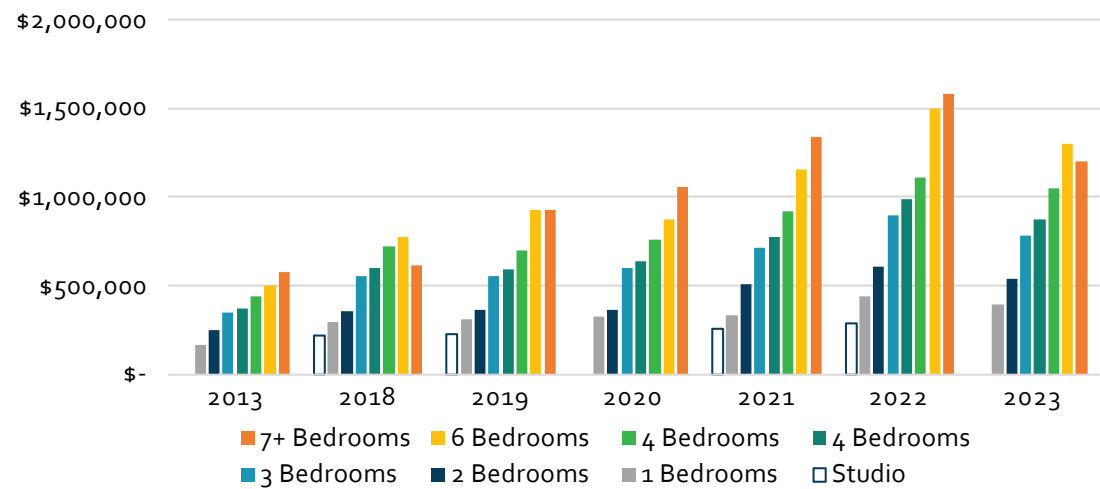


Figure 22 – Median sales price by bedroom count, Kelowna, 2013 to 2023 (YTD)

Source: BC Assessment & City of Kelowna Historical Sales Data.

As shown in Figure 23, Figure 24, and Figure 25, prices for all housing types increased between 2018 and 2022. In the apartment market, the proportion of apartments under \$300,000 decreased from 42 per cent in 2018 to 11 per cent in 2022. Similarly, in the townhouse market, the proportion of townhouses under \$500,000 decreased from 64 per in 2018 to 20 per cent in 2022. In the single detached market, the proportion of units under \$900,000 made up 86 per cent of the stock in 2018, which decreased to 30 per cent in 2022. Additionally, the median price of new single detached homes increased significantly in recent years, increasing from \$680,000 in 2015 to \$1.27 million in 2022 (Figure 26).

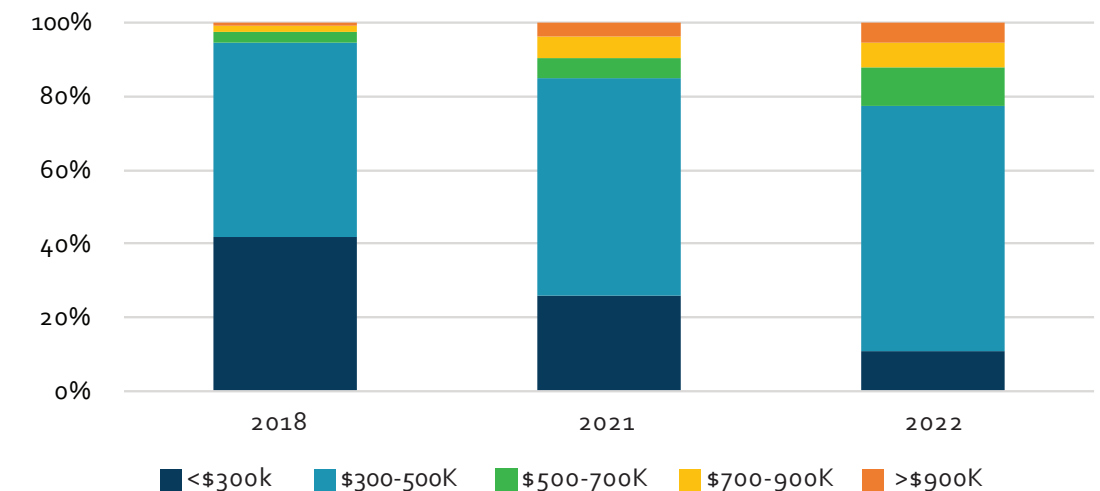
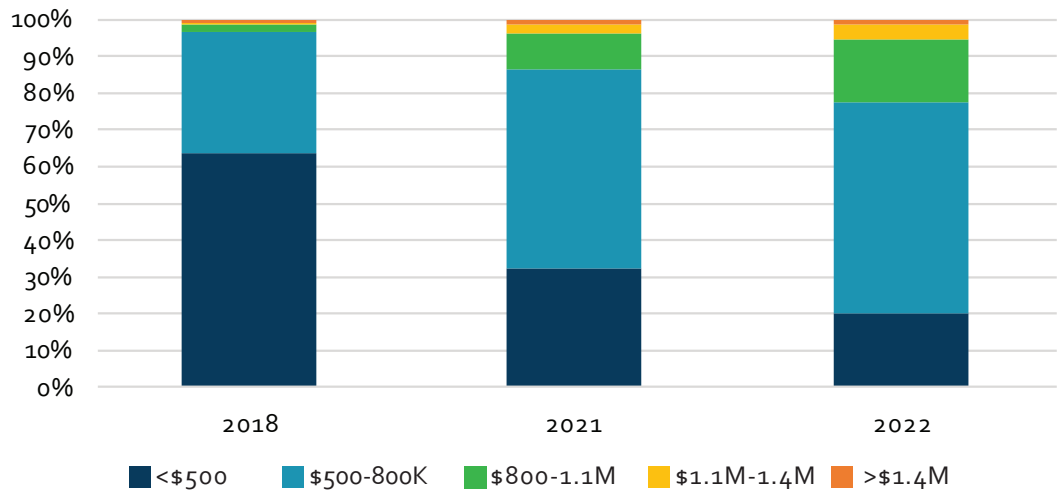


Figure 23 – Share of sales by price category – apartment, Kelowna, 2018 to 2022

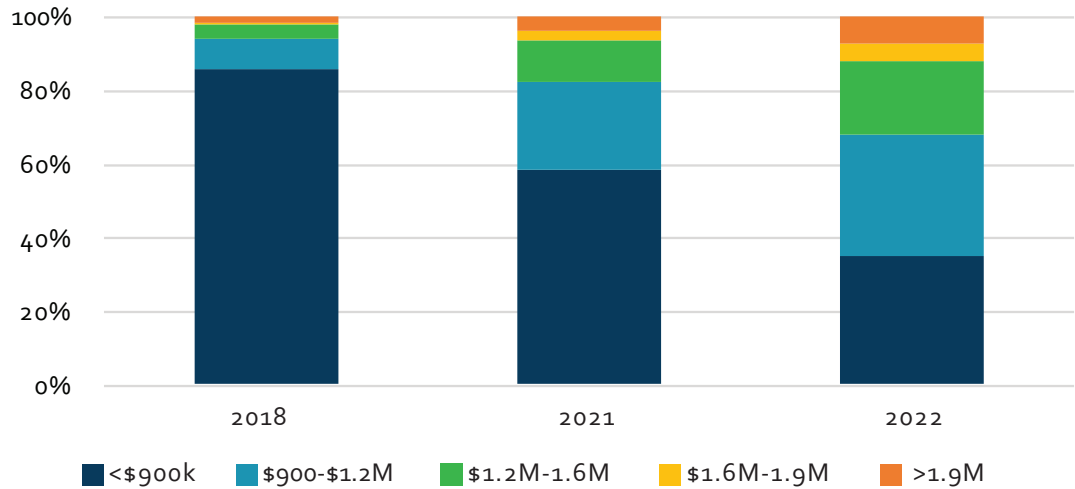
Source: BC Assessment & City of Kelowna Historical Sales Data.

Figure 24 – Share of sales by price category – townhouse, Kelowna, 2018 to 2022



Source: BC Assessment & City of Kelowna Historical Sales Data.

Figure 25 – Share of sales by price category – single detached, Kelowna, 2018 to 2022



Source: BC Assessment & City of Kelowna Historical Sales Data.



I don't really need supportive housing, just lower-class housing. There's no middle class anymore. I need housing to be able to get a job, but I can't get housing without a job, and income assistance is too low to afford even a shared room. Even if I get a job, no one hires full-time, it's all seasonal work. You need 1 to 3 jobs just to survive."

–Person With Lived Experience Interview

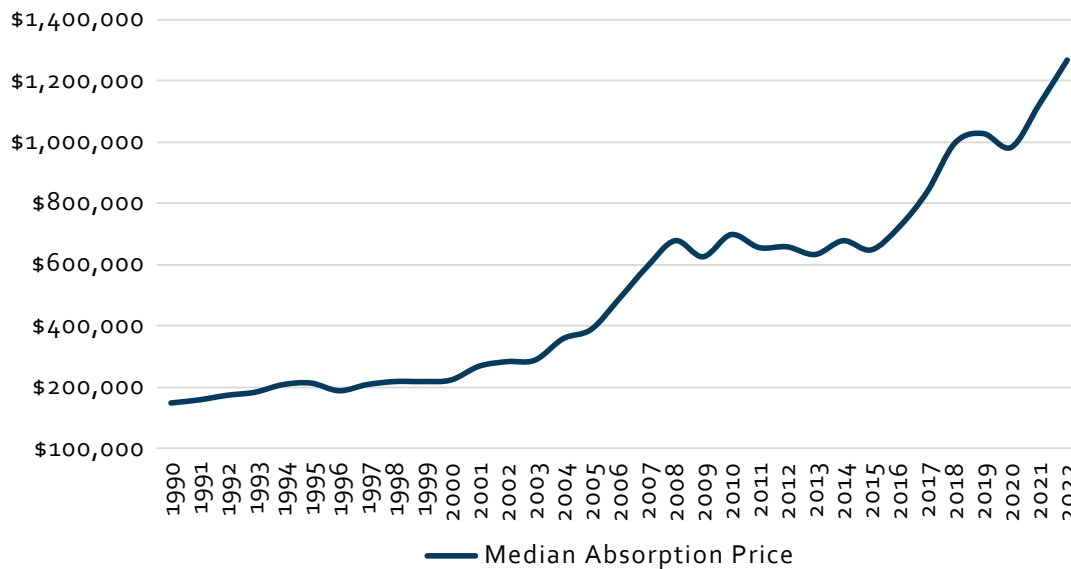


Figure 26 – Median absorption price of new single detached dwellings, Kelowna, 1990 to 2022

Source: BC Assessment & City of Kelowna Historical Sales Data.

In terms of number of home sales, from 2018 to 2022, the five-year average number of sales was 5,379. Number of home sales peaked in 2021 and moderated in 2022 (Figure 27). From 2018 to 2022, the proportion of home sales by unit type remained fairly consistent with just under half of all sales being single detached homes and just over half of all sales being units in multiple dwelling buildings (Figure 28). Compared to 2013, this represents a shift towards more multiple dwelling unit sales, with most of this shift attributed to increased apartment sales. Increased sales of units in multiple dwelling buildings correlates with increased sales of smaller units; in 2013, 41 per cent of all sales were for studio, one-bedroom, and two-bedroom units, and this proportion increased to 47 per cent by 2022 (Figure 29).

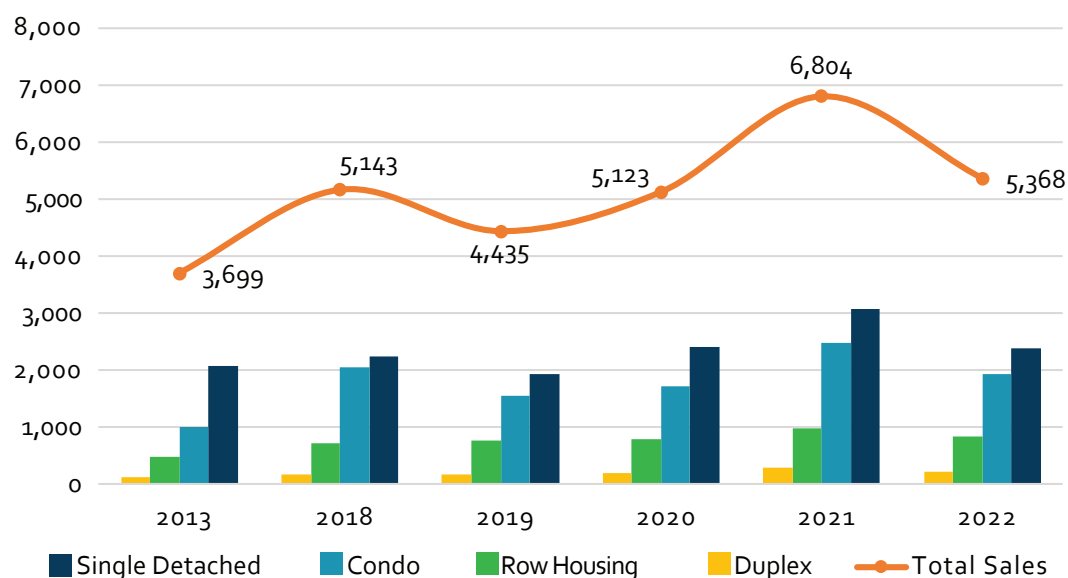
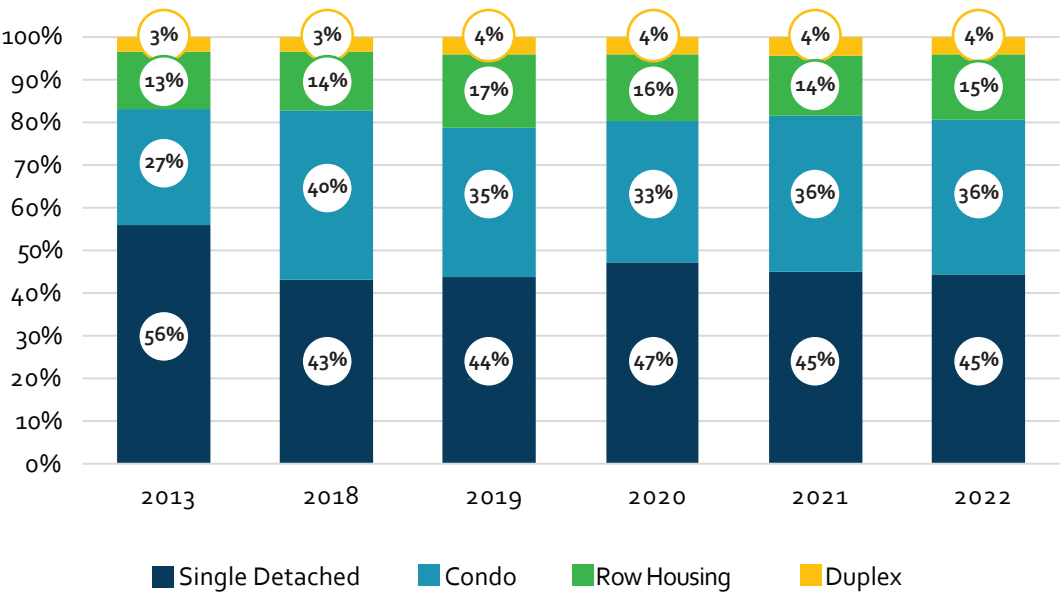


Figure 27 – Number of home sales total and by unit type, Kelowna, 2013 to 2022

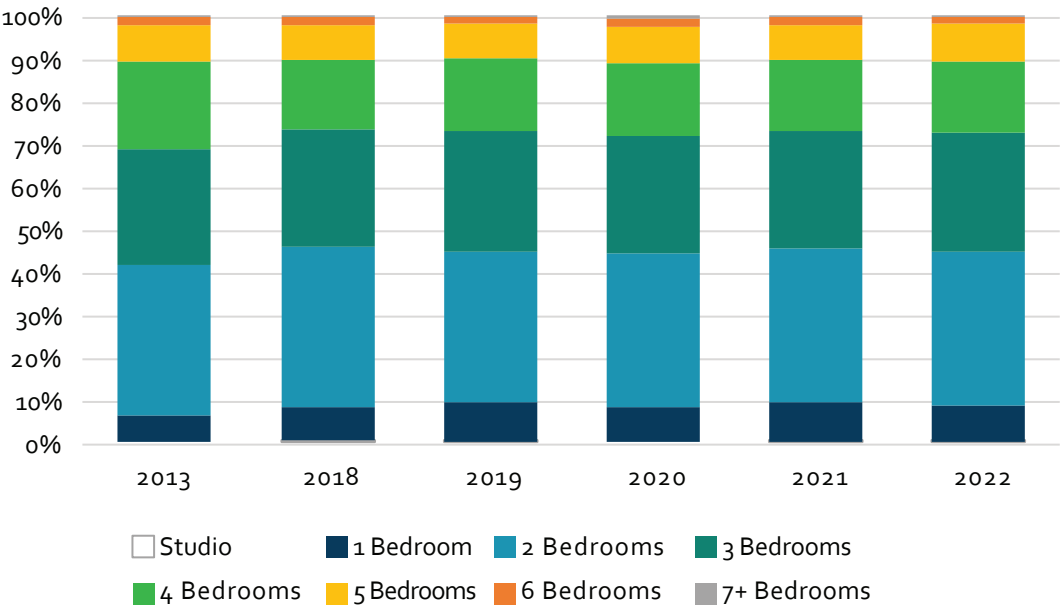
Source: BC Assessment & City of Kelowna Historical Sales Data.

Figure 28 – Sales by unit type (%), Kelowna, 2013 to 2022



Source: BC Assessment & City of Kelowna Historical Sales Data.

Figure 29 – Sales by number of bedrooms (%), Kelowna, 2013 to 2023



Source: BC Assessment & City of Kelowna Historical Sales Data.

Looking forward, overall demand for ownership housing in Kelowna is anticipated to remain strong; however, there has been some moderation of prices and sales volume in 2022/2023 compared to 2021 indicating a potential slowdown in the historic price increases seen recently in Kelowna.

Despite sales price moderation in 2022/2023, current home prices are unaffordable to many Kelowna residents, and are expected to remain out of reach for many households. As indicated in Table 8 (section 3.3), the median value of owned dwellings in Kelowna increased 120 per cent between 2006 and 2021, but during the same period median homeowner income only increased 45 per cent. See the City's 2021 Community Trends Report entitled *Housing Unaffordability: Crisis or Crossroads?* for more information on the affordability gap in Kelowna.⁹ Newer, larger homes are particularly unattainable to most residents, as demonstrated by the median cost of new single detached homes reaching over \$1.2 million in 2022. Due to lack of attainability in the single detached market, as well as changing preferences and decreasing household sizes, the demand for smaller units in multiple dwelling buildings is expected to continue growing.



People with lived experience report challenges accessing information, resources, and support to find housing. Many reported waiting years before being able to connect with the correct support staff to help them start applications for subsidized housing or financial supports. This process can be particularly challenging for older adults, people with disabilities, and Indigenous people"

– Engagement Findings



With market housing prices increasing, the need for subsidized non-market housing and supportive housing also intensifies. In addition to non-market housing, there is an increased need for rent supplements. People with low or fixed incomes, such as people receiving income or disability assistance, seniors, and students, have reported experiencing the greatest challenges accessing and maintaining housing. Service providers report a growing number of seniors and students experiencing homelessness and sleeping in cars.

– Engagement Finding

⁹ City of Kelowna. (2021). Community Trends 2021. [Housing unaffordability: Crisis or crossroads?](#)

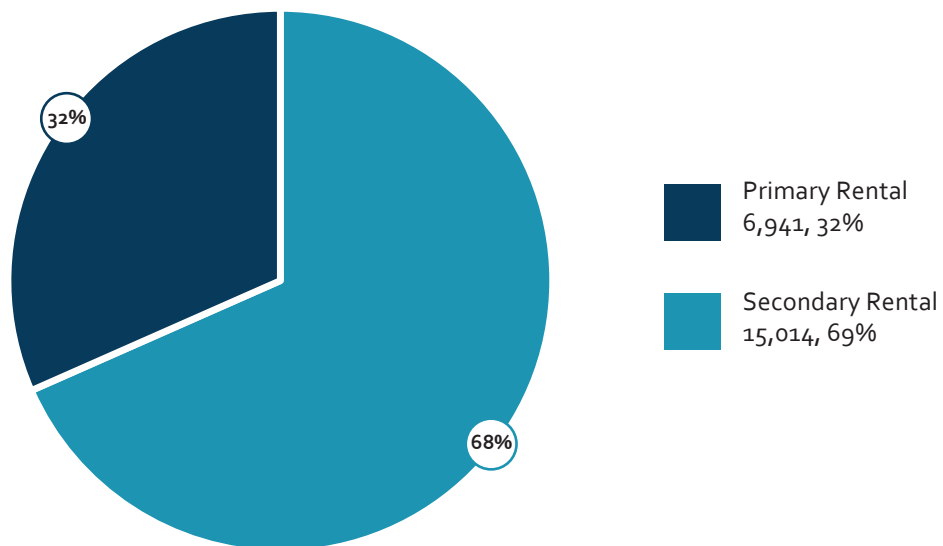
3.7. Market Rental Housing

Market rental housing is rental housing that does not offer subsidies or supports to residents. Primary market rental housing consists of purpose-built rental units – these are typically buildings with five or more units constructed for the purpose of long-term rental tenure, usually in apartments or townhouses. Secondary market rental housing consists of units that are rented by individual private owners – this includes many forms of housing such as apartments, townhouses, secondary suites, carriage homes, and single detached homes.

While most Kelowna residents are homeowners, demand for rental housing is increasing: the proportion of households that are renters has shifted from 28 per cent in 2006 to 35 per cent in 2021 (Table 13). There were 21,955 rental dwelling units in Kelowna in 2021 compared to 12,605 rental dwelling units in 2006 representing an increase of 9,350 rental dwelling units, or 74 per cent, over a 15-year period.

While the census provides high-level information about rental housing in Kelowna, the Canada Mortgage and Housing Corporation (CMHC) provides additional information on rental housing through annual rental market surveys. Based on data from CMHC and the census, it is estimated that in 2021, 32 per cent (6,941 units) of rental units in Kelowna were primary market rental housing and 68 per cent (15,014 units) of rental units were secondary market rental housing (Figure 30). Of the primary market rental units in Kelowna, approximately 30 per cent were constructed pre-1980, 20 per cent were constructed from 1980-1999, and 50 per cent were constructed post-1999. In 2023, the City of Kelowna estimates that there are approximately 8,650 secondary suites across the city; the remainder of the secondary market consists of other types of units that are rented by individual private owners.

Figure 30 – CMHC estimated number of primary and secondary rental market units, Kelowna, 2021



Source: CMHC. Rental Market Survey. Kelowna CSD. October 2022; Census Profile. Kelowna (CY). 98-316-X2021001

Figure 31 shows the number of primary market rental units in Kelowna as tracked by CMHC from 1990 to 2022. Overall, the number of primary market rental units increased moderately between 1990 and 2011 and has been increasing more rapidly since 2012 and particularly since 2016. As of 2022, most primary market rental units in Kelowna are two-bedroom units (49 per cent, 3,567 units), followed by one-bedroom units (34 per cent, 2,494 units), studio units (12 per cent, 877 units) and three-plus bedroom units (5 per cent, 404 units).



Morgan is a single parent with two children aged 5 and 6. They have been living in a 3-bedroom basement suite for the past few years, but recently found out their home was sold and is being redeveloped. They've previously lived in secondary suites to have a backyard as the kids like playing outside. This time, they will have to look beyond basement suites. There are very few vacancies, and they are hoping to find a new home in a purpose-built rental building, where they can stay longer-term without the threat of eviction.

Morgan earns the median income for nurses in BC and can afford to spend about \$1,900 per month on rent. When they last moved just before the COVID-19 pandemic began, they could choose between multiple options within the family's budget, but things are very different today! Last fall, the median rent for a 3 bedroom was unaffordable for them (\$2,400), but they could have made it work. However, many of the current ads are asking for nearly \$3,400 – almost \$1,000 more than listings from less than a year ago. Paying this amount would mean spending more than half of Morgan's monthly income on rent, and this leaves very little left for groceries, gas, or other daily needs after the cost of childcare.

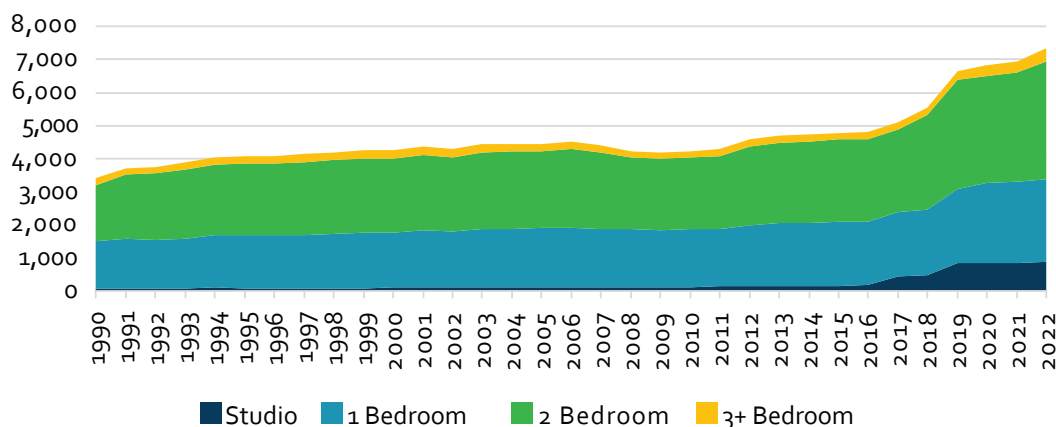
Morgan is faced with a tough decision. They can only afford a 1 bedroom at current market rents, which would be much too small for their family. The other option would be to stretch the budget and move into a larger home, but this would mean they may not have enough for groceries, or gas for their car. The kids are getting too big to share a room, and they're hoping to find somewhere they can comfortably stay long-term.



We need more affordable and indigenous focused housing. There are lots of local Indigenous organizations with housing workers, but there's not enough Indigenous focused housing to meet the needs. This would help prevent kids from being taken away or taken outside of their communities."

– Key Informant Interview

Figure 31 – Primary market rental units by number of bedrooms, Kelowna, 1990 to 2021



Source: CMHC. Rental Market Survey. Kelowna CSD. October 2022

The City of Kelowna also tracks rental housing and uses criteria that is more inclusive than CMHC. As of March 2023, the City of Kelowna estimates that there are a total of 8,786 primary market rental units in Kelowna. Most of these are general market rental units; however, approximately 1,000 units are seniors' housing and approximately 1,000 student housing (Table 15). There are an additional 2,264 units of on-campus student housing in Kelowna (Table 16).

Table 15 – Primary market rental units by renter type, Kelowna, 2023

	Micro	Studio	1-Bed	2-Bed	3-Bed	4-Bed	Total
Market Rental, General	127	368	2,750	3,252	247	5	6,749
Market Rental, Seniors Independent	0	141	672	182	0	0	995
Market Rental, Student Housing	871	8	22	141	0	0	1,042
Total	998	517	3,444	3,575	247	5	8,786

Source: Rental Housing Inventory, City of Kelowna.

Table 16 – Number of on-campus student housing beds, Kelowna, 2023

School	Number of Beds
Okanagan College	144
UBC Okanagan	2,120

Source: Public Post-Secondary Institutions via Sector Business Innovation Branch, Ministry of Advanced Education, Skills & Training, November 2019.; UBC. May 19, 2022.

As per Figure 31, a significant amount of purpose-built rental housing has been developed in Kelowna since 2016. That said, demand for rental housing is outpacing new supply as indicated by low vacancy rates and rising rents. While 3 per cent is considered a balanced vacancy rate, Kelowna's overall vacancy rate has been below this threshold since 2013 (Figure 32). In 2018, 2019, and 2020, Kelowna did see a higher vacancy rate, particularly in smaller units. High vacancy in studio units in 2020 was likely due to COVID-19 reducing demand for student housing. Post-COVID, however, the vacancy rate in Kelowna dropped to 0.5 per cent in 2021, with a slight increase to 0.9 per cent in 2022.

Short-Term Rentals, “Fixed Term Leases”, & Housing

Short-term rentals supplement the accommodation market and provide homeowners with additional income opportunities (Table 18). However, even with a regulated process, short-term rentals are placing pressure on housing across Canada, specifically leading to long-term rentals being converted into short-term rentals. The Impact of Short-term Rentals on Canadian Housing is a recent study conducted by CMHC that investigated the effects of short-term rentals in Canada and found that:

- Short-term rentals are a major cause of housing financialization in Canada
- Most short-term rentals are owned by large-scale commercial operators
- Financial incentives of short-term rentals are placing pressure on long-term rental housing

Like many municipalities across Canada, Kelowna is grappling with pressures from short-term rentals. As of June 2023, the City of Kelowna has approved 1,139 short-term rental business licences, an increase of 81 per cent from 2020. Additionally, the short-term rental program has seen year-over-year growth in the number of licensed operators, with on average more than one listing per host. In 2022, the average revenue per short-term listing in Kelowna was approximately \$4,463 per month (Table 18). It is estimated that there are many additional short term rentals that are operating without business licenses.

Table 18 – Short-term rental statistics, Kelowna, 2019 and 2022

	2019	2022
Average Daily STR Listings (April)	780	534
Hosts	525	351
Listings per Host	1.49	1.52
Total Revenue (Annual)	\$29.3M	\$28.6M
Annual Revenue per Listing	\$37,564	\$53,558
Annual Revenue per Host	\$55,810	\$81,481

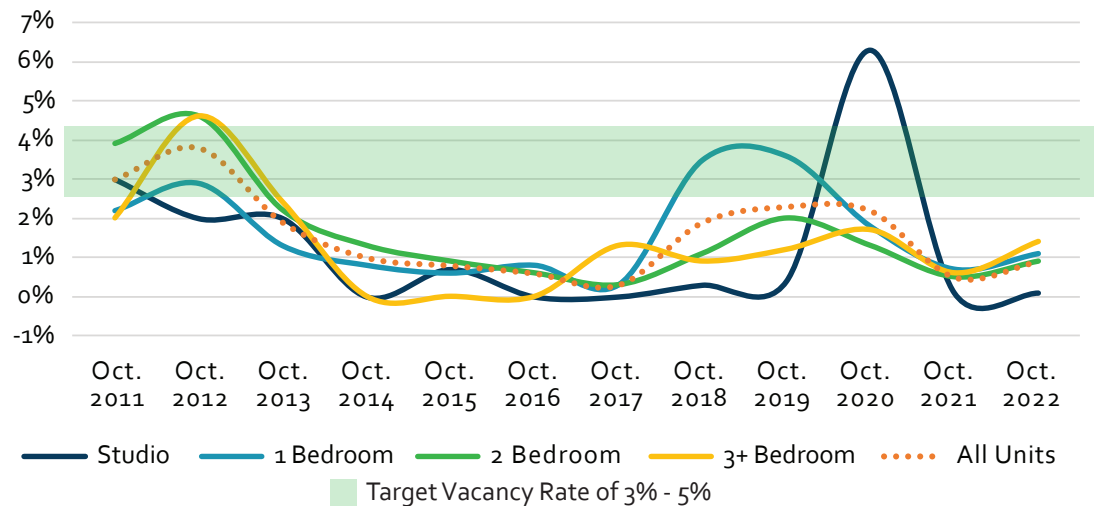
Source: Wachsmuth, Belanger De Blois, and St-Hilaire. The impact of short-term rentals on housing affordability in British Columbia. Urban Politics and Governance Research Group, McGill University. July 2022.

The City of Kelowna has brought many unlicensed operators into compliance; however, new, unlicensed operators appear on a frequent basis. Moreover, there have been approximately 200 non-compliant properties identified by the City that have not yet obtained a business license, and several additional properties that have been flagged for further investigation.

In addition to compliance issues, Kelowna is facing an ongoing issue with rental units being advertised as “fixed-term leases”. Many rental units are offered from September to April with the intention of renting out the units as short-term rentals during the summer months. While current legislation only permits ending a tenancy under very specific circumstances, many landlords are non-compliant. Renters who are evicted for reasons not permitted under the Residential Tenancy Act can seek compensation from their landlords; however, as per the BC Residential Tenancy Branch, few renters make such claims, and even fewer receive any compensation. In terms of what can be done to prevent these breaches in legislation, education is key. Tenants need to know their rights and landlords need understand their responsibilities and legal obligations.



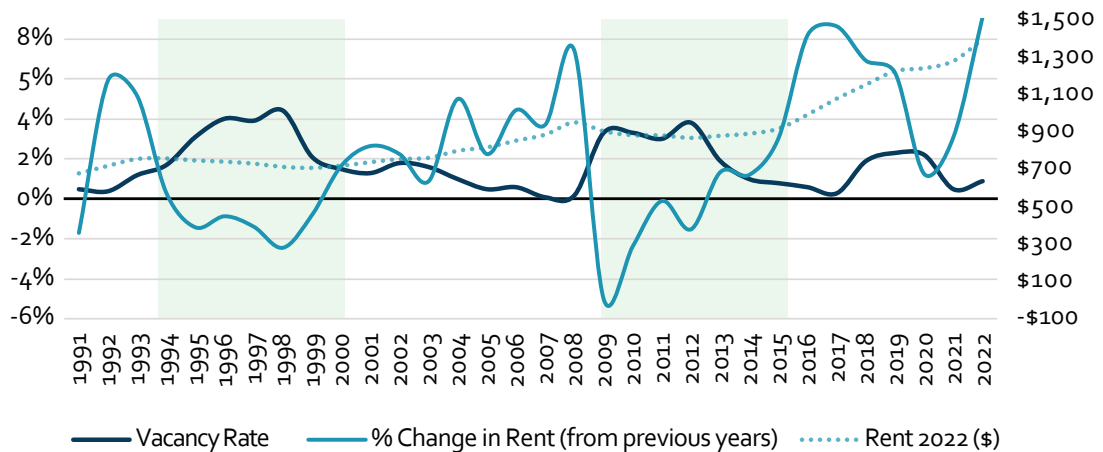
Figure 32 – Rental vacancy rate, Kelowna, 2011 to 2022



Source: CMHC. Rental Market Survey. Kelowna CSD. October 2022.

Figure 33 shows the relationship between vacancy rate and rental rates in Kelowna from 1991 – 2022. Generally, the year over year change in rent appears to be responsive to the vacancy rate. Since 1991, vacancy rates over three per cent typically resulted in lower rents and vacancy rates below two per cent typically resulted in higher rents.¹⁰ Rental rates typically increase fastest when the vacancy rate is below one per cent.

Figure 33 – Rental vacancy rate and rental rates, Kelowna, 1991 to 2022



Source: CMHC. Rental Market Survey. Kelowna CSD. (October 1990 – 2022) & BC CPI Shelter Component. Per cent change in rent has been inflation adjusted: a zero per cent increase means rents only increased at the rate of inflation, anything above a zero per cent increase means rents increased faster than inflation.

Overall median rent in Kelowna increased 68 per cent from \$825 in 2011 to \$1,390 in 2022 (Table 17). Starting in 2016, median rents rose more quickly than in the previous five years, and rose significantly between 2021 and 2022, particularly for larger units (Figure 34). Of note, the rental rates shown in Table 17 are from CMHC’s Rental Market Survey and reflect rents for existing housing in Kelowna, including rent paid by long-term tenants. Rental rates for those looking to find rental housing accommodation are significantly higher: in June 2023, the average overall advertised rent was \$2,550 per month (\$1,932 for a 1-bed, \$2,635 for a 2-bed, and \$3,341 for a 3-bed).¹¹

¹⁰ Adjusted for inflation.
¹¹ Rental.ca, [FAQs and Average Rents in Kelowna, BC](#).

Table 17 – Median monthly rent, Kelowna, 2011 to 2022

Yea	Studio	1-Bed	2-Bed	3+ Bed	All Units
2011	\$600	\$730	\$875	\$1,090	\$825
2012	\$600	\$740	\$885	\$1,100	\$825
2013	\$600	\$750	\$925	\$1,150	\$850
2014	\$615	\$770	\$925	\$1,155	\$855
2015	\$625	\$789	\$950	\$1,124	\$865
2016	\$700	\$825	\$1,001	\$1,193	\$922
2017	\$908	\$913	\$1,090	\$1,281	\$983
2018	\$934	\$940	\$1,195	\$1,350	\$1,050
2019	\$985	\$1,018	\$1,300	\$1,525	\$1,125
2020	\$1,075	\$1,100	\$1,300	\$1,600	\$1,175
2021	\$1,048	\$1,150	\$1,400	\$1,850	\$1,238
2022	\$1,075	\$1,250	\$1,640	\$2,400	\$1,390

Source: CMHC. Rental Market Survey. Kelowna CSD. October 2022

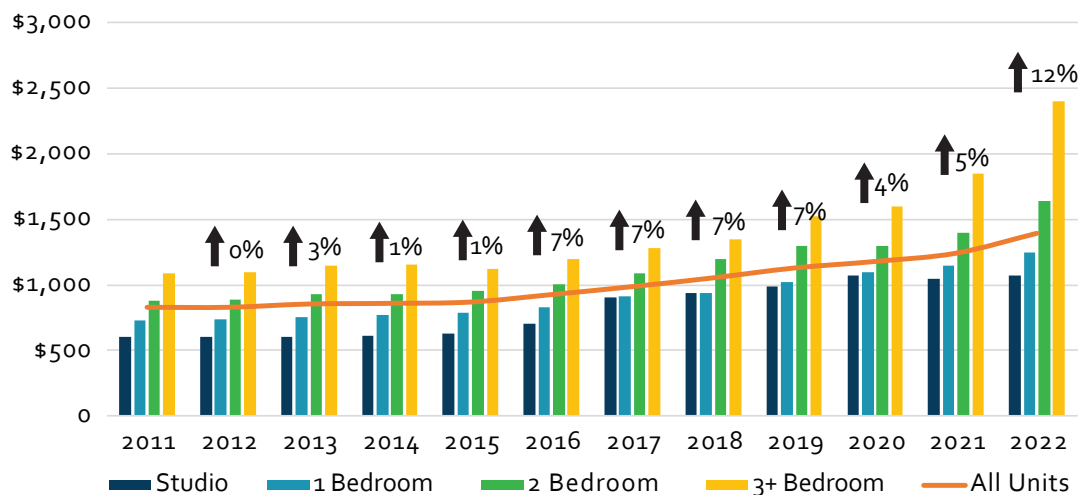
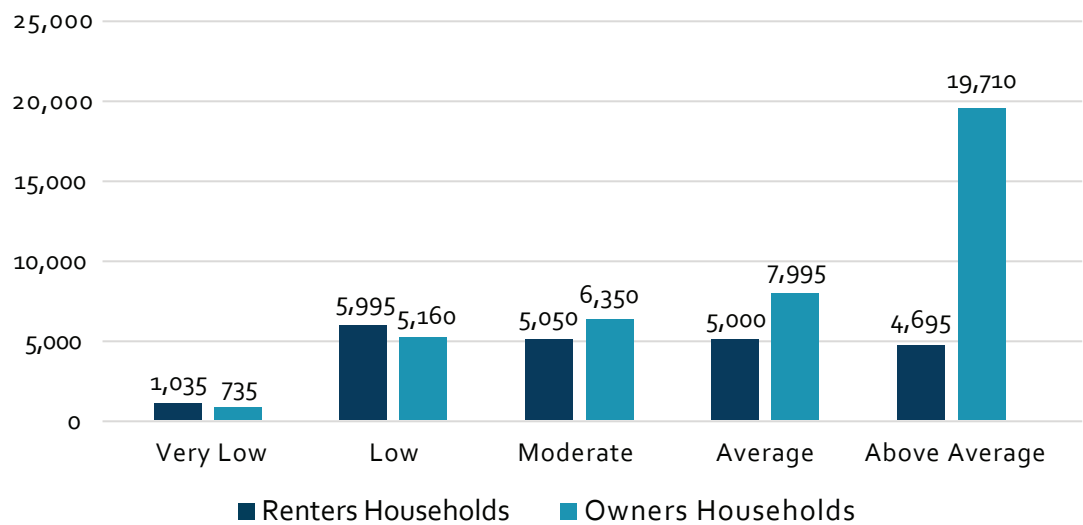


Figure 34 – Median monthly rent, Kelowna, 2011 to 2021

Source: CMHC. Rental Market Survey. Kelowna CSD. October 2022. This graph shows data for purpose-built rental units only and does not include the secondary rental market.

Figure 35 categorizes all households in Kelowna by income quintile and tenure. Overall, renter households are overrepresented in the very low, low, moderate, and average income quintiles. Owner households, in comparison, are overrepresented in the above average income quintile. Specifically, 49 per cent of owner households are in the above average income quintile, whereas only 22 per cent of renter households are in the above average income quintile. Furthermore, 55 per cent of renter households are in the very low, low, and moderate income quintiles, whereas only 31 per cent of owner households are in the very low, low, and moderate income quintiles (Figure 36, Figure 37).

Figure 35 – Number of renter and owner households by income quintile, Kelowna, 2021



[We] need to connect people with the housing that works for them – we have one model of supportive housing, and it really doesn't work in many situations – and if it doesn't meet people's needs then they refuse and they get put to the bottom of the list."

– Non-Profit Sector Workshop

Figure 36 – Number and per cent of renter households by income quintile, Kelowna, 2021

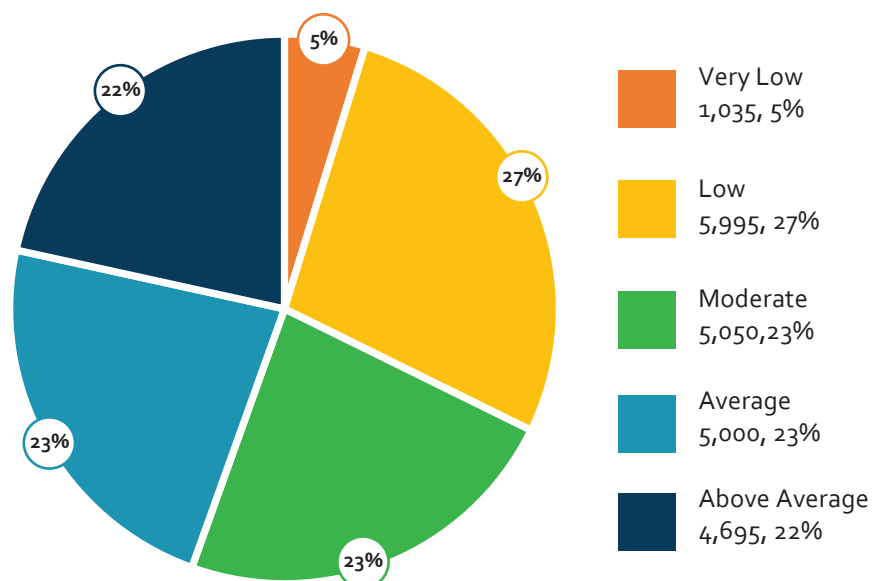
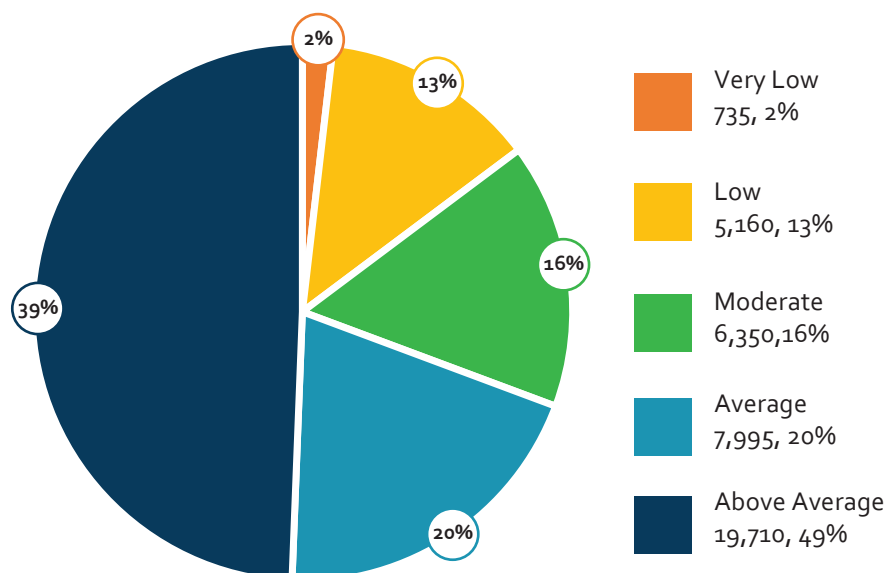


Figure 37 – Number and per cent of owner households by income quintile, Kelowna, 2021



Overall, demand for rental housing is expected to increase in Kelowna in the future. As indicated in section 3.6, the cost of homeownership is rising and becoming increasingly out of reach for many households. More households are likely to be dependent on rental housing, resulting in more demand for rental housing. Additionally, median renter incomes are not keeping pace with median rents, indicating that renters may face ongoing affordability challenges (Table 8).

3.8. Subsidized Rental Housing

Subsidized rental housing – also referred to as below-market rental housing and affordable rental housing – is long-term rental housing that has financial supports, allowing the housing to be rented at below-market rates. Subsidized housing includes social housing, public housing, government-assisted housing, non-profit housing, rent supplements, and housing allowances. Subsidized rental housing is typically operated or supported by non-profit housing providers and/or BC Housing.

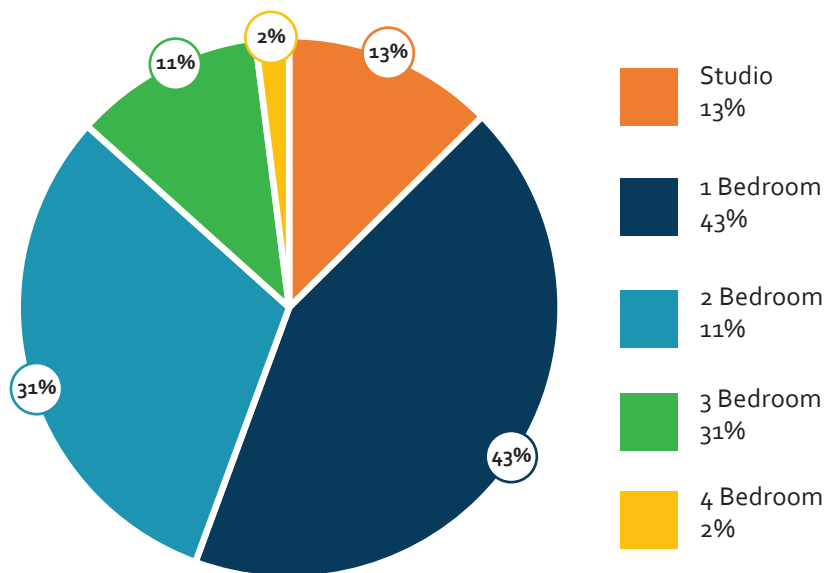
As per the census, there were 2,152 subsidized rental housing units in Kelowna in 2021, making up 9.8 per cent of the total rental housing stock. The total number of units of subsidized rental housing in Kelowna has increased from 1,420 units in 2011; however, as a proportion of all rental housing, the share of subsidized rental housing has decreased from 10.1 per cent in 2011 (Table 19).

Table 19 – Number and per cent of renter households in subsidized housing, Kelowna, 2011 to 2021

Community	2011		2016		2021	
	#	%	#	%	#	%
Kelowna	1,420	10.1%	1,700	9.9%	2,152	9.8%

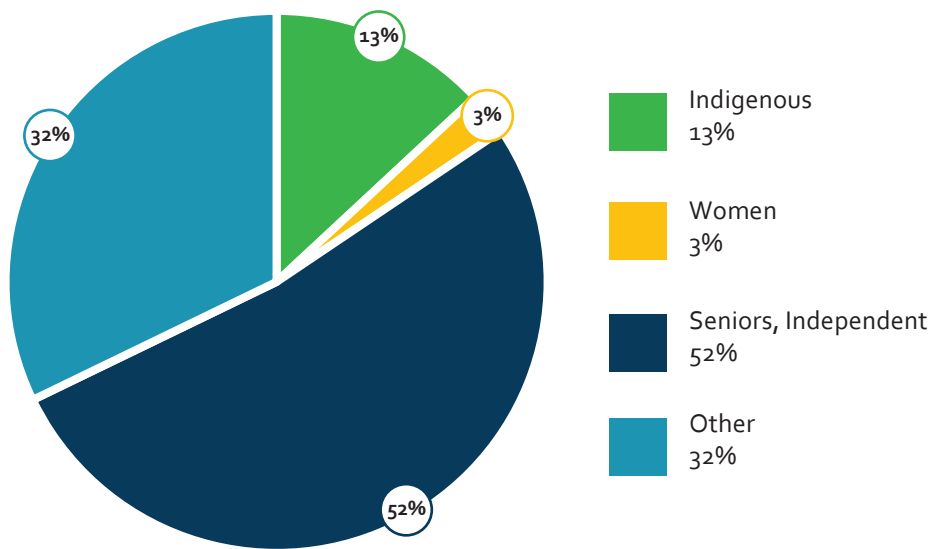
The City of Kelowna also tracks subsidized rental housing including unit size and intended tenant population. As of March 2023, the City estimates that most subsidized rental housing in Kelowna (43 per cent) consists of one-bedroom units, followed by two-bedroom units, studio units, three-bedroom units, and four plus bedroom units (Figure 38). In terms of tenant population, 52 per cent of subsidized rental housing in Kelowna is seniors' housing, 13 per cent is Indigenous-oriented housing, and 3 per cent is for women (Figure 39). The final 32 per cent is allocated to other and/or general populations.

Figure 38 –
Subsidized housing
units by number
of bedrooms,
Kelowna, 2023



Source: Rental Housing Inventory. City of Kelowna.

Figure 39 –
Subsidized housing
units by tenant
population,
Kelowna, 2023



Source: Rental Housing Inventory. City of Kelowna.

In addition to dedicated subsidized rental housing units, rental housing is also subsidized through rental assistance programs which provide tenants living in market rental housing with rental supplements. BC Housing reports that 1,437 Kelowna residents received rental assistance in 2022, and that 74 per cent of rental assistance recipients were seniors (Table 20).

Table 20 – Number of rental assistance recipients, Kelowna, 2012 to 2022

Rent Assistance in Private Market	2012	2017	2022
Canada Housing Benefit	-	-	157
Rent Assist Families	292	361	222
Rent Assist Seniors	685	966	1,058
Total	977	1,327	1,437

Source: BC Housing Research Department. January 2023. Unit Count Reporting Model, March 31 2022.

Overall, a deficit of subsidized rental housing can act as a bottleneck for people trying to move out of homelessness or supportive housing into rental housing that is accessible to them.¹² As home prices and rental rates rise faster than incomes, it is likely that there will be ongoing demand for subsidized rental housing. In 2022, there were approximately 300 households in Kelowna on BC Housing’s Housing Registry, which is a subset of residents who are looking to access subsidized housing but have yet to be housed. See section 7.4 for more information about meeting the need for subsidized rental housing.



Yolanda and Chris are former classmates who decided to stay in Kelowna after graduating from UBC in 2018. They grew to love the city and hope to establish their careers here. Neither of them could afford their own apartment so they have been renting a 2-bedroom condo for the last few years. Recently, they were served notice to move out for the owner’s use. They can afford their current rent of \$1,300, which means they were each paying \$650 per month. When they went to review today’s rental listings, they were surprised to see current prices are almost double what they are paying!

Chris has decided to move back to Alberta with their parents to save money, which leaves Yolanda in a challenging situation. While splitting a 2-bedroom apartment at current market rates would have been quite challenging, the median cost of a 1-bedroom apartment (\$1,900) is completely unmanageable for Yolanda. Even if Yolanda could find a 1-bedroom in the competitive market, such high rents also mean a higher damage deposit is required up front, and she doesn’t have enough saved up for the first month’s rent, the damage deposit, and the cost of moving.

With so much competition in the rental market, Yolanda is worried she might be without a place to live next month unless she can find a cheap room to rent in a house with many roommates. She is trying to find somewhere to stay temporarily but doesn’t want to inconvenience her friends for too long and is embarrassed to ask for their help. She worries about maintaining her job if she experiences homelessness.

¹² Rob Munro. (2023). InHome. [Affordability log jam barring people from moving off the streets of Kelowna.](#)

3.9. Supportive Housing

Supportive housing is provided by non-profit and other housing providers and offers stable housing that may be short-term or long-term. This type of housing is coupled with supports and services that are aligned with residents' needs and may include physical, cognitive, and financial supports. The level of support also varies, ranging from low support to minor support, such as assisted living, to full support, such as residential care.

BC Housing found that Kelowna had a total of 619 supportive housing units in 2022 (Table 21). Of these units, 458 are for seniors, 16 are for women and children fleeing violence, and 145 are for people with other specific needs. Overall, the number of supportive housing units in Kelowna increased by 59 per cent between 2012 and 2022, with most of the increase being supportive seniors housing.



Sylvia just turned 83 and has been living in her apartment for over 10 years. She raised her family in the neighborhood, and after her husband passed away, she decided to downsize into a one-bedroom apartment. Like many older walk-ups, her building does not have an elevator and she is finding it difficult to get up the stairs. The COVID-19 pandemic led to the creation of helpful new services, such as grocery delivery, but it is quite expensive on her fixed income. She is looking for a more accessible apartment, so she doesn't have to rely on expensive home delivery services and doesn't feel stuck inside.

After living in the same area for decades, Sylvia has many connections in the neighbourhood and hopes she won't have to move far. She is finding most of the apartments with elevators are new and located downtown, away from her neighbourhood. She had heard about people having housing challenges in the news but didn't realize how expensive new leases were! The rent for a one bedroom is almost three times what she is currently paying, and more than her entire monthly budget.

Sylvia isn't sure what to do. She is feeling increasingly trapped in her apartment and worries she'll continue to lose mobility if she can't get out for daily walks, but she hasn't come across a single accessible unit she could afford to rent.

Table 21 – Transitional supported and assisted living units, Kelowna, 2012 to 2022

Transitional Supported and Assisted Living	2012	2017	2022
Special Needs	149	115	145
Supportive Seniors Housing	225	272	458
Women and Children Fleeing Violence	16	16	16
Total	390	403	619

Prepared by BC Housing's Research and Corporate Planning Dept., January 2023. Source: Unit Count Reporting Model, March 31, 2022. Source: Unit Count Reporting Model, March 31, 2022. Includes units operated through an operating agreement with BC Housing only.

The City of Kelowna tracks supportive housing, using a broader definition than BC Housing, and includes all housing that offers supports regardless of who the housing is operated by or the cost. This includes privately operated, for-profit seniors assisted living housing and private rehabilitation facilities, for example. The City estimates that – based on these broader criteria – there are approximately 850 non-seniors supportive housing units in Kelowna, and approximately 2,500 seniors supportive housing units in Kelowna.

Supportive housing is community necessity that is particularly important for community members with complex, intersecting health and social needs, and can support people who are experiencing homelessness to move into housing that they are able to maintain. Providing supportive housing is in alignment with the “housing first” approach, which is centred on rapidly moving people out of homelessness into housing that has the supports that meet their individual needs and specific circumstances. While there has been an increase in supportive housing units in Kelowna since 2017, there is need for more units currently and ongoing need is expected. See section 7.5 for a more detailed analysis on supportive housing need.

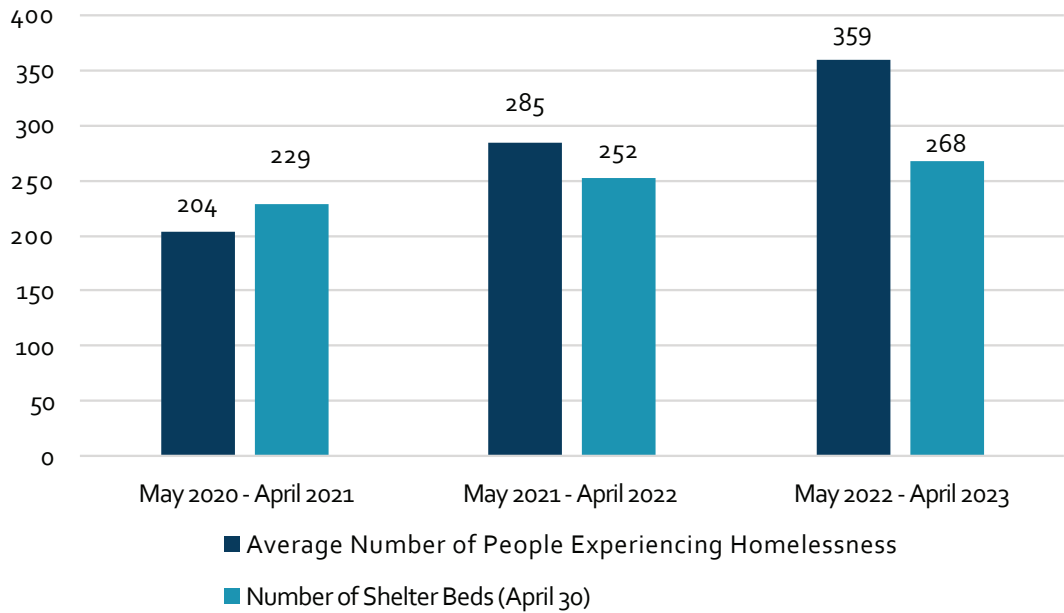
3.10. Emergency Shelter Housing & Homelessness

As described in Section 1.6, the Journey Home Strategy focuses on the system of services supporting those who are experiencing homelessness and those at risk of homelessness. As part of the Central Okanagan Journey Home Society's (COJHS) work in overseeing the strategy, they collected granular daily data related to homelessness in Kelowna since May 2020. Because of the high-quality nature of this data and COJHS's willingness to share it with the City of Kelowna, this HNA provides more detailed information on rates of homelessness than is typically possible.

The number of people experiencing homelessness in Kelowna currently exceeds the number of emergency shelter beds available in the City (Figure 40, Figure 41). Figure 40 compares the average daily number of people experiencing homelessness in Kelowna with a snapshot of shelter capacity as counted on April 30th of each year.¹³ Overall, the number of people experiencing homelessness has increased faster than shelter capacity in Kelowna over the last three years.

¹³ This is a point-in-time count that does not account for seasonal fluctuation in number of shelter beds.

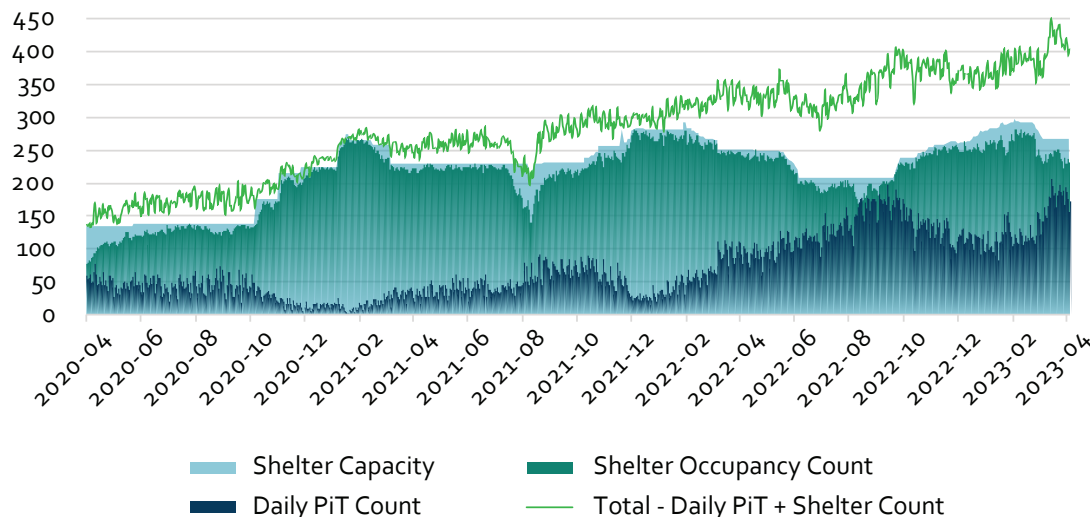
Figure 40 – Homelessness count and shelter beds summary, Kelowna, 2020 – 2023



Sources: Daily PIT Count: June 2019 to April 2023. Kelowna Shelter Daily Occupancy and Services Tally – Daily Shelter Occupancy. Central Okanagan Journey Home Society. Shelter bed count conducted on April 30th annually.

Figure 41 provides additional information about homelessness and emergency shelter housing in Kelowna. Specifically, this graph shows the daily shelter capacity (light blue shading), daily shelter usage (teal bars), daily point-in-time counts for those sheltering outdoors (dark blue bars), and the total number of people experiencing homelessness (green line). Since approximately September 2021, there have not been any days with enough shelter capacity for all people sheltering outdoors in Kelowna to sleep inside. See the call out box “Housing Addresses Homelessness” in this section for a deeper dive on the connection between housing and homelessness.

Figure 41 – Shelter usage, shelter capacity, and rates of homelessness, Kelowna, 2020 to 2023



Source: Daily PIT Count: June 2019 to April 2023. Central Okanagan Journey Home Society.

Housing Addresses Homelessness

Increasing homelessness in Kelowna is correlated with decreasing housing affordability and decreasing availability of rental housing. The Central Okanagan Journey Home Society conducted a homelessness research project in 2023 in collaboration with the Lived Experience Circle on Homelessness and the Ki-Low-Na Friendship Society. Focused on topics including housing needs and health, 371 in-person surveys were completed among the 485 visibly homeless people counted in Kelowna in May 2023. The scope and quality of the data collected by Journey Home offers an unprecedented opportunity to inform homelessness response and resource allocation in our community. Preliminary findings have been shared with the City of Kelowna to guide this Housing Needs Assessment (see Appendix 9.5 for more information).

Canada's worsening housing crisis has been attributed to an extreme lack of supply of the right types of housing, resulting in a surge of homelessness as people increasingly lose their housing due to unaffordability. Utilizing multiple data streams, Journey Home identified a 100-person increase in homelessness year-over-year in Kelowna. To adequately address this increase in homelessness, solutions must be focused on both prevention and resolution.

In the past several years, homelessness has exceeded the emergency shelter system's capacity resulting in people being forced to shelter outdoors, even during extreme weather events. Housing solutions, both upstream and downstream, are needed to reduce the burden on service providers and empower them to shift from emergency homelessness management toward long-term and sustainable solutions to the crisis.

The situation in Kelowna is dire, however, there are reasons to be optimistic. Historically, supportive housing was considered the only viable housing for most people experiencing homelessness. This type of housing cannot be developed at pace with homelessness increases, creating a bottleneck in the system. Journey Home's research shows a desire for more accessible and cost-effective options with respondents reporting strong anticipated success in (82%), and preference for (73%), affordable housing compared to supportive housing with anticipated success of (52%), and (33%) preference. 45% of survey respondents reported that they could have stayed in their housing longer if they had received support or other services. 65% of respondents indicated they had employment aspirations. This and other critical information gathered through the survey challenges assumptions and represent a significant opportunity to reduce homelessness in Kelowna.

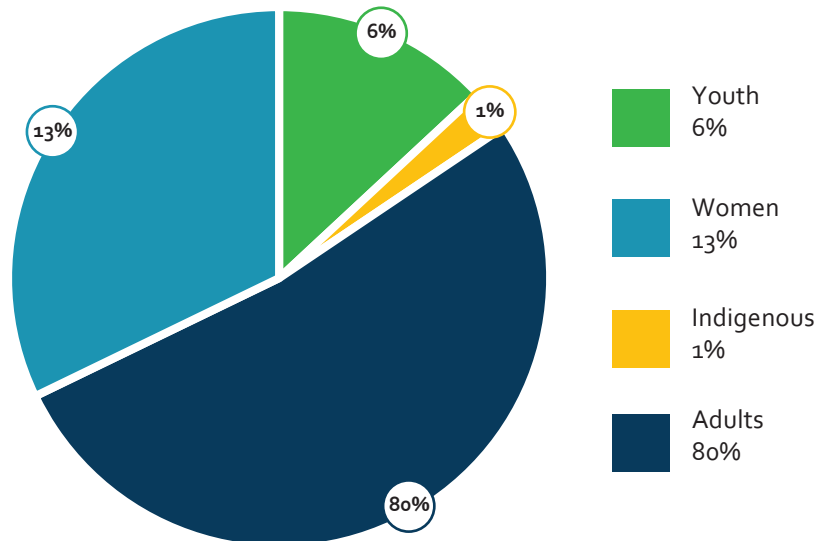


You don't just suddenly become homeless; it often starts with precarious housing situations. Collectively we need to pay attention to precursors of homelessness, and there needs to be more focus and resources dedicated to prevention. How can we divert people off the path towards homelessness and keep people housed?"

– Lived Experience Circle on Homelessness Participant

Figure 42 shows an approximate breakdown of emergency shelter housing in Kelowna by the target population. Most emergency shelter housing in Kelowna (80 per cent) is for the general adult population, 13 per cent is for women, 6 per cent is for youth, and 1 per cent is for people who identify as Indigenous.

**Figure 42 –
Emergency shelter
housing by target
population**



Source: Rental Housing Inventory. City of Kelowna

In a housing system that is working optimally to meet the needs of all community members, emergency shelter housing would be largely unneeded. That said, the housing system in Kelowna – and across Canada – is facing many challenges, and instances of homelessness are increasing. As homelessness rises, the need for emergency shelter housing will persist – emergency shelter housing providers in Kelowna play a critical role in providing temporary housing for some of Kelowna’s most vulnerable residents.

3.11. Looking Forward

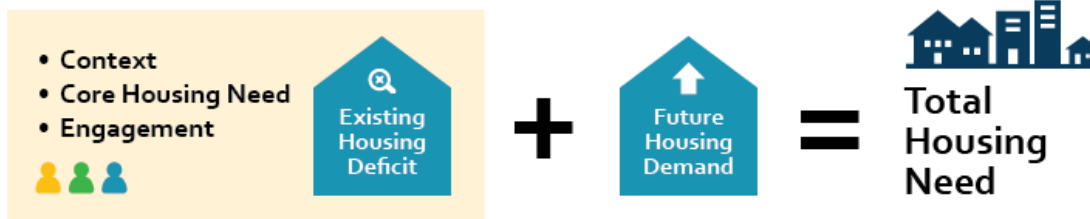
Into the future, housing needs in Kelowna might change over time. Population growth has been factored in to this HNA analysis however, population projections are estimates, and Kelowna’s population may grow faster or slower than anticipated. Demand for housing will increase with population growth, and the number of households and housing units will also increase. Other factors that may impact housing in Kelowna over time include:

- **Aligning housing with employment opportunities:** there may be more demand for housing that allows people to access their jobs without being car dependent.
- **Smaller household size:** household size is expected to trend smaller over time, which may create additional demand for housing, particularly for smaller dwelling units.
- **Affordability impacts:** if housing need is not addressed in a timely manner, affordability challenges are likely to persist and may worsen. Smaller dwelling units tend to be more affordable and therefore the demand for smaller units is expected to continue.
- **Increased demand for multiple dwelling housing:** multiple dwelling housing – including infill housing, townhouses, and apartments – is expected to become increasingly common. The delivery of multiple dwelling housing, particularly larger, more complex projects, can take years to deliver, which can cause challenges in terms of being responsive to demand for housing.
- **Shift to rental:** demand for market housing is increasing and is expected to continue increasing in the future, particularly as more community members rent for longer due to a lack of affordability and changing preferences.

4. EXISTING HOUSING DEFICIT

Not all current residents of Kelowna are able to access housing that meets their needs. Community members face challenges including housing that is too expensive, too small, in disrepair, does not have the supports they require, or a combination of these factors. This section describes the existing housing deficit in Kelowna – i.e., the housing that is missing in our community today.

First, section 4.1 describes the number of households in Kelowna that are currently in core housing need, in alignment with the HART methodology outlined in section 2.1. Second, section 4.2 describes the existing deficit of housing in Kelowna today based on an analysis of other contributing factors, recognizing that the core housing need indicator does not capture all housing need in Kelowna.



4.1. Core Housing Need

Core housing need (CHN) is a metric that is captured through the census. CHN measures the number of households that are currently housed in a way that does not meet their needs. These households do not necessarily need new housing units, but they do need their housing circumstances to change: they need housing that is more affordable, larger, and/or in better condition. Households are classified as being in CHN if they meet the following two criteria:¹

1. The household is below one or more of the following housing standards:
 - Adequacy: is the current housing in need of major repairs?
 - Suitability: does the current housing have an appropriate number of bedrooms?
 - Affordability: does the current housing cost over 30 per cent of before-tax income?

AND

2. The household would have to spend 30 per cent or more of its before-tax household income to access local housing that meets all three standards.

¹ CMHC. (2019). [Identifying core housing need](#).

In total, 5,550 households – 9 per cent of all households – are in CHN in Kelowna as of 2021 (Table 22). Of the households in CHN, 89 per cent had this status because they were below the affordability standard only. Therefore, most core housing need in Kelowna is due to the cost of housing.

Of households in CHN in Kelowna, 66 per cent are renter households and 34 per cent are owner households. Renter households make up 35 per cent of all households in Kelowna, meaning renter households are vastly overrepresented in CHN. Extreme core housing need is a subset of CHN where shelter costs for housing are more than 50% of total before-tax household income. Of all households in CHN, 48 per cent are in extreme CHN; most of these – 65 per cent – are renter households. In addition to the households that are in classified as being in CHN, there are many other households in Kelowna that are below at least one housing standard, particularly the affordability standard.

Table 22 – Number of households in core and extreme core housing need by tenure, Kelowna, 2021

	Owner Households	Renter Households	Total Households
Core Housing Need	1,880 (34%)	3,670 (66%)	5,550
Extreme Core Housing Need ²	925 (35%)	1,755 (65%)	2,675

4.1.1. Core Housing Need by Income, Tenure, and Household Size

Further analysis of census data allows for a deeper understanding of CHN, including CHN by cost, size, and tenure. This analysis is based on the income quintiles outlined in Table 23.

Table 23 – Income quintiles and maximum monthly housing costs, Kelowna, 2021

Quintile	Household Income Range	Maximum Monthly Housing Cost
Very Low	Less than \$15,000	Up to \$375
Low	\$15,000 - \$39,999	\$376 - \$1,000
Moderate	\$40,000 - \$64,999	\$1,000 - \$1,625
Average	\$65,000 - \$99,999	\$1,625 - \$2,500
Above Average	More than \$100,000	More than \$2,500

Of the 5,550 households in CHN, 4,540 households – 82 per cent – are in the low income category (Table 24). For these households to meet the affordability standard, their maximum monthly housing cost would need to be between \$376 and \$1,000. Additionally, 3,380 households – 61 per cent – in CHN are one person households, followed by 1,475 – 27 per cent – two person households.

There is no existing CHN in households making \$65,000 and above. In general, only households falling into the above average quintile can currently afford to purchase in the first-time buyer homeowner market. Average income earners are likely not in housing distress but could struggle to purchase ownership housing.

² Extreme core housing need is a subset of core housing need; it 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.

Table 24 – Core housing need by household size and income quintile, all households, Kelowna, 2021

Household Size	Very Low	Low	Moderate	Average	Above Average	Total (#, %)
	Less than \$15,000	\$15,000 - \$39,999	\$40,000 - \$64,999	\$65,000 - \$99,999	More than \$100,000	
1 Person	355	3,020	0	0	0	3,380 (61%)
2 Persons	55	1,145	275	0	0	1,475 (27%)
3 Persons	0	265	205	0	0	475 (9%)
4+ Persons	0	110	115	0	0	220 (4%)
Total (#, %)	410 (7%)	4,540 (82%)	595 (11%)	0 (0%)	0 (0%)	5,550

In terms of ownership housing specifically, 1,855 households of the 5,550 households in CHN – 34 per cent – are owner households (Table 25). Of these, 77 per cent are in the low income category. Additionally, 61 per cent are one person households, and a further 27 per cent are two person households.

Table 25 – Core housing need by household size and income quintile, owner households, Kelowna, 2021

Household Size	Very Low	Low	Moderate	Average	Above Average	Total (#, %)
	Less than \$15,000	\$15,000 - \$39,999	\$40,000 - \$64,999	\$65,000 - \$99,999	More than \$100,000	
1 Person	220	910	0	0	0	1,130 (61%)
2 Persons	45	390	65	0	0	500 (27%)
3 Persons	0	95	50	0	0	145 (8%)
4+ Persons	0	40	40	0	0	80 (4%)
Total (#, %)	265 (14%)	1,435 (77%)	155 (8%)	0 (0%)	0 (0%)	1,855

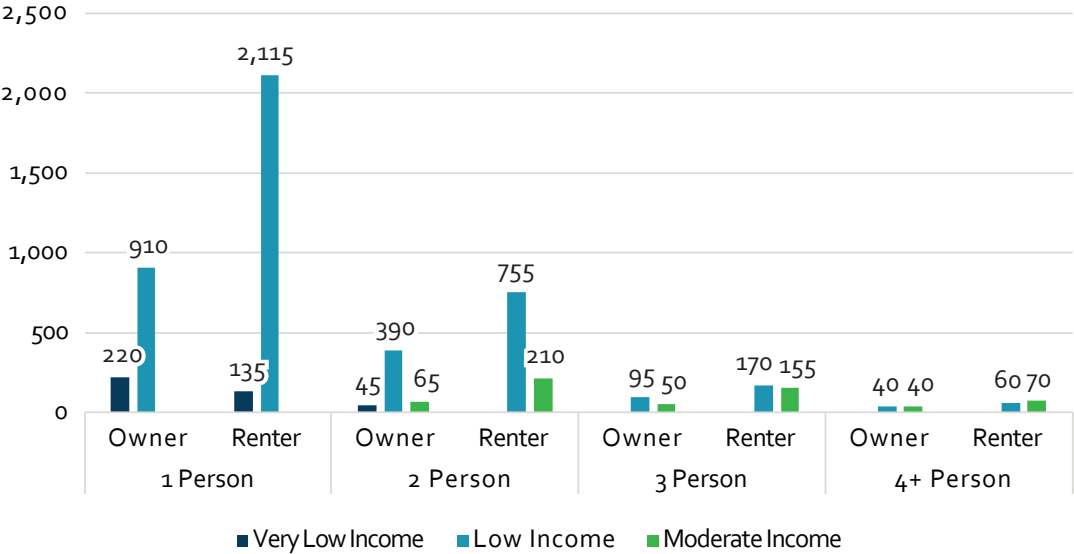
As mentioned, renter households are overrepresented in CHN. Of the 5,550 households in CHN, 3,670 – 66 per cent – are renter households (Table 26). Of the renter households in CHN, 84 per cent are in the low income category. Additionally, 61 per cent are one person households, and a further 26 per cent are two person households.

Table 26 – Core housing need by household size and income quintile, renter households, Kelowna, 2021

Household Size	Very Low	Low	Moderate	Average	Above Average	Total (#, %)
	Less than \$15,000	\$15,000 - \$39,999	\$40,000 - \$64,999	\$65,000 - \$99,999	More than \$100,000	
1 Person	135	2,115	0	0	0	2,250 (61%)
2 Persons	0	755	210	0	0	965 (26%)
3 Persons	0	170	155	0	0	325 (9%)
4+ Persons	0	60	70	0	0	130 (4%)
Total (#, %)	135 (4%)	3,100 (84%)	435 (12%)	0 (0%)	0 (0%)	3,670

Figure 44 summarizes the number of households currently in CHN by income, unit size, and tenure in Kelowna. Overall, the highest levels of CHN in Kelowna are being experienced by smaller, lower income households. One person, low income renter households have particularly high levels of CHN with over 2,000 households in this category experiencing CHN.

Figure 44 – Number of households in core housing need by income, unit size, and tenure, Kelowna, 2021



It is important to note that the number of units outlined in Figure 44 may not directly transfer into estimates of additional housing required. For example, a household transitioning from an unsuitable home into one meeting their needs would free up a dwelling that would then be available for other smaller households to move into. Additionally, these households may not need to move to new housing. Some households may require other aspects of support such as rent assistance or financial support for retrofits or repairs. Overall, a healthy housing system with adequate housing options would allow natural filtering to function effectively, with households able to sort themselves into dwellings they can afford and that meet their needs.

4.1.2. Core Housing Need by Priority Group & Age

As noted in the “Housing & Equity” call out box in section 1.1, the current housing system works better for some people than it does for others. There are several priority groups that have been identified by the National Housing Strategy as having disproportionately high housing need, and through the census and other sources, this HNA provides quantitative information about the following identified priority groups:

- Seniors
- Young adults
- Indigenous peoples
- People with disabilities
- Racialized groups
- Recent immigrants, especially refugees
- People experiencing homelessness

There are four other priority groups identified by the National Housing Strategy that are challenging to collect quantitative information about: people dealing with mental health and addiction issues, veterans, members of the 2SLGBTQIA+ community, and women and children fleeing domestic violence. Where possible, qualitative data was gathered about these groups through engagement as part of this HNA process and included throughout the report. See Appendix 9.2 for a summary of qualitative engagement findings.

Table 27 and Table 28 outline the number and proportion of households in core housing need (CHN) by priority group and age. These tables build on the findings from section 4.1.1 with additional information about which people in Kelowna are more likely to be living in housing that does not meet their needs. Bolded values indicate groups that are facing above average levels of CHN. The colour coding is relative within each table for each tenure; warmer colours indicate higher levels of CHN.

Table 27 highlights several priority groups that are overrepresented in CHN. The following household types have above average levels of core housing need for both owner and renter households:

- One person households
- Households where the primary household maintainer is a woman+
- Households where the primary household maintainer is Indigenous
- Households where the primary household maintainer is a female lone parent
- Households where the primary household maintainer is 65+: renter households where the primary household maintainer is 65+ are highly overrepresented (Table 28)
- Households where the primary household maintainer is 85+



All groups engaged identified the rising cost of rental and ownership housing as the number one housing challenge in Kelowna. This dynamic has created a widening gap between the price of housing and what residents can afford to pay.

– Engagement Finding



The current shortage in housing disproportionately impacts residents with low incomes and the least resources... the shortage of housing results in vulnerable populations having few options and living in unsafe, unsuitable (not enough bedrooms or overcrowded), poorly maintained, and/or unaffordable housing.

– Engagement Finding

Table 27 – Core housing need by priority group and tenure, Kelowna, 2021

Priority Group	# and % of Priority Group Households in Core Housing Need ³	
	Owner	Renter
Total/Overall Average	1,880 (4.8%)	3,675 (17.8%)
One person household	1,130 (12%)	2,250 (28%)
Men+ status of the PHM ⁴	740 (3%)	1,515 (15%)
Women+5 status of the PHM	1,140 (7%)	2,155 (21%)
Indigenous status of the PHM	50 (5%)	290 (19%)
Immigrant status of the PHM	390 (5%)	495 (17%)
Refugee admission category of the PHM	0 (0%)	40 (16%)
Female lone parent PHM	210 (11%)	440 (25%)
Household includes a Transgender or Non-binary person	0 (0%)	30 (13%)
65 years and over	825 (6%)	1,335 (37%)
85 years and over	180 (9%)	235 (38%)
Household has at least one person who had at least one activity limitations reported for census question Q11d and Q11e ⁶	195 (3%)	650 (14%)
Household has at least one person who had at least one activity limitations reported for census question Q11a, Q11b, Q11c and Q11f ⁷	430 (4%)	805 (19%)

Table 28 – Core housing need by age of primary household maintainer and tenure, Kelowna, 2021

Age of the Primary Household Maintainer	# and % of Households in Core Housing Need	
	Owner	Renter
Total/Overall Average	4.8%	17.8%
15 to 24 years	30 (9%)	310 (14%)
25 to 34 years	125 (4%)	585 (10%)
35 to 44 years	250 (4%)	450 (12%)
45 to 54 years	185 (3%)	410 (15%)
55 to 64 years	465 (5%)	585 (22%)
65 to 74 years	370 (5%)	660 (35%)
75 to 84 years	275 (6%)	450 (39%)
85 years and over	175 (9%)	235 (38%)

3 Percentage of tested priority group that is in core housing need. Ex. 1,130 – 12 per cent – of one person owner households were in core housing need out of a total of 9,705 tested one-person owner households (1,130/9,705 = 12%). For full table see Appendix X.

4 “PHM” refers to primary household maintainer, which is the first person in the household identified as someone who pays the rent or the mortgage, or the taxes, or the electricity bill, and so on, for the dwelling.

5 This category includes women (and/or girls), as well as some non-binary persons. Given that the non-binary population is small, data aggregation to a two-category gender variable is sometimes necessary to protect the confidentiality of responses provided. In these cases, individuals in the category “non-binary persons” are distributed into the other two gender categories and are denoted by the “+” symbol.

6 Self reported on census based on two questions - does this person have: D. difficulty learning, remembering or concentrating? E. emotional, psychological or mental health conditions (e.g., anxiety, depression, bipolar disorder, substance abuse, anorexia, etc.)

7 Self reported on census based on four questions - does this person have: A. difficulty seeing (even when wearing glasses or contact lenses)? B. difficulty hearing (even when using a hearing aid)? C. difficulty walking, using stairs, using their hands or fingers or doing other physical activities? F. other health problem or long-term condition that has lasted or is expected to last for six months or more?

4.2. Other Sources Contributing to Existing Housing Deficit

This section explores factors contributing to the existing housing deficit in Kelowna. These estimates describe the number of homes missing from the housing stock to meet the needs of those who already live here and will likely require the construction of additional housing.

The sources contributing to Kelowna's housing deficit are expressed as estimates for two primary reasons. First, it is challenging to statistically capture all aspects of unmet need because it is always evolving and changing. It is only possible to see a snapshot of need at any given time; however, all statistics are not necessarily collected simultaneously. This means a particular individual could be captured under multiple concepts at different times.

Second, there is also potential for double counting with households in core housing need. For example, an individual may have been assessed as being in core housing need at the time of the 2021 census, but by 2023 they were experiencing homelessness. This means they could have been captured under both concepts at different times. Similarly, a household in core housing need due to overcrowding may also be captured under suppressed household formation. Issues such as low vacancy rates or high ownership prices may cause a household to experience core housing need. However, achieving a healthy vacancy rate of 3% does not automatically resolve this core need.

Table 29 provides an estimate of the existing housing deficit in Kelowna for the following sources:

- **Individuals experiencing homelessness:** based on daily homelessness counts from Central Okanagan Journey Home Society.
- **Hidden homelessness:** based on the assumption that there is an additional proportion of people who fall into hidden homelessness in addition to the daily homelessness count.⁸
- **Rental units required for a balanced rental market:** the estimated number of additional rental units needed to bring Kelowna's rental vacancy rate to a healthy range of 3 to 4 per cent.
- **Ownership units required for a balanced ownership market:** the estimated number of additional ownership units needed to address the affordability gap in Kelowna's home prices – i.e. to bring purchase prices in line with the cost of construction.⁹
- **Suppressed household formation:** the estimated number of households that would form – i.e., have their own home rather than living with other people such as parents or roommates – if they were able to.¹⁰

8 Based on ratio established in "Still on our Streets... Results of the 2008 Metro Vancouver Homeless Count" (SPARC, 2008) – for every person in absolute homelessness, there are another 3.5 people in hidden homelessness.

9 This approach addresses the affordability gap in ownership housing by assessing the difference between the actual costs of delivering new housing and the market prices being paid for it. For this assessment, a price elasticity range of 0.4 (for every 1% increase in the housing stock, the price of housing falls 2.5%) to 1 (the quantity demanded changes proportionately with price changes) is provided.

10 Household formation rates have fallen across Canada since the 1907s. The decline in primary household maintainer rates for these age groups can be seen as being driven by a lack of availability or affordability of entry-level housing for new generations as they try to enter the housing market. To model the scale of unmet housing need due to suppressed household formation, this analysis compares current household formation rates to past household formation rates to assess how many households in Kelowna would have formed if past household formation rates were occurring today. This number of households is compared to the actual number of households that have formed to provide an estimate of unmet housing need. For example, in 2001, 48.0% of Kelowna's residents aged 25 to 34 were primary household maintainers. By 2021, this declined to 44.6%. Taking 1,000 individuals aged 25 to 34, in 2001 they would have required 480 homes. By 2021, only 446 people of this age would have moved into household formation and maintained their own home, with the difference (34 homes) representing the scale of unmet housing need if the current generation of householders aged 25 to 34 were housed in a similar manner as the previous generation.

Table 29 – Estimate of existing housing deficit, Kelowna

Source of Existing Housing Need	Estimated Unit Deficit
Individuals Experiencing Homelessness (2022-23) – Daily Average / Max	359-452
Hidden Homelessness (+75% / +125% undercount of average daily Journey Home count)	269-449
Rental Units Required for Balanced Market (Oct 2022) - Vacancy Rate: 3% / 4% ¹¹	465-687
Ownership Units Required for Balanced Market - Elasticity: 0.4 / 1.0 ¹²	499-1,246
Suppressed Household Formation (for those under age 55) ¹³	2,163
Total Existing Deficit	3,755-4,998

As per Table 29, when unit deficit from these sources is combined, it is estimated that between approximately 3,750 and 5,000 additional homes are required today within the City of Kelowna to address the existing housing deficit. The finding that there is an existing housing deficit in Kelowna was reflected by qualitative engagement, with all groups engaged reporting there is a shortage of options across the housing wheelhouse and not enough housing available to meet local needs.

The total existing need estimate provided in Table 29 provides a baseline understanding of the scale of additional housing that is needed in Kelowna today. Section 7 compares the findings from Table 29 to historical and current trends in the construction of new housing in Kelowna.

¹¹ The number of dwellings that would need to be added to the City's rental stock and remain vacant on an ongoing basis to allow circulation between dwellings to achieve a 3 per cent or 4 per cent vacancy rate. In the current context of high demand for rental in Kelowna, it is likely that more than 465 rental homes would be required to achieve and maintain a 3.0% vacancy rate.

¹² The increase in housing quantity needed today to reduce average sales prices of apartments to the marginal cost of supply (the cost of delivering new housing stock) given an assumption of 0.4 or 1.0 price elasticity.

¹³ May over- or under-estimate the number of households as some of the shift may be driven by population composition or choice.

5. FUTURE HOUSING NEED

Table 30 provides an estimate of future housing demand in Kelowna from 2021 to 2031. This estimate is based on a demographic population projection and assumes that Kelowna's population will continue shifting towards more rental households over time.¹ Overall, it is estimated that 13,649 new housing units will be needed by 2031 to meet demand from Kelowna's increasing number of households. This is an average of 1,365 new units needed per year; specifically, 711 ownership units and 654 renter units.

Table 30 – Estimated future housing demand, Kelowna, 2021-2031

Tenure	Future Housing Units Needed				
	2021-2026	2026-2031	Total (2021-2031)	Annual Average	
Owner	3,497	3,614	7,111	711	52%
Renter ²	3,953	2,584	6,538	654	48%
Total	7,451	6,198	13,649	1,365	100%

Table 34 and Table 35 use the HART methodology to assess future housing demand by household size and income. Table 34 shows estimated future demand for ownership households. Of note, approximately 70 per cent of future demand for ownership housing will be for residents in the average and above average income quintiles, making 80 per cent or more of Kelowna's median income. Furthermore, there will be demand for ownership housing suitable for smaller households: approximately 70 per cent of future demand for ownership housing will be to meet the needs of one and two person households. A further 20 per of future demand for ownership housing will be to meet the needs of larger four-plus person households.

¹ The demographic approach to estimating future housing demand considers underlying changes in the City's demography and tenure-specific household formation rates. This approach includes consideration for factors such as household formation rates, life expectancy, and family formation.

² Includes market rental and subsidized rental housing.

Table 31 – Estimated future housing demand by income and household size – ownership housing, Kelowna, 2021-2031

Income Quintile	Very Low	Low	Moderate	Average	Above Average		
% AMI	<20%	20-49%	50-79%	80-119%	>120%		
Household Income	<\$15,000	\$15,000-\$40,000	\$40,000-\$65,000	\$65,000-\$100,000	>\$100,000		
Monthly Affordable Housing Cost	\$375	\$1,000	\$1,625	\$2,500	>\$2,500	TOTAL	%
1-Person	100	655	495	345	225	1,820	26%
2-Persons	20	220	520	740	1,370	2,870	40%
3-Persons	5	35	70	180	650	940	13%
4+ Persons	5	10	45	155	1,270	1,485	21%
TOTAL	130	920	1,130	1,420	3,515	7,115	100%
% of New Dwellings	2%	13%	16%	20%	49%	100%	
Annual Units Required	13	92	113	142	352	712	

Table 32 shows estimated future demand for renter households. An estimated 55 per cent of future demand for rental housing will be for residents in the very low, low, and moderate income quintiles, and 45 per cent of future demand for rental housing will be for residents in the average and above average income quintiles. Based on 2021 rental rates, renters in the very low, low, and moderate income quintiles would be unlikely to be able to find market rental units that meet their needs, and are likely to be better served by subsidized rental housing. Renters in the average and above average income quintiles would be able to access market rental housing.

In terms of household size, 75 per cent of future demand for rental housing will be to meet the needs of one and two person households. A further 25 per of future demand for rental housing will be to meet the needs three-plus person households.

Table 32 – Estimated future housing demand by income and household size – renter housing, Kelowna, 2021-2031

Income Quintile	Very Low	Low	Moderate	Average	Above Average		
% AMI	<20%	20-49%	50-79%	80-119%	>120%		
Household Income	<\$15,000	\$15,000-\$40,000	\$40,000-\$65,000	\$65,000-\$100,000	>\$100,000		
Monthly Affordable Housing Cost	\$375	\$1,000	\$1,625	\$2,500	>\$2,500	TOTAL	%
1-Person	245	1,335	660	295	115	2,650	41%
2-Persons	40	360	610	715	515	2,220	34%
3-Persons	15	80	165	270	330	860	13%
4+ Persons	510	25	80	225	445	785	12%
TOTAL	310	1,800	1,515	1,505	1,405	6,535	100%
% of New Dwellings	5%	28%	23%	23%	21%	100%	
Annual Units Required	31	180	152	151	141	655	



There is an identified gap in housing appropriately sized and designed for families with 3+ bedrooms, either in apartments or ground-oriented 'missing middle' housing types. Many families in Kelowna cannot afford to purchase a single-detached house and there are few alternative housing options with enough bedrooms to accommodate children. Increasing the supply of diverse ground-oriented multiple dwelling options like townhouses, houseplexes (duplex, tri-plex, four-plexes), courtyard and low-rise apartments with multi-bedroom units would help address this housing gap.

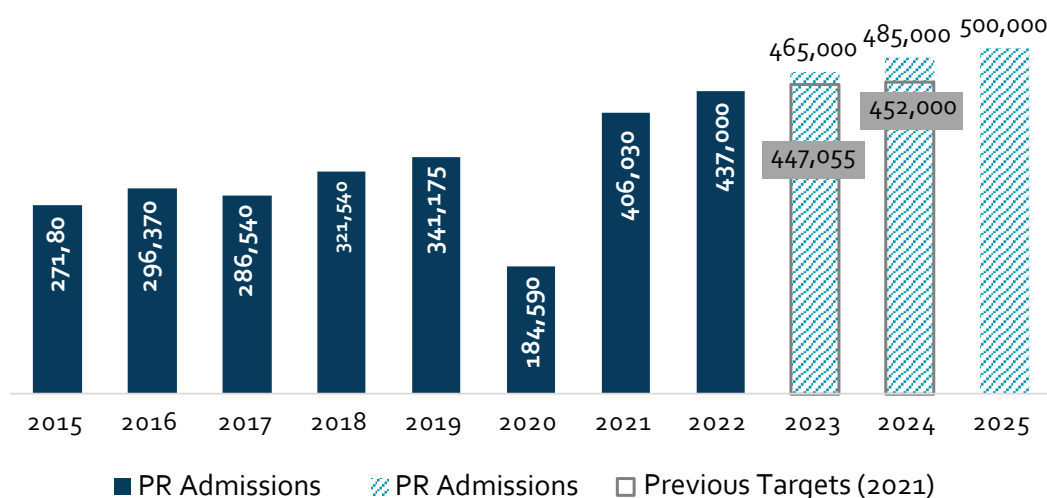
– Engagement Finding

5.1. Alternative Future Housing Demand Scenario

Future housing demand described to this point are the result of detailed demographic projections for Kelowna using the best available information and rigorous methodology. There are, however, several factors that may place upward pressure on population growth in Kelowna in the coming years.

Immigration has not yet been a strong driver of local population growth. Instead, growth has typically come from domestic sources. However, recent changes at the federal level are having rapid and profound impacts on the rate of immigration to Canada's large population centres. In 2022, Canada's grew by over 1,000,000 new residents, the highest level on record. According to Statistics Canada, most of this growth was driven by immigration, following through on ambitious federal immigration targets intended to support the Canadian labour market.

**Figure 45 -
Permanent resident
admissions &
immigration
targets, Canada,
2015-2025**



Source: rennie advisory services

More recent suggestions from the federal government indicate that immigration targets may continue to increase. While Kelowna may not be a primary destination for new immigrants, it will undoubtedly feel the impact of these unprecedented immigration levels. This may, in turn, create greater pressure for growth locally.

Additionally, metro Kelowna currently has the country's lowest unemployment rate at 2.8 per cent, indicating a strong need to attract new employees to the community³. The community is also a hotspot for remote work⁴, meaning that prospective residents can relocate to Kelowna to enjoy the local amenities, while working in a different location. Both of these factors stand to put further upward pressure on local growth.

Echoing these factors, BC Stats recently published an updated set of long-range population and housing projections for local governments and other jurisdictions across the province looking out to 2046. The projections paint the picture of a province needing to accommodate a far higher level of population growth than previously anticipated.

This new set of projections paints an alternative future scenario – one in which increased immigration among other factors, drives a more rapid population increase in Kelowna. Table 33 compares the HNA's demographic and housing projections to the projections of the alternative scenario.

³ Statistics Canada, July Labour Force Survey, Kelowna CMA.

⁴ LinkedIn (2022). "Where Remote Work Is In Hot Demand". Workforce Insights Canada.

Table 33 – Alternative population and household growth projections, Kelowna, 2021-2031

	HNA Demographic Projection	Alternative Scenario	Annual Average	
			#	%
Net Population Growth (2021-2031)	31,766	41,423	9,657	23.3%
Net Household Growth (2021-2031)	13,649	20,130	6,481	32.2%
<i>Source: BC Stats, "Population Estimates & Projections for British Columbia", and "Household Estimates & Projections for British Columbia", 2023.</i>				

While only time will tell which scenario is more likely to occur, it is prudent for the HNA to consider the faster growth scenario as one possible outcome. This alternative housing need estimates is added as an upper bound of housing need in the following sections of the HNA by applying a 32.2 per cent increase evenly across the HNA's demographic household growth projections. Should this faster growth scenario be realized, it is estimated that 20,130 units would be needed by 2031, 54% more than estimated in the 2040 OCP.

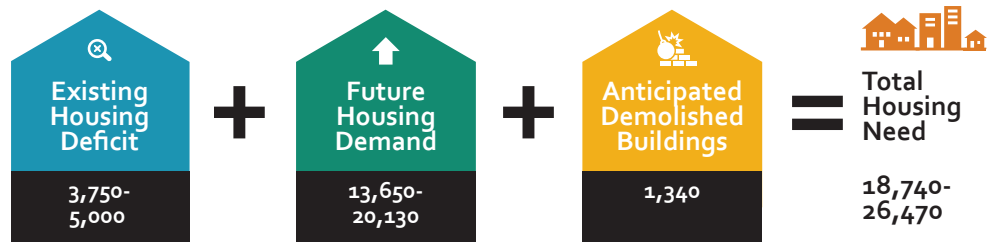


Steep competition for rentals in Kelowna makes some groups more vulnerable to discrimination, including racism and ageism. Groups identified as experiencing discrimination include seniors, people receiving income or disability assistance, students, families with children, Indigenous peoples, racialized groups, and 2SLGBTQ+ community members.

– Engagement Finding

6. TOTAL HOUSING NEED

Table 34 combines the existing housing deficit estimate from section 4.2 with the future housing need estimate provided in section 5.¹ Additionally, the anticipated number of units that will be demolished or decommissioned is also added to Table 34 to account for housing that will be lost. **Overall, the number of additional housing units needed in Kelowna by 2031 is estimated to be, at minimum, between 18,740-26,470 units in total, or 1,870-2,650 units annually. Of these, 3,750-5,000 units are needed to address the existing deficit of housing in Kelowna – this means that more housing is urgently needed in the short-term.**



The number of additional housing units needed, outlined in Table 34, refers to the need for long-term, stable housing units. Any units used as short-term rentals would need to be in addition to the number of units outlined below. Section 7 provides more detail about total housing need, including housing need by wheelhouse category.

Table 34 – Total number of housing units needed, Kelowna, 2021-2031²

Estimated Additional Units Needed 2021-2031	
Existing Deficit ³	3,750-5,000
Future Demand ⁴	13,650-20,130
Anticipated Demolished & Decommissioned Dwellings ⁵	1,340
Total	18,740-26,470
Annual Average	1,870-2,650

1 Core housing need is not included in the total housing need estimate due to the potential for double counting with the other sources of existing need outlined in Table 29. Because core housing need is not included, the number of additional housing units needed outlined in Table 31 may be an underestimate.

2 Data in Table 31 rounded for convenience.

3 See Table 29.

4 See Table 30.

5 Based on average number of demolished and decommissioned dwellings in Kelowna from 2014 – 2022.

7. MEETING HOUSING NEED

This section provides an estimate of how much housing needs to be built in total and annually to both address the existing housing deficit and the future demand for housing in Kelowna (Table 34). The figures outlined in this section are estimates to provide an understanding of the level and proportion of different types of housing that will help to address housing needs in Kelowna. Housing is a complex system that is influenced by many factors, and these figures may be over- or under-estimates and will change over time.

Section 7.1 compares overall housing need to recent development trends, and sections 7.2 to 7.6 provide an analysis for each segment of the housing wheelhouse. Values in this section are rounded for convenience.

7.1. Meeting Overall Housing Need

Overall, Kelowna is facing an existing deficit of housing, as well as an ongoing need for additional housing to keep up with growth. If Kelowna's housing supply does not meet both existing and future demand, affordability challenges are likely to persist, causing negative impacts across the housing wheelhouse, and echoing throughout our community and economy.

Figure 46 shows trends in housing units permitted in Kelowna from 2014 to 2022.¹ The dotted line and hatched bars represent the number of building permits that have been issued. Building permits are issued by the City prior to building construction, typically 1-3 years before the building is completed depending on the scale of the project. The City of Kelowna has issued increasingly more building permits each year since 2014, except for in 2020 due to impacts from the COVID-19 pandemic.² In 2019, 2021, and 2022, building permits were issued for 2,300-3,200 housing units per year. This demonstrates that, compared to total housing need outlined in Table 34, the City of Kelowna is approving residential building permits – particularly in recent years – at a rate that is adequate to meet the City's overall housing need.

While the number of building permits issued is an important metric for understanding how much housing may potentially be built in Kelowna, building permit issuance does not directly correlate with the number of new units available for residents. To better understand how many new units are becoming available, the number of occupancy permits issued is a more appropriate indicator.

¹ Excludes mobile home and carriage house approvals which, combined, result in an average additional 27 units per year.

² COVID-19 had significant impacts on the development industry in Kelowna; less building permits were issued in 2020 than in the previous 5 years. The dip in building permits issued in 2020 likely resulted in fewer units being occupied in 2022. Post COVID, building permits were issued at a high level in 2021, so the 2022 downturn in new occupancies is expected to be temporary; however, longer-term trends need to be monitored

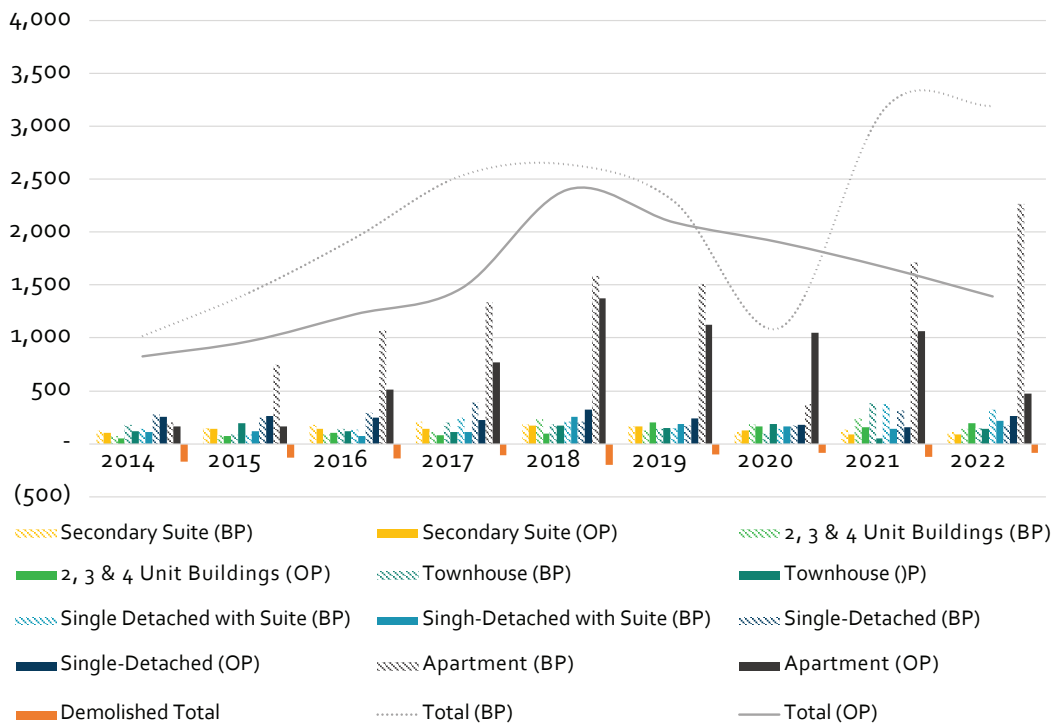
Occupancy permits are issued by the City to close a building permit after final inspection. Occupancy permits mean a dwelling unit is ready for a new resident to move into. The solid coloured bars and solid grey line in Figure 46 show the number of dwelling units that have been issued occupancy permits in Kelowna from 2014 to 2022. As mentioned, it can take several years from the time that a building permit is issued to when a unit receives an occupancy permit, particularly for large-scale multiple dwelling developments.

From 2018 to 2021, the average number of occupancy permits issued in Kelowna was approximately 1,650 annually. As per section 6, to meet the total housing need from 2021-2031, approximately 1,870-2,650 additional housing units are needed annually. Compared to the number of occupancy permits issued from 2018-2021, occupancy of an additional 220-1,000 units per year would be better aligned with total housing need. **Overall, while the City is issuing building permits at a level that is in alignment with total housing need, the number of units issued occupancy permits in recent years is inadequate to meet total housing need.**

Engagement findings supported the conclusion that additional housing needs to be delivered in Kelowna in a timely manner. Specifically, there was a recognized need amongst all groups engaged that more housing needs to be built faster, with a greater variety of housing options that are currently in short supply (i.e., ground-oriented multi-unit housing options like townhomes, house plexes).

In terms of the timing gap between building permit issuance and occupancy permit issuance, the development industry is currently facing challenges related to COVID-19 impacts, supply chain issues, labour shortages, and rising interest rates. Additionally, Kelowna is seeing the approval of larger scale, more complex multiple dwelling housing projects that can take several years to construct. There were also recent changes to development cost charges that may have encouraged applicants to apply for building permits earlier than they would have otherwise. That said, through engagement with representatives from Kelowna’s development industry and analysis of permitting trends, it is expected that almost all units issued building permits will eventually be issued occupancy permits.

Figure 46 – Number of permitted units, Kelowna, 2014 to 2022



Source: City of Kelowna. Occupancy and Demolition Permit Inventory. 2014 – 2022.

Figure 47, Figure 48, and Figure 49 outline City of Kelowna housing permitting trends, in-stream development, and anticipated housing need by wheelhouse segment. Figure 47 shows occupancy permits issued for units in Kelowna from 2018-2022. Most units issued occupancy permits during this time were ownership units. In contrast, Figure 48 shows units that have received building permits but have not yet received occupancy permits. Approximately half of these in-stream units are rental units, which is more in line with Kelowna's housing need. Figure 49 shows – based on the analysis conducted in sections 7.2 to 7.6 – an estimate of housing that would be most in alignment with current and future housing need in Kelowna. Of note, there is significant gap of subsidized rental housing in Kelowna.

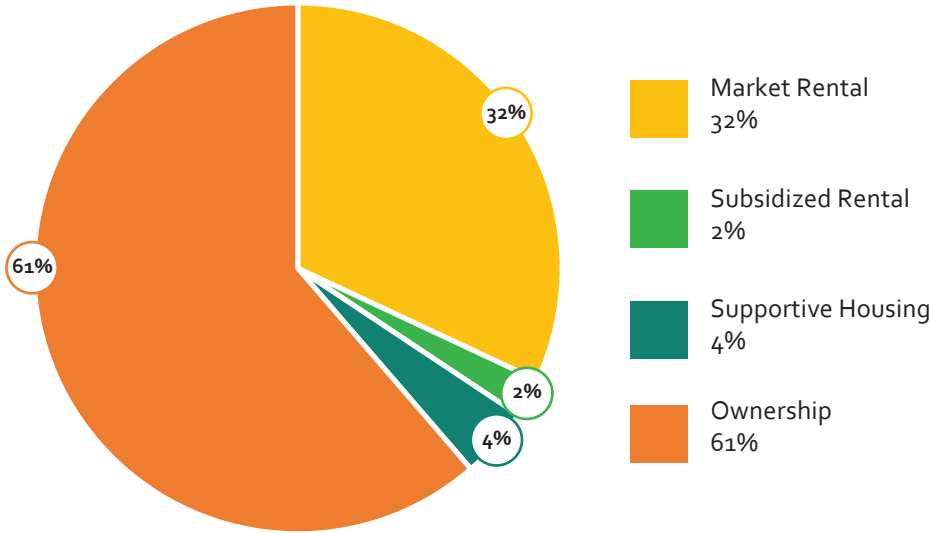


Figure 47 –
Occupancy permits
issued by housing
wheelhouse
segment, Kelowna,
2018-2022

Source: City of Kelowna Rental Housing Inventory & Occupancy and Demolition Permit Inventory.

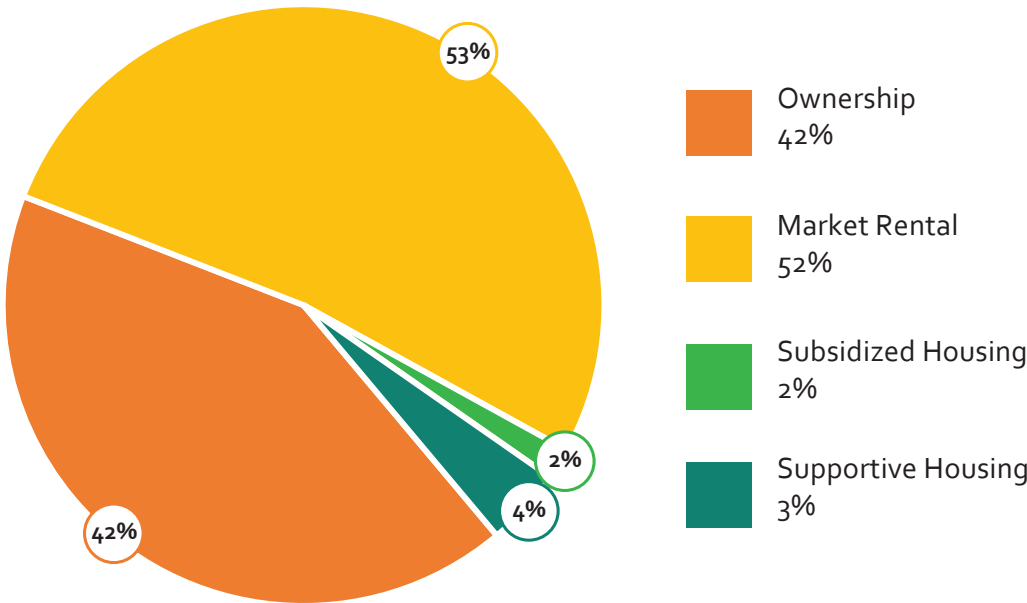
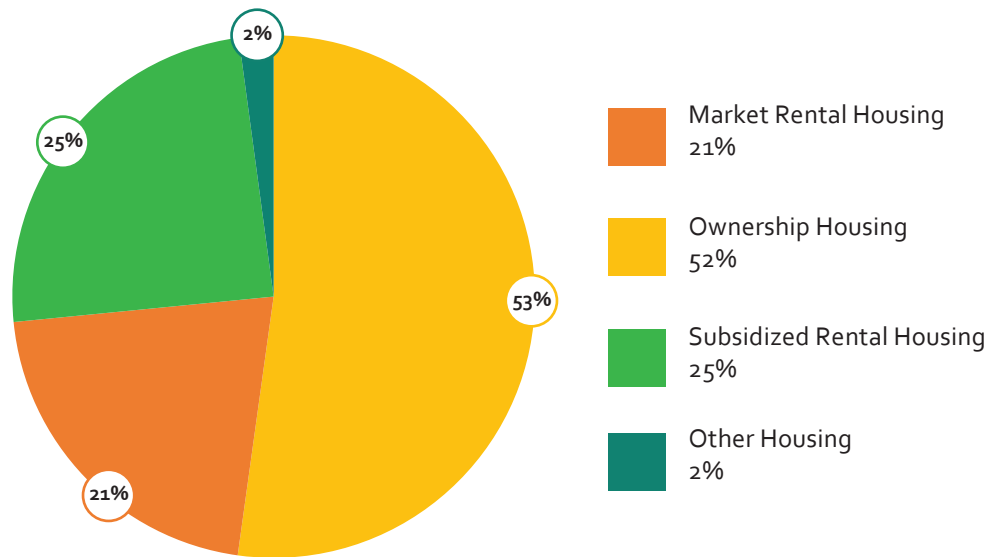


Figure 48 –
Estimated in-
stream units
by wheelhouse
segment, Kelowna,
2022

Based on estimated number of housing units that have received building permits but not occupancy permits as of December 2022. Of the in-stream market rental units, 20 per cent are secondary suites and carriage homes. Source: City of Kelowna Rental Housing Inventory & Occupancy and Demolition Permit Inventory.

**Figure 49 –
Estimated housing
need by wheelhouse
segment, Kelowna,
2021-2031**



Need for some supportive housing is captured in the "other housing" segment; however, there additional supportive housing units are likely needed in the "market rental" and "subsidized rental" categories.

7.2. Meeting the Need for Ownership Housing

This section quantifies the need for ownership housing from 2021-2031 and compares this to current levels of ownership housing being approved in Kelowna. Table 35 is a subset of the existing housing deficit estimate provided in Table 29, and includes only sources that are most likely to be met through ownership housing. Overall, a total of approximately 1,520-2,270 units of ownership housing are estimated to be needed to address the existing ownership housing deficit in Kelowna.

Table 35 – Estimate of existing deficit of ownership units, Kelowna

Source of Existing Housing Deficit	Estimated Number of Units Needed
Ownership Units Required for Balanced Market - Elasticity: 0.4 / 1.0 ³	500-1,250
Suppressed Household Formation (for those under age 55) ⁴	1,020
Total Existing Deficit of Ownership Housing	1,520-2,270

In addition to the existing ownership housing deficit outlined in Table 35, there will be ongoing demand for ownership housing as the City of Kelowna grows (Table 30). Table 36 combines the existing ownership housing deficit outlined in Table 35 with the anticipated future demand for ownership housing outlined in Table 30 to provide an overview of how much ownership housing should be delivered from 2021-2031 to meet total housing demand for ownership housing. **Overall, from 2021-2031, it is estimated that approximately 9,500-13,630 additional ownership units – 950-1,360 units annually – are needed in Kelowna (Table 36).**

³ The increase in housing quantity needed today to reduce average sales prices of apartments to the marginal cost of supply (the cost of delivering new housing stock) given an assumption of 0.4 or 1.0 price elasticity.

⁴ Assumes 47% of suppressed households are ownership households, and, of these, average and above average income households can afford ownership housing.

Table 36 – Estimate of additional ownership housing units needed, Kelowna, 2021-2031

Source	Estimated Number of Units Needed
Existing Deficit Ownership Housing	1,520-2,270
Future Demand Ownership Housing	7,110-10,490
Anticipated Demolished & Decommissioned Dwellings ⁵	870
Total	9,500-13,630
Annual Average	950-1,360

In terms of the level of ownership housing being delivered in Kelowna, from 2018-2022, an estimated average of 1,160 ownership units received occupancy permits annually (Table 37). Compared to the estimated need for ownership units outlined in Table 36, the number of ownership units that received occupancy from 2018-2022 is in alignment with the estimated ownership housing needed from 2021-2031.

Table 37 – Ownership units issued occupancy permits, Kelowna, 2018-2022

	2018	2019	2020	2021	2022
Number of Ownership Units ⁶	1,787	1,703	611	757	945

Source: City of Kelowna Rental Housing Inventory & Occupancy and Demolition Permit Inventory.

There are approximately 2,500 additional units of ownership housing that have been issued building permits and can expect to be occupied over the next 1-3 years.⁷ Furthermore, there are many additional ownership housing development proposals in review.

While the City of Kelowna appears to be on-track with the level of ownership housing being delivered, it may not be in alignment with local incomes. As per section 5, approximately 31 per cent of future demand for ownership housing will be for lower income residents earning up to 80 per cent of Kelowna's median income, and a further 69 per cent will be for residents earning 80 per cent of Kelowna's median income or more. Continuing to build ownership housing that is more attainable for people with various incomes will help the housing system overall. Specifically, if more attainable ownership housing – such as apartment and missing middle housing – is continuously delivered, it may allow more residents to access homeownership and help to alleviate pressure on the market rental segment of the wheelhouse.

As per section 3.6, since 2018, most home sales in Kelowna have been for multiple dwelling housing, indicating ongoing demand for smaller, more attainable ownership units (Figure 28). Additionally, based on Figure 26, new single dwelling housing is largely out of reach for most Kelowna residents, and therefore it is unlikely that the development of single dwelling housing will address the needs of most households looking to access homeownership. That said, the development of additional single dwelling housing in conjunction with additional forms of housing can help to broaden options in Kelowna's housing system and enable filtering to occur more readily.

In addition to aligning new ownership housing with local incomes, it is important to consider household composition. As per section 3.6, approximately 70 per cent of future demand for ownership housing will be to meet the needs of smaller one and two person households. A further 20 per of future demand for ownership housing will be to meet the needs of larger four-plus person households. The expected future household size composition is in alignment with additional development of smaller multiple dwelling housing units, but also highlights the need to build ownership housing that is attainable for larger families.

⁵ Assumes 65% of homes demolished would be owner households based on 2021 renter/owner split in Kelowna.

⁶ Total number of residential units issued occupancy minus purpose built rental units, secondary suites, carriage homes, subsidized rental units, and supportive housing units.

⁷ Source: City of Kelowna Rental Housing Inventory & Occupancy and Demolition Permit Inventory.

7.3. Meeting the Need for Market Rental Housing

This section quantifies the need for market rental housing from 2021-2031 and compares this to current levels of market rental housing being approved in Kelowna. Table 38 is a subset of the existing housing deficit estimate provided in Table 29, and includes only sources that are most likely to be met through market rental housing. Overall, a total of approximately 980-1,200 of market rental housing are estimated to be needed to address the existing market rental housing deficit in Kelowna.

Table 38 – Estimate of existing deficit of market rental units, Kelowna

Source of Need	Estimated Number of Units Needed
Rental Units Required for Balanced Market (Oct 2022) – Vacancy Rate: 3% / 4% ⁸	470-690
Suppressed Household Formation (for those under age 55) ⁹	510
Total Existing Deficit of Market Rental Housing	980-1,200

In addition to the existing deficit of market rental housing outlined in Table 38, there will be ongoing demand for market rental housing in the future as the City of Kelowna grows (Table 30). Table 39 combines the existing market rental housing deficit outlined in Table 38 with the anticipated future demand for market rental housing outlined in Table 30 to provide an overview of how much market rental housing should be delivered from 2021-2031 to meet total demand for market rental housing. **Overall, from 2021-2031, it is estimated that a total of 4,360-6,000 additional market rental units – 440-600 units annually – is needed (Table 39).**

Table 39 – Estimate of additional market rental housing units needed, Kelowna, 2021-2031

Source	Estimated Number of Units Needed
Existing Deficit Market Rental	980-1,200
Future Demand Market Rental ¹⁰	2,910-4,290
Anticipated Demolished & Decommissioned Dwellings ¹¹	470
Total	4,360-6,000
Annual Average	440-600

In terms of the level of rental housing being delivered in Kelowna, from 2018-2022, an average of approximately 580 market rental units received occupancy permits annually (Table 40). This includes purpose-built rental units and secondary suites. Compared to the estimated need for market rental units outlined in Table 39, the number of market rental units that received occupancy from 2018-2022 is in alignment with the estimated rental market housing needed from 2021-2031.

⁸ Assumes all units required for a balanced rental market would be met through purpose-built market rental housing.

⁹ Assumes 52% of suppressed households are renter households, and, of these, average and above average income households can afford market rental housing.

¹⁰ Assume future renter households with average and above average incomes will be able to afford market rental housing. Based on June 2023 Kelowna rental rates.

¹¹ Assume 35% of homes demolished would be owner households based on 2021 renter/owner split in Kelowna.

Table 40 – Market rental units issued occupancy permits, Kelowna, 2018-2022

	2018	2019	2020	2021	2022
Purpose-built Market Rental Units Issued Occupancy Permit	251	101	752	472	225
Secondary Suites & Carriage Homes ¹²	315	285	235	170	214
Total	566	386	987	642	439

There is currently a significant amount of rental housing in various stages of the development application process. As per Table 41, there are 3,569 purpose-built market rental units that have been issued building permits, and an additional 2,469 units of purpose-built market rental units in review, for a total of 6,038 in-stream purpose-built market rental units.¹³ If all these units received occupancy permits over the next five years, it would result in an average of approximately 1,200 new purpose-built market rental units annually.

Delivering 1,200 units of purpose-built market rental housing units annually would provide a historic amount of market rental housing at levels beyond the total need for market rental housing outlined in Table 39. Exceeding the estimated minimum need for market rental housing outlined in Table 39 could further increase balance in the market and allow for a broader diversity of price points to be established within the existing stock. In other words, building a significant amount of market rental units may result in rents that vary more based on a rental property's location, age, quality, size, or other characteristics.

Table 41 – Purpose-built market rental units in development application process, Kelowna, 2023

	As of March 2023
Rental Units Issued Building Permit	3,569
Rental Units in Approval Process (in review)	2,469

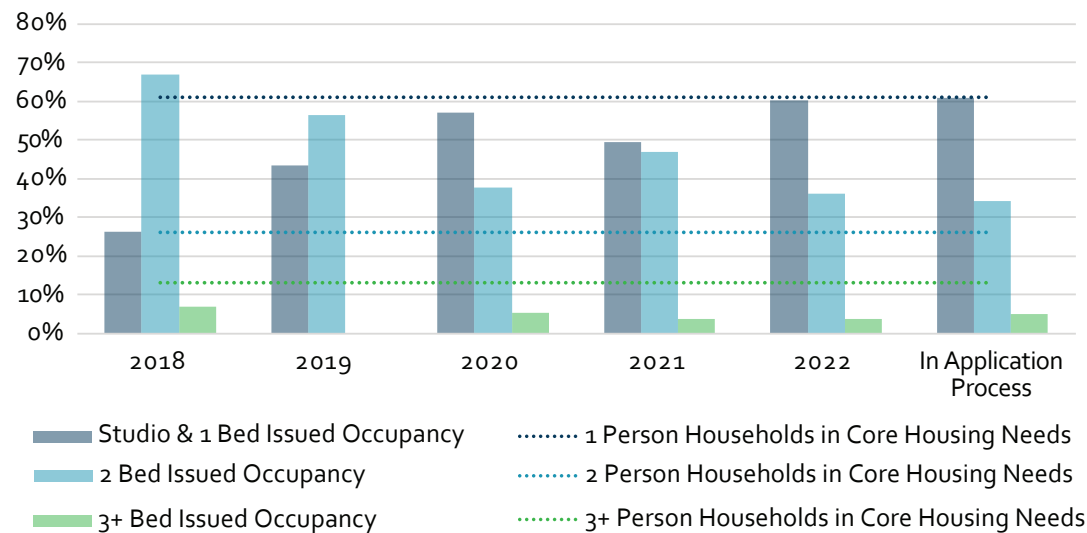
Source: City of Kelowna Rental Housing Inventory. Includes purpose built market rental housing.

Figure 50 compares the projected demand for rental housing by size with the size of rental units being approved in Kelowna. From 2021-2031, renter households are projected to consist of 41 per cent one person households, 34 per cent two person households, and 25 percent three plus person households. In comparison, approximately 60 per cent of rental units approved in 2022 and currently in the application process are studio and one-bedroom units. Less than 10 per cent of rental units approved in recent years have been three plus bedroom units; the approval of more three plus bedroom rental units would be in better alignment with housing need in Kelowna. The lack of family-sized housing was identified as a gap through engagement.

¹² Assumes all secondary suites and carriage homes are used for long-term rental housing; this is likely an overestimate.

¹³ Additional market rental units in the form of secondary suites, carriage homes, and other secondary rentals may also be under development and may contribute significantly to Kelowna's overall market rental stock.

Figure 50 – Purpose-built market rental units issued occupancy permits by unit size compared to projected renter households by unit size, Kelowna



Occupancy permit data from 2018-2022, source: City of Kelowna Rental Housing Inventory. Projected household size of renter households from 2021-2023, source: rennie intelligence.

Based on the analysis provided in section 5, 45 per cent of future renters will be in the average and above average income quintiles, and these renters should be able to access market rental housing (Table 32). Specifically, 23 per cent of future renters are anticipated to be in the average income quintile – these households could afford monthly housing costs of up to \$2,500. A further 21 per cent of future renters are anticipated to be in the above average income quintile and could afford monthly housing costs over \$2,500. Ongoing monitoring of market rental rates and renter incomes is required to understand if the delivery of market rental units is in alignment with renter incomes – larger, average incomes households may face challenges in accessing rental housing that is affordable and meets their needs.

Overall, demand for rental housing is expected to continue to grow in Kelowna, particularly if homeownership remains unaffordable. The City is, however, approving high levels of rental housing, which should help meet some of the need for rental housing. That said, to fully address housing needs, rental housing needs to be affordable and accessible to those who need it. Many renters in Kelowna would not be able to afford market rents if they had to find a new place to rent – the needs of these households may be better met by subsidized rental housing, as explored in section 7.4.

7.4. Meeting the Need for Subsidized Rental Housing

This section quantifies the need for subsidized rental housing from 2021-2031 and compares this to current levels of subsidized rental housing being approved in Kelowna. Table 42 is a subset of the existing housing deficit estimate provided in Table 29, and includes only sources that are most likely to be met through subsidized rental housing. Overall, approximately 900-1,080 units of subsidized rental housing are estimated to be needed to address the existing subsidized rental housing deficit in Kelowna.

Table 42 – Estimate existing housing need for subsidized rental housing, Kelowna

Source of Need	Estimated Number of Units Needed
Hidden Homelessness (+75% / +125% undercount of average daily Journey Home count) ¹⁴	270-450
Suppressed Household Formation (for those under age 55) ¹⁵	630
Total Existing Deficit of Subsidized Rental Housing	900-1,080

In addition to the existing deficit of subsidized rental housing outlined in Table 42, there will be ongoing demand for subsidized rental housing as the City of Kelowna grows (Table 30). Table 43 combines the existing subsidized rental housing deficit outlined in Table 42 with the anticipated future demand for subsidized rental housing to provide an overview of how much subsidized rental housing should be delivered from 2021-2031 to meet total demand for subsidized rental housing.

Overall, from 2021-2031, it is estimated that 4,530-6,430 subsidized rental units – 450-640 units annually – are needed (Table 43). Of note, the need for subsidized rental housing does not necessarily need to be met with new housing; rather, this is the estimated amount of rental housing that is needed for people for whom market rental rates are inaccessible. The need for subsidized rental housing could, for example, be met through rent subsidies if there is sufficient market rental stock. There is large variability within this group in terms of how deeply rental housing would need to be subsidized to meet their needs.

Table 43 – Estimate of additional subsidized rental housing units needed, Kelowna, 2021-2031

Source	Estimated Number of Units Needed
Existing Deficit Subsidized Rental	900-1,080
Future Demand Subsidized Rental ¹⁶	3,630-6,430
Total	4,530-6,430
Annual Average	450-640

Table 44 summarizes the number of subsidized rental housing units that received occupancy permits from 2018-2022. During this period, an average of approximately 45 subsidized rental units received occupancy permits annually, with no new subsidized rental units being delivered in three of the last five years. Compared to the estimated need for subsidized rental units outlined in Table 43, the number of subsidized rental units that received occupancy from 2018-2022 is insufficient to meet existing demand.

Table 44 – Subsidized rental units issued occupancy permit, Kelowna, 2018-2022

	2018	2019	2020	2021	2022
Subsidized Rental Units Issued Occupancy Permit	0	0	148	76	0

Source: City of Kelowna Rental Housing Inventory.

¹⁴ Assumes needs of those experiencing hidden homelessness would best be served by subsidized rental housing. This is a generalization for estimation purposes only. There may be overlap with need for other types of housing, including supportive housing, for those experiencing hidden homelessness.

¹⁵ Assumes 52% of suppressed households are renter households, and, of these, the needs of very low, low, and moderate income renter households would be best served by subsidized rental housing. Additionally, assume that the needs of very low, low, and moderate suppressed ownership households would be best served by subsidized rental housing.

¹⁶ Assume that the needs of future renter households with very low, low, and moderate incomes be best met by subsidized rental housing. Based on June 2023 Kelowna rental rates.

As per Table 45, there are 181 subsidized rental units that have been issued building permits, and an additional 382 units of subsidized rental housing in review, for a total of 563 in-stream rental units. If all these units received occupancy permits over the next five years, it would result in an average of 113 new subsidized rental units per year. This level of development of subsidized rental housing is not adequate to meet the existing demand or future demand for subsidized rental housing.

Table 45 – Subsidized units in development application process, Kelowna, 2023

	As of March 2023
Subsidized Rental Units Issued Building Permit	181
Subsidized Rental Units in Approval Process (in review)	382

Source: City of Kelowna Rental Housing Inventory.

Table 46 compares core housing need by household size for very low, low, and moderate income households with the size of subsidized rental units that are currently in the development application process. The size of units of subsidized rental housing in-stream are reasonably in alignment with households in core housing need by size.

Table 46 – Demand for subsidized rental units compared to in-stream units by size, Kelowna

Household Size	Unit Size	% in Core Housing Need ¹⁷	% of In-Stream Units ¹⁸
1 Person Households	1-bed	61%	54%
2 Person Households	2-bed	26%	28%
3+ Person Households	3+ bed	12%	18%

Source: City of Kelowna Rental Housing Inventory.

Rental housing – both market rental and subsidized rental – suitable for specific priority groups will be needed on an ongoing basis in Kelowna. Through the quantitative and qualitative analysis conducted as part of this HNA, several priority groups with specific housing needs were identified including:

- One person households
- Indigenous-led households
- Women-led households
- Female lone parent households
- Senior renters
- Temporary foreign workers
- Students
- Newcomers and refugees
- People with disabilities
- Members of the 2SLGBTQ+ community
- People with low or fixed incomes, such as people receiving income or disability assistance

Affordability is a key housing challenge for all these groups, and they may also have additional needs related to factors such as house size, access to community amenities, cultural appropriateness, and accessibility considerations. Through engagement, discrimination – including racism and ageism –

¹⁷ Per cent of very low and low income renters in core housing need by household size (Table 26)

¹⁸ Subsidized rental units in development application process

and a lack of pet friendly rental units were also noted as barriers for priority groups trying to access rental housing. Of note, there is intersection between these groups, and needs may be overlapping.

For example, rental housing for students is a known deficit in Kelowna. Students need housing that is affordable, in proximity to post secondary institutions and other amenities, and available during the school year. Of note, UBC Okanagan added 220 on-campus student housing units in both 2020 and 2021 and plans to add another 500 units over the next 4 to 8 years. Okanagan College is also currently building on-campus housing. Rental housing for older seniors has also been identified as an area of housing need. Affordability is a key concern for this priority group, particularly for seniors on fixed incomes. Additionally, accessibility considerations may also play a role in providing housing that is suitable for older seniors.

To further improve Kelowna's housing stock, additional market and subsidized rental housing that is oriented specifically towards the needs of these priority groups should be delivered. Broader systems change to address discrimination based on tenant identity is also required.

7.4.1. Public & Non-Profit Lands Assessment

The gap described above between the need for subsidized housing and the current trajectory for meeting that need is substantial. The challenges involved in bridging that gap should not be underestimated and will require collaboration and new ideas across the housing sector. One of the key barriers to the creation of more subsidized housing is land availability. Non-profits seeking to develop subsidized housing are often lacking land and the capacity to acquire and hold it for new developments.

While acquiring new land is an important effort, it is very costly and will take time. To this end, a Land Assessment was undertaken as part of the HNA (See Appendix 9.3). The assessment included an analysis of land in the city that could be suitable for affordable housing, including lands owned by:

- Government of Canada
- Province of British Columbia
- BC Housing
- Interior Health
- Regional District of Central Okanagan
- City of Kelowna
- Non-profits

The analysis also contained an estimate of how many units could be constructed on properties identified as suitable for affordable housing. The results were as follows:

- A total of approximately 20 hectares of land owned by public or non-profit associations that could be suitable for providing affordable housing; and,
- There is development potential to provide approximately 3,000-4,000 units of affordable housing on the publicly / non-profit owned land identified in this assessment.

These estimates are only initial, high-level estimates based on broad assumptions. Much greater analysis would be required on a site-by-site basis for more accurate results. Nevertheless, **these estimates suggest that if the current inventory of public and non-profit lands suitable for affordable housing were unlocked, a large majority of the current and future need for subsidized housing could be addressed.** Opening these lands to subsidized housing development will not be easy. It will require creative thinking, deep collaboration, and new partnerships to move projects forward.

7.5. Meeting the Need for Supportive Housing

Sections 7.1 to 7.4 estimate that most of the total housing need in Kelowna would be best met by ownership housing, market rental housing, and subsidized rental housing. There are an additional 360-450 units of housing in the existing housing deficit that were not accounted for in sections 7.1 to 7.4, and this housing need is allocated to people who are experiencing homelessness in Kelowna. For the purposes of providing an overall picture of the proportions of different types of housing that are needed in Kelowna, additional housing units are referred to as “Other Housing” in Figure 49.

It is an over generalization to assume that all people experiencing homelessness in Kelowna need supportive housing – many people experiencing homelessness may simply need more affordable rental housing. This is confirmed by recent research by the Central Okanagan Journey Home Society (COJHS) and described in more detail under Housing Addresses Homelessness. That said supportive housing is needed by some people experiencing homelessness, and likely needed by other community members such as those experiencing hidden homelessness. The need for supportive housing, particularly for seniors, may overlap with other wheelhouse categories, particularly market rental housing and subsidized rental housing. It is largely assumed the number of people in our community who need supportive housing far exceeds the number of units that exist.

As part of the Central Okanagan Journey Home Society’s (COJHS) mid-term review, COJHS, with support from Urban Matters CCC, prepared a report called *Projecting Demand for Supportive Housing in Kelowna*.¹⁹ This technical analysis provides an alternative estimated need for supportive housing in Kelowna to 2026. *Projecting Demand for Supportive Housing in Kelowna* evaluated the number of people experiencing homelessness in Kelowna and the level of need for supportive housing based on the duration and frequency of homelessness. Overall, this analysis found a growing need for supportive housing with 280-516 additional supportive housing units estimated to be needed by 2026.²⁰ This is a conservative estimate; the need for supportive housing is likely greater.

The number of supportive housing units in Kelowna increased by approximately 230 units from 2018-2022. However, few supportive housing projects are in-stream: there is currently a 34-unit project in stream that will offer both emergency shelter housing and supportive housing for women and children, and an additional project that will provide approximately 150 units of assisted living for seniors. **Overall, based on analysis conducted by this HNA and COJHS, current delivery of supportive housing is inadequate. Conservatively, this HNA estimates that 50 – 150 additional supportive housing units should be delivered annually to better align with community housing need.** Engagement conducted as part of this HNA also highlighted that supportive housing needs to be tailored to residents’ individual needs, rather than a “one-size-fits-all” approach.

Overall, if inadequate levels of supportive housing are delivered in Kelowna annually, it will result in a higher need for supportive housing in the future. People experiencing homelessness due to affordability challenges are more likely to need supportive housing – rather than simply housing that is more affordable – the longer that they experience homelessness. Additionally, the longer that people who need supportive housing are unable to access the supports they need, the more complex their needs become.

¹⁹ Urban Matters CCC. (2022). [Projecting Demand for Supportive Housing in Kelowna](#).

²⁰ 280 units based on an assumption that supportive housing units would be built from 2021-2026 at the same frequency that they were built at from 2018-2021. 516 units based on the assumption that no new supportive housing units would be delivered from 2021-2016.

7.6. Meeting the Need for Emergency Shelter Housing

The intention of this Housing Needs Assessment is to provide an understanding of the level and types of housing needed in Kelowna to provide all current and future community members with access to adequate housing, without having to rely on emergency shelter housing beyond occasional, short-term stays. That said, as outlined in sections 7 to 7.6, addressing both the existing housing deficit and the future demand for housing will require extensive housing development, particularly in the short term.

Adding further complexity, the types of housing that are most likely to meet the needs of those currently sheltering outdoors or relying on emergency shelter housing – subsidized rental housing and supportive housing – are typically the most difficult types of housing to deliver because they require government support and intervention. Housing also takes years to build, meaning that even if a significant amount of subsidized rental housing and supportive housing was approved today, it would be unlikely to relieve pressure on emergency shelter housing in the short-term. As noted in section 3.10, the current level of emergency shelter housing available in Kelowna is not adequate to address the number of people experiencing homelessness (see the “Housing Addresses Homelessness” call out box in section 3.10).

Realistically, the demand for emergency shelter housing is likely to be ongoing and may increase in the short-term until more subsidized rental and supportive housing units become available. It is necessary to balance the immediate need for emergency shelter housing with building enough subsidized and supportive housing so that, in the future, residents do not need to depend on emergency shelter housing and can instead move into more stable forms of housing.



Although there have been recent investments in the number of supportive housing units available in Kelowna, there is a need for a greater variety of supportive housing options to meet the diversity of support needs. Non-profits and people with lived experience identified a need to expand the supportive housing model to better meet people’s unique and individual support needs

– Engagement Findings



8. NEXT STEPS & CONCLUSION

Understanding the state of the housing system in our community is the first step in an ongoing journey to meet the housing needs of our residents today and tomorrow. Some parts of this journey will simply require building on the progress we have already been making. At other times, we will be pushed beyond our comfort zone, confronting major challenges that will require new thinking. The strong quantitative and qualitative data from the HNA will ground us throughout.

8.1. Next Steps

Housing Targets

Setting targets is a vital part of achieving any goal. Without targets, it becomes practically impossible to establish appropriate programs, policies and actions to achieve a goal. Traditionally, however, HNAs have stopped short of setting targets. This hesitation has come from a fundamental understanding that housing **need** may exceed the **capacity** of the housing system (government, private sector, non-profit) to achieve.

However, this approach is based on the premise that it is acceptable not to meet housing need. While sector and system capacity are significant considerations, this HNA takes a bolder approach to setting targets, acknowledging that achieving some targets may require ambitious efforts and major changes to existing systems. Avoiding these difficult challenges ignores the very real human and economic costs of the housing crisis.

While this HNA does not shy away from setting ambitious targets, it also recognizes that there are practical reasons not to set specific targets for every aspect of housing need. In some cases, the housing system is too complex to establish a defined target. Instead, this HNA sets Housing System Targets to provide guidance on the direction and magnitude of housing needs. Going forward, specific programs, policies, and actions will respond to this direction and to set targets at the program level.

The Housing System Targets are outlined in Table 47 and represent the minimum amount of housing required to meet current and future community housing needs to 2031. The targets are broken down annually to encourage regular tracking and reporting. The targets are based on average need, so some years may deliver more housing than the target, while other years underachieve. Targets will be monitored regularly and revised every five years in accordance with legislative requirements. More detailed targets generated by specific housing programs will be developed as part of the update to the Housing Strategy.

Table 47 – Housing System Targets

Housing System Targets		
Housing Need	Annual Target	Total Need (2021-2031)
Total Units	1,870-2,650	18,740-26,470
Ownership Units	950-1,360	9,500-13,630
Market Rental Units	440-600	4,360-6,000
Vacancy Rate (%)	3-5	n/a
Subsidized Rental Units	450-640	4,530-6,430
Supportive Housing Units	50-150	500-1500

Housing As a Shared Responsibility

The above Housing Need Targets are important and achievable; but, they are not the singular responsibility of any one part of the housing system. Every level of government, the non-profit housing sector, the development industry, and home builders all have important roles to play.

- **Federal government** – mortgage insurance, construction financing for rental and subsidized housing, interest rates, other housing funding initiatives through CMHC
- **Provincial government** – operating funding for subsidized housing, supportive housing and emergency shelters through BC Housing, rent supplements, rent bank funding, major infrastructure funding, housing legislative framework
- **Local Government** – land use planning and regulation, building permitting, development fees and charges, local infrastructure, grants and incentives
- **Non-profits** – subsidized and supportive housing planning, operations, and management
- **Development industry and home builders** – development and management of market housing (ownership and rental), housing construction

Monitoring and Reporting

For targets to be of any value, they must be accompanied by a strong monitoring and reporting program. This is particularly true in the housing system, where complex systems can shift direction quickly and frequently. The City requires access to a reliable, detailed information about housing in the community across the Wheelhouse to understand whether our targets are being met, and whether policy and regulatory adjustments may be needed.

Currently, housing data is compiled from a disparate and diverse set of sources, with data often being incomplete or insufficient. Considerable work remains to be done to establish this cohesive, reliable, and responsive data system to support housing actions.

However, this is the kind of system that will be required moving forward. In 2022, the province introduced the Housing Supply Act with the aim of working with designated local governments to establish mandatory housing targets. At this time, the City has not yet been selected for mandatory targets; however, Kelowna has been identified as one of 47 specified communities that may be required to establish mandatory housing targets soon.

For communities with mandated housing targets, the province has established annual reporting requirements with a high level of detail expected. This HNA aims to establish a monitoring and reporting system that would – at a minimum – meet provincial standards. This will require renewed investment in data systems, tracking and partnerships across the Wheelhouse

Housing Strategy

The HNA is intended to set the stage for action: it provides information and targets about the housing needed in the community, but it is up to a housing strategy to outline the programs, policies and actions that will be taken to address that need and meet those targets.

The City developed the Healthy Housing Strategy in 2018 as a 5-year action plan. A review and renewal of the strategy are now required and is scheduled to follow in the footsteps of this HNA. As with the previous strategy, the renewed housing strategy will be an action-oriented 5-year plan. This time, however, the strategy will have the benefit of clear targets established in the HNA.

Housing Accelerator Fund

Following the introduction of the National Housing Strategy in 2019, the federal government has begun to take a more active role in the housing system. The Housing Accelerator Fund (HAF) is one of the signature programs established at the federal level in support of their housing objectives. The HAF recognizes that local governments play an important role in the housing system and that increasing the supply of housing will require meaningful systems change at a local level. Announced in the 2022 federal budget, the HAF will provide \$4 billion of support for local governments across the country "...to remove barriers and support the development of affordable, inclusive, equitable and climate-resilient communities".¹

The City has applied for the HAF and a determination on success of the application is expected in the Summer of 2023. Should the City be successful in receiving funding, initiatives undertaken with HAF funding will require urgent attention and resourcing. These initiatives will have a strong influence on the Housing Strategy.

Other Provincial Changes

In 2023, the province released the Homes for People action plan. The plan is built on four pillars:

- Unlocking more homes, faster
- Delivering better, more affordable homes
- Supporting those with the greatest housing need
- Creating a housing market for people, not speculators

Several actions under these pillars are likely to have local implications, either through impacts on the housing market, or through the direct need to collaborate with the City. Further information will be brought forward about these local impacts as details emerge about the proposed actions. These provincial actions may also impact the development and direction of a renewed housing strategy.

¹ CMHC. [Housing Accelerator Fund: Large/Urban Stream](#).

8.2. Conclusion

Access to affordable, adequate, and safe housing is a pillar of a healthy community. The impacts of a housing system that is failing are profound; they reverberate from individual households and across our community, incurring much broader social and economic costs.

Understanding the housing system, however, is a major undertaking. The housing system is complex and interconnected. A bottleneck in one area of the wheelhouse has ripple effects through all the other wheelhouse segments. For example, the shortage of subsidized rental housing increases the prevalence and risk of homelessness. In-turn, this may increase demand for supportive housing and emergency shelter housing (see the “Housing Addresses Homelessness” call out box in section 3.10). Similarly, increasing home sales prices push homeownership out of reach and residents are therefore renting for longer, causing market rental rates to rise.

Adding to this complexity, the housing system involves every level of government, the development and home building industries, and the non-profit sector. The system is also subject to near constant pressure from a myriad of local, provincial, national and international influences. All of this makes taking action difficult.

This HNA uses the most up-to-date data and analysis methods to provide a comprehensive, innovative and rigorous analysis of Kelowna’s housing system to 2031. The HNA contains detailed information on the full range of housing topics to help inform future policies, strategies, and actions.

The purpose of the HNA’s analysis is not to provide indisputable predictions; the housing system is far too complex for that. Rather, the detailed analysis contained in the HNA aims to highlight areas where greater focus should be applied. These key findings are outlined below.

1. Low income renters and priority groups are disproportionately affected by challenges across the Housing Wheelhouse; housing affordability and availability are key drivers of homelessness
2. Kelowna’s population has grown faster than expected, placing further pressure on housing affordability; this trend is likely to continue
3. Kelowna’s existing housing deficit is 3,750 – 5,000 homes; these are homes that are needed for existing residents even before future growth is considered
4. An additional 13,650-20,130 homes are needed to meet future housing demand by 2031; about 50 per cent more than expected
5. We have demonstrated that the City can approve housing quickly enough to meet community need; however, the pace of housing construction needs to increase
6. Kelowna has a major shortage of subsidized rental housing; we need a tenfold increase in the delivery of subsidized rental housing annually, requiring unprecedented collaboration and partnership
7. Approximately two thirds of subsidized housing that is needed could be accommodated on existing public and non-profit lands
8. Additional supportive housing is needed, and emergency shelter housing will be necessary at least in the short-term
9. A historic amount of market rental housing has been built since 2016, with more on the way; we need to keep up the pace considering nearly half of new households will be renters
10. Overall ownership housing construction is on-track; further action is required to increase the diversity of housing types and price points

These Key Findings are important starting points to help inform where the City and its partners throughout the housing system will focus their efforts and deploy resources over the coming years.

It is also important to understand to what extent those efforts are resulting in positive progress. Here, this HNA steps beyond its usual scope to deliver clear Housing System Targets – minimum ranges of homes required to meet the needs of Kelowna residents to 2031. These targets will form the foundation of a monitoring and reporting framework that will aim to be as dynamic and responsive as the housing system itself. This monitoring and reporting system will equip the City and its partners with the tools needed to evaluate the impacts of housing policies and actions to determine whether further changes are needed.

Final Reflections

The findings of this HNA paint a picture of a community facing extraordinary housing challenges. The impacts of these challenges are clear all around us: in the anxiety facing renters struggling to pay rent, in the growing number of unhoused members of our community, and in the businesses and institutions unable to recruit the talent they need to grow. In recent years, the challenge has grown to the point where some see the situation as hopeless. However, the HNA sets ambitious and achievable targets that, while they may not change the picture overnight, set Kelowna on a path towards a healthier and more balanced housing system. Tackling these challenges and achieving these targets will require bold – and at times unprecedented - action, along with innovative approaches, deep collaboration and new partnerships.

The conditions are ripe for these kinds of actions. There is a growing recognition of the urgency of the situation at every level of the housing system, and new actions are being announced regularly. In many ways, there has never been a better time for action on housing than now. The upcoming Housing Strategy provides the ideal framework to capitalize on this window of opportunity.





9. APPENDICES

9.1. Glossary

Adequate housing

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

Affordable housing

- Housing is considered to be affordable when housing costs less than 30% of before-tax household income.

Apartment in a building that has fewer than five storeys

- A dwelling unit attached to other dwelling units, commercial units, or other non-residential space in a building that has fewer than five storeys.

Apartment in a building that has five or more storeys

- A dwelling unit in a high-rise apartment building which has five or more storeys. Includes apartments in a building that has five or more storeys where the first floor and/or second floor are commercial establishments.

Apartment or flat in a duplex

- One of two dwellings located one above the other.

Core Area

- The Core Area of Kelowna includes neighbourhoods that are adjacent to and connecting the five Urban Centres within the central part of the City. The Core Area will provide a wide variety of housing forms, focusing primarily on ground-oriented housing, such as smaller homes, house-plexes and row housing, along with low rise apartments along key corridors.

Core housing need

- A household is considered to be in core housing need if it meets two criteria:
 - A household is below one or more of the adequacy, suitability and affordability standards.
 - The household would have to spend 30% or more of its before-tax household income to access local housing that meets all three standards.

Emergency shelter housing

- Emergency shelter housing is typically provided by non-profit organizations and offers temporary shelter along with food, and other supportive services. This form of housing is part of safety net housing and is not intended to provide long-term shelter.

Equity

- Equity is the fair distribution of opportunities, power, and resources to meet the needs of all people, regardless of age, ability, gender, culture or background. To foster equity, local governments should redistribute the resources to those who need it most in order to reduce inequities.

Equity-seeking groups

- Equity-seeking groups are those that experience barriers to equal access, opportunities and resources due to disadvantage and discrimination and actively seek social justice and reparation. This marginalization could be created by attitudinal, historic, social and environmental barriers based on age, ethnicity, ability, economic status, gender, nationality, race, sexual orientation and transgender status, etc. Individuals can experience intersectional marginalization by identifying with more than one equity seeking group.

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. The dwelling may be either a collective dwelling or a private dwelling. The household may consist of a family group such as a census family, of two or more families sharing a dwelling, of a group of unrelated persons or of a person living alone. Household members who are temporarily absent on reference day are considered part of their usual household. (Statistics Canada).

Market rental housing

- Market rental housing is rental housing that does not offer subsidies or supports to residents. Primary market rental housing consists of purpose-built rental units – these are typically buildings with five or more units constructed for the purpose of long-term rental tenure, usually in apartments or townhouses. Secondary market rental housing consists of units that are rented by individual private owners – this includes many forms of housing such as apartments, townhouses, secondary suites, carriage homes, and single detached homes.

Mobile home

- 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 such as blocks, posts or a prepared pad and may be covered by a skirt.
- A mobile home must meet the following two conditions:
 - It is designed and constructed to be transported on its base frame (or chassis) in one piece.
 - The dwelling can be moved on short notice. This dwelling can be easily relocated to a new location, because of the nature of its construction, by disconnecting it from services, attaching it to a standard wheel assembly and moving it without resorting to a significant renovations and reconstructions.

Other single-attached house

- A dwelling unit attached to other dwelling units, commercial units, or other non-residential space in a building that has fewer than five storeys.

Ownership housing

- Ownership housing is any form of housing that is privately owned. Home ownership can be fee simple, strata ownership, or shared equity such as mobile home parks and cooperatives.

Primary rental housing

- See “market rental housing”.

Priority group

- Persons belonging, or perceived to belong, to groups that are in a disadvantaged position or marginalised are often referred to as vulnerable groups or equity-seeking groups. In the case of the National Housing Strategy, priority groups are currently defined to include survivors (especially women and their children fleeing domestic violence); seniors; Indigenous peoples; people with disabilities; people dealing with mental health and addiction issues; veterans; 2SLGBTQIA+; racialized groups; recent immigrants (including refugees); and people experiencing homelessness. People often live with multiple experiences of marginalization and thus an intersectional lens should be applied in discussion of each of these vulnerable groups.

Private dwelling

- 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. (Statistics Canada).

Private dwelling occupied by usual residents

- A 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. (Statistics Canada).

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.

Secondary rental housing

- See “market rental housing”

Semi-detached house

- One of two dwellings attached side by side (or back-to-back) to each other, but not 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 has open space on all sides. Also known as a duplex.

Single detached house

- 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.

Subsidized rental housing

- Refers to whether a renter household lives in a dwelling that is subsidized. Subsidized housing includes social housing, public housing, government-assisted housing, non-profit housing, rent supplements and housing allowances. Subsidized rental housing is typically operated or supported by non-profit housing providers, BC Housing, and cooperatives. This form of housing includes financial supports to allow residents to access rental housing at below-market rates.

Suitable housing

- Housing is considered to be suitable when there are enough bedrooms for the size and make-up of resident households. This is according to National Occupancy Standard requirements.

Supportive housing

- Supportive housing is provided by non-profit and other housing providers and offers stable housing that may be short-term or long-term. Supports and services are aligned with residents' needs and may include physical, cognitive, and financial supports. The level of support also varies, ranging from low support, to minor support, such as assisted living, to full support, such as residential care.

Suppressed household formation

- Households that would form if there were attainable, suitable housing options available to meet their needs. Due to a lack of housing options, these households instead live in alternative living situations such as with parents or roommates.

Tenure

- Tenure refers to whether the household owns or rents their private dwelling. Non-market housing including co-op and non-profit housing may also be considered separate forms of housing tenure.

Townhouse

- One of three or more dwellings joined side by side (or occasionally side to back), such as a row house or garden home, but not having any other dwellings either above or below.

Urban Centre

- One of the five Urban Centres of Kelowna: Downtown, Pandosy, Capri Landmark, Rutland and Midtown.

9.2. Qualitative Data Summary



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Introduction

The City of Kelowna engaged CitySpaces Consulting and rennie to assist with specific tasks associated with preparing an updated Housing Needs Assessment (HNA). To inform the HNA, a community engagement process took place in March 2023, which reached a total of 71 of people including representatives from 34 local groups and organizations, and 34 people with lived and living experience of housing need. This report summarizes the key themes from feedback received and identifies:

- Kelowna's current and emerging housing challenges experienced by community members;
- Existing housing supply gaps including price, tenure, type, and size;
- Priority groups experiencing disproportionate housing challenges;
- COVID-19 impacts on the housing market and local experiences accessing housing; and
- Potential opportunities to address identified challenges.

The HNA will be used to inform the creation of a new Housing Strategy to help address identified issues and achieve a healthy housing wheelhouse.¹

Objectives

The objectives for the engagement process were to:

- Inform Kelowna residents and key partners that the HNA represents the first part of a two-part discussion, with a Housing Strategy forthcoming;
- Identify the top housing issues and gaps;
- Listen and learn from people with lived and living experience about their housing needs and share these stories with the broader community; and
- Inform next steps and validate quantitative data.

1. City of Kelowna uses the concept of a 'Housing Wheelhouse' to promote equity and inclusion, recognizing housing needs to reflect the diverse needs of Kelowna residents (socioeconomic, demographic) and people may move around the wheelhouse throughout their lives.



Participant List

This engagement process was made possible by the participation of representatives from the following groups and organizations:

- Acres Enterprises
- Allied Health / Home Health
- BC Housing
- BC Poverty Reduction Coalition
- BGC Okanagan
- Canadian Home Builders Association
- Canadian Mortgage and Housing Corporation
- Central Okanagan Economic Development Commission
- High Street Ventures
- Indigenous Community Advisory Board
- Interior Health
- John Howard Society
- Journey Home Society
- Kelowna Chamber of Commerce
- Kelowna Gospel Mission
- KRC Community Resources
- Lived Experience Circle on Homelessness
- Metis Community Services Society of BC
- Okanagan College
- Pathways Abilities Society
- Radical Action with Migrants in Agriculture
- Regional District of Central Okanagan
- RWT Growth
- School District 23
- Seniors Outreach Services Society
- Society of Hope
- Team Construction
- Tenant Resource and Advisory Centre
- Tourism Kelowna
- UBC Okanagan
- UBC Okanagan Student Association
- Uptown Rutland Building Association
- Urban Development Institute
- Wilden Group



Engagement Approach

The process engaged diverse groups to understand Kelowna's housing needs and gaps including representatives from non-profit organizations, Indigenous communities, people with lived and living experience of housing need, and other key informants from the development, employment, business, health, education, and other sectors.



At-A-Glance

71 total individuals were engaged in this process, including:



34

people with lived experience; and

34

local organizations and groups.

Engagement activities included:

2 Non-Profit Sector Workshops, with **16** total participants;

1 Private Sector Workshop with **8** participants;



21 interviews with people with lived experience;

2 meetings with lived experience advisory groups, with **13** total participants;



1 focus group with older adults with lived experience, with **8** total participants.



9 key informant interviews with **13** total participants.



Engagement Activities

Several engagement activities were undertaken to provide diverse groups with a broad range of opportunities to participate and share their feedback. Activities included a webpage with project information, interviews with people with lived and living experience, workshops, key informant interviews, as well as listening and learning from Indigenous communities.

A summary of all engagement activities is provided below, including the groups engaged and the questions asked.

GET INVOLVED WEBPAGE

City of Kelowna's Get Involved website was updated with information to inform the public about the project, timeline, and its progress to-date.

INDIGENOUS COMMUNITY ENGAGEMENT

A meeting was held with the **Indigenous Community Advisory Board (ICAB)** to listen and learn about the housing needs of diverse Indigenous people and communities in Kelowna. Additionally, **Métis Community Services Society** participated in the non-profit sector focus group, a key informant interview with a housing support worker, and a one-on-one sensitive listening interview with a person with lived and living experience of housing need.



LIVED AND LIVING EXPERIENCE ENGAGEMENT

Analysis of Kelowna's households experiencing disproportionate core housing need was used to identify priority groups to be engaged.² Local organizations and groups with established relationships with people with lived experience in each priority group supported efforts to reach priority groups. Table 1 summarizes the identified priority groups, how they were engaged, and the local organization/s that supported this process.

Table 1: Priority Groups Engagement Overview

PRIORITY GROUP	ENGAGEMENT ACTIVITY	LOCAL ORGANIZATION
Indigenous peoples	Lived experience interviews, key informant interview, meetings with lived expertise groups, non-profit workshops	Metis Community Services Society of BC, Indigenous Community Advisory Board, Lived Experience Circle on Homelessness
Older adults	Older adults focus group, non-profit workshop	Seniors Outreach and Resource Centre
Low-income households, including low wage / service sector / temporary foreign workers	Lived experience interviews, key informant interviews, non-profit workshops	Delta Hotels, Tourism BC, Radical Action with Migrants in Agriculture, BC Poverty Reduction Coalition
Families + lone-parent families	Lived experience interviews + non-profit workshops	KRC Community Services
New immigrants + refugees		KRC Community Services
People experiencing homelessness or at-risk		Metro Central, Lived Experience Circle on Homelessness, Journey Home Society, Kelowna Gospel Mission
People with disabilities		Pathways Abilities Society
Renters		Tenant Resource and Advisory Centre
Youth + young adults		BGC Okanagan

2. Core housing need is an indicator used by Canada Mortgage and Housing Corporation to assess the affordability, condition, and suitability of a household's housing situation.



- **A total of 34 people with lived and living experience of housing need were engaged** in this process. Hearing their first-hand knowledge of local housing challenges, gaps, and systemic barriers helps to build compassion, improves understandings of the root causes of housing issues, as well as identifies potential opportunities and solutions to address homelessness.
- **A total of 21 one-on-one sensitive listening interviews** were held in-person, by phone, or virtual meeting. Staff and peer workers from local organizations referred participants. Honorariums were provided and barriers to participation were addressed wherever possible.
- Meetings were held with the **Lived Experience Circle on Homelessness and the Indigenous Community Advisory Board**, with a total of 13 participants.
- **A two-hour in-person focus group was held with eight older adults** with lived and living experiences of housing need.

Lived Experience Questions

- Tell us about yourself and your housing situation. Do you have affordable, safe housing that meets your household's needs?
- What kind of housing do you need?
- What are your barriers to accessing the housing you need?
- Tell us about a time when you received the support needed to access housing.
- Tell us about when you did not receive the support needed to access housing.
- What other costs do you find challenging, besides housing?
- How has your housing situation changed since the COVID-19 pandemic?
- What does the word 'home' mean to you?
- Is there anything else you would like to share?



WORKSHOPS

Three two-hour workshops engaged multiple organizations and provided an opportunity to collect Kelowna-specific insights into housing challenges, gaps, and priorities.

- **Two Non-Profit Sector Workshops** (one virtual and one in-person) were held, with representation from senior levels of government, the health authority, non-profit housing providers, advocacy organizations, and social service organizations. These sessions provided insights into the experiences working with priority groups and equity deserving group with current or emerging unmet housing needs.
- **One Private Sector Workshop** (virtual) was held with developers, homebuilders, real estate professionals, employers, and local business people. This session provided insights into navigating the development and approvals process with the City, the dynamics of the local real estate market, challenges recruiting and retaining workers, and information on diverse housing products expected to enter the market in future years.

Workshop Questions

- Does our initial research reflect your observations of housing trends in Kelowna?
- What housing issues are of most concern to your organization?
- How does housing availability and affordability impact local business?
- Regarding housing needs, what has changed since the COVID-19 pandemic?
- What would make the biggest difference to the housing market in Kelowna? What additional housing is needed in Kelowna?
- Are there any other issues related to housing we should be aware of?



KEY INFORMANT INTERVIEWS

A total of nine key informant interviews were held with 13 participants, including representatives from the Regional District of Central Okanagan, development industry, educational institutions, school district, student association, tourism sector, as well as Indigenous and advocacy organizations. These interviews provided an opportunity to share input for those unable to participate in focus groups or those with specific insight into Kelowna's housing needs.

Key Informant Questions

- What housing issues are of most concern to you?
- Regarding housing needs, what has changed since the COVID-19 pandemic?
- Who is most impacted by these housing issues?
- What would make the biggest difference to the housing market in Kelowna? What additional housing is needed in Kelowna?

For each respondent, questions were tailored to focus on housing gaps and challenges experienced by priority groups such as employees, temporary foreign workers, and students.



What Was Heard

Summary of Housing Gaps + Priority Groups

Feedback received from engagement helped identify housing gaps in Kelowna's housing wheelhouse, as well as the corresponding priority groups experiencing housing need (summarized in Table 2).

Table 2: Housing Gaps and Impacted Priority Groups Identified during Engagement

HOUSING GAP	IMPACTED PRIORITY GROUP/S
Affordable Housing, including non-market housing	Low-income households
Insufficient Housing Supply	All groups
Family Housing	Families + lone parent families, youth
Rental Housing, including workforce and student housing	Renters, Students, Workers, youth and young adults, new immigrants + refugees
Special Needs Housing	People with disabilities, including people with acquired brain injuries
Seniors Housing	Older adults
Indigenous Housing	Indigenous people
Housing for People Experiencing Homelessness	People experiencing homelessness or at-risk



Housing Gaps

GAP: INSUFFICIENT HOUSING SUPPLY

Priority Group: All Groups

Wheelhouse Segments: All Forms & Tenures of Housing

"Places go quickly, a good place in good condition is taken immediately."

– PWLE Interview

- All groups engaged reported there is a shortage of options across the housing wheelhouse and not enough housing available to meet local needs.
- The current shortage in housing disproportionately impacts residents with low incomes and the least resources. Non-profit sector representatives and people with lived experience shared that the shortage of housing results in vulnerable populations having few options and living in unsafe, unsuitable (not enough bedrooms or overcrowded), poorly maintained, and/or unaffordable housing.
- The lack of housing options makes it challenging for people to move through the housing wheelhouse as their needs change throughout their lives. For instance, people living in supportive housing may be ready to transition into an independent rental home with limited or no supports but there are no affordable rental homes available. Also, older adults are interested in downsizing from single-detached homes to smaller units that are easier to maintain, but there are limited options in their neighbourhoods.



- There is a recognized need amongst all groups engaged that more housing needs to be built faster, with a greater variety of housing options that are currently in short supply (i.e., ground-oriented multi-unit housing options like townhomes, houseplexes).
- The development industry, non-profit sector, and key informants identified a tension in the community between the need to create more housing to address the current shortage and residents' anxiety about the current pace of change, population growth, and development in Kelowna.

"There's a lack of flow through – people get stuck in the segment of the wheelhouse because they can't access a different one even if they want to or are ready. People can't move from supportive housing to subsidized rental housing because there's not enough subsidized rental housing – it's often financial but these folks also face discrimination."

– Non-Profit Sector Workshop Participant

GAP: AFFORDABLE HOUSING & NON-MARKET HOUSING

Priority Group: Low-income Households

Wheelhouse Segments: Subsidized Rental Housing, Supportive Housing, Emergency Shelter

- All groups engaged identified the rising cost of rental and ownership housing as the number one housing challenge in Kelowna. This dynamic has created a widening gap between the price of housing and what residents can afford to pay.
- The non-profit sector identified the shortage of affordable rental housing is increasing prevalence and risks of homelessness in Kelowna.
- People with lived and living experience shared stories of having to work multiple jobs to be able to afford rent and often must choose between paying rent and other costs like utilities, food, or transportation.



- Middle-income earners are challenged to afford the cost of market rental housing and indicated purchasing their first home to be out-of-reach. Some households reported they were able to purchase a home, but they could not afford to purchase the type of housing that meets their needs (i.e., not enough bedrooms, not pet-friendly). Households report staying in the rental market for longer than previous generations, creating additional pressure on existing rental housing.
- There is not enough subsidized housing, including supportive housing, available to meet local needs. People with lived experience report being on wait lists for non-market housing for years and many feel a sense of hopelessness about ever accessing non-market housing.
- The rising costs of market housing are challenging for low-income households to afford. With market housing prices increasing, the need for subsidized non-market housing and supportive housing also intensifies. In addition to non-market housing, there is an increased need for rent supplements. People with low or fixed incomes, such as people receiving income or disability assistance, seniors, and students, have reported experiencing the greatest challenges accessing and maintaining housing. Service providers report a growing number of seniors and students experiencing homelessness and sleeping in cars.
- People with lived and living experience of housing need report living in unaffordable, unstable, and inadequate housing. Feedback received from advocates and the non-profit sector stressed the need for enhanced supports and resources allocated to building community resiliency and ensuring people are well-supported before they experience a crisis and lose their housing.

"Housing is very expensive in Kelowna. It's not affordable. I wouldn't be able to buy something in today's market. I need a house with a yard, as I run a day care centre. I want to separate from my husband, but I can't because if we separate and sell the house, I won't be able to afford to buy a new house with a yard with half of the proceeds. So, I'm staying in my marriage. Even renting is still expensive – probably \$3,000 to rent a house. I can't afford that. If I moved to a condo, I'd have to change my job. I don't want to do that. I love what I do."

– Lived Experience Interview



"You don't just suddenly become homeless; it often starts with precarious housing situations. Collectively we need to pay attention to precursors of homelessness, and there needs to be more focus and resources dedicated to prevention. How can we divert people off the path towards homelessness and keep people housed?"

– Lived Experience Circle on Homelessness Participant

- The social services and non-profit sector acknowledge that there have been recent investments in the number of non-market homes in Kelowna. However, there needs to be continued investments to address the current and growing needs of the community's most vulnerable residents.
- The non-profit sector and people with lived experience identified frustration with the lack of diversity in senior government funding models for non-market housing. It was felt there is typically a one-size-fits-all approach taken to funding and financing non-market housing and diverse approaches are needed to provide additional options to non-profit housing providers.



GAP: FAMILY HOUSING

Priority Groups: Families with Children, and Lone-Parent Families

Wheelhouse Segments: Ownership Housing, Rental Housing, Subsidized Rental Housing

- There is an identified gap in housing appropriately sized and designed for families with 3+ bedrooms, either in apartments or ground-oriented 'missing middle' housing types. Many families in Kelowna cannot afford to purchase a single-detached house and there are few alternative housing options with enough bedrooms to accommodate children. Increasing the supply of diverse ground-oriented multi-family options like townhouses, houseplexes (duplex, tri-plex, four-plexes), courtyard and low-rise apartments with multi-bedroom units would help address this housing gap.
- School District 23 specified there has been an increasing number of families with children entering the local school system and a need for family-appropriate housing to accommodate this growing population group.
- Newcomers, including recent immigrants and refugees with large and multi-generational households, are experiencing significant challenges finding housing large enough to accommodate their households at a price point they can afford.
- Indigenous households have reported challenges accessing affordable family-sized housing, and this can increase the risk of their children being taken out of their care.
- There is a shortage in accessible homes suitable for families (2+ bedrooms).

"The biggest housing challenge in Kelowna is being able to buy a house that big enough for a family and has a yard. You'd have to win the lottery – it's my only hope.

– PWLE Interview

"Would like to have a house for my 5 kids. An average 4-bedroom house that isn't an Airbnb costs \$4500 per month. There's a .5% vacancy rate – any house comes up for rent, 400 to 500 applicants. There's huge stigma for anyone on income or disability assistance. People think you're lazy or using the system. I've been turned down from places because I have kids.

– PWLE Interview



GAP: SPECIAL NEEDS HOUSING

Priority Groups: *People with Disabilities, including People with Acquired Brain Injuries*

Wheelhouse Segments: *Supportive Housing, Subsidized Rental Housing*

- There is a need for accessible and adaptable homes for people with disabilities, with a greater variety of unit sizes including 3+ bedrooms for families. There is a particular need for affordable and non-market accessible units as current shelter allowances for people receiving provincial disability assistance are too low to afford market rental rates.

"Need to connect people with the housing that works for them – we have one model of supportive housing and it really doesn't work in many situations – and if it doesn't meet people's needs then they refuse and they get put to the bottom of the list."

– Non-Profit Sector Workshop

- The non-profit sector reports increasing need for assisted living facilities to accommodate the growing number of seniors in Kelowna. Currently, there are limited options available for youth and adults requiring assisted living. Service providers specified a particular need for housing to support people with acquired brain injuries, which is related to the ongoing impacts of the overdose and toxic drug supply crisis.

GAP: RENTAL HOUSING

Priority Groups: *Renters, Students, Workers, Youth and Young Adults, New Immigrants + Refugees*

Wheelhouse Segments: *Rental Housing, Subsidized Rental Housing*

- All groups engaged identified a need for more rental housing at a variety of rental prices. Kelowna's rental housing supply experiences increased demand during the summer months to accommodate seasonal workers and tourists, making the summer months particularly challenging for households looking for long-term rental housing.

"I don't really need supportive housing, just lower-class housing. There's no middle class anymore. I need housing to be able to get a job but I can't get housing without a job, and income assistance is too low to afford even a shared room. Even if I get a job, no one hires full-time, it's all seasonal work. You need 1 to 3 jobs just to survive."

– PWLE Interview



- Single-income households are particularly challenged to afford the costs of housing and there is a need for more affordably-priced smaller units.
- Non-profits indicated that while some renters may be living in housing they can afford, they would be extremely challenged to find a comparable home should they have to relocate.
- Tenant displacement was a top concern for advocates, non-profit providers, and people with lived experience. The shortage of rental housing and rapid price increases have exacerbated the impacts of tenant displacement, either through eviction or redevelopment.

"There's a lot of ageism in private rentals. It was hard for my friend to find housing because they had terminal cancer. Landlords don't want to rent to someone who's sick, they want someone younger, or someone working."

– Focus Group Participant

- New market rental development built over the past five years has reversed a two decades-long trend of limited new market rental development. However, community service organizations and staff supporting residents to find housing emphasize the need to reduce the potential for displacement of long-term tenants from existing purpose-built rental apartments. When apartments are redeveloped, long-term tenants experience significant challenges finding alternative housing they can afford.



- Steep competition for rentals in Kelowna makes some groups more vulnerable to discrimination, including racism and ageism. Groups identified as experiencing discrimination include seniors, people receiving income or disability assistance, students, families with children, Indigenous peoples, racialized groups, and 2SLGBTQ+ community members.
- There is a shortage of pet-friendly rental housing in Kelowna. People with lived experience shared stories of how important their pets are for their mental health but having pets is a barrier to accessing housing. This issue impacts renters of all incomes and even some homeowners. Stories shared highlighted an individual who had to give up their dog for adoption when moving into a strata building because it was the only housing option they could afford.

"My friends from Ukraine are a family of 5. They have twin 3-year-olds, so their mom can't work and they only have one income. They don't have childcare or pre-school. So, they're renting a 3-bedroom right now, it's too small. They only have one income. It's a good income, say you make \$6k per month. You pay rent and taxes, it's your whole cheque and there's nothing left to support your family."

– PWLE Interview

Priority Group: Workers

Wheelhouse Segments: Rental Housing, Subsidized Rental Housing

- There is a widening gap between what local workers can afford to pay and the price of rental housing available.

"People with lower incomes – including younger people, people working in tourism/service sector – despite driving our economy, those sectors don't pay well. People not at a living wage are having a tough time – which is also impacting small businesses."

– Private Sector Workshop

- Local businesses and employers, particularly in the tourism and educational sectors, identified a gap in housing options for their workforce. The lack of available and affordable rental housing has made it difficult to recruit and retain staff, causing some service disruptions and possibly preventing new businesses from opening.



- Advocates report that Temporary Foreign Workers in the agricultural sector are often living in overcrowded, poorly maintained, and unsafe housing. There is an existing gap in regulations for housing conditions for Temporary Foreign Workers in Canada and no clear jurisdiction for overseeing their housing safety and living standards. The Regional District of Central Okanagan specified the guidelines for work camp development are restrictive and out-of-date, requiring an update.

"Overcrowding is part of the Temporary Foreign Worker program's housing guidelines, the amount of space per person is smaller than jails in Canada. And the employers don't even abide by these sizes. There could be 40 workers with one washroom, stove, and microwave. There are safety concerns, no windows, chemical or machinery hazards, and no insulation and it can get up to 45 at night in the summer. There's no electricity or fan provided."

– Key Informant Interview

"One thing that would be helpful for renters, especially newcomers, is more free advertising for rentals in one central location. It's hard to find, and I don't know the specific property managers to check, and there are too many realtor sites. This makes it more likely for scams. In Ukraine as a renter, you can ask for their ownership papers, and your realtor can check to make sure its accurate in the ownership records. It's one more step but more protection for the renter."

– PWLE Interview



Priority Group: Students

Wheelhouse Segments: Rental Housing, Subsidized Rental Housing

- Students and staff at University of British Columbia Okanagan (UBCO) and Okanagan College report a shortage in the availability of student housing on and near campus, with the demand for this type of housing increasing in recent years.
- The rising costs of market rents are challenging for students on fixed and low-incomes, as well as for international students, students with families, and students in shorter term programs (i.e., trade programs or upgrading seminars). Students and educational institutions report the unaffordability and shortage of housing in Kelowna is a challenge and barrier for people looking to enroll and attend post-secondary education. Students also report a desire to stay and work in Kelowna after graduation, however, the cost of housing is prohibitive.
- The UBCO Student Association noted a sharp increase in demand and usage for food hamper programs, and there have been reports of students living in their cars while attending university.
- Transportation to and from campus is infrequent and unreliable, and students who cannot afford or find housing near campus are challenged to afford the costs of a personal vehicle.

Housing need and food security have skyrocketed. Students must pick between a roof over their head, meal, or tuition. The university can't fulfill every student's housing needs and student housing is expensive – and we need more options elsewhere. Students are living on the edges of the community, Lake Country, Vernon, West Kelowna, further outside Mission or east Kelowna – they can't afford to live closer and are forced to find housing elsewhere, but then are forced to drive into campus which is also expensive.

– Key informant interview, Student Association

GAP: SENIORS HOUSING

Priority Group: Older Adults

Wheelhouse Segments: Supportive Housing, Subsidized Rental Housing

- There is a shortage of affordable and appropriate seniors housing options. Seniors and community services organizations report there is an increasing number of older adults experiencing housing crisis when relocation occurs at an older age.
- Older adults with low and fixed incomes are challenged to afford rising housing costs; they report the financial supports provided are not enough to afford market rents.



- The Shelter Aid for Elderly Renters (SAFER) rent supplement is helpful, however, the amount received is not enough to address the gap between seniors' incomes and the cost of housing. The application and eligibility process to access SAFER is challenging and lengthy, and seniors report losing their housing while waiting to receive their rent supplement.
- Seniors report feeling isolated and are eager to have more options for intergenerational and community-based housing options.

"When seniors have to make a choice between buying their medication or making their rent that month, it's a challenge."

– Older Adults Focus Group Participant

- Seniors report 'living on the edge' and feel frustrated that they are at-risk of experiencing homelessness.; this is particularly evident for older adults who have worked for more than 40 years and want to retire but are instead working to afford rent. Low-income seniors are challenged to afford other necessities due to the high cost of housing and sometimes go without food or health care (e.g., medication, dental care, hearing aids, optometry).
- Independent living facilities are costly and unaffordable to low-income seniors. Service providers report that senior 2SLGBTQ+ community members may not feel safe or comfortable in seniors housing facilities.



- Seniors and people experiencing homelessness identified a need for supportive or subsidized housing options for people in recovery.

GAP: CULTURALLY SAFE HOUSING

Priority Group: Indigenous People

Wheelhouse Segments: All Forms & Tenures of Housing

- There is a shortage of housing that is led and operated by Indigenous organizations. Engagement identified a need for more culturally appropriate housing with wrap-around supports and on-site programs.
- Indigenous people are disproportionately experiencing housing need in Kelowna due to the ongoing impacts of colonialism including the Indian Act, land dispossession, residential schools, and the 1960's scoop. Due to these systemic factors, there is also often distrust of the housing system and institutions amongst Indigenous people.
- People with lived experience expressed frustration that they are unable to afford or find housing on- and off-reserve and shared stories of experiencing discrimination and racism when searching for housing. Indigenous organizations report children are being taken away from their parents because couples and single adults with children are unable to find affordable housing.

"There's a lot of housing prejudice and discrimination against individuals who are visibly Indigenous. I'm working with a family right now; we were walking up the driveway to an open house to put in an application and the landlord told us they weren't renting before we got to the door. "

– Key Informant Interview

"We need more affordable and indigenous focused housing. There are lots of local Indigenous organizations with housing workers, but there's not enough Indigenous focused housing to meet the needs. This would help prevent kids from being taken away or taken outside of their communities.

– Key Informant Interview

- Indigenous organizations, the non-profit sector, and people with lived experience identified a need for more culturally appropriate and safe avenues for housing access in Kelowna. Indigenous people often experience barriers to accessing housing through the current policies,



processes, and systems. Alternative approaches for Indigenous people, led by Indigenous people, would be helpful in reducing barriers.

GAP: HOUSING FOR PEOPLE EXPERIENCING HOMELESSNESS

Priority Group: People Experiencing Homelessness or At-Risk

Wheelhouse Segments: Emergency Shelter, Supportive Housing, Subsidized Rental Housing

- Although there have been recent investments in the number of supportive housing units available in Kelowna, there is a need for a greater variety of supportive housing options to meet the diversity of support needs. Non-profits and people with lived experience identified a need to expand the supportive housing model to better meet people's unique and individual support needs.
- Currently, there are limited options available for residents with complex and concurrent mental and physical health conditions, recognized as a challenge across British Columbia. There was a desire to see alternative models explored by the provincial government.

"In the Okanagan there's no affordability. There are lots of wet houses, several in town but there aren't any dry houses – not everyone who is homeless is an addict. My teenaged son moved into a group home, and everyone is using. He's 15 years old and it's scary. They're allowing him to visit me in the day, but he has to go back to the group home to sleep."

– Lived expertise interview (Indigenous perspective)

- People experiencing homelessness identified a need for supportive or subsidized housing options for people in recovery, such as high-barrier emergency shelters.
- The non-profit sector and people with lived experience identified a need for more affordable rental housing options for people who can live independently and without on-site supports. People are experiencing homelessness due to the high cost of rental housing and rent supplements and other income supports are insufficient to access affordable housing. Groups engaged report once they lose their housing, they also lose their jobs and the custody of their children may be jeopardized.
- Key informants indicated youth, young adults, and older adults are becoming increasingly vulnerable to losing their housing. There were reports of an increasing number of students and seniors sleeping in their vehicles.



Additional Considerations

Housing-related Challenges

BARRIERS TO DEVELOPMENT

- Although there was recognition the City of Kelowna's development approvals processes timelines are shorter than other communities, the development industry identified a need to further streamline the process to enable more housing to be built to meet growing demand.
- Costs of construction, rising lending rates, and the costs/shortages of labour are impacting the feasibility of housing development. Further market fluctuations are anticipated, and it will be important to monitor development sector trends over time.
- Skilled trades workers are needed to build new housing, yet these industry professionals cannot afford to live in Kelowna.
- Access to land for development is a barrier to building non-market housing, particularly for supportive housing that can also experience community opposition.
- There was support for creating neighbourhood centres where residents can live, work, and recreate within a central area.

SYSTEMS NAVIGATION

- People with lived experience report challenges accessing information, resources, and support to find housing. Many reported waiting years before being able to connect with the correct support staff to help them start applications for subsidized housing or financial supports. This process can be particularly challenging for older adults, people with disabilities, and Indigenous people.
- Accessing rent supplements is a key challenge. Once seniors turn 65, they are at-risk of losing their housing because their financial supports change and there is often a gap between their application to the SAFER supplement and when it is approved versus when funds are issued.
- Barriers to accessing housing and supports include not having the technology or digital know-how, language barriers, and a highly complex eligibility and application process for accessing services.
- The Coordinated Access Table is effective but slow and non-profit sector representatives are interested in opportunities to create a 'one-door' or 'systems navigation hub' to better help people access support. People with lived experience are also eager to be able to access housing and supports without the need of staff or connections to non-profit agencies.



STIGMA AND DISCRIMINATION

- There are high levels of competition for a limited number of housing units in Kelowna, resulting in landlords being able to be highly selective, which can exacerbate racism and discrimination. People with lived experience and representatives from the non-profit sector specified instances where applicants are asked not to apply to market listings, even when listings are publicly advertising rental openings.
- Groups that have experienced discrimination in their housing search include people from the 2SLGBTQ+ community, visible minorities and people from racialized groups, Indigenous people, people receiving income or disabilities assistance, older adults, families with children, and young people.

Opportunities to Consider

RENTAL PROPERTIES STANDARDS OF MAINTENANCE BYLAW

- Advocates and non-profit sector staff identified an opportunity to improve housing conditions in Kelowna through the creation of a new bylaw to require and maintain minimum standards for rental properties.
- Groups experiencing poor quality and unsafe housing include low-income renters, families with children, and temporary foreign workers in the agricultural sector.

TOURISM SECTOR RESEARCH

- Tourism Kelowna and City of Kelowna commissioned research in 2020 to investigate the potential impacts of local housing issues on the tourism and hospitality sectors, particularly regarding the ability to recruit and retain workers. This research could be updated to consider the emerging local context and potential impacts of the COVID-19 pandemic.

RENT BANK

- Advocates and non-profit sector representatives specified it is easier to keep people housed, rather than find them housing once they experience homelessness. The Central Okanagan Rent Bank is an important initiative providing emergency loans that keep people housed, should a short-term crisis be experienced. It is important with such temporary relief programs that long-term financial supports are identified to ensure households are well-supported to maintain their housing.





9.3. Affordable Housing Land Assessment Summary

Introduction

With rising costs of land and building materials, municipalities across Canada increasingly need to find creative solutions to build affordable housing. Partnerships models are being explored between public and non-profit organizations to accomplish multiple development goals, including housing. As noted in the 2021 Housing Assessment Resource Tool (HART), which used the City of Kelowna as its prototype, “numerous global reports have concluded that the use of existing well-located government land for affordable housing, along with government acquisition of land and buildings for affordable housing, is the most effective mechanism for meeting affordable housing targets”. The City of Kelowna recently reviewed land in Kelowna that could be suitable for affordable housing along with some recent case study examples of partnerships between municipal, institutional and/or non-profit organizations that have come together to deliver, or plan to deliver, housing.

Assessment of Land Suitable for Affordable Housing in Kelowna

As part of the 2023 Housing Needs Assessment, the City of Kelowna’s Real Estate Services and Policy Planning Departments completed an analysis of land in the City that could be suitable for affordable housing. Additionally, the analysis included an estimate of how many units could be constructed on properties identified as suitable for affordable housing. This review provides an **estimated** unit yield for affordable housing on non-profit/institutional/government land. Should redevelopment occur, site-by-site reviews would be required.

Land Assessment Methodology:

- To gain an understanding of public land that is suitable for affordable housing based on best practices and the City of Kelowna’s Affordable Housing Land Acquisition Strategy, staff reviewed all publicly owned land and land owned by non-profit associations, greater than 0.2 acres, and within the City of Kelowna ‘Core Area’ as defined by the City’s Official Community Plan.
- Parcels of land identified in step one were organized by ownership type (Federal, Provincial, BC Housing, School District, Interior Health/KGH, RDCO, City of Kelowna, Non-Profit Owned Land). Staff found that the majority (60%) of the public land deemed suitable for affordable housing is owned by City of Kelowna but much of this land is used for parks, or existing civic buildings such as City Hall.
- City of Kelowna land was categorized into several general categories: Parks & Playing Fields, Parking Lots, Gov. Building/Works Yards/Rec Buildings, Landfill, Residential properties greater than 0.2ha, and Misc. Vacant Land.
- In addition to compiling a list of parcels through a GIS data query, staff also completed a review of additional properties to determine if there are exceptional properties that do not strictly meet criteria for affordable housing locations outlined in step one but that may still be suitable for affordable housing such as CNC Centre/H2o Parking Lot (outside of the Core Area) and recent acquisitions near Chichester Park.
- Overall, a list of public and non-profit owned land suitable for affordable housing based was compiled.

Development Potential Methodology:

- To determine the number of units available for affordable housing, staff reviewed each of the properties identified through the land assessment methodology outlined above and evaluated each lot to determine if the development potential of each property is low, moderate, or high.

- Moderate or high redevelopment potential properties were included in the results and are characterized by large, underdeveloped lots that are serviced and suitable for redevelopment as apartment housing.
- Low development properties were not included in the final results. These properties are likely undevelopable due to having existing building that preclude redevelopment such as recently constructed apartment buildings or offices, schools and parks.

Affordable Housing Unit Estimates Methodology:

- To provide an estimate of how many units could be constructed on identified properties with moderate to high development potential, each property was evaluated using the density regulations of the City's MF3 – Apartment Housing Zoning.
- Large sites (3 acres or greater) were evaluated on a site-by-site basis to determine the developable area of the property and reconcile competing interests such as existing buildings, hazard areas etc. For example, to explore affordable housing at the Parkinson Recreation Centre property as part of the future redevelopment planning underway only 0.5 acres of the 37-acre site was used to calculate density recognizing that most of the site will be used for playfields and recreation buildings.

Results:

- In total, the land assessment identified approximately 50 acres of land owned by public or non-profit associations that could be suitable for providing affordable housing.
- There is development potential to provide approximately 3,000-4,000 units of affordable housing on the publicly / non-profit owned land identified in this assessment.

Case Study Examples

The following four case studies are examples where municipal, institutional and/or non-profit organizations have come together through innovative partnerships and collaborations to deliver, or plan to deliver on multiple initiatives, including housing.

Johnson St. Firehall – Victoria, British Columbia



The new 3,762 square-metre downtown facility replaces the 2,480 square metre former Fire and Rescue headquarters on Yates Street that has served Victoria since 1959. The new public safety building was built under an agreement with local developer Dalmatian Developments Limited Partnership. The fire hall is part of a new 12-storey, mixed-use development that includes 130 units of purpose-built, affordable homes for low- and moderate-income seniors, families and individuals, and is operated by Pacifica Housing. The City owns the first three storeys of the building where the Victoria Fire Department operates. With funding from BC Housing, Pacifica Housing owns and operates the top eight storeys of the building.

There is also a single level of commercial office space on the fourth level. In addition, BC Emergency Health Services will occupy 297 square metres of space from the City to operate a stand-alone, two-ambulance bay, and a downtown location for paramedics under a planned 20-year lease agreement. This is one of the largest mixed-use fire hall developments of its kind in Canada that combines affordable housing and fire department operations.

[City of Victoria - Victoria Fire Department Headquarters Backgrounder](#)

Land	City of Victoria - owns/operates first three storeys of building for Victoria Fire Department
Private Developer	Dalmatian Developments Limited
Housing Operator	Pacifica Housing – owns/operates top eight storeys of building for housing
Funding amount	\$36 million
Funding details	City of Victoria Debt Reduction Reserve and BC Housing Funding (Homes BC Program)
Housing type supported	Multi-family housing
Units targeted	130 purpose-built units Mix of studio, one-bedroom, two-bedrooms, and three-bedrooms
Affordability target	Mix of purpose-built subsidized and low-end-market
Equity groups target	Low-moderate income seniors, families, and individuals
Date launched	2021 (April 2023 – Fire Department moved into new building)

One Yonge Community Recreation Centre – Toronto, Ontario

The City of Toronto’s Lower Yonge Precinct Plan was initiated in 2014. It identified that 28,000 new people would be coming to the area and that a community recreation centre would be required in this rapidly developing and high-density area. Through an Official Plan amendment, a key new development in the area was required to provide a 51,000 square foot community recreation centre over two stories in size. The redevelopment includes 3 towers between 65 and 88 storeys with a total of 2,838 residential units. This private development is required to support the build of the community recreation centre.

The community recreation centre was implemented in the first phase of the proposed development and opened in June 2023. Its funding model is based on a combination of Section 37 funds (provided by the developer in return for higher site density) and Development Charge Credits (paid by the upfront in exchange for credits toward development charges associated with future phases of the development). The completed recreation centre is owned and operated by the City. An agreement was entered into for cost sharing of common elements. This partnership model accelerated the delivery of a community recreation centre that had previously been identified as a need in the City’s 2004 Recreation Facilities Report and made a community recreation centre possible in an area in which land is limited and extremely costly.

It is important to note that this is not an example of affordable housing, but rather an example of getting a community amenity (new recreation centre) plus housing in exchange for partnering on high-density market housing.



One Yonge Community Recreation Centre – City of Toronto

Land	Pinnacle International
Private Developer	Pinnacle International
Amenity Operator	City of Toronto – owns and operates community recreation centre
Funding amount	\$19.1 million for One Yonge Community Recreation Centre \$250 million for land
Funding details	Combination of Section 37 funds (provided by the developer in return for higher site density) and Development Charge Credits
Housing type supported	Multi-family housing
Units targeted	Multi-phase 3 residential towers (65, 90, 95 storeys) Targeting 3,885 units total Mix – 1 bedroom, 2 bedrooms, 3+ bedrooms Phase 1 complete – 496 units
Date launched	Community recreation centre opened in June 2023 Phase 1 residential tower completed December 2022

The Baker District Redevelopment Project – Guelph, Ontario



The Baker District Redevelopment Project is a City of Guelph-initiated development aimed at transforming the existing surface parking lot and adjacent properties fronting Upper Wyndham Street into a unique, mixed-use development. The multi-year, multi-faceted project phasing includes the construction of private development towers including commercial and residential spaces, along with the new parking garage, library, and public squares. The project also includes new streetscapes for Baker Street, Park Lane and Chapel. Baker District is the first

of its kind in Canada to use ecological footprinting to optimize the development's carbon footprint. It is the second One Planet Living-endorsed community in Canada.

Windmill Development Group is leading the planning, design and development for the Baker District project. Windmill will own and develop the residential and commercial components, and partner with the City in developing the public components including the library, parking, and urban square.

The affordable housing component is proposed to be 12% of all units – either affordable ownership or rental. The actual final affordable component will be a function of working with City programs and other housing providers to incorporate this affordability component into the development.

[City of Guelph Baker District Redevelopment Baker District Urban Design Master Plan](#)

Land	City of Guelph
Private Developer	Windmill Development Group
Housing Operator	Windmill Development Group
Amenity Operator	City of Guelph – owns and operates library, parkade and public squares
Funding amount	<p>Approved City Budget: Central Library: \$62,000,000; Baker Parkade: \$15,900,000; Public Squares: \$2,600,000; Right of Way (ROW) Reconstruction: \$6,396,000</p> <p>Private Development Capital Costs: \$280 million for residential and commercial</p>
Funding details	<p>City Funding Sources: Central Library: 30% Development Charges, 70% Tax; Baker Parkade: 100% Rate; Public Squares: 100% Tax; Right of Way (ROW) Reconstruction: 6% Development Charges, 17% Tax, 77% Rate</p>
Housing type supported	Multi-family housing
Units targeted	<p>Proposed 305-325 units</p> <p>Unit mix - 80% 1 bedroom and 1 bedroom + den, 20% 2 bedrooms</p>
Affordability target	12% of all units to be either affordable rental or affordable ownership
Date launched	Library and Parkade open Dec 2025, Project Completion in 2026

Putman Family YWCA Mixed-Use Affordable Housing – Hamilton, Ontario

The Putman Family YWCA building is a 50-unit multi-family social housing residence with a Community and Enterprise Centre. The building brought new life to the disused site of the YWCA's swimming pool.

The building consists of a one-storey + basement community programming podium and a five-storey residential component. The design also includes multiple outdoor amenity spaces that vary in privacy and program.

The \$24 million building – designed as a highly energy-efficient “passive house” – includes 50 affordable units that support three priority populations: women living with a developmental disability, Indigenous women, and families and women and their children rebuilding their lives after experiences of homelessness and violence.

YWCA Hamilton worked in partnership with the Hamilton Regional Indian Centre and Ottawa Street neighbours, to prioritize housing for Indigenous women.



YWCA Hamilton

Land	YWCA Hamilton
Private Developer	Kearns Mancini Architects /RJC Engineers
Housing Operator	YWCA Hamilton
Funding amount	\$24 million building
Funding details	<p>Largest funders: \$17.2 million from the City of Hamilton, Provincial Government, and Federal Government, \$1.9 million from YWCA Hamilton, and \$1 million donation from Hamilton’s Putman family</p> <p>#WOMENBUILDHAMILTON campaign was launched in March 2022 to raise the remaining \$5 million required to complete the build</p>
Housing type supported	Multi-family housing
Units targeted	50 units Unit mix – one-three bedroom units
Equity groups targeted	Women living with a developmental disability, Indigenous women, and families and women and their children rebuilding their lives after experiences of homelessness and violence.
Affordability target	Low-income, affordable housing
Date launched	Completed September, 2021

9.4. Provincial Summary Report

Housing Needs Reports – Summary Form

MUNICIPALITY/ELECTORAL AREA/LOCAL TRUST AREA: City of Kelowna

REGIONAL DISTRICT: Regional District of Central Okanagan

DATE OF REPORT COMPLETION: August 2023 (MONTH/YYYY)

PART 1: KEY INDICATORS & INFORMATION

Instructions: please complete the fields below with the most recent data, as available.

LOCATION	Neighbouring municipalities and electoral areas:		
	<u>West Kelowna, Lake Country, Central Okanagan East Electoral Area, Central Okanagan West Electoral Area</u>		
	Neighbouring First Nations:		
	<u>West Bank First Nation</u>		

POPULATION	Population: 144,576		Change since 2011 : 23 %	
	Projected population in 5 years: 167,198 (2026)		Projected change: 16 %	
	Number of households: 62,210		Change since 2011 : 25% %	
	Projected number of households in 5 years: 71,384 (2026)		Projected change: 15 %	
	Average household size: 2.3			
	Projected average household size in 5 years: 2.3 (2026)			
	Median age (local): 42.4 (2021)		Median age (RD): 51.6	Median age (BC): 42.8
	Projected median age in 5 years:			
	Seniors 65+ (local): 21.4 %		Seniors 65+ (RD): 25.1 %	Seniors 65+ (BC): 20.3 %
	Projected seniors 65+ in 5 years: 22.1 %			
	Owner households: 65 %		Renter households: 35 %	
	Renter households in subsidized housing: 9.8 %			

INCOME	Median household income	Local	Regional District	BC
	All households	\$ 82,000	\$ 87,000	\$ 86,000
	Renter households	\$ 60,800	\$ 61,600	\$ 63,200
	Owner households	\$ 100,000	\$ 101,000	\$ 100,000

ECONOMY	Participation rate:	65.4 %	Unemployment rate:	7.9 %
	Major local industries: Health care and social assistance; Retail Trade; Construction; Professional, scientific and technical services; accommodation and food services; educational services (by # of workers)			

HOUSING	Median assessed housing values: \$ 866,000 (2023)	Median housing sale price: \$ 745,000
	Median monthly rent: \$ 1,390 (Oct 2022)	Rental vacancy rate: 0.9 %
	Housing units - total: 67,115	Housing units – subsidized: 2,152
	Annual registered new homes - total: 3,240 (2021)	Annual registered new homes - rental: 1,198 (2021)
	Households below <i>affordability</i> standards (spending 30%+ of income on shelter):	25% %
	Households below <i>adequacy</i> standards (in dwellings requiring major repairs):	4% %
	Households below <i>suitability</i> standards (in overcrowded dwellings):	4% %

Briefly summarize the following:

1. Housing policies in local official community plans and regional growth strategies (if applicable):

Kelowna's new OCP has many housing objectives (9) with supporting policies (12+ specific to housing + related land use policies). A small sample is provided: increase the diversity of housing types and tenures to create inclusive, affordable and complete [urban areas]; protect the rental housing stock; protect residents from displacement (objectives); encourage a range of rental and ownership tenures that support a variety of households (policy).

2. Any community consultation undertaken during development of the housing needs report:

Community consultation was focused on those with lived experience of homelessness. 21 individual interviews were conducted, 2 meetings were held with lived experience advisory groups (13 participants), and one focus group for older adults with lived experience was held (8 participants). Activities were held in-person, by phone, or virtual meeting, honorariums were provided, and barriers to participation were addressed wherever possible.

3. Any consultation undertaken with persons, organizations and authorities (e.g. local governments, health authorities, and the provincial and federal governments and their agencies).

36 groups, organizations, or authorities contributed to or participated in the engagement process, including wide ranging local non-profits, Interior Health, Kelowna Chamber of Commerce, Tourism Kelowna, UDI, TRAC, local post-secondary institutions and school district 23, the Canadian Home Builders Association, local developers, BC Housing, and others. Groups were targeted based on priority groups identified through core housing need analysis to help understand the challenges those groups may be experiencing.

4. Any consultation undertaken with First Nations:

A meeting was held with the Indigenous Community Advisory Board (ICAB), and the Métis Community Services Society participated in the non-profit sector focus group, a key informant interview with a housing support worker, and a one-on-one sensitive listening interview with a person with lived and living experience.

PART 2: KEY FINDINGS

Table 1: Estimated number of units needed, by type (# of bedrooms)

	Currently (2021)	Anticipated (5 years)
0 bedrooms (bachelor)	780	780
1 bedroom	8,465	12,882
2 bedrooms	20,985	22,434
3+ bedrooms	31,975	33,560
Total	62,205	69,656

Comments:

The anticipated units required in 5 years above is the 2021 unit count by bedroom count + the total projected growth (2021-2026) allocated to bedroom requirements based on household composition (2021 distribution) and meeting the minimum requirements of the National Occupancy Standards. A specific need for studio (bachelor) units has not been projected. The values do not include aspects of current unmet need, which are further explored in the report.

Table 2: Households in Core Housing Need

	2011		2016		2021	
	#	%	#	%	#	%
<i>All households in planning area</i>	49670	100	53905	100	62210	100
Of which are in core housing need	6,300	14%	6,005	12%	5,550	9%
Of which are owner households	1,985	6%	1,910	5%	1,880	5%
Of which are renter households	3,160	27%	4,100	25%	3,670	18%

Comments:

Renter households are much more likely to be in core housing need than owners. The share and number of owner households in core housing need has been consistent since 2011, while there has been a downward trend in the share of renters (although, the absolute number is higher in 2021 than 2011). Some caution is warranted when considering this trend for renters due to the impact of COVID 19 and associated temporary government transfers.

Table 3: Households in Extreme Core Housing Need

	2011		2016		2021	
	#	%	#	%	#	%
<i>All households in planning area</i>	49670	100	53905	100	62210	100
Of which are in extreme core housing need	3,155	7%	3,000	6%	2,675	4%
Of which are owner households	1,280	4%	980	3%	925	2%
Of which are renter households	1,875	15%	2,020	13%	1,755	9%

Comments:

Approximately half of household in core housing need are in extreme core housing need (for all households and for renters and owners separately).

Households in extreme core housing need are predominantly renters (66% of extreme CHN). Considering core housing need overall, those with low incomes (\$15,000-\$39,999; 82% of CHN) make up the majority of households, and an additional 7% of households in core need earn less than \$15,000. 61% of households in core need are 1 person, while 27% are 2 person households.

Briefly summarize current and anticipated needs for each of the following:

1. Affordable housing:

Affordability is the primary driver of housing challenge in Kelowna. The report identifies the need for 450-640 additional subsidized affordable rental units annually through 2031. 21% of all households, and 89% of those in core housing need, can afford to spend no more than \$1000/month on housing.

2. Rental housing:

Currently 35% of households rent, but approximately 48% of future housing demand is expected to be for rental. 25% of future demand is estimated to be for 3+ person households, but less than 10% of the stock delivered in recent years had 3+ bedrooms. The estimated annual need for market rental is 440-600 units.

3. Special needs housing:

It is estimated demand for special needs/supportive housing exceeds supply. This category includes assisted living for seniors, supportive housing for people experiencing homelessness, and other specialized housing such as for women and children. It is estimated an additional 50-150 units of supportive/special needs housing is required annually.

4. Housing for seniors:

Seniors are experiencing housing challenges, especially renters, due to both cost on fixed incomes and accessibility challenges. 37% of renting senior-led households (65+) are in core housing need. Seniors' needs are diverse, and they may require improved affordability, accessibility features, and/or personal supports depending on the individual.

5. Housing for families:

Families with children are challenged by the high cost of housing and the need for larger dwellings often lacking in more affordable multi-unit developments. 3+ bedroom units in townhouses, house-plexes, and apartments would help address this need. It is estimated at least 14% of new dwellings will be needed for 4+ person households.

6. Shelters for people experiencing homelessness and housing for people at risk of homelessness:

The number of people experiencing homelessness in Kelowna currently exceeds the number of emergency shelter beds. The number of people experiencing homelessness has been increasing since 2020, outpacing the creating of new emergency shelter or supportive housing spaces. 360-450 units of housing are needed today for this population.

7. Any other population groups with specific housing needs identified in the report:

Students are experiencing housing challenges, including experiencing homelessness and sleeping in cars; local post-secondaries have approximately 16,400 students and 2,263 student housing units (14% of total student housing need). Renter and owner female single parents are experiencing above average rates of core housing need.

Were there any other key issues identified through the process of developing your housing needs report?

- An estimated existing housing deficit of 3,750-5,000 units, and 13,650-20,130 additional units by 2031, has been identified; 1,340 are expected to be lost to redevelopment; total annual need through 2031 is 1,870-2,650 units.
- It is estimated 39% of new housing demand will be for households that can afford no more than \$1,625/month, while 21% can spend no more than \$2,500. Only 40% can spend more than \$2,500 (2 bedroom market rent is \$2,635).
- With the high cost of detached housing, there is an increasing need to further diversify development to better match identified needs for larger, but more affordable/attainable dwellings, in multi-unit forms for families with children.
- The prevalence of households experiencing homelessness has steadily increased since daily counts began in 2020, despite recent focus on meeting the needs of this population. The diversity of this population has also been increasing, with students, seniors, single person households, and families being challenged to secure the housing they need.

9.5. Homelessness Survey Summary

Research on Homelessness

The Central Okanagan Journey Home Society, a leader in homelessness data in British Columbia, conducted a research project from February to May 2023 focused on people experiencing sheltered and unsheltered homelessness in Kelowna. In collaboration with the Lived Experience Circle on Homelessness and the Ki-Low-Na Friendship Society, the study aimed to develop a comprehensive, novel dataset on homelessness through in-person surveys. The surveys included 77 quantitative and 15 qualitative questions exploring topics such as housing needs and preferences, employment goals, health, and homelessness prevention. Surveyors engaged with individuals accessing emergency shelters and those experiencing unsheltered homelessness in various locations. 371 surveys were completed among the 485 people counted visibly experiencing homelessness in Kelowna as of May 2023.

While other surveys on homelessness have been conducted, the scope of the Journey Home survey and the quality of the data creates an unprecedented opportunity to inform service delivery and resource allocation in Kelowna. By collecting data from the people whom the system is designed to serve, we are well-positioned to create data-driven, impactful solutions to the homelessness crisis. The responsible use of client-centred, community-level data aligns with national best practice and positions Kelowna as a leader in homelessness response in the province. Journey Home will publish a comprehensive report of the findings in 2024. In the meantime, they have shared preliminary results with the City of Kelowna to inform this Housing Needs Assessment.

National Housing Crisis

Homelessness prevention and resolution strategies are most effective when they are informed by reliable data at all levels. According to The National Housing Accord, a strategy document published by the Canadian Alliance to End Homelessness (CAEH), Canada's worsening housing crisis is driven significantly by an extreme lack of supply of the right types of rental housing. This crisis has caused a surge in homelessness as people increasingly lose their housing as a direct result of unaffordability. The national trends highlighted by CAEH align with the data collected by Journey Home on housing needs among those experiencing homelessness in Kelowna. By increasing the availability of affordable housing, we will decrease the number of people entering homelessness (inflows) and increase the number of people exiting homelessness (outflows).

Homelessness Prevention – Upstream

Communities across Canada are seeing rising homelessness in response to a lack of affordable housing options. With no imminent reversal of housing trends and a 100-person increase in people experiencing homelessness Year over Year (YoY) in Kelowna, we must consider decreasing inflow into homelessness through enhanced 'upstream' supports and other services. Preliminary findings indicate that these supports and services could play a critical role in preventing people from experiencing homelessness.

Figure 1 shows where people were staying before they lost their housing and whether they believe they could have stayed there longer if they had received support or other services. 54.86% of respondents were living in their own home or apartment prior to losing their housing, followed by 30.09% who were living with friends or family. Of those living in their own home or apartment, 91/175 or 52% believe they could have stayed in their housing longer if they had received support or other services. Of those living with friends or family, 37/96 or 38.54% believed they could have stayed in their housing longer if they had received support or other services.

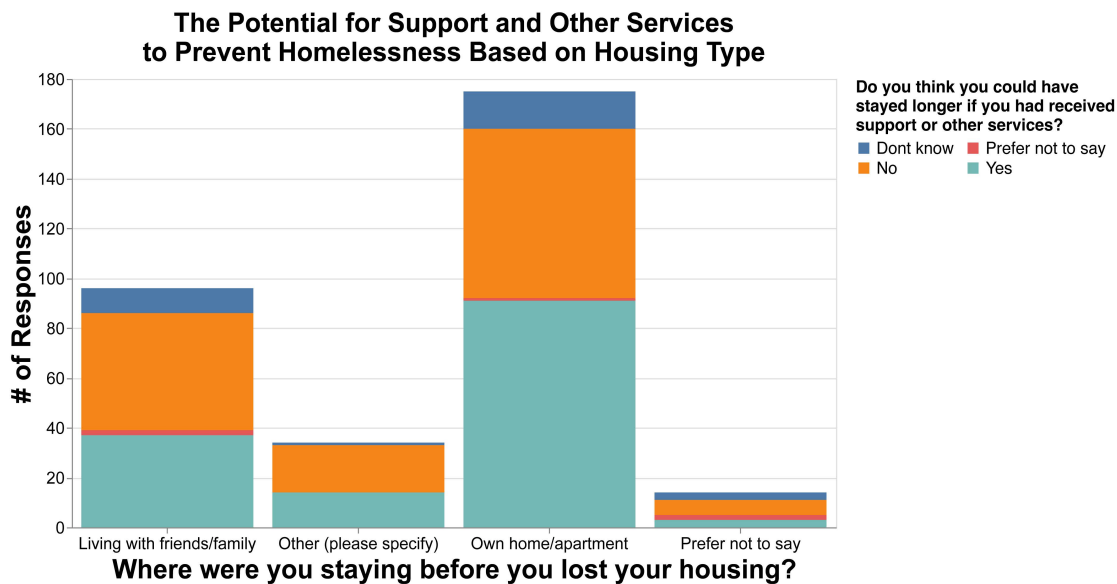


Figure 1. The Potential for Support and Other Services to Prevent Homelessness.

Some organizations have found space to innovate and work upstream. BGC Okanagan is a pioneer of homelessness prevention with their Upstream Project identifying and connecting at-risk youth to help them remain in school and maintain stable housing. The success of BGC Okanagan and the responses collected by Journey Home suggest that we have the potential to significantly reduce homelessness inflows if we can dedicate more resources to upstream, preventative work.

Emergency Management and Health Impacts – Active Homelessness

Service providers in Kelowna currently have limited capacity to work upstream where they could maximize opportunities to reduce inflow into homelessness. Due to the unprecedented number of people experiencing homelessness in Kelowna, the sector finds itself in a perpetual state of emergency management, responding to basic needs, extreme weather, and other critical events.

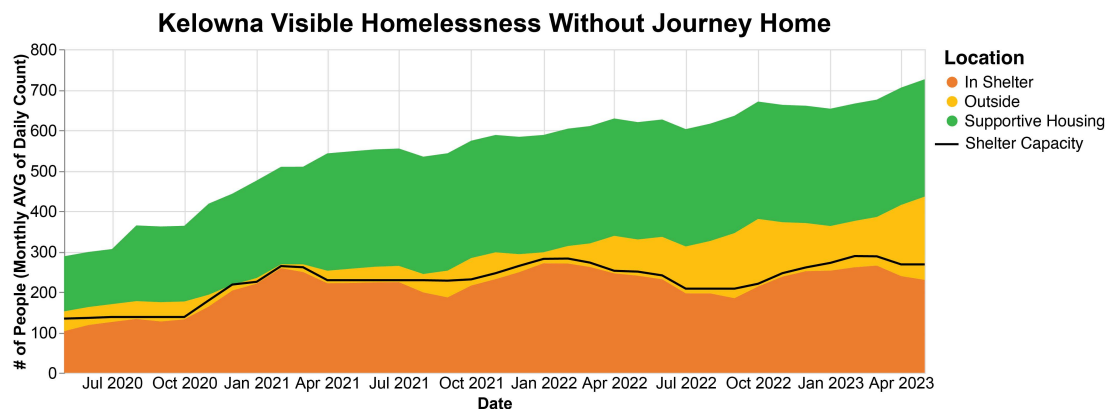


Figure 2. Visible Homeless in Kelowna.

Distinct from the survey, Journey Home established a method to measure the number of people visibly experiencing homelessness in Kelowna over time. People are considered visibly homeless if they are staying in an emergency shelter or sheltering outdoors. Every night, shelters report their attendance and capacity to the City of Kelowna and Journey Home. Each morning, Bylaw Services counts the number of people sheltering outside. Due to the timing of the counts, there is limited overlap between the counts. In Figure 2, we take a monthly average of the daily counts to visualize changes in the number of people visibly experiencing homelessness in Kelowna over time. In the past several

years, the number of people experiencing homelessness has grown to significantly exceed the emergency shelter system's capacity, represented by the black line. Given these limitations, people are often forced to shelter outdoors, throughout the year and during the winter and other extreme weather events.

To quantify the increase in people experiencing visible homelessness in Kelowna over time, we look to October as the most accurate month to measure Year-over-Year (YoY) changes. In October, people experiencing homelessness gravitate towards services in the city in preparation for the winter season. Calculated using the monthly maximum of the daily counts, there was a 100-person increase in visible homelessness from October 2021 to October 2022 and Kelowna is projected to exceed this growth from October 2022 to October 2023.

In May 2022, Journey Home analyzed homelessness data to project that 144 individuals would be forced to shelter outdoors on any given day during winter 2022/2023. The actual daily high count of people sheltering outdoors through winter 2022/2023 was 148. The data suggests that while we need to move upstream and focus on preventing homelessness, we also need to enhance our capacity to support the active population.

The health impacts of homelessness were a key area of focus within the Journey Home survey. Respondents were asked if their mental and physical health had changed since entering homelessness. The resulting correlations between homelessness chronicity and health impacts are explored in Figure 3.

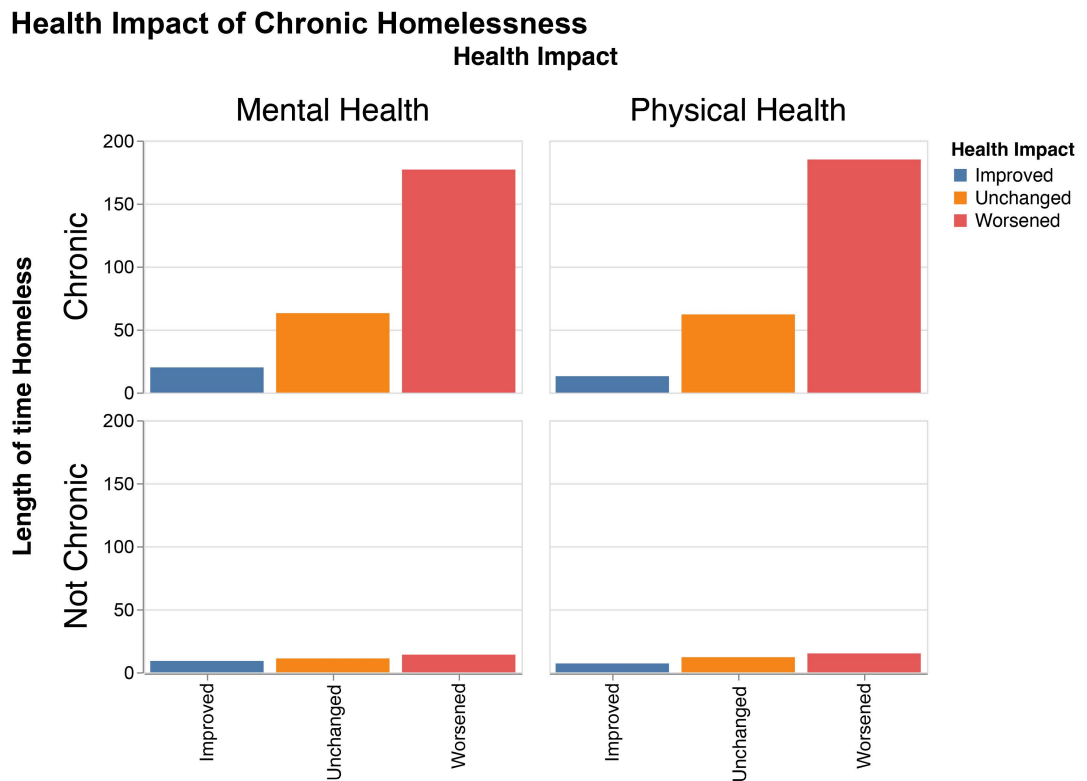


Figure 3. Health Impact of Chronic Homelessness.

Of the survey participants experiencing chronic homelessness (homeless for at least 6 total months over the past year), 177/260 or 68.07% reported their mental health had become worse since losing their housing and 185/260 or 71.15% reported their physical health had become worse since losing their housing. Of those not experiencing chronic homelessness, 14/34 or 41.18% reported their mental health had become worse since losing their housing and 15/34 or 44.11% reported their physical health had become worse since losing their housing.

Journey Home’s findings are strengthened by additional research which establishes that homelessness can have a direct and adverse impact on an individual’s health (Fazel et al., 2014; Liu & Hwang, 2021). If homelessness contributes to adverse health impacts, and if these health impacts worsen during time spent homeless, it follows that people who have recently entered homelessness are likely to have less significant health needs on average than those experiencing chronic homelessness. As such, housing requirements for someone who has recently entered homelessness may vary significantly from someone experiencing chronic homelessness. Therefore, providing housing as early as possible for someone newly experiencing homelessness may prevent that individual from requiring far more resource-intensive services offered in a supportive housing model. The speed at which an individual can exit homelessness is of utmost importance in Kelowna. Figure 4 outlines the year in which individuals currently experiencing homelessness in Kelowna lost their housing. This figure highlights the significant number of individuals who lost their housing between 2021 and 2023. Considering the health impacts described, recent and significant increases in homelessness suggest that timely housing solutions could prevent broad, adverse health impacts within Kelowna’s homeless population.

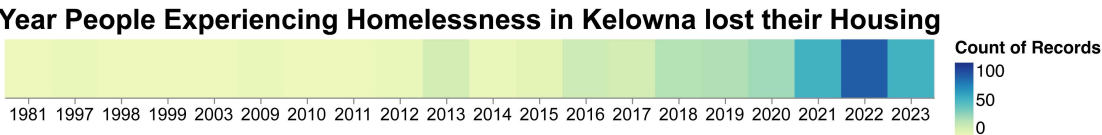


Figure 4. Year of Housing Loss.

Housing Solutions – Downstream

In tandem with upstream solutions, downstream solutions are required to increase homelessness outflows – providing relief for service providers and housing solutions for people experiencing homelessness. Without significantly reducing the current burden on the sector with downstream solutions, we cannot effectively focus on the upstream work necessary to decrease overall homelessness.

Recent housing solutions for people experiencing homelessness in Kelowna have focused on the supportive housing model: a model that provides housing with on-site supports for individuals with a variety of care needs. Supportive housing developments are resource intensive and require collaboration between BC Housing, the City of Kelowna, and other stakeholders. In the past several years, the limitations of supportive housing developments have resulted in a failure to adequately address homelessness increases in Kelowna. Historically, supportive housing has been viewed as the most viable form of housing for a person experiencing homelessness. This perspective is, in part, based on the assumption that people experiencing homelessness have significant health needs. The causal relationships between homelessness and health are therefore important to consider in a housing context.

While supportive housing is an integral part of the housing continuum, Journey Home’s research suggests a desire for greater access to less-intensive housing options in our community. Less intensive can also mean more cost-effective. An analysis comparing the costs of different social and institutional housing categories in Vancouver, Toronto, Montreal and Halifax found that, on average, a unit of affordable housing without supports costs \$5,000 to \$8,000 annually while a unit of supportive housing required \$13,000 to \$18,000 (Pomeroy, 2005).

A further aspect of Journey Home’s research was the exploration of individuals' housing preferences and perceived outcomes in different housing types in an effort to understand the viability of other housing models.

Housing Preference and Expected Outcome

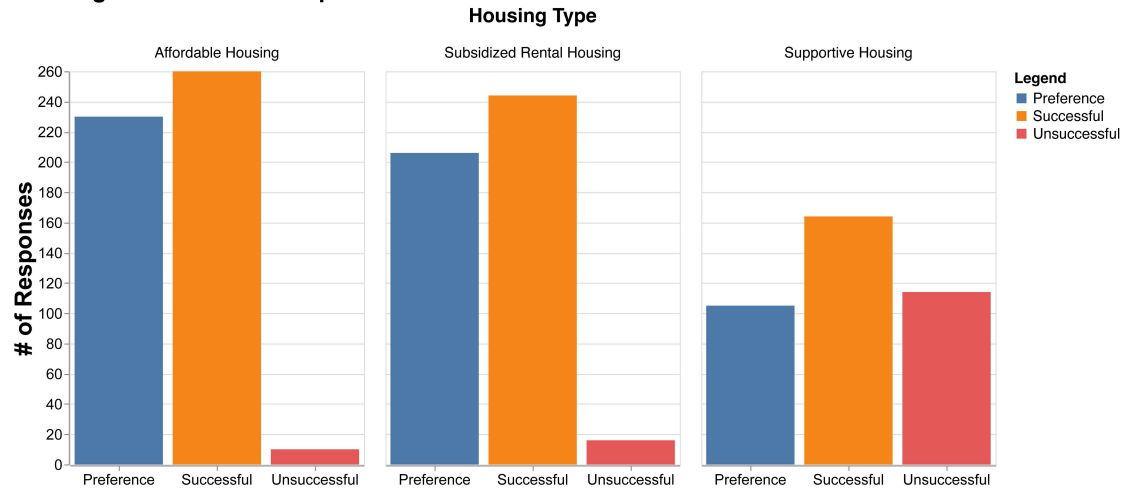


Figure 5. Housing Preference and Expected Outcome.

In Figure 5, respondents were asked to indicate the housing types they would be successful in, unsuccessful in, and which they preferred. Affordable housing is housing with rents equal to, or lower than, average rates in the private market and is for people who have a low-to-moderate income. Generally, no support services are provided in affordable housing. 260/314 or 82.80% of respondents reported that they would be successful in affordable housing and 230/314 or 73.25% reported a preference for affordable housing. As previously described, supportive housing offers on-site staff and support services for individuals with care needs. 52% of those surveyed identified that they would be successful in supportive housing; however, only 33% reported a preference for supportive housing. 244/314 or 77.70% of respondents reported that they would be successful in subsidized housing and 206/314 or 65.60% reported a preference for subsidized housing.

Journey Home's data challenges conventional wisdom and suggests that affordable and subsidized housing should be considered a downstream housing solution for people experiencing homelessness. Additional findings from Journey Home's survey support the idea that a large percentage of people experiencing homelessness in Kelowna could succeed in affordable and subsidized housing. When asked, "Do you have employment goals or aspirations?", 207/318 or 67.05% of respondents answered "Yes". When asked, "Would access to stable, permanent, and appropriate housing help you develop or achieve employment goals or aspirations?", 265/314 or 83.33% of respondents answered "Yes".

Supportive Housing Accessibility

Notably, 75/318 or 23.58% of respondents indicated they required housing with attached supports. These individuals may be ideal candidates for supportive housing units that become available in our community. Additionally, 63/318 or 19.81% of respondents reported a need for accessible housing (e.g., wheelchair access, no stairs, etc.). Currently, BC Housing design guidelines require a minimum of 5% of total units to be wheelchair accessible, up to a maximum of 12% (BC Housing Design Guidelines and Construction Standards, 2019). This gap in service could lead to individuals not being selected for supportive housing due to their need for accessible housing, indicating a need for updated design guidelines.

Conclusion

Journey Home's research highlights the importance of continuously collecting, analyzing and mobilizing community-level homelessness data. By connecting directly with people experiencing homelessness in Kelowna, we challenge our assumptions and enhance our service delivery. With quality data, we are well-positioned to advocate for critical policy changes. Homelessness is a rapidly evolving crisis, necessitating an intimate understanding of the evolving needs of those most affected by it. Continuous research is required to better understand the current limitations of our housing supply and the ways in which those limitations impact the housing success of the most vulnerable members of our community.