

STRATHCONA REGIONAL DISTRICT

Electoral Areas Housing Needs Report

Regional Summary Report
May 2022

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1 Executive Summary

Safe, affordable, and inclusive housing is vital to the societal, economic, and individual health and well-being of residents of the Strathcona Regional District (SRD). To help track housing need, the SRD has commissioned the production of Housing Needs Reports for its rural communities; specifically, Electoral Areas A, B, C, and D.

These reports are descriptive analyses of the current housing needs and possible issues across each community and aim to strengthen local understanding of what kinds of housing are needed, and inform local plans, policies, and development decisions.

1.1 *What is a Housing Needs Report?*

The purpose of this work is to develop an understanding of the current and anticipated housing conditions across the communities that make up the rural SRD. Generally, the work strengthens the ability of local stakeholders and governments to:

- identify current and future housing needs;
- identify existing and projected gaps in housing; and
- identify housing priorities to better understand what dwellings may be most needed in their community.

This Housing Needs Report fulfills the requirements for Housing Needs Reports as outlined in the Local Government Act. The report can be used by community members, the broader public, service and housing providers, and by local and regional governments to understand current housing needs, projected community growth, and future housing need over the next five years from 2021 to 2026.

1.2 *Why Do We Need This Study?*

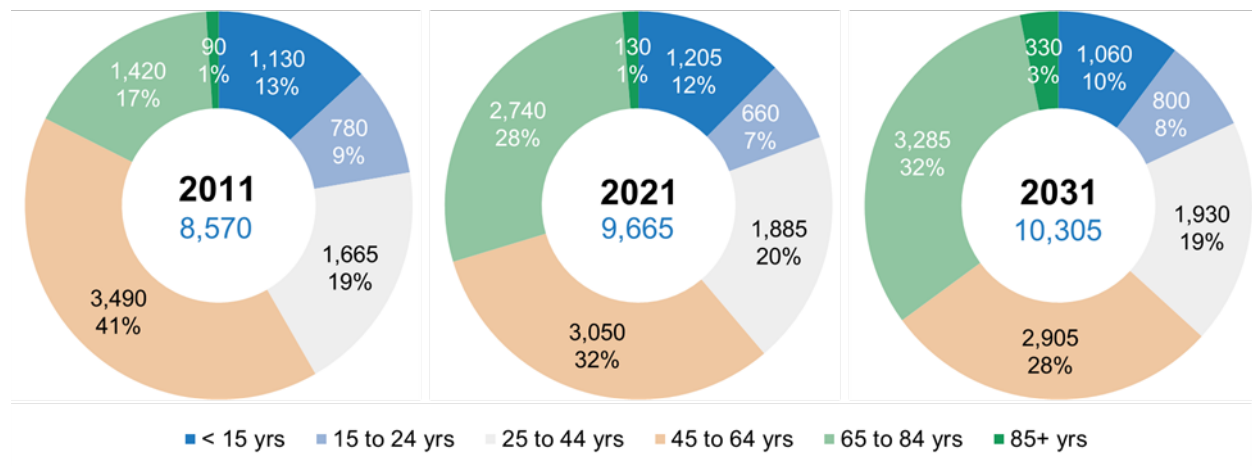
A thorough assessment of housing needs is a useful resource to support many future initiatives. An assessment of housing need is often a precursor to the development of an Affordable Housing Strategy, which are action-oriented plans to identify and implement solutions. The insights and data generated by a needs assessment can help inform ongoing land use and social planning initiatives at the local level, as well as provide hard evidence in support of advocacy to more senior levels of government. Finally, they are a useful resource for those engaged in, or entering the housing sector. Information contained in a needs assessment can inform the design and configuration of housing projects, as well as assist in the preparation of applications to various funding programs that support affordable housing development.

1.3 Key Findings

The population of the Strathcona Regional District's Electoral Areas is growing and aging. The population of the SRD's Electoral Areas grew about 13% from 2011 to 2021 and projections anticipate an additional 7% growth between 2021 and 2031 to 10,305 people. However, growth is not even across all Electoral Areas. Electoral Area D is the largest by population and the fastest growing, increasing 18% since 2011, while Electoral Areas A, B, and C increased 9%, 8%, and 8%, respectively. Much of this growth is driven by positive net migration, which has remained relatively high since 2013.

Similarly, growth is occurring unevenly across age cohorts. Projections anticipate that most younger age cohorts are likely to decrease or remain proportionately stable, reflecting the modest population growth across the Regional District. Older age cohorts are expected to increase dramatically, with seniors growing from 18% of the population in 2011 to as high as 35% in 2031.

Figure ##: Rural Strathcona, Historical & Anticipated Population Distribution



Source: derived from BC Statistics and Statistics Canada

These findings indicate a need for housing across the SRD that supports the needs of older residents. Specifically, there is a need for more housing that is affordable and accessible for those on a fixed income, particularly within the rental market. An aging population presents a greater need for at home care options and smaller housing units that allow for downsizing. Seniors are also more likely to be living with a disability or activity limitation than other age groups and may have to pay for all household expenses on a fixed income. In many parts of the of the study area, older residents may live in an affordable situation, but are increasingly worried about their ability to maintain the house and property.

“Family is all grown and the house is too big for us. But it is home and we will stay and live in this lovely area as long as we can.”

“Will likely need to sell to downsize and there is no appropriate housing such as nice patio homes available on Quadra, yet the need will increase as many, many of us aging seniors will want to stay here on the Island.”

“Lack of smaller, self-contained houses to enable seniors to downsize without having to move to another region.”

In addition to expressing a desire for small, maintainable units (though not necessarily fewer bedrooms), many seniors responded that they would prefer to be located closer to amenities and services or have some services extended to rural areas, especially as they choose to drive less or are unable to operate a personal vehicle. Expanding the availability of smaller, multi-unit housing, connected to services or transit options is vital for meeting the needs of an older population. Where appropriate, zoning and land-use decisions that prioritize multi-unit and smaller, denser housing with public and active transportation infrastructure would support the growing needs of seniors, as well as many other population groups.

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

Rental housing is increasingly difficult to find, more expensive, and more likely to be in poor condition.

About 18% of all residents in the Strathcona Regional District Electoral Areas are renters. Despite representing less than one in five households, the cost, availability, and condition of rental units was one of the most common concerns identified in the engagement process for this study. Though most people own their home, many residents have friends or family who are struggling to find a stable and affordable rental situation. Forty-five percent (45%) of renters who responded to the community survey indicated that their current housing costs were unaffordable to them.

A critical reason for the affordability challenges faced by renters was a reported rise in housing costs that exceeded growth incomes. Though renter incomes grew by 14% between 2005 and 2015, the median renter household only earned an estimated \$38,335, compared to the median owner household which earned about \$64,299. Rising renter incomes are an indicator that more middle-income households may be priced out of the ownership market and instead are renting with greater frequency. Renters also make up critical proportions of key industries in the SRD including retail, hospitality, and construction.

Across the study area, about 41% of all renter households were in a home that was either unaffordable, in need of major repair, or overcrowded. Households in any of these circumstances are described by Statistics Canada as being in Core Housing Need. For comparison, only 9% of owner households were in Core Housing Need.

“This is a crisis issue that needs to be dealt with. The number of folks online that are desperate for housing is shocking. Any renter is at the mercy of their landlord to become homeless.”

“Can't find a one bedroom for under \$1400/month. That's double what it was 10 years ago. Absolutely outrageous!”

“There are other rentals... just a bedroom and bathroom, no kitchen, going for \$1000/month. And people are jumping on them because they need ANYTHING. But that's not sustainable either. We need safe, healthy, and enjoyable housing that is affordable for minimum wage earners and young folks just starting out.”

“As a small business owner and someone who grew up on Quadra Island I see the struggle younger generations are going through to find housing. Rentals are increasingly hard to come by and finding property to buy for a young family trying to make a living on the island is not possible. There are younger generations that have grown up here and want to stay but just can't make it without some kind of affordable housing. As a business owner I am experiencing the lack of labour options because of this.”

Many key informants made it clear that people with the least ability to weather unstable housing conditions are the most likely to be affected by the current rental housing deficit. Those in equity-seeking groups, single-income households, lone-parent households, and those of Indigenous identity all demonstrated elevated rates of Core Housing Need and were more likely to rent than own. Informants overwhelmingly pointed to deficits in supportive housing, seniors' supportive housing, and units available at a below market rate. Several key informants highlighted the need for supportive housing for lone-parent families, youth, and community members with physical or developmental and cognitive disabilities.

“There is a HUGE lack of affordable housing on Cortes. People are in constant search of a place to live; some are elderly, many are young. People live in cars, vans, tents, derelict boats. People request a place to bring a trailer or a trailer able home.”

Short-term rentals are proliferating in the Electoral Areas, impacting affordability for renters.

Between 2016 and the end of 2021, the number of short-term rentals (STRs) operating in the Strathcona Regional District grew from 153 to 625 unique properties. Nearly 70% of these units operated in the Electoral Areas and the vast majority of STRs were classified as an “entire home or apartment” meaning the owner of the property does not share the space with guests.

Many respondents, but especially those who are seasonally employed or who have recently looked for rental units, identified STRs as a key reason for perceived housing shortages. Interviewees and respondents frequently remarked that fully employed people were increasingly living in tents, RVs, and un-serviced cabins as a result of reduced rental availability.

Often, before affordability was mentioned, supply was emphasized. Even for those who could afford typical rental rates, housing was simply not available. Short-term rentals were the most commonly cited reason for that lack of availability, especially in Electoral Areas B and C.

“We need less Airbnbs and more housing for our community members on Cortes. Many capable hardworking people leave due to nowhere to live and this also creates a labour shortage along with no help from the younger generation to the elderly here on island. The affordable rental problem along with no available rentals at all is a vicious circle here on Island.”

“I am living in a side room semiconverted into a suite but almost everyone else I know is living in trailers, sheds, boats, RVs... The thing is that there IS a lot more housing available but we've slowly watched them all come off of the market and be moved to Airbnb. When I was searching for a place there was nothing here available. But 250+ Airbnbs. Do you have any idea how frustrating that is?”

“Another item that's contributing to the lack of rentals is the explosion of Vrbo's and Airbnb's in the area. They are lucrative for the owners, but remove the units out of the rental market. They do contribute to tourism here in our area, so I don't think they should be banned but density rules need to be relaxed on our rural properties.”

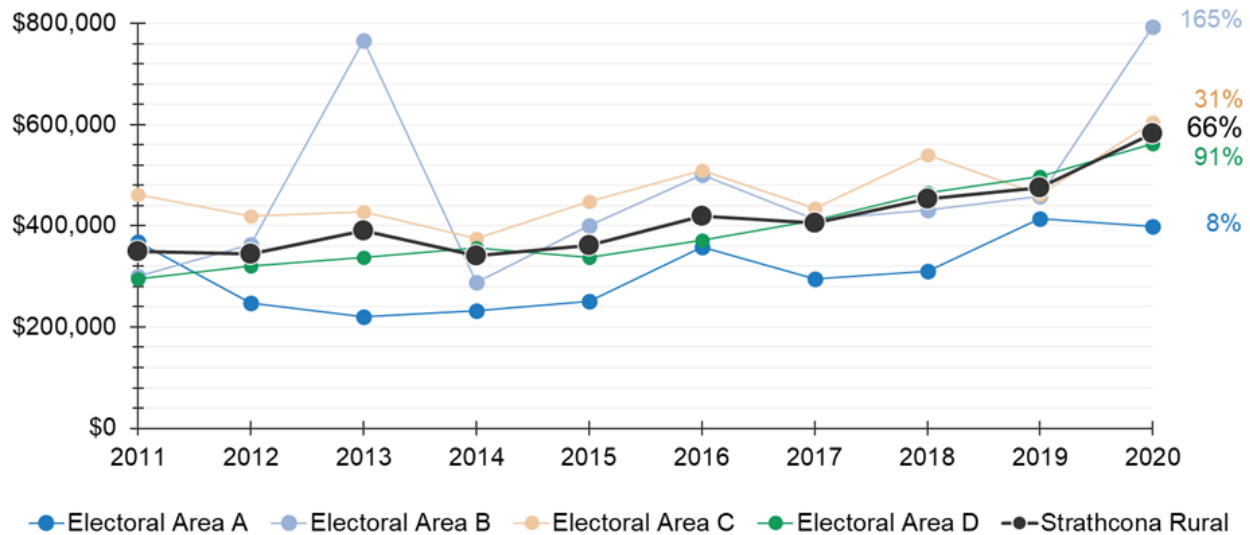
“There are a lot of Airbnbs on island that take away housing from the locals who live here year-round. It is extremely hard to find a stable year-round housing situation because of this. Even when those Airbnbs are sometimes rented out during the winter months when tourism is low, they often are not adequately insulated or suited for being lived in in the winter.”

Homeownership costs are rising, and finding housing is becoming more difficult for a larger proportion of the population.

While affordable rentals remain the most pressing concern, owner housing prices have risen dramatically in the last ten years. Adjusted for inflation, median dwelling prices in the Electoral Areas are up 66% since 2011 and many households who may have been able to afford market ownership housing five years ago are no longer able to because of accelerated cost.

Figure ##: Dwelling Prices by Electoral Area (2020 dollars) & Percent Change '11-'20

Strathcona Regional District Electoral Areas Housing Needs Report



Source: BC Assessment

Anecdotal evidence collected through engagement indicates that increasing cost trends have been amplified by COVID-19 as wealthy homeowners realize that they can work remotely in a scenic destination rather than in a bigger city. These wealthy purchasers are contributing to rising costs throughout the region and often only live in their homes seasonally, leaving them empty the rest of the year.

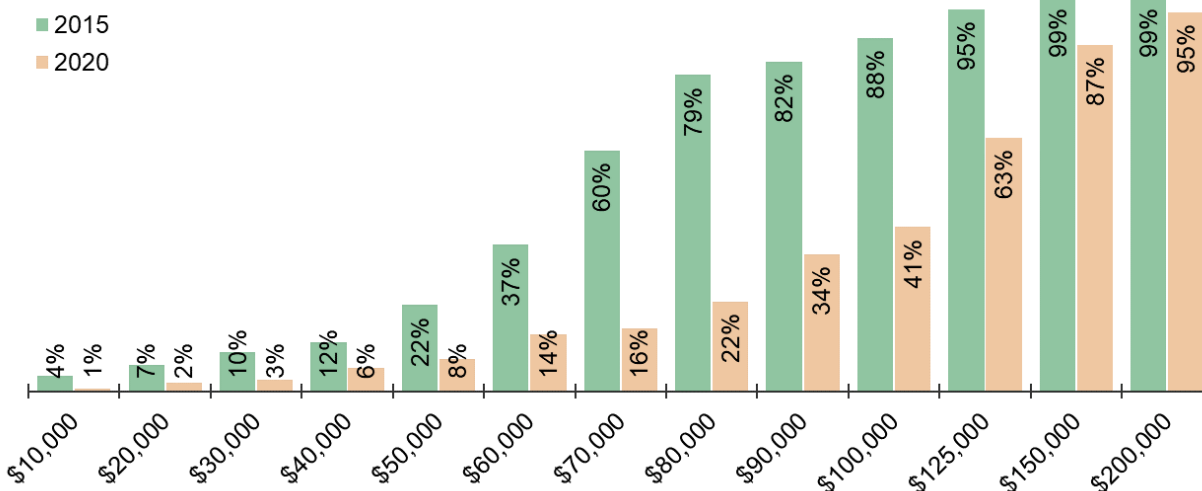
“Find ways to build more affordable housing. Many of the houses on Cortes are empty, which raises the question of some kind of empty house tax.”

“I know many people who work on these multimillion-dollar vacation homes maintaining various aspects, seeing it sit empty for most of the year, but without a stable place to live themselves.”

“Many long-term residents 10 and 20+ years living on Cortes and contributing to the community are struggling to find any housing these days, while hundreds of homes sit empty for much of the year.”

A comparison of incomes and dwellings for sale in 2015 and 2020 shows how the cost of housing has dramatically exceeded growth of incomes. In 2015, a first-time home buyer household with an income of \$70,000 could potentially afford the estimated mortgage of 60% of homes for sale across the SRD’s Electoral Areas. The same income could only afford an estimated 16% of dwellings sold in 2020. A household with an income of \$100,000 could afford 88% of dwellings in 2015 and only 41% of dwellings in 2020.

Figure ##: % of Sales that are Affordable per Income Threshold, '15 vs '20 (2020 dollars)



Source: derived from BC Assessment, & Statistics Canada

“Young families cannot afford to buy a house here. There are fewer long-term rentals available than before, as many have become vacation rentals. Businesses have trouble finding staff because they in turn can't find housing. I don't want to see us become a community of only rich retired people.”

“We have a massive housing shortage in our community. We work in agriculture and would like to buy land to farm but with the prices being so extremely high, and with lenders unwilling to lend to self-employed clients, we're unable to. And if for any reason our tenancy should end in our current rental, it would be impossible to find another in our community, and even more to find one at a reasonable price.”

“Housing costs mean that my best friend, who's lived here 28 years, cannot afford to buy a house here... They are moving to Nova Scotia.”

“There is no available housing in our community. Unless my children remain at home with me, or build another residence on my property, they will never be able to afford to buy a home.”

Developing new housing, especially new affordable housing, is very difficult.

Though not the only solution to identified housing issues, newly built housing is likely an important component of plans to meet the future housing needs of rural residents. Two-thirds of all homes in the SRD's Electoral Areas were built before 1990, and many homes are reaching the end of

their lifespan or require significant repair or upkeep. Most importantly, the predominant single-detached stock is not able to evolve to meet the needs of older residents who may be looking for smaller more manageable options and younger residents who need more affordable units.

Throughout the engagement process, residents repeatedly identified challenges with building new dwellings. These challenges included construction costs and labour shortages, unaffordable septic and utility fees, and difficulty navigating policy around secondary dwellings. In many cases respondents indicated that some areas could support increased density, but were unable to because of water, septic, or other utility challenges.

“In our situation, I would really like to see the allowance for increased density on our properties. We have just under an acre, so we have plenty of space but we are not allowed to build a secondary dwelling or place a tiny house on our property.”

“Local government needs to seriously look at community planning, existing zoning and bylaws that are preventing housing density. Local governments need to encourage more suites, carriage homes by creating fewer layers of red tape and stumbling blocks.”

“Remove barriers to construction of higher density housing like townhouses or duplexes. Update zoning laws to allow property owners to build multiple suites or secondary units when the owner is a resident on the property. An in-law suite is useful for our aging parents, but we also want to be able to provide housing for a nurse or caregiver without them living in our home. All property owners should be encouraged to build long term accommodation secondary suites.”

New development needs will always be challenging in the Electoral Areas. Many informants described the costs associated with upgrading utilities to enable more density and their worries that building more housing would only further pressure already limited resources. Though enabling new units will be vital to improving affordability and availability, policy needs to acknowledge rural carrying capacity and servicing infrastructure.

Continued investment in non-market housing is critical.

Most new development is likely to be done through the private market, but unless substantial new stock arrives in a short period of time, any new market units are likely to remain at prices that exacerbate concerns around affordability. Strategic non-market and supportive housing options, that are maintained at affordable rates in perpetuity and include vital health other services, were also identified as critical. These often are difficult to develop, not only because of community perceptions about below market housing, but also because of limited funding and appropriately serviced and sited land.

“Market housing is simply too expensive for a large segment of our society.”

“We need more affordable rentals managed by an organization. We need zoning to be relaxed to allow for more dwellings on large properties.”

“Government subsidized low-income housing. We've been doing it for years, why are we not doing it now!? Find a fund, build the houses. I'm done with it. This survey is this costing more money that could have gone into low-income housing projects.”

The SRD has many housing assets and informed and passionate non-profits and community members.

Throughout the engagement process it was clear that housing need in the SRD is a subject about which people are passionate. Non-profits, health sector employees, local government representatives, and community advocates understand the issues and are working hard to address them. This report is intended to support and supplement the already important work being undertaken and help local governments direct their resources appropriately.

In addition to comments on areas of housing need, many community members and housing actors brought up alternative housing options and tools that could be implemented at the local government level. Generally supportive of increased density and smaller housing styles in appropriate areas, informants suggested cooperative housing models, land trusts, and seniors housing clusters as potential methods of improving availability, affordability, and stabilizing the market. Creative housing solutions will be critical to meeting housing needs in the SRDs Electoral Areas.

1.4 Recommendations

The following key recommendations emerged through the Housing Needs Report process. They respond directly to the findings identified in the Report and attempt to recognize the ability and limitations of regional government scope and policy approaches. The SRD is already supporting some of these recommendations and should continue to monitor progress moving forward. Key recommendations from this study are:

1. Deepen Housing Partnerships and Educate Residents
2. Promote and Protect Housing Affordability in the Market
3. Work with Partners to Expand Non-Market and Supportive Housing Options
4. Address Growth in Population Aged 65 Years and Over
5. Manage Growth

Deepen Housing Partnerships and Educate Residents

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

Priority Action:	Appropriate Local Government Tools or Policy Levers:
Continue to expand regional housing involvement	<ul style="list-style-type: none"> Continue to encourage regional partnerships for housing studies. Work with municipalities Indigenous governments and regional and local service providers to identify opportunities for resource sharing, site identification, and other land use planning activities.
Advocate for increased support from senior levels of government	<ul style="list-style-type: none"> With municipal and Indigenous partners, continue to leverage grant funding opportunities where possible, and advocate for increased housing funding and tools for non-profit developers and local and regional governments through Union of BC Municipalities and Federation of Canadian Municipalities. Explore opportunities to collaborate with senior government to make pockets of developable land available for disposal for affordable housing. Maintain awareness of Canada Mortgage and Housing Corporation research funding that could potentially encourage local innovation.

Support non-profits who are bearing much of the cost of housing service delivery	<ul style="list-style-type: none"> • Continue to advocate on behalf of these organizations. • Continue to support and participate in regional housing tables or networks that include service providers and non-profit housing agencies. • Consult with non-profit housing agencies when developing new housing policy.
Educate residents on the value of affordable housing	<ul style="list-style-type: none"> • Work with community partners to address stigma around non-profit and supported housing. • Support the development of education materials for the public to help build knowledge in the region about the opportunities available to address housing need. • Share findings of the SRD Electoral Areas Housing Needs Report with regional partners and the public on the SRD webpage and social media platforms. <p>Example: Comox Valley Coalition to End Homelessness, Affordable Housing Benefits Everyone Project - https://www.cvhousing.ca/affordable-housing-benefits-everyone-project/</p>

Promote and Protect Housing Affordability in the Market

Though prices vary across Electoral Areas, costs of owning and renting are consistently increasing and many residents are struggling to find adequate housing, especially in the rental market. When appropriately sized units are available, many exceed a price that is considered affordable or are reported to be substandard condition, putting a prospective tenant into Core Housing Need.

Additional rental and ownership options will not, on their own, solve housing affordability concerns across the Regional District and rural areas are not necessarily the best place to encourage denser, rental-tenure developments. However, more available units in the market can alleviate immediate issues for many priority populations including seniors hoping to downsize, single-income households, and families unable to find appropriately sized units. Additional stock could slow down increases in the cost of renting, but market rentals are not capable of providing the services, deep affordability, or rent-geared-to-income approaches that many across the SRD need now or may need in the future. Policy tools in this section are broadly applicable at a regional level and are meant to be undertaken in partnership with municipalities and Indigenous governments.

Priority Action:	Appropriate Local Government Tools or Policy Levers:
Improve availability of affordable rentals	<ul style="list-style-type: none"> • Collaborate with municipal, senior, and Indigenous governments to identify lands that could be used to facilitate rental housing or more affordable ownership options. • Consider partnering with non-profit or private entities that can facilitate rental housing or more affordable ownership options on identified lands.

	<ul style="list-style-type: none"> • Continue to support education around Canada Mortgage and Housing Corporation programs, including rental construction financing initiative. • Consider housing agreements as a condition of multi-family residential rezoning applications to promote the development of affordable housing units as community amenity contributions.
Continue to monitor prevalence of short-term rentals (STRs) and consider further regulation.	<ul style="list-style-type: none"> • Continue to monitor and regulate spread of STRs.. • Consider restricting residential zones in which STRs are permitted, amending zoning to permit new STRs only through temporary use permit, or permit only a certain number of STRs at any given time.
Encourage development of purpose-built rental and smaller and denser units in all residential areas.	<ul style="list-style-type: none"> • Consider including language that supports purpose-built rentals and appropriate density in Official Community Plan. • Where appropriate and subject to servicing, continue to review and consider further relaxing restrictions on accessory dwelling units, especially moderately-sized accessory dwellings that are to be used as permanent rental options. • Where appropriate and subject to servicing, encourage row house, townhouse, duplexes and other denser, multi-family options in single family residential zones.

Work with Partners to Expand Non-Market and Supportive Housing Options

Though difficult to build and support in many rural areas, non-market and supportive housing options will be critical to providing stable and appropriate options to many residents of the SRD. Many key informants indicated a need for more supported housing options for those who need, or will need, housing with integrated health services and especially below-market rental or rent-geared-to-income options for families and seniors who are unable to find housing that meets their needs.

Not all non-market housing options contain supportive elements. Often called secured affordable housing, new units can be secured at affordable rates through covenants or agreements with senior government. These units are typically facilitated by non-profit or senior government providers, but local and regional governments are key facilitators of development. Non-market stock is key to providing safe, affordable, appropriate housing to the residents of the SRD. Most non-market units will continue to be sited in municipalities, but the Regional District can support applications, coordinate on land acquisition, and even provide support through capacity and expertise.

Priority Action:	Appropriate Local Government Tools or Policy Levers:
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Expand non-market housing options.	<ul style="list-style-type: none"> • Continue to support applications to BC Housing and CMHC funding programs. Leverage grant funding with partnering organizations where possible. • Consider taking on a more active role in non-profit development by supporting pre-development phases. • Consider including supportive language in Official Community Plans and explore allowing non-profit and supported uses in all residential zones.
Enhance support for non-profit developers through incentives and reduced regulations.	<ul style="list-style-type: none"> • Consider introducing incentives that can support non-profit developers. Incentives can include such things as parking requirement relaxation, setback relaxation, expedited application and permit processing, and development cost charge exemptions (when applicable). • Explore offering tiered incentives for building permits where non-profit developers are afforded greater incentives, which often directly impacts rent rates. • Provide staff support to help non-profits make appropriate development applications and navigate development procedures.
Facilitate non-market development on underutilized and vacant land.	<ul style="list-style-type: none"> • Consider collaborating with municipal, senior, or Indigenous governments to identify land that could be used to support these goals.
Consider directly funding and supporting non-market and affordable housing options	<ul style="list-style-type: none"> • In partnership with municipal and Indigenous government members of the SRD, explore developing a Regional Housing Service to increase local funds for affordable housing and housing supports. <p>Example: Cowichan Valley Regional District, Cowichan Housing Association Annual Financial Contribution Service Bylaw – CVRD Bylaw No. 4201, 2018.</p> <p>Example: Comox Valley Regional District, Comox Valley Homelessness Supports Service Bylaw – Comox Valley Bylaw No. 389, 2015</p>
Work with Municipalities and Indigenous Governments to expand support for unhoused residents	<ul style="list-style-type: none"> • Continue to support the efforts of local and regional partners to count and provide shelter for unhoused residents. • Support emergency housing projects where appropriate.

Address Growth in Population Aged 65 Years and Over

Consistent with national trends, the population of the SRD is aging. Between 2011 and 2021 the number of seniors rose by 93% with projections anticipating further growth in older cohorts. These

findings indicate a need for housing across the Region that supports the needs of older residents. Specifically, there is a need for more housing that is affordable and accessible for those on a fixed income, particularly within the rental market. An aging population presents a greater need for at home care options and smaller housing units that allow for downsizing. Seniors are also more likely to be living with a disability or activity limitation than other age groups and may have to pay for all household expenses on a fixed income. Many seniors that participated in the study indicated that if smaller, ground-oriented units became available in their community, they would be able to downsize and free up more single-detached stock for younger families.

Priority Action:	Appropriate Local Government Tools or Policy Levers:
Enhance support services aimed at seniors and elders.	<ul style="list-style-type: none"> • Consider partnerships to improve services and other amenities in more rural portions of the Electoral Area to improve accessibility and livability for those residents who plan to live independently in their home as they age. • Consider ongoing communication with Island Health to discuss existing and desired services for rural SRD residents. • Advocate for housing that includes supportive or semi-supportive elements (e.g. meal service, integrated health services, cleaning services). • Support senior clusters or co-housing/co-op initiatives where appropriate. • Advocate for BC Transit service in relevant communities to improve accessibility. • Support the development of accessible pathways and trails to improve community connectivity with residential and rural residential housing areas.
Support non-profit societies that directly address seniors' housing needs.	<ul style="list-style-type: none"> • Provide information on non-profit development and ongoing or upcoming projects. • Direct seniors' organizations to available resources and organizations like the BC Non-Profit Housing Association.
Encourage development of smaller, multi-family, accessible units.	<ul style="list-style-type: none"> • Consider evaluating existing Official Community Plan to include language that supports purpose-built rentals and appropriate density. • Where appropriate and subject to servicing, continue to review and consider further relaxing restrictions on accessory dwelling units, especially moderately-sized accessory dwellings that are to be used as permanent rental options. • Where appropriate and subject to servicing, encourage row house, townhouse, duplexes and other denser, multi-family options in single family residential zones.

Manage Regional Growth

Population is expected to grow across the Strathcona Regional District's Electoral Areas, reaching a projected 10,305 residents by 2031. Anecdotal evidence collected from key informants indicates that migration from the higher-value southern markets is occurring at an increased pace, driving up prices and demand for services across the region. As working from home becomes normalized, the SRD may also experience growth in "amenity migrants" who are attracted to the area because of access to outdoor amenities, and other quality of life factors. Managing new growth while enhancing affordability is key to meeting the needs of community residents.

Priority Action:	Appropriate Local Government Tools or Policy Levers:
Align land-use, transportation, and service planning goals to promote affordability and growth in designated areas that are suitable for development and/or located close to services.	<ul style="list-style-type: none"> • Especially important when considering development of land for affordable housing projects. Land is an important asset but properties that do not align with long-term transportation and service planning goal will increase long-term costs. • Align land use decisions with Official Community Plans.
When possible, keep settlement compact, protect the integrity of rural and resource areas, protect the environment, and increase servicing efficiency.	<ul style="list-style-type: none"> • Continue to explore and encourage denser and more diverse housing types where appropriate. • Encourage siting of new housing along transit or active transportation routes or as close as possible to existing services.

1.5 Housing Need Profiles

The most compelling and impactful data on housing need often comes in the form of stories from people experiencing housing challenges. Finding a home that is accessible, in good condition, and within the budget your family can afford is an increasingly complicated proposition for many and not all facets of that experience can be codified or placed cleanly into a report. This section attempts to bridge the gap between data and engagement by combining both into profiles of a few 'representative' households navigating housing challenges in the SRD.

Profile #1: Downsizing Senior Couple

Seniors are the fastest growing population cohort in the SRD. Many seniors have retired and rely on fixed monthly amounts from Canada Pension Plan (CPP) and Old Age Security (OAS) to pay for all expenses, including housing. This analysis assumes that a senior couple with minor mobility limitations would like to downsize from a larger rural home to a smaller, accessible option. The couple is not willing to leave their rural community and would like to remain close to their friends and family.

In this scenario, the couple has sold their single-detached home for \$624,000, just under the 2020 median sale price for a rural Strathcona home (\$624,450). They plan to help use the equity to supplement their retirement savings, help a family member pay for university, and invest in a smaller, accessible home:

- Retained for retirement savings: -\$250,000;
- Assist family with cost of university: -\$50,000;
- Available to allocate towards cost of renting or purchasing: \$324,000

Assuming this couple wants to rent over the next 15 years, they have approximately \$1,800 to spend on monthly rent. Assuming no rent increases, it would be feasible for this couple to find many rentals at that rate, with some financial cushion for rental increases, utilities, and luxury items.

Affordable Monthly Rent	Median Estimated Monthly Rents in SRD Primary Market ¹				
	Room	Studio	1-Bed	2-Bed	3-Bed
\$1,800	\$700	\$1,150	\$930	\$1,250	\$1,650

Throughout the study, many older residents reported they were considering selling their home to take advantage of the current market and downsize to a more manageable property. Though this couple could gain significant equity from their home and could likely afford most rental properties, it is very unlikely they would be able to find an appropriate smaller home in their rural area.

Affordable Purchase Price	Median Housing Sale Price in SRD Rural, 2020 ²					
	Overall Sale Price	Single-Detached Home	Semi-Detached Home	Row House	Apartment or Condo	Manufactured Home

¹ Collected as part of this study. See section 4.3.3 of this reports for further detail.

² Collected as part of this study. See section 4.3.2 of this report for further detail.

\$324,000	\$582,450	\$624,450	~\$416,400	-	-	\$270,000
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Sales of smaller row house or apartment style dwellings are so rare that we were unable to get accurate data for the rural areas of the SRD. Sales of semi-detached or manufactured homes are more common and would likely be affordable for this couple. Because options are limited, many seniors told us they are worried they will either have to stay in their large home or move to Campbell River or a larger centre. Even for seniors with significant resources, there are very few appropriate units.

“We need affordable housing for seniors who want to downsize Lack of rental housing.”

“As an older senior, I can see the time when we are no longer able to manage our home and acreage and would like to have the option of living on Quadra in a condo or in a residence similar to our new seniors residence. but one that we could buy and own.”

“We are seniors on pensions. Will likely need to sell to downsize and there is no appropriate housing such as nice patio homes available on Quadra, yet the need will increase as many, many of us aging seniors will want to stay here on the Island.”

Profile #2: Seasonal Worker

The tourism and hospitality sector is a critical industry in the SRD. The combined workforce of the retail trade and accommodation and food services sectors employs just above 18% of the rural working population (as of 2016), just behind Food Resource and Health Care industries. The services industry is especially important in Electoral Areas B and C, but has an increasing presence in Electoral Area D. Wages in the hospitality sector tend to be lower than average and many workers make the Provincially regulated minimum wage. This profile assumes that a seasonal hospitality worker has advanced in their career to a point where they make above the minimum wage.

A full-time hospitality worker making \$22 per hour and working 40 hours a week should earn around \$45,760 annually and can typically afford to pay up to \$1,144 per month towards rent and utilities. In this scenario, a hospitality worker should be able to afford a room in a shared house or a studio unit but would need to stretch themselves to afford anything over one bedroom.

Affordable Monthly Rent	Median Estimated Monthly Rents in SRD Primary Market ³				
	Room	Studio	1-Bed	2-Bed	3-Bed
\$1,144	\$700	\$1,150	\$930	\$1,250	\$1,650

If this individual sought to purchase a home, they could afford up to \$199,450, and a monthly payment of about \$800. This puts nearly all ownership options out of reach, especially with anticipated increases to interest rates.

Affordable Purchase Price	Median Housing Sale Price in SRD Rural, 2020 ⁴					
	Overall Sale Price	Single-Detached Home	Semi-Detached Home	Row House	Apartment or Condo	Manufactured Home
\$199,450	\$582,450	\$624,450	~\$416,400	-	-	\$270,000

If a seasonal worker could afford accommodations, availability of appropriate housing was often cited as a much larger concern than cost. Many hospitality sector workers reported that they had been displaced because of proliferating short term rentals or are rarely able to find a place for more than a few months at a time. Others cited poor conditions of available units, difficult landlords, and highly competitive searches. Many resorted to living in tents, in unsuitable cabins, in cars, and in boats as a last resort.

“There are a lot of Airbnbs on island that take away housing from the locals who live here year-round. It is extremely hard to find a stable year-round housing situation because of this. Even when those Airbnbs are sometimes rented out during the winter months when tourism is low, they often are not adequately insulated or suited for being lived in in the winter.”

³ Collected as part of this study. See section 4.3.3 of this reports for further detail.

⁴ Collected as part of this study. See section 4.3.2 of this report for further detail.

“I know many people who love in tents or their car during the summer when cabins are being put up on Airbnb. I know many people who have to move off the island in order to find housing. I know many people loving in inadequate housing situations as it is the only thing that they can find. I know many people who work on these multimillion-dollar vacation homes maintaining its various aspects, seeing it so empty for most of the year, but without a stable place to live themselves. I know being able to find adequate housing on Cortes is a huge problem for a lot of people.”

“Airbnb rentals need to be regulated as to how many can be in one area or at least registered because people think they can make more money and have less hassle by turning their rental into an Airbnb and this has caused an alarming shortage on rentals including short-term summer workers.”

Many younger residents and seasonal workers that responded to the survey reported extreme stress associated with finding accommodation. Most indicated that they would never have found a place if they weren't either very lucky or able to rely on significant support from friends and family.

“It's super stressful trying to secure year-round housing. It affects our health.”

“Lack of housing for younger community members. Businesses struggle to find employees. I've known employees (coworkers) to live in cars, tent, and even rent someone's balcony where they had a makeshift room.”

“I am very privileged to live where I do now. I was paying exorbitant rent before and if I ever have to leave here I will be out of luck. It is so hard to find anything to rent.”

Given the importance of seasonal employees to the economy of the SRD, their presence is unlikely to diminish, and permanent camping is likely to remain one of the few options for many. Hospitality workers who live in the SRD year-round would benefit from a non-market housing option that is secured at an affordable rate in perpetuity and seasonal employees from employee housing that is available for seasonal workers close to employment centres.

Profile #3: Single Teacher

Teachers and educators are a vital employment sector in the SRD, accounting for nearly 6% of all jobs and providing a critical service to all residents. A teacher with an appropriate graduate degree and a few years of experience likely earns an annual salary of between \$72,000 and \$77,000 in School District 72 (Campbell River) or 84 (Vancouver Island West).⁵ This profile assumes a single teacher, making an average salary and working full time is looking for a place to live in one of the Electoral Areas.

A teacher earning an annual income of \$75,000 can typically afford to pay up to \$1,875 per month towards rent and utilities. Under this scenario, a teacher is within their means to afford a one- or two-bedroom rental unit and could likely stretch themselves to afford a three-bedroom rental unit in the rural areas of the SRD based on average prices. The key concern for this renter is likely availability. Across the region, rental vacancies are low, and many renters were concerned with the quality and condition of available units.

Affordable Monthly Rent	Median Estimated Monthly Rents in SRD Primary Market ⁶				
	Room	Studio	1-Bed	2-Bed	3-Bed
\$1,875	\$700	\$1,150	\$930	\$1,250	\$1,650

While renting a one- or two-bedroom unit is likely affordable, ownership may not be. If this individual were able to save enough to put together a 10% down payment, they could afford up to \$326,900 (assuming about one third of shelter budget goes to utilities and other expenses). A monthly mortgage payment would equate to about \$1,310. Unfortunately, this puts the median home in the Strathcona Regional District out of reach. In 2015, an income of \$70,000 could afford the estimated mortgage of 60% of the dwellings sold across the SRD's Electoral Areas. By 2020, the same income could only afford 16% of dwelling units sold.

Affordable Purchase Price	Median Housing Sale Price in SRD Rural, 2020 ⁷					
	Overall Sale Price	Single-Detached Home	Semi-Detached Home	Row House	Apartment or Condo	Manufactured Home
\$326,900	\$582,450	\$624,450	~\$416,400	-	-	\$270,000

Given the very limited affordable ownership options, the most likely living situation for this individual would be renting a suite or a whole home in the secondary market. Throughout engagement it was reported that many critical employees, including teachers, doctors, and nurses, are turning down positions because they cannot find appropriate housing.

"In the last two years, every house near me that sold, sold to someone who didn't move in but has left the home sitting empty for most of the

⁵ Based on based on review of SD72 and SD84 Teachers' Salary Grid. Available at: <https://bcpsea.bc.ca/teachers/collective-agreements/salary-grids/>

⁶ Collected as part of this study. See section 4.3.3 of this reports for further detail.

⁷ Collected as part of this study. See section 4.3.2 of this report for further detail.

year. We simply need more tools if we are to maintain a community where teachers and families and the rest can live.”

“Lack of housing for community members including for doctors and teachers greatly affects the stability of our community.”

“We need more low income rentals like trailer parks, apartments, small home sites for people starting out. We also need more land subdivided into smaller lots so it is affordable. But unfortunately our zoning does not allow for any of these.”

“Affordability is becoming a huge issue. I have no idea based on current wages for most jobs or even wages for jobs that require higher education how it can be expected that people will be able to afford even modest living arrangements.”

Profile #4: Single Senior on a Fixed-Income

Seniors are the fastest growing population cohort in the SRD. Many seniors have retired and rely on fixed monthly amounts from Canada Pension Plan (CPP) and Old Age Security (OAS) to pay for all expenses, including housing. In this scenario, a single senior, who had been living comfortably in a small, rented home, had their rental home unexpectedly sold to a new owner. The senior now has two months to move out before the new owner makes the property their permanent residence. The single senior needs to find appropriate accommodation quickly but is reluctant to leave their current community and preferred rural lifestyle.

Throughout their working career, the senior contributed to the Canada Pension Plan, but was only able to retain limited savings. As they worked in a field that required them to move consistently, they were never in a position to purchase a home and had no equity they could liquidate to support their retirement. This profile assumes that the senior is eligible for \$619.17 per month from CPP (the average monthly benefit⁸) and an additional \$615.37 per month in OAS benefit. This senior is also eligible for an additional benefit through the OAS Guaranteed Income Supplement which would bring their total annual income to \$19,248 per year⁹. For the purposes of this profile, we will assume the senior still has a modest savings and a total of \$30,000 to spend on all expenses throughout the year.

Without putting themselves in Core Housing Need, this individual could spend around \$800 on housing costs. This puts nearly all rental and ownership options out of reach. Without substantial external support or a landlord who is willing to subsidize their housing costs this senior has no options available to them in the rural areas except maybe a shared room in a house.

Affordable Monthly Rent	Median Estimated Monthly Rents in SRD Primary Market ¹⁰				
	Room	Studio	1-Bed	2-Bed	3-Bed
\$750	\$700	\$1,150	\$930	\$1,250	\$1,650

If the senior does find a rental unit and chooses to extend their financial resources to procure it, they may be eligible for the Shelter Aid for Elderly Renters (SAFER) subsidy which provides monthly cash payments to subsidize rents for eligible BC residents who are age 60 or over. However, not all seniors are eligible. The best possible solution for this individual would be to procure a non-market unit, operated by a seniors-focussed non-profit. Though some units exist in the rural areas, waitlists can be long and there may not be a home available for some time. In the absence of a non-market solution, the most likely housing solution for this renter is to hope they get very lucky and find an affordable rental unit with a sympathetic landlord or family member. More likely, they will need to consider leaving their rural lifestyle and move to a municipality where publicly subsidized seniors housing is more readily available.

⁸ <https://www.canada.ca/en/services/benefits/publicpensions/cpp/cpp-benefit/amount.html>

⁹ <https://www.atb.com/personal/good-advice/retirement/will-oas-and-cpp-be-enough/>

¹⁰ Collected as part of this study. See section 4.3.3 of this reports for further detail.

“Our seniors are forced to move away from the community where they have lived for decades—where their friends and family are, where their activities are, and where they feel is their home.”

“It is impossible to find affordable housing! My husband and I are petrified by the unaffordability of housing in our city. We have lived in our duplex for 25 years and feel that at any time our landlord could kick us out or illegally raise the rent as he has done in the past. He has threatened us with doing that or evicting us for renovations. If we have to move right now; we could not find available and affordable housing. Waiting lists are years long for affordable housing and we may not have years to wait. I am certain there are others in our city facing similar situations. We are not eligible for SAFER because we make too much for our area and if we did it would only cover a small portion of the rent we would have to pay elsewhere.”

“Please build more affordable senior housing in our community! Please provide rentals for seniors that include utilities! Please provide for handicapped seniors who have mobility issues! Please help us with the sky-high cost of living!”

Profile #5: Young Couple with Children

Though significant growth in younger age cohorts has not necessarily been reflected in demographic data, many key informants indicated that new residents, often young families, are looking for housing in the SRD with greater frequency. In this scenario, a young couple with two young children has been living with family and paying limited rent for a few years, but now need their own home to support their growing family. One partner works in construction (which employs nearly 10% of the working population) and the other is permanently employed in the hospitality sector. Both pick up additional shifts where they can but are limited to between 35 and 40 hours of work every week each. As this couple has two incomes, we are assuming they earn slightly more than the median household income for couples with children in the SRD, or about \$100,000.

This household can afford to pay up to \$2,500 per month towards housing costs. Under this scenario, this couple should be able to afford most rental units based on average prices. The key concern for this family is likely availability as across the region, key informants reported limited rental vacancies and significant challenges finding units appropriate for families with young children.

Affordable Monthly Rent	Median Estimated Monthly Rents in SRD Primary Market ¹¹				
	Room	Studio	1-Bed	2-Bed	3-Bed
\$2,500	\$700	\$1,150	\$930	\$1,250	\$1,650

Most ownership opportunities are out of reach for this couple. In 2015, about 88% of all homes sold in the SRD should have been reasonably affordable to a household earning \$100,000 per year. In 2015 only 41% of all homes sold would have been affordable to this couple. This is indicative of rising sales costs and increasingly challenging affordability conditions.

Affordable Purchase Price	Median Housing Sale Price in SRD Rural, 2020 ¹²					
	Overall Sale Price	Single-Detached Home	Semi-Detached Home	Row House	Apartment or Condo	Manufactured Home
\$435,880	\$582,450	\$624,450	~\$416,400	-	-	\$270,000

Without significant external help, this couple would find it very difficult to purchase a home. Limited sales volumes and rising prices means they will be looking for a home for an longer period and they will likely need to extend themselves financially to make a successful offer in an increasingly competitive market. In the interim, they will likely continue to live with family or find a rental unit that may be slightly too small for both them and their children as very few 3-bedroom rental units are available. Throughout the engagement process, many young couples reported that they wanted to make the jump to ownership but were unable to find anything appropriate for their family. A large number indicated that a lack of housing was forcing them to consider leaving the SRD.

¹¹ Collected as part of this study. See section 4.3.3 of this reports for further detail.

¹² Collected as part of this study. See section 4.3.2 of this report for further detail.

“There is no housing in our area. I have known many people including my family that have been evicted due to landlord use. Some the landlords lived in the house less than 2 months and re-rented at a higher cost or turned into an Airbnb. The renters did not want to deal with fighting their ex landlords over it.”

“When this housing issue first started getting bad my family of 5 and a dog could not find a place for all of us. Either there was too many of us or because of the dog. There were not enough places available. My kids had to live elsewhere and my husband and I had to live in a 5th wheel for 2 years. This is what happens to so many people - just look on the rental boards!”

“As a small business owner and someone who grew up on Quadra Island I see the struggle younger generations are going through to find housing. Rentals are increasingly hard to come by and finding property to buy for a young family trying to make a living on the island is not possible. There are younger generations that have grown up here and want to stay but just can’t make it without some kind of affordable housing.”

“We have 4 children living in the area and housing is becoming a real problem for them. last summer 2 of our children found themselves without places to live. One is a journeyman electrician with a wife and 2 kids that sold a condo last spring. They were intending to move into a larger space but between the time they sold and tried to re-purchase, they were priced out of the market. Even suitable rentals were priced higher than a journeyman electrician with a family could afford. They eventually left us and moved to Alberta.”

“I am probably moving the family to Alberta. There is no hope for a future here.”

2 Introduction

In early 2022, M'akola Development Services and Turner Drake & Partners Ltd. were engaged by the Strathcona Regional District to complete Housing Needs Reports for Electoral Areas A, B, C, and D.

The reports are meant to provide local and regional staff, elected officials, and community partners with a better understanding of local housing needs and can be used to guide policy development, inform land use planning decisions, and to direct local and regional housing action.

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

- Provide an understanding of housing supply, demand, and needs within the region across the full housing continuum, including: emergency and transitional shelter/housing, supportive housing (especially seniors' and elders'), subsidized housing, rental housing (both primary and secondary market) and ownership housing (fee simple, strata ownership or shared equity ownership).
- Identify housing gaps and recommend strategies and best management practices taken by other local governments to address housing gaps as may be applicable.
- Identify opportunities, partnerships, and funding in support of local and broad regional housing projects and initiatives.
- Identify any additional factors that influence the supply, demand, or provision of housing.
- Create performance measures or common housing indicators that can be used to measure progress over time and regional staff can use for future updates.

2.1 Approach

2.1.1 Study Area

The overall project's scope encompasses all Electoral Areas within SRD's jurisdictional boundaries. Statistics Canada classifies an electoral area as a Census Subdivision (CSD). A CSD is the geographic area from which Statistics Canada reports its data.

This report, and subsequent reports for individual Electoral Areas, will refer to areas by their letters (i.e. Electoral Area A) instead of using full local titles. The intent is to keep geographical references short – some are long and can break up the flow of a paragraph when frequently referred to. A summary of these local titles is as follows:

Local Title	Document Title
Strathcona A (Kyoquot/Nootka – Sayward)	Electoral Area A
Strathcona B (Cortes Island)	Electoral Area B
Strathcona C (Discovery Islands – Mainland Inlets)	Electoral Area C

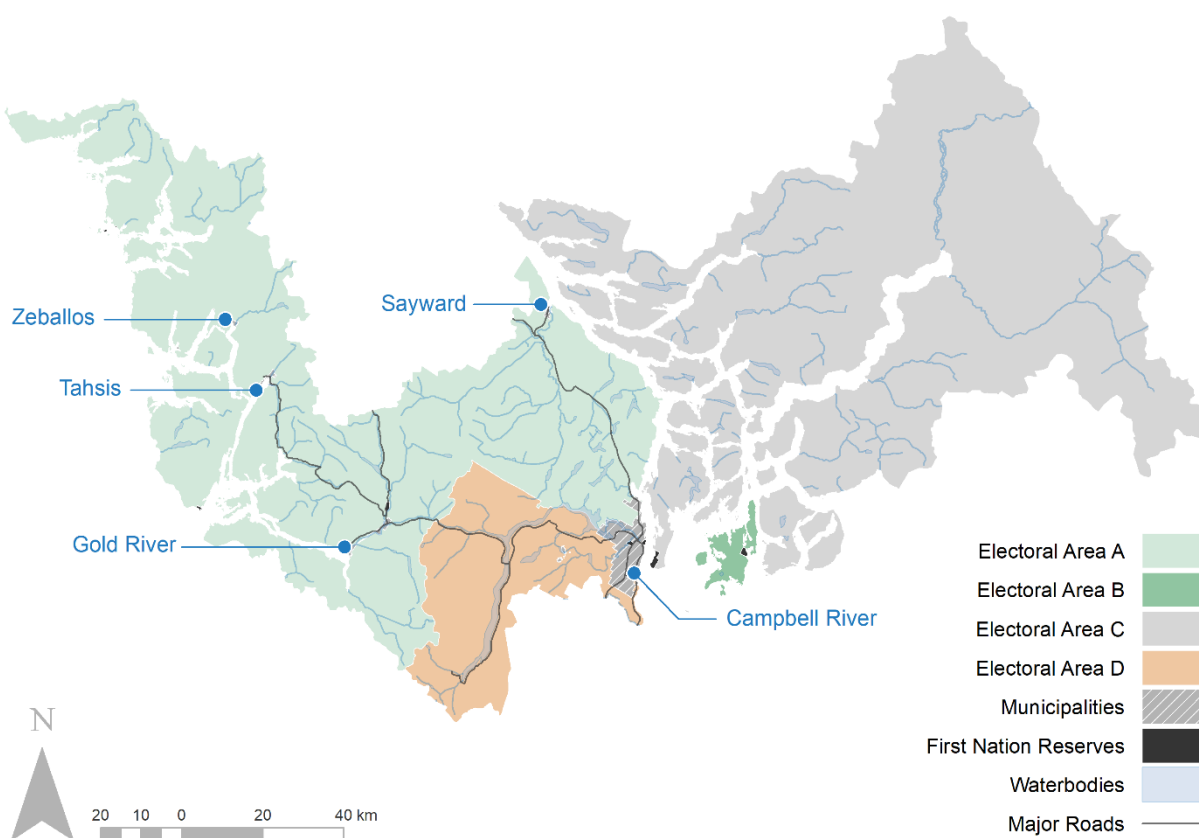
Strathcona D (Oyster Bay – Buttle Lake)

Electoral Area D

The above geographies constitute what this and subsequent reports refer to as the “Strathcona Rural.” The aggregate of their boundaries is not an official boundary reported by Statistics Canada, meaning that Strathcona Rural results rely on calculations that use individual CSDs as inputs. Given that each community is subject to Statistics Canada’s random rounding process, it is possible that the aggregate results shown in this report may not be as accurate as its parts. As such, please consider any Strathcona Rural level data (specifically, Census related) as a reasonable *estimate* of overall conditions.

A map of the SRD (including its Electoral Areas and municipalities) is illustrated below.

Figure ##: SRD & Communities Map



Source: BC Geowarehouse, Statistics Canada

2.1.2 Report Organization

This report is organized into four key sections:

1. Executive Summary and Report Introduction

A brief overview of the key regional findings, recommendations, background information on housing policy, local and regional government abilities, and community engagement undertaken as part of this study.

2. Strathcona Rural Housing Needs Report

A brief Housing Needs Report for the aggregate of the SRD's Electoral Areas. It contains high-level regional data related to demography, economy, housing, and housing need.

3. Individual Electoral Area Housing Needs Reports

Each of the participating Electoral Areas reports contain in-depth information on housing needs. Reports contain both housing data and community engagement feedback.

4. Appendices

Community Housing Profiles

Individual Electoral Area housing profiles that highlight some of the most compelling housing data collected in this study. Profiles lack much of the in-depth analysis included in the full report and are intended to be used for public communication and quick reference.

Community Engagement Summary

A complete summary of Regional District engagement undertaken as part of this study including process, methods, and broad discussion of findings.

Housing Planning Tools for Local Governments

Discussion and examples of various housing policy interventions available to regional and local governments, their applicability, and some potential next steps to address housing.

Housing Indicators and Monitoring Guide

Key indicators and monitoring recommendations to help local staff and stakeholders track housing conditions moving forward.

Community Data Tables

Data tables for each Electoral Area that include additional information that meets specific Provincial requirements. They can be used as reference by local staff or stakeholders.

Provincial Summary Forms

Provincial Summary Forms for each Electoral Area as required to complete obligations of the funding program.

2.1.3 Data

This report refers to several pieces of data that together contribute to contextualizing the housing conditions experienced by Strathcona Rural residents. The following is a comprehensive list of secondary quantitative data sources (information collected by other organizations but used for this report):

- BC Assessment¹³
- BC Data Catalogue¹⁴

¹³ British Columbia Data Catalogue. (2020, April 22). *Housing Values (2006-2020)*. Retrieved from <https://catalogue.data.gov.bc.ca/dataset/housing-values-2006-2020->

¹⁴ British Columbia Data Catalogue. (2021). *Housing Needs Reports*. Retrieved from <https://catalogue.data.gov.bc.ca/group/housing-needs-reports>.

- Canada Mortgage & Housing Corporation (CMHC)¹⁵
- Environics Analytics¹⁶
- Statistics Canada^{17 18}

The report uses primary research to challenge/confirm the trends analyzed within the sources above (for instance, high-level Statistics Canada data may not be nuanced enough to truly represent housing hardship for specific household types). Primary research is predominantly from the community survey and stakeholder consultation work, described throughout the report.

2.1.3.1 Data Limitations

BC Assessment

Grouped Information

BC Assessment provides assessment roll spreadsheets for communities across British Columbia for the years 2005/2006 through 2020/2021. Assessment roll information is not on an individual property level; rather, similar types of properties are grouped together in “folios” based on several factors, such as property type and dwelling type. These folio groups also mean that assessment and sale price values reflect averages, making it more difficult to express community level average and median values.

Unit Counts

For purpose-built rental properties, unit totals within folios are sometimes represented by the value “20+.” This limits a user’s ability to correctly sum values and determine how many rental dwellings exist within a community. The 20+ category is not an issue for owned (non-purpose built rental) properties. That said, 20+ rental units are rare, if non-existent, within Strathcona Rural.

BC Data Catalogue

Urban focus

BC Statistics helpfully consolidates most data related to complete Housing Needs Reports, like the new homes registry, non-market housing, post-secondary student housing, and homeless count sources.

Canada Mortgage & Housing Corporation (CMHC)

Reporting landscape

CMHC conducts its Rental Market Survey (RMS) every year in October to estimate the relative strengths in the rental market. The survey collects samples of market rent levels, turnover and vacancy unit data for all sampled structures. The survey only applies to **primary rental markets**, which are those urban areas with populations of 10,000 and more. The survey targets only

¹⁵ Canada Mortgage & Housing Corporation. (2021). *Housing Market Information Portal*. Retrieved from <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/1/1/Canada>.

¹⁶ Environics Analytics. (2021). *DemoStats*. Retrieved from <https://environicsanalytics.com/en-ca/data/demographic/demostats>.

¹⁷ British Columbia Data Catalogue. (2020, June 30). *Custom Census Reports (2016, 2011, 2006)*. Retrieved from <https://catalogue.data.gov.bc.ca/dataset/custom-census-reports-2016-2011-2006->.

¹⁸ Statistics Canada. (2021). *Census Program*. Retrieved from <https://www12.statcan.gc.ca/census-recensement/index-eng.cfm?MM=1>.

privately initiated rental structures with at least three rental units, which have been on the market for at least three months. CMHC **only** collects rental data for the City of Campbell River or the Campbell River Census Agglomeration (CA). Therefore, rental data will refer to Campbell River, since urban trends do have an impact on peripheral, rural communities.

Environics Analytics

Proprietary process

This industry trusted software is a useful tool in generating demographic, economic, and social data for customized geographies, especially for those that may not be defined or are suppressed by Statistics Canada. Although useful, how they generate the data is not public. In other words, explaining or replicating the entire methodology is not possible, and said methodology must be assumed to be appropriate and usable.

Statistics Canada

Area & data suppression

There are instances where geographic areas are too small to report on, resulting in the deletion of all information for said area. Suppression of data can be due to poor data quality or to other technical reasons. This was not a particular concern for this study, but limited the ability to use more granular Census geographies (specifically, Census dissemination areas – see **Glossary**).

Random rounding

Numbers are randomly rounded either up or down to a multiple of “5” or “10.” When this data is summed or grouped, the total value may not match the individual values since totals and sub-totals are independently rounded. Similarly, percentages (which use rounded data) may not reflect the true percentage, but instead a ballpark. Furthermore, the sums of percentages may not equal 100%.

2.1.4 Engagement

Community engagement was a key component of the Strathcona Regional District Electoral Area Housing Needs Report process. Beginning in February 2022 and ending with the close of the community survey in April, M'akola Development Services and staff from the SRD conducted a variety of engagement events key informant interviews, and online and paper surveys. In total, the engagement process received feedback close to 500 households in the Regional District. A full engagement summary report is included as Appendix B.

2.1.4.1 Community Survey

The SRD Housing Survey was designed to fill quantitative data gaps and capture housing experiences from as many as possible throughout the region. The survey opened on March 1st, 2022 and was available through the SRD website for approximately eight weeks, closing on April 25th. The consulting team, with significant support from Regional District communications staff, utilized existing local distribution channels, such as social media pages and community newsletters. Promotional material was made available to interview participants who were asked to share broadly with their networks. The SRD also produced a media release which was available to local media outlets.

As the survey distribution was not controlled for a representative sample of the population, selection bias creates a limitation for extrapolating the data to draw conclusions about the community overall. Survey results may overrepresent certain cohorts of the population when considering the mandate of the service providers and community partners who helped distribute the survey itself, as well as the fact that as a voluntary open-access survey, respondents in general are likely to self-select for those who are experiencing housing challenges and are therefore motivated to engage with the issue. The survey, therefore, is predominantly a tool for understanding the human experience behind other data analysed in this report and collecting other insights that existing data sources do not address.

Community Survey Response Profile

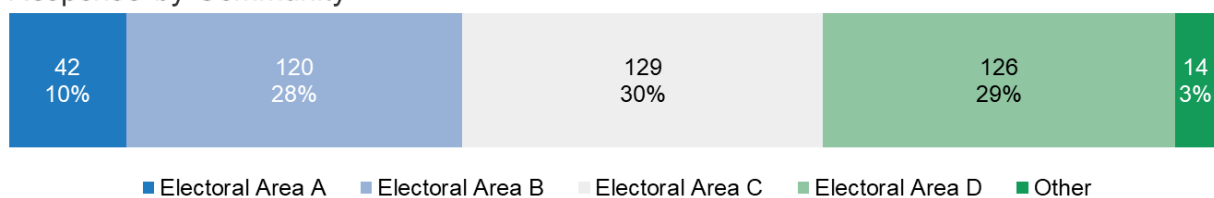
In total, the community survey received 431 responses from individuals and households throughout the Strathcona Regional District. Although this accounts for less than 5% of the total study area population, it represents an extraordinary response over such a short time. This can be taken as an indicator of the importance and awareness of local housing issues.

The following graphs breakdown responses by key topics collected as part of the survey. In some instances, the distribution of responses for topics are reasonably close to those reported by Statistics Canada (e.g. response by dwelling type); whereas, others differ greatly. Please note that these differences mean that other community survey results discussed within this report may not match overall trends.

With the above in mind, key results from the self-selecting sample survey include:

- The majority of respondents owned their home or lived in a home owned by someone else in their household.
- The median age of respondents falls around 50 years old.
- At least 41% of respondents lived in a household earning less than \$50,000 before-tax.
- The greatest share of respondents (48%) were couples without children.
- Most respondents (72%) lived in a single-family home.
- The median reported respondent housing cost was between \$750 and \$1,250.
- About 21% of households reported that their housing did not meet their needs.

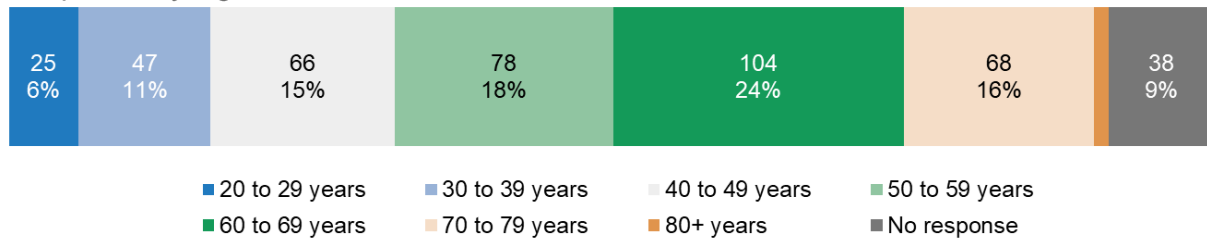
Response by Community



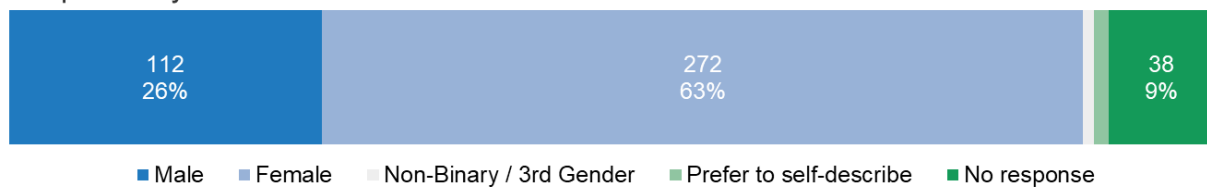
Response by Tenure



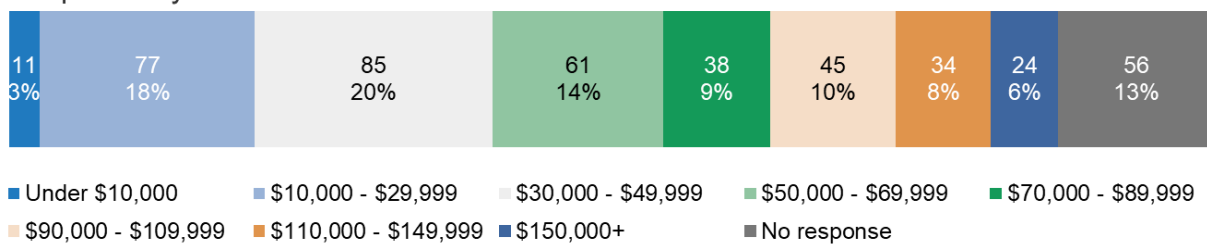
Response by Age



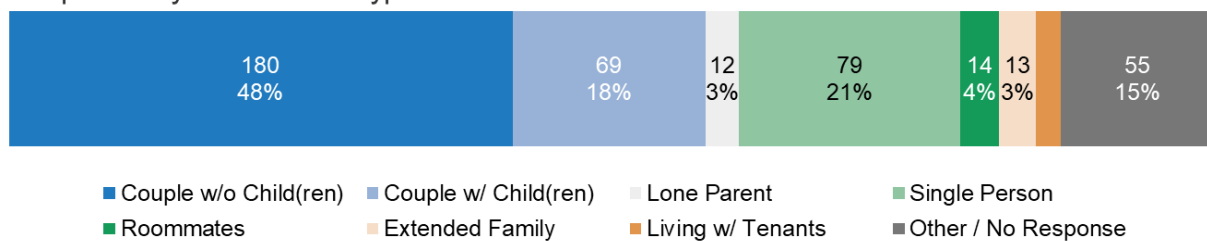
Response by Gender



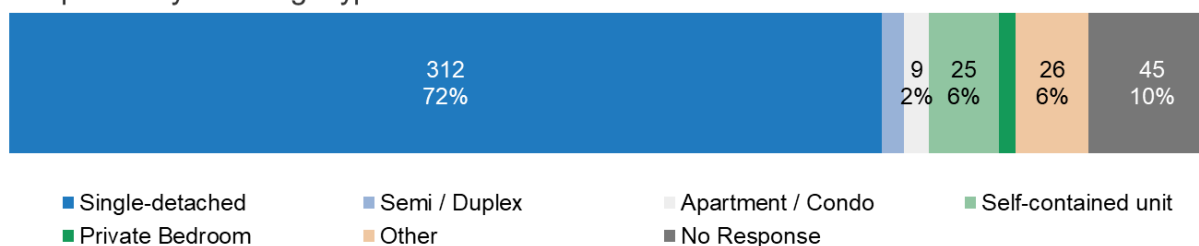
Response by Income



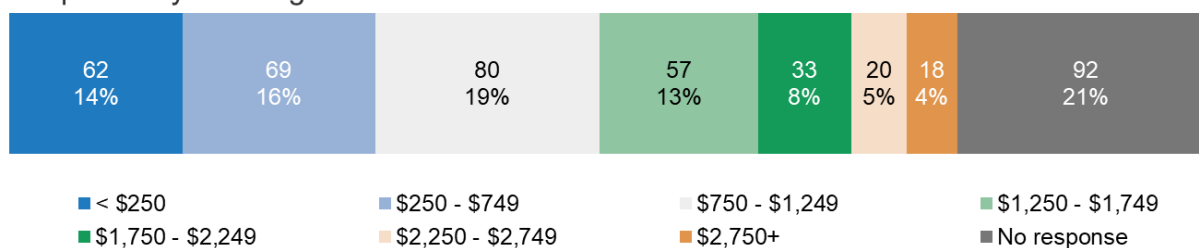
Response by Household Type



Response by Dwelling Type



Response by Housing Cost



Response by Housing Meets Need



2.1.4.2 Other Consultations

In addition to the general community survey, a number of key stakeholders were identified and consulted as part of this study. Formats and methods varied, but in general, semi-structured interviews were conducted with individuals across a broad range of housing-related groups, such as:

- Non-profits and other social service providers involved in providing emergency shelter and housing navigation support, as well as support services to provisionally housed or other at-risk populations
- Municipal staff and elected regional officials
- Housing advocates
- Non-profit housing organizations and non-market housing developers
- Private sector real estate agents and property developers
- Economic development agencies, business improvement associations, and tourism development and promotions agencies.

2.1 Benefits of Affordable Housing

2.1.1 The Housing Continuum / Wheelhouse¹⁹

As per CMHC, the housing continuum model is a linear progression from homelessness or housing need to homeownership. It is the most common approach for visually depicting different housing segments. It assumes that people will start somewhere along the horizontal axis and move from left to right, with market home ownership being the ultimate goal.

Figure ##: The Housing Continuum



Source: CMHC

In reality, many people and/or households do not move linearly from one state of housing to the next, but rather jump from type to type based on rapid changes to their professional and/or personal lives. For example, an individual in market rental housing may suddenly find themselves evicted from their unit in a low vacancy rental market. The struggle to find housing may lead to homelessness. Instead of gradually working through each element along the housing continuum, they can jump from homelessness to rental housing as quickly as finding a new available unit.

In effort to better represent the relationship of different forms of housing need, some communities are exploring an alternative to the continuum. One of these communities is the City of Kelowna. Instead of the linear view, the City applies a circular model known as the “Wheelhouse,” reflecting that people’s housing needs are fluid based on lifestyle preferences and financial circumstances.

The Wheelhouse model allows the user to understand and address resident needs as they move around or across the circle between different types of housing. As such, a healthy housing stock must include diverse housing forms and tenure types to meet needs of different socio-economic backgrounds and life stages. The Wheelhouse breaks down housing supply into six key areas:

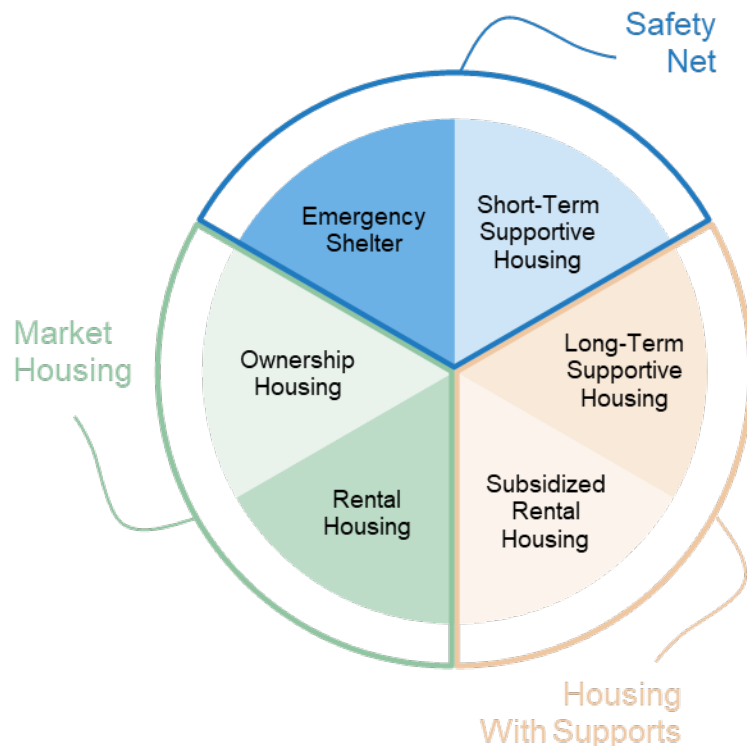
Figure ##: Wheelhouse Key Housing Areas

Key Area	Description
Emergency Shelters	Temporary shelter, food and other support services, generally operated by non-profit housing providers.

¹⁹ Elver, D., Tang, E., & Baynes, S. (2019, August 7). *The Wheelhouse: A New Way of Looking at Housing Needs*. Canada Mortgage & Housing Corporation. Retrieved from <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2019-housing-observer/wheelhouse-new-way-looking-housing-needs>

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

Figure ##: The Housing Wheelhouse



Source: adapted from CMHC & City of Kelowna

2.1.2 Defining what is “Affordable”

The topic of housing, and affordable housing in particular, is plagued by fluid and easily misinterpreted terminology which makes communication difficult.

In general, this report uses the long-standing and easily understood metric that housing is affordable when the combination of applicable costs (rent + utilities, or mortgage + insurance + property tax + utilities) are no greater than 30% of a household's median before-tax income. This measure is a housing indicator tracked by Statistics Canada via the Census.

In quantifying the number of households experiencing affordability challenges, this report also makes use of the Core Housing Need metric established by Statistics Canada and CMHC which modifies the 30% rule to include consideration of affordable alternatives. In other words, data is adjusted to remove households that spend more than 30% of their gross income, but also have a less expensive option available to them. In practice, this tends to reduce the reported rates of housing unaffordability among homeowners as many effectively choose to "stretch" their budgets in order to gain access to the financial benefits of property ownership.

While many owner-occupied households experience affordability challenges, many do have the opportunity to downsize to a less expensive home, or ultimately a rental-tenured home (often in urban areas) if the situation required. In contrast, renter households typically have fewer reasonable alternatives and are more likely to be at risk of homelessness as a result. The use of the 30% indicator, and Core Housing Need helps shed light on both the magnitude of housing affordability challenges, and their severity in terms of alternatives.

There are instances where we amend the 30% indicator to 35%; specifically, when performing our affordability gap analysis. The reason for the change is that the latter is grounded in practical use by CMHC and financial institutions when considering a household's debt load. This is known as the Gross Debt Servicing (GDS) ratio. Note that CMHC amended the GDS ratio to 39% as of July 1, 2020. The 35% is used in calculations to reflect the effective date of available data.

2.1.3 Social Benefits

The stability of an affordable mortgage or rent can have profound social benefits. Through reducing the shelter cost burden of a household, there is an increased stability which can have an impact on a household's overall wellbeing and life satisfaction. Housing policy in affordable housing developments also has a role to play in facilitating community cohesion, particularly related to social mix and social networks. Habitat for Humanity Canada (Habitat) documented a variety of positive social impacts, including increased employment quality, a reduction in the use of food banks, and increased levels of voluntarism and civic engagement for those living in housing that was affordable.²⁰

Affordable housing allows households to access their preferred living arrangements across all stages of their life. This is particularly important for seniors (an age cohort growing at a considerably faster pace than its younger counterparts) who may lack purchasing power with retirement incomes.

While the senior population is diverse, a commonality that exists is the desire to age within their homes and local communities. Alongside this desire is the need for accessibility and availability of home support services. Issues in housing can create barriers, and continue to contribute to

²⁰ Berz, Kilian. (2015). *Transforming Lives: The Social Return on Habitat's Work in Canada*. <https://www.hfh.org/wp-content/uploads/2016/11/BCG-Transforming-Lives-May-2015.pdf>.

premature placement into residential care, caregiver burnout, and overuse of acute care services. Research based out of Simon Fraser University (SFU) Gerontology Research Centre finds the value in “aging in community” and explores the needs of seniors and their built environments.²¹

The social benefits of affordable housing extend beyond those paying the rent or mortgage for the home, it also affects their families.²² A stable and affordable home allows for children to establish healthy habits and relationships at school (both with friends and with teachers), promotes engaging in extracurricular activities, and helps children focus on their goals and education. These immediate outcomes lead to generational impacts on economic output, educational achievement, and creating opportunities for residents to give back to their communities.

2.1.4 Health Benefits

A move to affordable or social housing is often correlated with improved health outcomes.²³ Although improving housing affordability is no guarantee of improved physical health as underlying factors may exist, the method or policy through which affordability is administered can have a key determining effect.

If affordable housing policies result in access to improved housing quality, such as newer or renovated lodgings that meet minimum standards for safety and condition, then benefits attributed to those policies can include those related to indoor environment quality, air quality, climate conditions, and reduced overcrowding. Improved health has secondary benefits of reduced absenteeism at school and work, thus contributing to an improved performance overall. Additionally, Habitat found that living in affordable housing had positive effects on resident's physical and mental health. Residents were less stressed about making rent or mortgage payments every month, which made it possible to allocate resources towards purchasing essential medicines, covering services such as dental and vision care, or buying healthier food.²⁴

This carries on in the realms of mental and public health. Unaffordable housing can be a significant source of stress as individuals or families struggle constantly and live with the constant spectre of losing their access to a basic human necessity. Unaffordable housing therefore has a direct link to incidences of mental health issues, suicide, as well as addictions and substance abuse issues. This can become a negative, reinforcing cycle as the issues precipitated by precarious housing can in turn make it even harder for find and maintain stable housing.

Housing unaffordability, as a significant determinant of poverty, can also limit access to proper nutrition as household budgets reallocate spending on groceries to maintain their shelter.

²¹ Wister, A., O'Dea, E. Fyffe, I., & Wagner, K. R. (2019). *Fact Book on Aging in British Columbia and Canada*. <https://www.sfu.ca/grc/research/publications/2019.html>.

²² Habitat for Humanity: Halton-Mississauga-Dufferin. (2019). *6 Benefits of Affordable Housing: Impact on the Family*. <https://habitatthm.ca/6-benefits-affordable-housing-family/>

²³ Thomas, Matthew A. (2017). *On the Benefits of Affordable Housing*. <https://tqsoi.org/wp-content/uploads/2018/03/On-the-benefits-of-affordable-housing.pdf>

²⁴ Habitat for Humanity: Halton-Mississauga-Dufferin. (2019). *6 Benefits of Affordable Housing: Impact on the Family*. <https://habitatthm.ca/6-benefits-affordable-housing-family/>.

According to Food Banks Canada, around one-third of food bank users are children, while seniors make up 6% of food bank users nationally and 10% in British Columbia.²⁵ Rural households tend to spend a larger share of their budget on food than urban households do.²⁶

In 2020, 4,057 people in the Strathcona Area (Gold River, Tahsis, Zeballos, and Sayward) accessed 28 high-impact programs through 18 agencies that addressed homelessness and poverty, food security, and mental health. This supported 1,708 food baskets, 11,865 remote support sessions, and 80 nights of shelter in the region.²⁷

2.1.5 Economic Benefits

The economic benefits of affordable housing can be experienced both by residents and the greater community. At the household level, the primary economic benefit is the improved fiscal health of the household. Housing unaffordability disproportionately affects lower income households, and an increase in financial capacity here is more likely to result in additional spending activity than savings in contrast to higher income households where spending is not constrained.

At the community level, unaffordable housing can be a headwind on population growth, and put pressure on employers as hiring becomes more difficult at any given wage level. In smaller communities especially, these tend to be the goods and services that are disproportionately local and would result in further circulation of wealth within the economy. In contrast, spending on groceries, utilities, transportation, and other major necessities tends to flow out of smaller communities to larger centres where the production and corporate management functions are concentrated.

Creation of affordable housing can be a powerful economic development activity in and of itself. Economic stimulus programs often target construction projects as these investments tend to generate more jobs and spin-off effects due to their local labour and material intensity. Housing construction overall is a significant economic sector, and the degree to which this activity can be expanded through investment in affordable housing projects via provincial or federal funding programs represents a net increase of investment driving local economic activity.

Affordable housing also works to enhance local tax revenues – instead of low or no payment of taxes by distressed properties, affordable homeowners and renters contribute to the community. In British Columbia, the total cost of poverty is estimated to be \$2.2 to 2.3 billion annually, or close to 6% of the provincial budget. The cost to society overall is considerably higher – \$8.1 to \$9.2 billion, or between 4.1 to 4.7% of BC's GDP. This equates to a cost of \$2,100 per person or \$8,400 for a family of four, every year. The amount of income tax that would be generated if those living

²⁵ Food Banks Canada. (2019). *British Columbia: Food Bank User Statistics*.
<https://hungercount.foodbankscanada.ca/BC-data-insights.php>.

²⁶ Marshall, J. and R. Bollman, (1999) *Rural and urban household expenditure patterns for 1996*.
<https://www150.statcan.gc.ca/n1/en/pub/21-006-x/21-006-x1998004-eng.pdf?st=wsNux-98>.

²⁷ United Way Central and Northern Vancouver Island. (2021). *Community Impact Report 2020 – 2021*.
https://www.uwcvi.ca/application/files/8616/2915/4431/UW_ImpactReport_2020_ReaderSpreads_low_res_links.pdf.

in poverty were raised to the second lowest income bracket is \$1.7 billion. These resources could be reallocated to better support better meeting a range of unmet health care demands from primary care, to mental health care, and the full spectrum of universal public care services needed – including affordable housing.²⁸

In the Strathcona Regional District the total average annual investment needed to support the regions current and future affordability and supply needs is estimated at \$20.21 million annually. These funds include \$4.25 million in income support, \$13.91 million in new housing supply, \$1.46 million in non-profit repair, and \$0.59 million to mitigate homelessness.²⁹

2.1.6 Benefits to Other Service Provisions

A common misconception regarding affordable housing and service programs is that subsidized housing and services lead to a continuous cycle of dependency, or represents a direct fiscal transfer from higher income households to those in need. When affordable housing is accessible there is a reduction in spending required in other social services that is typically far greater than the cost of housing action itself, resulting in direct net savings to taxpayer-funded services.

The people experiencing housing challenges do not simply disappear if their need for below-market housing is not supported by society. Those costs instead show up in the healthcare system, the criminal justice system, the social services system, etc. Housing First approaches to homelessness have demonstrated repeatedly that the cheapest way to address the issue is through the direct provision of housing, the significant cost of which is dwarfed by the direct savings accruing to other government and community services.³⁰

Boston Consulting Group's assessment on Habitat for Humanity's home-ownership program found that for every \$1 spent, about \$4 of benefits accrue to society.³¹ This \$4 is represented in taxes and money freed up from shelter costs and other services, as well as additional local government revenue from tolls, city fees, etc. Increased revenue may mean improved infrastructure, more green space, and other elements of healthy communities that can keep residents healthy and safe.

The Canadian Centre for Policy Alternatives developed methodology to establish the cost of poverty in British Columbia. One of these costs, intergenerational, is calculated by estimating the number of children that would escape poverty if the intergenerational transfer of poverty were to be eliminated. Children who grow up in poverty are more liable to be less productive and contribute less in taxes, while also being more likely to contribute to cumulative and enduring

²⁸ Ivanova, Iglika. (2011). *The Cost of Poverty in BC*.
https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2011/07/CCPA_BC_cost_of_poverty_full_report.pdf

²⁹ Housing Central. (2017). *Regional Breakdown: Strathcona Regional District*. <https://bcnpha.ca/wp-content/uploads/2017/04/Strathcona.pdf>.

³⁰ Jadidzadeh, Ali et al. (2020). *Cost Savings of Housing First in a Non-Experimental Setting*.
<https://www.homelesshub.ca/resource/cost-savings-housing-first-non-experimental-setting>

³¹ Boston Consulting Group. (2015). *Transforming Lives: The Social Return on Habitat's Work in Canada*.
<https://www.hfh.org/wp-content/uploads/2016/11/BCG-Transforming-Lives-May-2015.pdf>.

remedial costs. Overall, 30% of children who grow up in poverty are expected to remain in poverty in their adulthood. The intergenerational costs of BC show that there would be a substantial benefit to the economy should children be able to climb to the second lowest income bracket. Their combined income would rise by \$440 to \$550 million per year.³²

It is clear that ending poverty in British Columbia, and Canada would have considerable benefits and a significant return on investment. Current government inaction on poverty is costing the province \$2 billion per year in economic loss, \$1.2 billion in excess on the provincial healthcare system, and \$6.2 to \$7.3 billion in foregone revenue. As a major household expense for any family, housing costs are a significant driver of poverty, and childhood poverty in particular.³³

2.2 Government Roles for the Provision of Housing

2.2.1 Federal Government

2.2.1.1 *Canada's National Housing Strategy (NHS): A Place to Call Home*³⁴

In November 2017, the Liberal government introduced the NHS, a policy document aimed at supporting the provision of housing supply and affordability. The following year, the government passed the *National Housing Strategy Act*, which commits the government to long-term visions for housing policy. Included among these visions is the priority to focus on those in greatest housing need and the use of public participation as a means of generating and implementing policy.

Section 4 of the *NHS Act* acknowledges that the right to adequate housing is a fundamental human right, central to inherent dignity and well-being of the person and to building sustainable and inclusive communities. As a response to this claim, the *Act* has put in place institutions focused on reporting, oversight, and participation in decision-making (i.e. a National Housing Council and a Federal Housing Advocate).

As for funding, the NHS touts a \$70+ billion housing program to build stronger communities and help Canadians across the country access a safe affordable home. In doing so it aims to cut chronic homelessness by half, remove 530,000 families from housing need, modernize 300,000 homes, and invest in up to 125,000 new affordable homes.

2.2.1.2 *Reaching Home: Canada's Homelessness Strategy*³⁵

Reaching Home: Canada's Homelessness Strategy is a community-based program aimed at preventing and reducing homelessness across Canada. This program provides funding to urban,

³² Ivanova, Iglika. (2011). *The Cost of Poverty in BC*.

https://www.policyalternatives.ca/sites/default/files/uploads/publications/BC%20Office/2011/07/CCPA_BC_cost_of_poverty_full_report.pdf

³³ Ibid.

³⁴ Canada Mortgage & Housing Corporation. (2021). *About the Initiatives*. <https://www.cmhc-schl.gc.ca/en/nhs/guidepage-strategy/about-the-initiatives>

³⁵ Government of Canada. (2020, June 9). *About Reaching Home: Canada's Homelessness Strategy*. <https://www.canada.ca/en/employment-social-development/programs/homelessness.html>

Indigenous, rural and remote communities to help them address their local homelessness needs. The federal government committed \$2.2 billion to tackle homelessness across Canada.

Homelessness has an impact on every community in Canada. It affects individuals, families, women fleeing violence, youth, seniors, veterans and people with disabilities. In 2016, an estimated 129,000 people experienced homelessness at an emergency shelter.

Reaching Home supports the goals of the National Housing Strategy, in particular, to support the most vulnerable Canadians in maintaining safe, stable and affordable housing and to reduce chronic homelessness nationally by 50% by fiscal year 2027 to 2028.

2.2.2 Provincial Government

In contrast to the federal government's role in social housing, the Province of British Columbia's part in housing expanded in the 1990s. BC Housing, first established in 1967, became the appointed agency to fulfill the Province's continuing commitment to developing and managing subsidized housing. BC also acts as a liaison to engage local governments in meeting their needs, beginning with an amendment to the Local Government Act, which makes it mandatory to include policies for affordable, rental, and special needs housing in Official Community Plan. The Province's guiding documents for affordable housing are outlined below.

2.2.2.1 Local Government Act³⁵

The Local Government Act forms the foundation under which all municipalities and regional districts operate in British Columbia. This document sets out the framework for structure and operations, as well as the main powers and responsibilities of local governments as mandated by the province. The Local Government Act also covers important authorities for both municipalities and regional districts, such as planning and land use powers and statutory requirements for administering elections. Through the Act, a local governments involvement in the provision of social housing has taken a variety of forms, including such policy and regulatory measures as:

- the inclusion of affordable housing provisions in regional growth strategies and official community plans (required by the Local Government Act);
- the amendment of zoning bylaws to permit such things as increased densities in new or existing residential neighbourhoods, housing above shops, secondary suites, small lot developments, manufactured home parks, comprehensive development zones, density bonusing, housing agreements and the required inclusion of some affordable housing in new developments;
- the adoption of regulatory controls over the conversion of rental housing;
- the adoption of health, safety, and comfort standards for rental housing;
- the provision of social or special-needs housing in some new developments through "housing agreements";
- the "fast-tracking" of approvals for affordable housing proposals; and
- the adoption of policies for special-needs housing.

While not all of the above policies and regulatory measures are required by The Local Government Act, providing the legal jurisdiction to create policies and regulations on the above measures. In summary, The Act gives power to local governments to operate within their boundaries, and implement the above regulations and controls.

2.2.2.2 BC Housing Action Plan 2019/20 to 2021/22³⁶

In June 2018, the Governments of Canada and British Columbia signed the CMHC-British Columbia Bilateral Agreement (the Agreement) under the 2017 National Housing Strategy to protect, renew, and expand social and community housing. The Agreement supports the priorities in “Homes for BC,” the provincial government’s 30-point plan for housing affordability in British Columbia.

Under this Agreement, more than \$990 million will be invested over 10 years. From April 1, 2019 to March 31, 2022 a total of \$217.2 million is forecasted to be invested, made up of matching contributions of \$108.6 million from both the Government of Canada and the Province of B.C.

The contributions will be invested into two initiatives, and 6 unique funding programs:

Initiative 1: B.C. Priorities Housing Initiative

- Home Adaptations for Independence: financial assistance for home modifications for low-income people with diminished physical abilities. Intended to improve physical accessibility of 1,700 homes for low-income seniors and persons with disabilities.
- Capital Renewal Funding Program: used to prevent the deterioration of existing affordable housing stock and to carry out energy performance upgrades. Work includes building repairs, maintenance, critical life safety, seismic and fire safety upgrades.
- Provincial Rental Supply Program: funding to support the development of new Community Housing under the Provincial Rental Supply Program.

Initiative 2: Canada Community Housing Initiative

- Building BC: Community Housing Fund: Funding under the Canada Community Housing Initiative will be applied to support the development of new mixed-income housing under the Community Housing Fund program.
- Retention of Social and Community Housing: A subsidy to extend funding agreements to preserve the affordability of units for low-income households as original agreements expire. These subsidy extensions will include greater operating flexibility for providers to move towards more sustainable operating models, for example, to allow developments to transition towards a mixed-rent or mixed-use model.
- Capital Renewal Funding Program: used to prevent the deterioration of existing affordable housing stock and to carry out energy performance upgrades. Work includes building repairs, maintenance, critical life safety, seismic and fire safety upgrades.

Through the programs described within initiative 1 and 2, BC housing aims to support nearly 40,000 households by maintaining and expanding social and community housing across the province, as well as by supporting needed repairs and adaptations.

Table XX: Number of Households Addressed by BC Housing and Canada Initiatives

Initiative	Target (Households)				
	2019/20 Year 1	2020/21 Year 2	2021/22 Year 3	3 Year Cumulative Total	2019/20 to 2027/28 Target

BC Priorities Housing Initiative	1,245	952	870	3,067	7,084
Canada Communities Housing Initiative	2,475	3,166	2,903	8,544	39,740
Canada Housing Benefit	TBD	TBD	TBD	TBD	TBD
Total	3,720	4,118	3,773	11,611	46,824

Source: BC Housing Action Plan 2019/20 to 2021/22

2.2.2.3 *Homes for BC: A 30-Point Plan for Housing Affordability in British Columbia*³⁷

Released in conjunction with the BC Housing Action Plan, the 30-point Homes for BC Plan aims to make affordable housing more accessible and allocates funding to address homelessness across the province.

This plan proposes measures to stabilize housing prices, crack down on tax fraud, build affordable housing, improve security for renters, and build partnerships to preserve affordable housing. As a whole, the plan addresses many of the recommendations identified in UBCM's report (**section 3.3.2.4**) and is supported by the funding opportunities in the BC Housing Action Plan (**section 3.3.2.2**).

2.2.2.4 *UBCM A Home for Everyone*³⁸

The Union of B.C. Municipalities (UBCM) has released a new housing strategy that calls upon all levels of government to diversify supply, manage demand, and prevent homelessness. UBCM considered potential federal and provincial actions and supports, in addition to opportunities for voluntary local government action, recognizing that local governments cannot tackle the housing crisis alone. The strategy entails 32 recommendations structured around four policy shifts:

1. A Rental Housing Strategy to help address a deficit in rental housing built up through decades of policy priority on homeownership.
2. A Demand Management Strategy with taxation measures to stabilize prices and restore affordability.
3. A Comprehensive Homeless Strategy to substantially reduce the number of people who are homeless.

An All-Government Approach towards Housing Affordability, through which all orders of government collaborate at a community level to bring about community appropriate change.

2.2.3 Local Government

Changes to Federal and Provincial government roles are placing considerable pressure on municipalities and regional governments to become more active in providing and facilitating affordable housing. Additionally, housing issues are often felt most acutely at the local level. Where the provincial government plays a large role in providing services to support those in need of housing (e.g. rent supplements, public housing, and emergency shelters), municipalities regional districts have the power to regulate, prohibit, or impose requirements on certain activities that affect people and property.

The role of local governments to support and encourage affordable and appropriate housing has become increasingly important, especially so with recent jumps in the costs to both own or rent shelter that often go unmatched by dollar increases to wages. Overall, its role includes creating affordable housing policies, protecting the affordable housing stock, encouraging a greater mix of residential uses, and encouraging affordable housing development.

Modern urban and rural planning approaches to affordable housing require that local governments have the capacity to push for and support initiatives. Municipalities and regional districts need funding, staff, and/or land to meaningfully contribute to the cause. Many regional districts and smaller municipalities do not have this capacity, especially in comparison to large urban centres.

Local governments have an increasingly important role to play in facilitating the creation of affordable market and non-market housing through policy, zoning, partnerships, financial incentives, and staff capacity and resources. Their authority comes from Provincial legislation – the Community Charter, the Local Government Act, the Strata Property Act, and the Local Government Statutes (Housing Needs Reports) Amendment Act.

2.2.3.1 Regional Districts

Regional Districts were formed in BC during the 1960s when there was no efficient way to manage community issues that took place outside of existing municipalities. Since a significant percentage of BC's population lived outside of municipalities in unincorporated areas of the province, regional districts provided residents with necessities like fire protection, water supply, and shared community resources like arenas and museums. Today, regional districts have three main roles:

- 1) providing regional governance and services;
- 2) providing a framework for region-wide services that may span multiple local governments (water systems, waste management, cultural facilities, etc.); and,
- 3) functioning as a local government and providing services like building regulation, street lighting, and nuisance regulation.

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

2.2.4 Non-Profit Organizations

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

2.2.5 Private Sector

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

3 Strathcona Rural Housing Needs

The following section summarizes key data points and trends observed for the Strathcona Rural study area. As mentioned, the study area refers to the whole of the SRD's Electoral Areas (A through D).

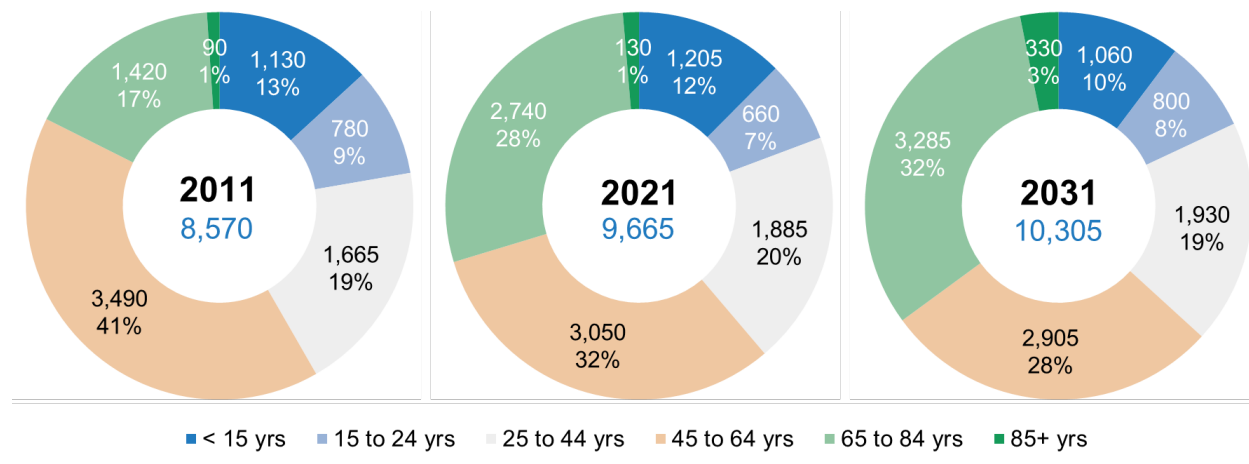
Given that Strathcona Rural trends refer to the aggregate of said communities, readers should view results as best estimates and not absolute fact. This is because 1) Strathcona Rural is not a defined Statistics Canada geography and is thus subject to the accuracy of its individual components, and 2) Statistics Canada's random rounding practices at the individual community level may cause further discrepancy when all subject communities are combined.

3.1 Demography

3.1.1 Age Distribution & Growth

The Strathcona Rural study area combined for about 9,665 residents in 2021, up 1,095 people from a decade prior (13% growth). The expansion did not distribute equally among age categories. For instance, total seniors aged 65 to 84 grew so substantially (93%, or 1,420 to 2,740) that other age cohorts which grew over the decade saw decreases in their share of the total population. For instance, total children below 15 years old increased 7% since 2011, but reported a drop in their population share from 13% to 12%.

Figure ##: Population Age Distribution (Historical & Anticipated)



Source: derived from 2011, 2016, & 2021 Census Profiles & Statistics Canada Data Tables ^{36 37 38}

Population projections anticipate that the total rural population may experience continued growth between 2021 and 2031 to about 10,305 (a rate of 7%). Although senior cohort distributions may expand greatly over that time, growth may also occur among late teen/young adults (21%, or 660

³⁶ Statistics Canada. Table 13-10-0114-01 Life expectancy and other elements of the complete life table, three-year estimates, Canada, all provinces except Prince Edward Island. <https://doi.org/10.25318/1310011401-eng>

³⁷ Statistics Canada. Table 13-10-0422-01 Live births, by birth weight. <https://doi.org/10.25318/1310042201-eng>

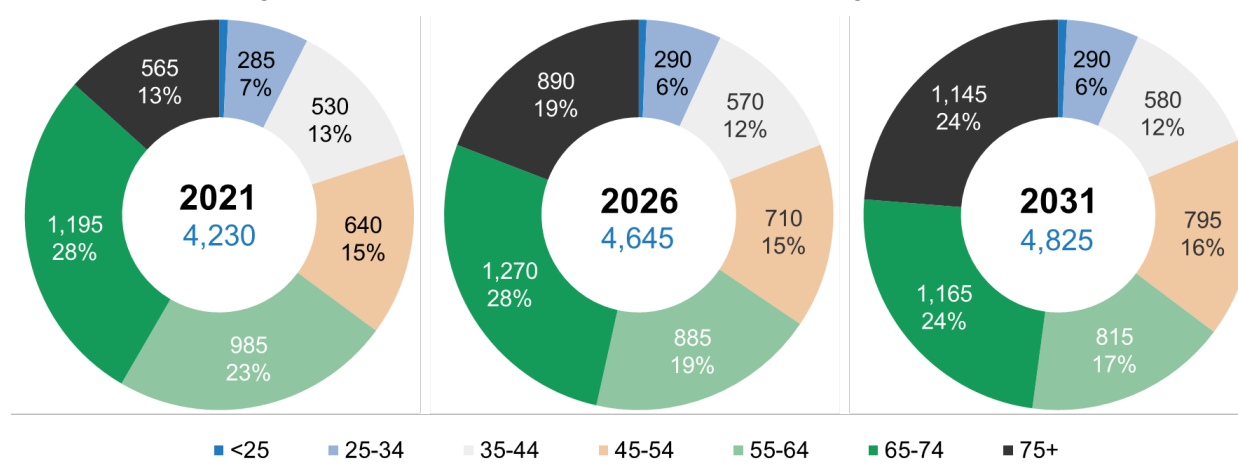
³⁸ Statistics Canada. Table 13-10-0418-01 Crude birth rate, age-specific fertility rates and total fertility rate (live births). <https://doi.org/10.25318/1310041801-eng>

to 800) and middle adults (25 to 44 years old – 2%, or 1,885 to 1,930). All other non-senior age categories could expect a decline over the upcoming decade.

Total permanent households (HHs) occupied by a usual resident were largely unchanged between 2006 and 2016, growing 1% to 3,960. By 2021, total households jumped 7% to 4,230. During the same period, the population grew 8%, suggesting that the average household size had increased, largely due to growth among youth and middle adults.

Household projections suggest that magnitude of household growth could reach 14% between 2021 and 2031, noticeably faster than anticipated population growth during the same period. This discrepancy is primarily related to a potentially massive expansion of senior led households, leading to smaller household sizes or more households per capita.

Figure ##: Historical & Anticipated Household Age Distribution



Source: derived from Population Projections & Statistics Canada 2016 Census Profile

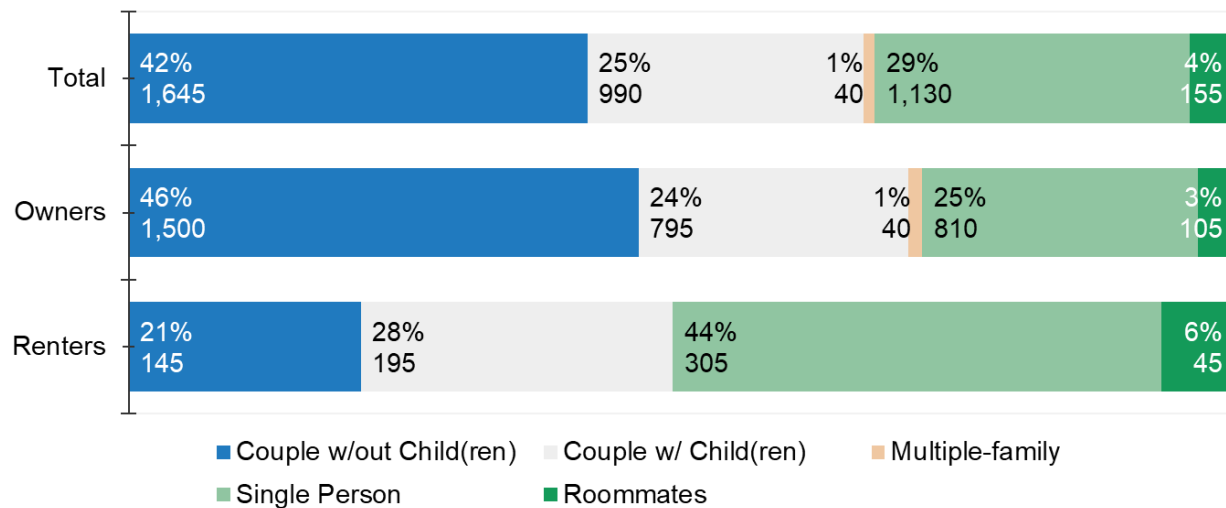
3.1.2 Household Type

Between 2006 and 2016, total permanent households expanded less than 1%. During the same period, total owner households grew 0.5% and total renter households shrank 3%.

In 2016, households were predominantly made up of couples without children (42%), followed by single person households (29%), and couples with children (25%). Note that couples with children includes both couples with children and single parents.

Renter households demonstrated significantly higher prevalence of singles persons (44%) compared to owner households (25%). Renters were also more likely to have children in the household (28% versus 24%).

Figure ##: Household Type by Household Tenure, 2016



Source: Housing Needs Statistics Canada Custom Data Set

Since 2006, total couples without children grew 13% (mirroring the rise in senior people), couples with children shrank 19%, and single person households grew 10%.

3.2 Economy

3.2.1 Labour Force

In 2016, the Strathcona Rural labour force totalled about 7,380 people (those working or actively seeking work), equating to a 57.5% participation rate. Most British Columbia communities demonstrate declining labour forces alongside increasing non-labour forces due to widespread demographic trends like an aging boomer generation. This is no different for Strathcona Rural, resulting in a 6.2 point drop to its participation since 2006.

Total unemployed persons rose 1% from 2006 to 2016 while the total labour force decreased 13%, leading to a higher unemployment rate in 2016 (9.3%) versus 2006 (7.9%). No local data existed at the time of this report to demonstrate the local impacts of COVID-19.

The female labour force experienced a slower decrease in size over the decade (13% versus 18% for males). Women also reported a lower unemployment rate (7.2%) than men (11.5%). Between 2006 and 2016, greater rates of men became part of the non-labour force. Nevertheless, men still reported higher participation than women (59.8% versus 55.2%, respectively).

Figure ##: Labour Force Statistics by Sex & Percent Change, 2016

	2016			% Change '06-'16		
	Total	Male	Female	Total	Male	Female
Total Pop (15+ yrs old)	7,380	3,720	3,660	-4%	-8%	-5%
In Labour Force	4,245	2,225	2,020	-13%	-18%	-13%
Employed	3,855	1,975	1,890	-15%	-23%	-10%
Unemployed	395	255	145	1%	55%	-31%
Not in Labour Force	3,125	1,485	1,635	12%	13%	6%
Participation Rate (%)	57.5	59.8	55.2	-6.2	-7.5	-4.9
Employment Rate (%)	52.2	53.1	51.6	-6.6	-10.0	-2.9
Unemployment Rate (%)	9.3	11.5	7.2	+1.4	+5.4	-1.9

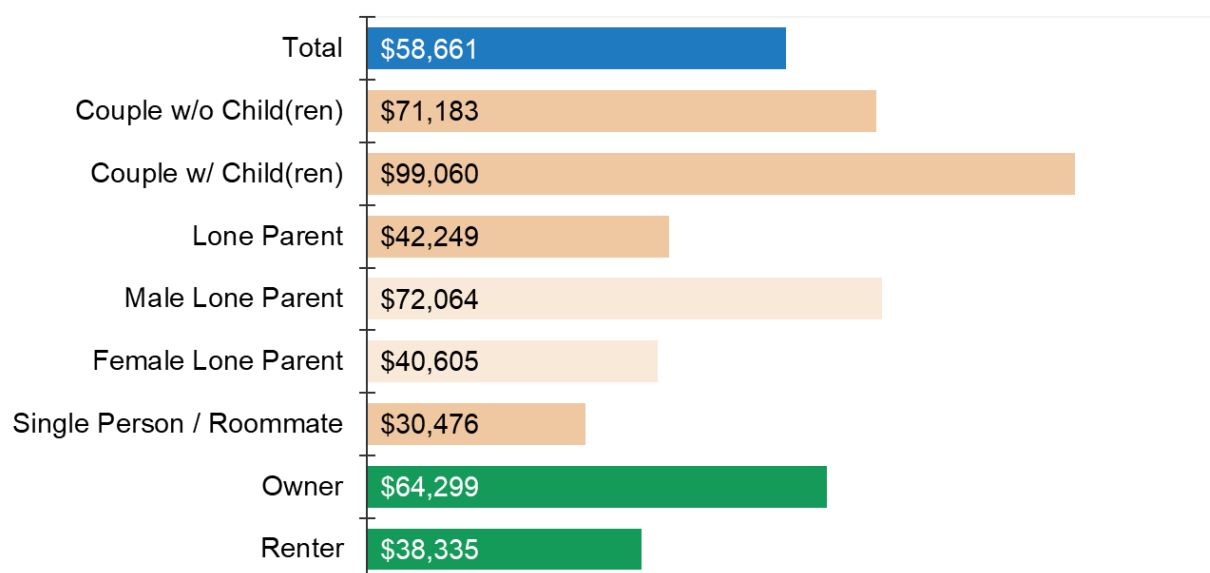
Source: Statistics Canada Census 2006 & 2016

3.2.2 Median Household Incomes

Overall, the Strathcona Rural's estimated median before-tax household income grew 4% between 2005 and 2015 (in 2015 dollars), to approximately \$58,660. The median owner household earned about \$64,300 and the median renter household earned \$38,335, representing a 0.5% decrease and 14% increase since 2005, respectively.

The median couples with children earn the greatest income (estimated at \$99,050) among household types, due to the increased likelihood of having dual non-retirement incomes in the same home. The median lone parent earned about \$42,250 in 2015, with median male and female lone parents earning \$72,050 and \$40,600, respectively.

Figure ##: Median Before-Tax Household Income by Household Type & Tenure, 2015



Source: Statistics Canada³⁹

³⁹ Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016099.

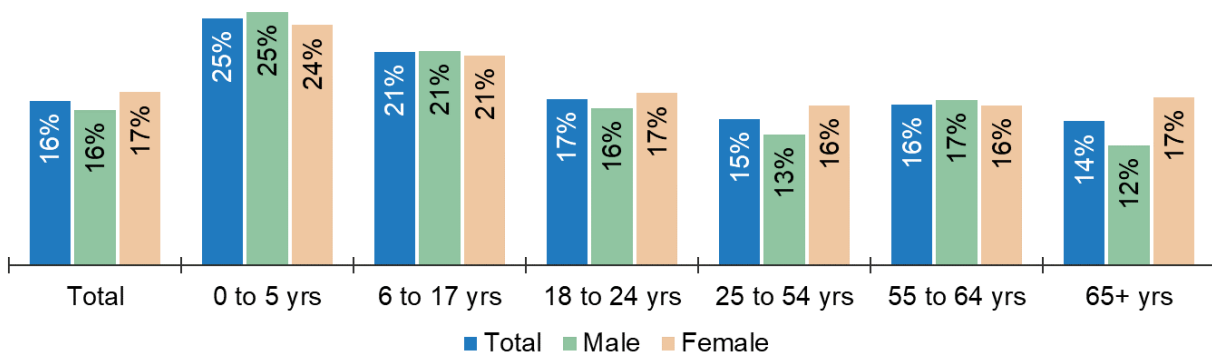
Income data for Indigenous households is sparse among individual communities. For the SRD overall, an Indigenous household earned about \$53,050. Indigenous owner households earned about \$76,700 versus \$35,550 for those that rented. Indigenous lone parents earned close to \$31,800.

3.2.3 Low Income Measure (LIM)

The Low-Income Measures (LIM) is a set of thresholds calculated by Statistics Canada that identifies Canadians belonging to a household whose overall incomes are below 50% of median adjusted household income. “Adjusted” refers to the idea that household needs increase as the number of household members increase. Statistics Canada emphasizes that the LIM is not a measure of poverty, but that it identifies those who are substantially worse off than the average.

About 16% of Strathcona Rural residents fall below the after-tax LIM. Overall, children 0 to 5 years old demonstrated the greatest likelihood (25%) to belong to a household below the measure. Older children (6 to 17) were not far behind. About 14% of seniors reported and seniors (65+) were not far behind at 16%.

Figure ##: Low Income Measure After-Tax (LIM-AT) Prevalence by Age Cohort, 2015



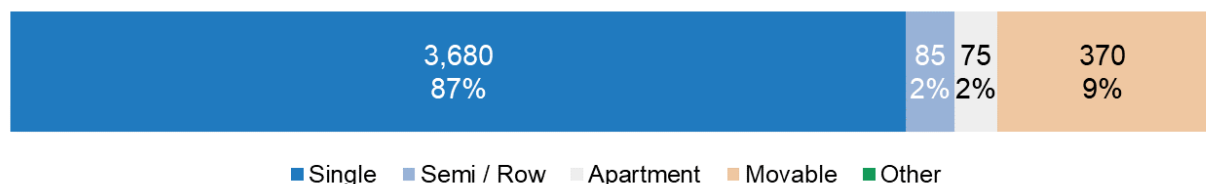
Source: Statistics Canada⁴⁰

3.3 Housing

3.3.1 Building Stock

According to the 2021 Census, about 87% of Strathcona Rural’s dwelling stock (occupied by a usual resident) was made up of single-detached dwellings. Mobile/manufactured homes made up the next greatest share (9%).

Figure ##: Dwelling by Type, 2021

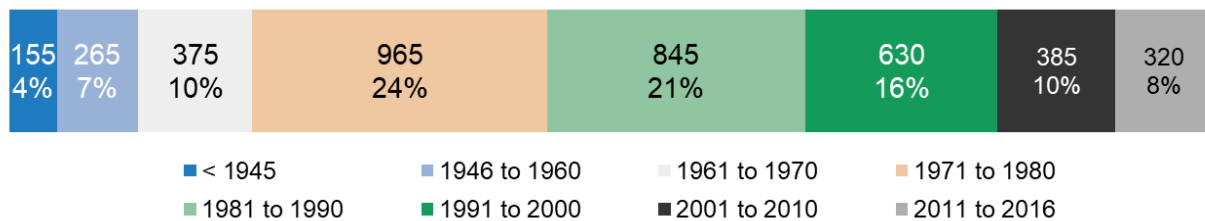


Source: Statistics Canada 2021 Census Profile

⁴⁰ Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016127.

The greatest volume of construction occurred in the 1970s, reaching about 965 units (24% of the dwelling stock). Construction activity was highest from the '70s to the '90s, and has considerably declined in the early 2000s (10%). Activity between 2011 and 2016 (8%) suggests that construction volumes were on the rise. **Figure ##** illustrates the distribution of construction activity over the last century.

Figure ##: Dwelling Age of Construction, 2016



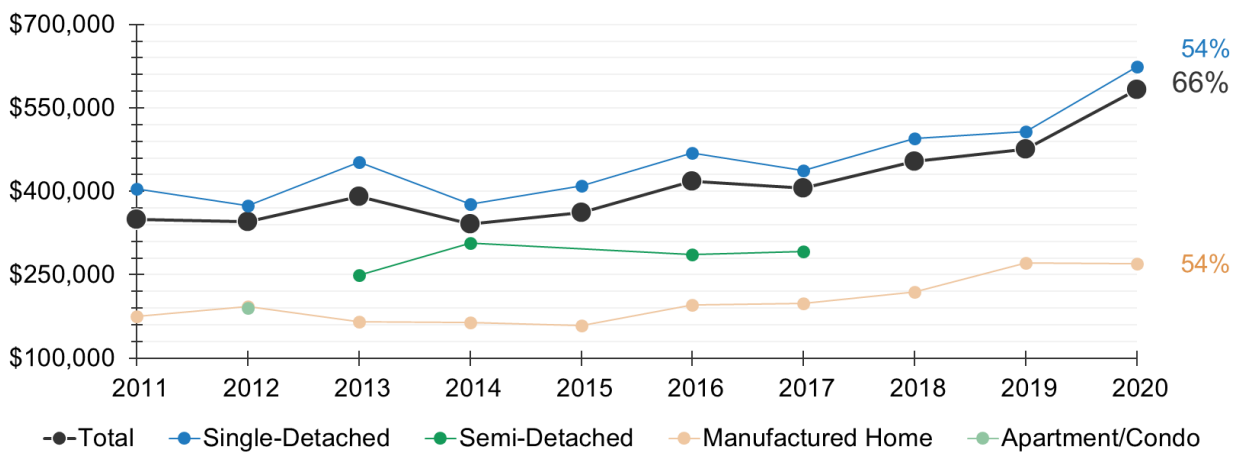
Source: Statistics Canada⁴¹

3.3.2 Purchase Price

BC Assessment reports sale prices for multiple dwellings types. **Figure ##** shows what the average price is per dwelling type, and the percent change (in 2020 dollars) from 2011 to 2020.

Overall, Strathcona Rural home prices appreciated 66% since 2011 (about \$350,200 to \$582,450). Price increases were similar across both single-detached and manufactured homes, suggesting that demand for both (relative to availability) has expanded.

Figure ##: Dwelling Prices by Type (2020 dollars) & Percent Change '11-'20



Source: BC Assessment

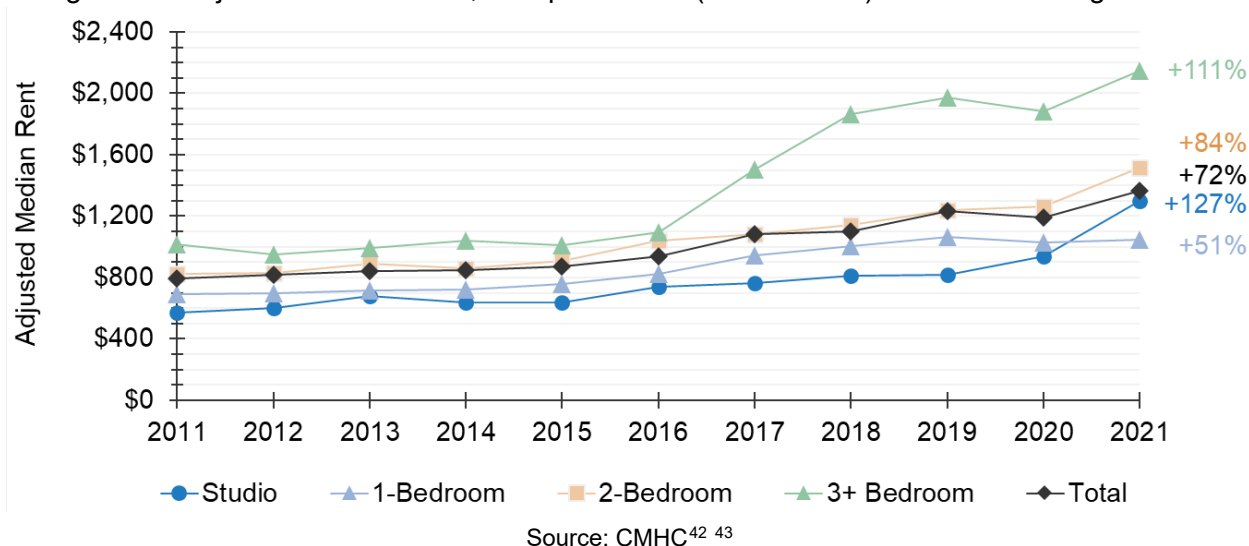
Adjusting prices for inflation (e.g. 2020 dollars) allows the reader to understand the actual overall appreciation or depreciation in housing in real terms (or values that are comparable without the consideration of increases or decreases in the value of money in the larger economy). For instance, prices increased 78% when unadjusted, meaning inflation made up about 15% of the increase in price over the decade.

⁴¹ Statistics Canada, 2016 Census of Population, Statistics Canada Catalogue no. 98-400-X2016222.

3.3.3 Rental Market Prices

The Canadian Housing & Mortgage Corporation (CMHC) conducts an annual Rental Market Survey to estimate rental market strength (the most readily available rental market data). Readily available primary market data is only obtainable for the Campbell River Census Agglomeration (CA). While actual price and vacancy levels may not exactly reflect conditions for renters outside of Campbell River, trends in these rental market characteristics can be instructive of the broader rental market throughout the rest of the regional district.

Figure ##: Adjusted Median Rent, Campbell River (2021 dollars) & Percent Change '11-'21



CMHC does differentiate between occupied and available rental prices in larger survey areas (Census Metropolitan Areas), which can help estimate what differences may be present locally. The rents reported below estimate the cost of a vacant rental using the CMA differences between the two rental price types.

In 2021, the median unit within the primary rental market rented for \$1,366, a 72% increase since 2011 (adjusted for inflation). Studio apartment rents grew 127% to \$1,296, 1-bedrooms grew 51% to \$1,048, 2-bedrooms grew 84% to \$1,517, and 3+ bedrooms grew 111% to \$2,150.

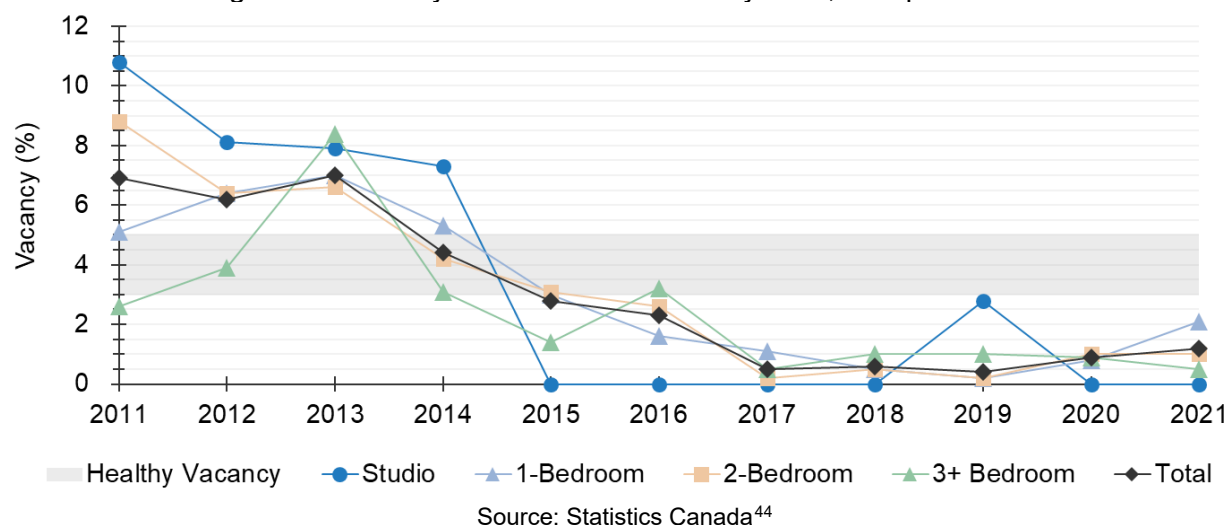
3.3.4 Primary Rental Market Vacancy

Campbell River's overall vacancy rate has been below the generally accepted healthy vacancy range of 3% to 5% since 2015. Only 3+ bedroom units demonstrated a value within the range (3.2%) during that time. Unhealthily low vacancy rates indicate potential shifts in the cost rental housing – the lower the vacancy, the less choice for renters, and greater incentive for landlords to increase prices. In comparing **Figure ##** to **Figure ##**, it is obvious that when vacancies dropped, rents began to increase at a faster rate (particularly for 3+ bedroom units).

⁴² CMHC. (2022). *Housing Market Information Portal*. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#TableMapChart/7100/3/Campbell%20River>

⁴³ CMHC. (2022). *Average Apartment Rents (Vacant & Occupied)*. <https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/average-apartment-rents-vacant-occupied>

Figure ##: Primary Rental Market Vacancy Rate, Campbell River



Primary market trends impact those of the secondary market, both in the Campbell River CA and across the SRD. For example, with a growing renter population and declining vacancy, demand for rental tenured housing will be on the rise. As renters find little to no stock available in the supply of purpose-built rental dwellings, they will begin to find alternatives, moving to secondary market units. In other words, declining urban vacancy rates induce demand for substitutes, thereby decreasing secondary market vacancy rates. Unfortunately, the specific rate and how it may change cannot be determined.

3.3.5 Short-Term Rentals

Short-term rentals (STRs) have grown as a more fluid and flexible use of residential dwelling space for temporary accommodations that blurs the line between rental housing and a commercial hospitality use. Alongside this market growth is concern about the impact of STR units on traditional residential market sectors; specifically, whether STRs are removing permanent tenure homes from the market, reducing supply and increasing the difficulty for households to find suitable places to live.

The following discussions often refers to 2021 since it represents the last full year of data. Greater detail for each electoral area and about the collection process is available in the individual reports.

3.3.5.1 Inventory & Revenue

Figure ## shows how the inventory of unique and active STRs across the SRD changed between 2016 and 2022. An active unit refers to one that has been listed as available or reserved for at least one day, demonstrating the intent to use the unit. Note that 2022 data is for the year to date (as of the end of February).

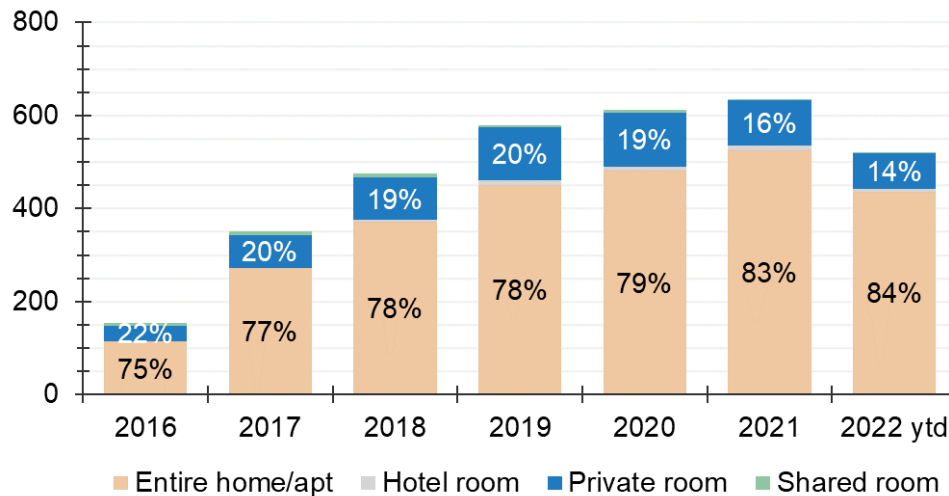
The presence of STRs emerged in 2016, growing from 153 units in 2016 to 352 in the span of one year. The Strathcona Rural area made up 67% of these units. By the end of 2021, 635 unique

⁴⁴ CMHC. (2022). *Housing Market Information Portal*. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#TableMapChart/7100/3/Campbell%20River>

STR properties operated over that year, an increase from the year 2019 even in the midst of the COVID-19 pandemic.

The majority of STRs are classified as an “entire home or apartment,” meaning that the owner of the property does not share the space with guests (unlike for a “private room”). By 2021, about 83% of units were entire dwellings, 16% were private rooms, 2% were hotel rooms, and less than 1% were shared rooms.

Figure ##: SRD, Historical Total & Distribution of Active STRs by Type

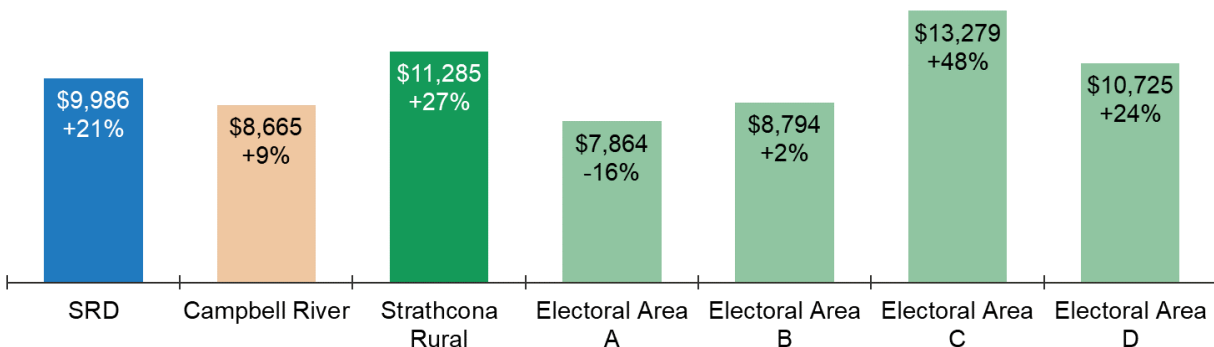


Source: derived from AirDNA

Average annual STR revenues peaked in 2021 at about \$10,000 per unit, up 47% from 2020 and 21% from 2019. at \$14,200 in 2018. Average unit revenues increased even as more unique properties entered the market, suggesting that the demand for STR accommodation outpaced unit growth for 2021.

Figure ## illustrates the average annual revenues per unit across multiple SRD geographies and the percent change occurring between 2019 and 2021 (comparing pre-pandemic to present day contexts). **Figure ##** shows how unit totals and shares of all SRD STRs has changed over the same time period.

Figure ##: 2021 Average Annual Revenue per Unit & 2019 to 2021 Percent Change

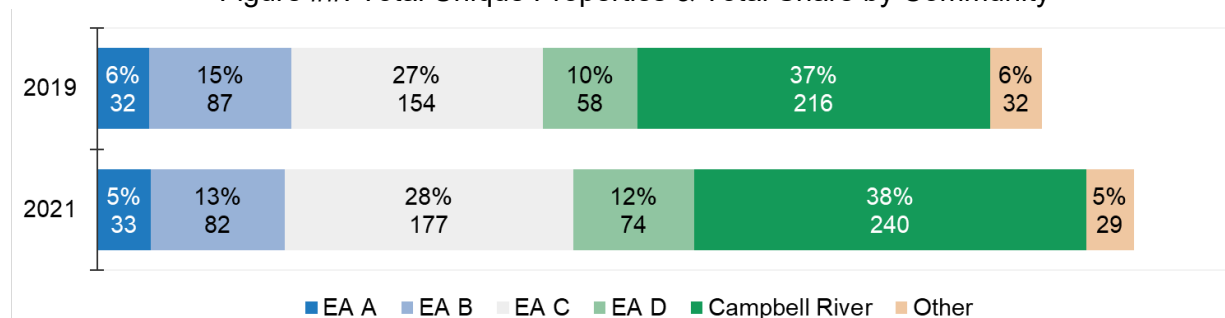


Source: derived from AirDNA

Annual revenues were particularly high for Electoral Area C and Electoral Area D, both of which posted the greatest revenue growth from 2019 to 2021. Over the entire SRD, STRs brought in 21% more money than they did the year prior to the pandemic.

Since 2019, all communities except for Electoral Area B and “other” (the smaller SRD municipalities) demonstrated an increase in their total units. Strathcona Rural’s inventory grew 11%, due entirely to an expansion of the Electoral Area C and D STR markets.

Figure ##: Total Unique Properties & Total Share by Community



Source: derived from AirDNA

3.3.5.2 Impact to Affordability

Use of residential real estate for short-term rental operations is a relatively new and understudied issue. STR units can have positive, neutral, and negative implications for housing availability and affordability, depending on their context. Overall, concerns posed by STR units with respect to housing affordability and availability are a function of the number of units that operate on a commercial basis. STR units that are a secondary use of an otherwise traditionally occupied home are unlikely to have the same impacts.

In more balanced areas, STR units in low concentrations can probably exist without a material impact to housing conditions while providing the same income-generating benefits to the people that operate them. In higher-demand areas, or if STR units become overly concentrated in an otherwise balanced area, they can represent a material reduction in housing supply, creating upward pressure on rents and purchase prices and making opportunities for permanent housing much more difficult to find at any cost.

Research on the impacts of STR activity on traditional residential rents or purchase prices exists, but is limited and generally focusses on the effect of concentrated STR activity within larger urban centres. For example, a study in Boston found that each 12 Airbnb listings in a census tract resulting in a 0.4% increase to market rents while another in New York found that a 10% increase in STR listings within a zip code area was associated with a 0.42% increase in rents and a 0.76% increase in purchase prices.⁴⁵

Generally, about 46% of STR units function as commercial properties, meaning they were available/booked more than 50% of the year (thus, representing which ones are unlikely to offer

⁴⁵ Economic Policy Institute. (2019). The Economic Costs and Benefits of Airbnb. <https://files.epi.org/pdf/157766.pdf>

capacity for long-term tenancy). Nevertheless, STR activity in the study area has likely caused only minor impacts to housing affordability as they tend to be spatially dispersed, and generally low in total number. **Figure ##** summarizes the share of commercial STRs as they relate to total dwelling totals in each study area community.

Figure ##: Estimated Commercial STRs as a Share of Total Dwellings by Community

Community	Estimated Commercial STRs (2021)	Total Dwellings (2021)	Commercial STR as % of Total Dwellings
Rural SRD	181	4,794	3.8%
Electoral Area A	13	474	2.7%
Electoral Area B	34	804	4.2%
Electoral Area C	97	1,663	5.8%
Electoral Area D	37	1,853	2.0%

Source: derived from AirDNA, Statistics Canada

Electoral Area B and C demonstrate the most concerning results, with an estimated 4.2% and 5.8% of their total dwellings being used as a commercial STR unit

3.3.6 Non-Market Housing & Programs

As of March 31, 2021, BC Housing supports shelter or homeless housing for 195 people in the SRD. An additional 193 units transitional housing and assisted living, and 259 units of independent social housing are also supported. At the time data was made available, 460 individuals or households received rental assistance for private market dwellings, 70% of whom were seniors and 30% were families.

Units located in the City of Campbell River make up 94% of non-market units in the SRD, including 100% of emergency shelter / housing spaces, 95% of transitional supported & assisted living units, and 98% of independent social housing units. According to BC Housing, 59 Strathcona Rural individuals or households use non-market services, most of whom receive private rental market assistance. Nine units of transitional housing and 6 units of independent social housing exist in the rural areas.

Figure ## shows how many people/households benefited from non-market housing across the SRD, Strathcona Rural, and Electoral Area A. Units for service allocation subgroups are marked with an 'XX' notation if one of the subgroups has 5 or fewer units.

Figure ##: Non-Market Housing Facilities & Programs, March 31 2021

Strathcona Regional District

Emergency Shelter & Housing for the Homeless				Transitional Supported & Assisted Living				Independent Social Housing			Rent Assistance in Private Market				TOTAL
Homeless Housed	Homeless Rent Support	Homeless Shelters	Subtotal	Supportive Seniors Housing	Special Needs	Women & Children Fleeing Violence	Subtotal	Low Income Families	Low Income Seniors	Subtotal	Families	Seniors	Canada Housing Benefit	Subtotal	
133	40	22	195	58	90	45	193	253	6	259	100	324	36	460	1,108

Strathcona Rural

Emergency Shelter & Housing for the Homeless				Transitional Supported & Assisted Living				Independent Social Housing			Rent Assistance in Private Market				TOTAL
Homeless Housed	Homeless Rent Support	Homeless Shelters	Subtotal	Supportive Seniors Housing	Special Needs	Women & Children Fleeing Violence	Subtotal	Low Income Families	Low Income Seniors	Subtotal	Families	Seniors	Canada Housing Benefit	Subtotal	
0	0	0	0	XX	XX	XX	9	0	6	6	XX	XX	XX	44	59

Source: BC Housing

As of April 2022, the BC Housing wait list had 211 total applications from SRD residents that had not yet been fulfilled, including 83 families, 38 residents with disabilities, and 63 seniors. The greatest visible demand comes from municipal areas – 88% from Campbell River and 8% from other local municipalities. Based on available information, 12 Strathcona Rural applicants were on a BC Housing waitlist – 3 families, 2 people with disabilities, and 7 seniors.

The totals provided only reflect active applications with BC Housing and do not represent the true number of people who can or should be accessing services. Many individuals choose not to apply to BC Housing, either due to stigma around accessing services or because they feel disheartened by long wait list numbers or times. Rural residents are often deterred by the lack of available units or options in rural communities and may only apply to BC Housing when they have exhausted all other options. This is especially true for seniors and elders seeking supportive units who may not want to leave their community and social structure.

3.4 Core Housing Need

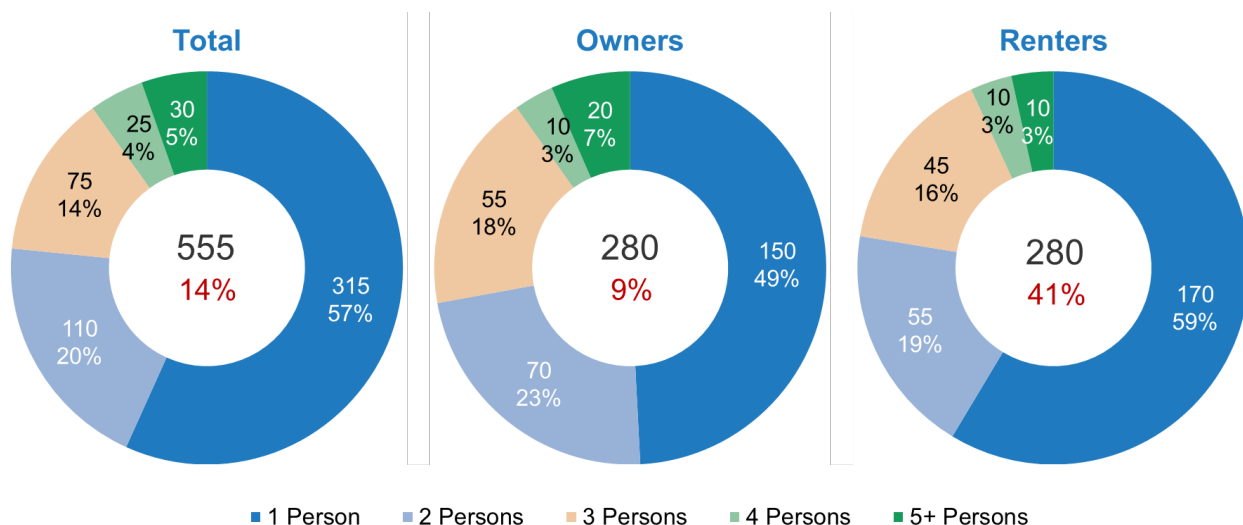
A dwelling's housing condition is normally described using Statistics Canada's three criteria of "Core Housing Need:" suitability, adequacy, and affordability. A quick guide is that inadequate means a need for major repair, unsuitable means overcrowded, and unaffordable is when shelter

costs exceed 30% of before tax household earnings. If a household is in Core Housing Need, it means that they experience at least one of the aforementioned hardships with one major difference: affordability is not only whether expenses surpass the 30% threshold, but also whether an affordable, alternative dwelling exists in the market (given a household's needs).

From 2006 to 2016, the rate of Core Housing Need decreased from about 15% to 14%, mirrored by a slight decrease in total households experiencing core need (560 to 555). Mostly 1 and 2 person households experienced core need in both periods, generally tied to available income.

Renter households demonstrated the greatest prevalence of Core Housing Need compared to owner households; 41% versus 9%, respectively.

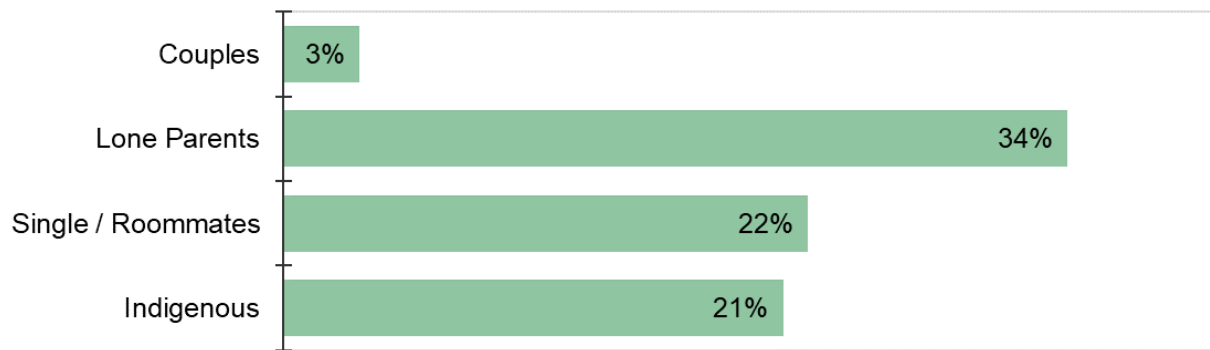
Figure ##: Core Housing Need (CHN) by Type & Total Households (HHs) in CHN by Size, 2016



Source: Statistics Canada

Across the SRD (as a whole), lone parents demonstrated greatest prevalence of Core Housing Need among household types at 34%, meaning about 1 of every 3 lone parents faced financial, spatial, or quality hardship as they relate to housing. About 21% of Indigenous households were in core need. Couples, who often benefit from being dual income earning, experience the lowest prevalence of hardship.

Figure ##: Core Housing Need by Household Type & Indigenous Identity, 2016



Source: Statistics Canada

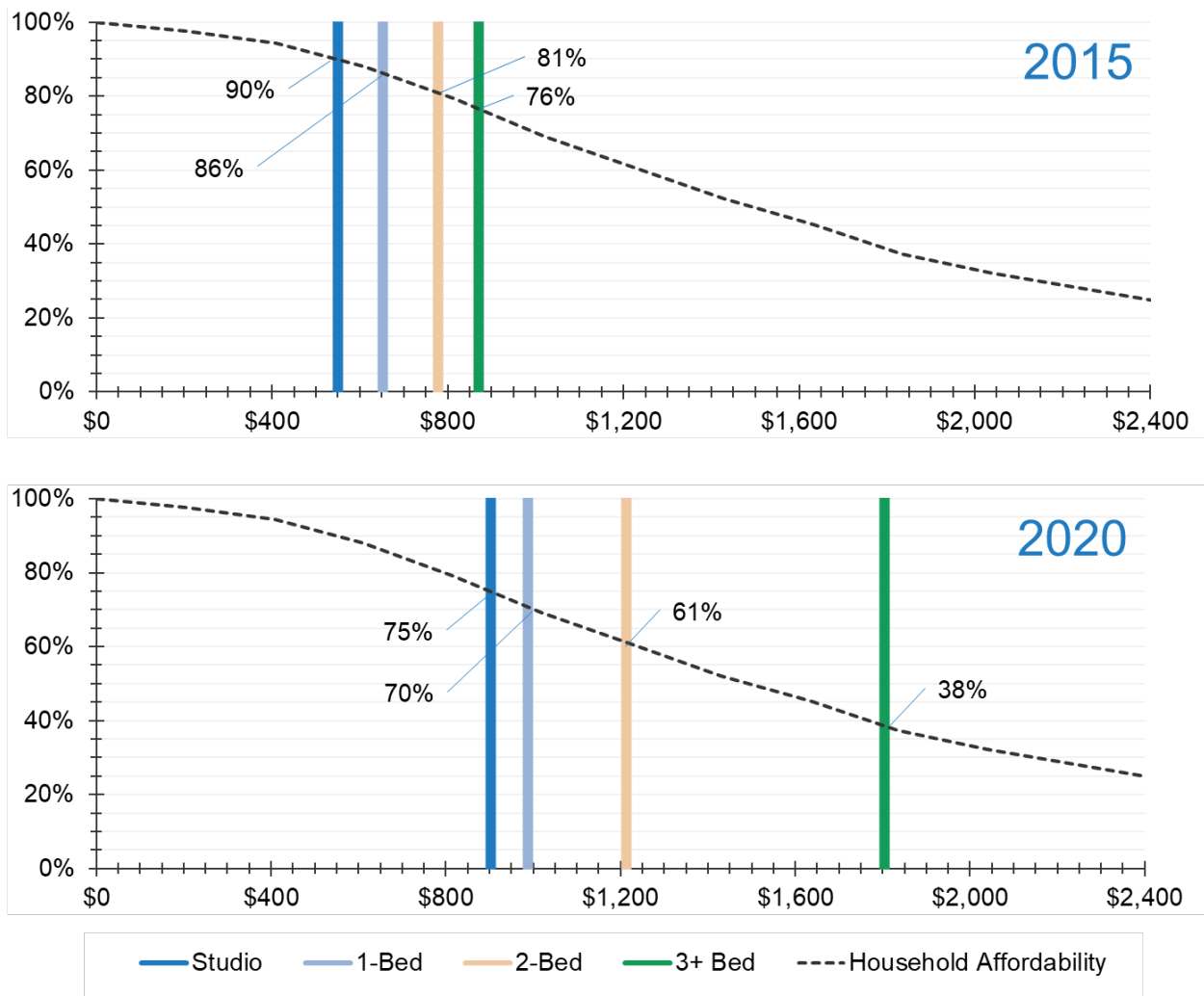
3.5 Affordability Gaps

3.5.1 Rental Prices

Anecdotally, the cost of shelter has risen over the last decade across most jurisdictions. In markets of unchanging demand and supply dynamics, one would expect prices to increase by about the rate of inflation. Provincial wide data indicates that rents have risen well above inflation; particularly, over the last decade. This trend is also felt within the City of Campbell River, the source of the majority of Strathcona Regional District's rental inventory.

As prices have increased, the accessibility of rental housing has diminished. **Figure ##** illustrates what proportion of total renter households (y-axis) can afford to rent at any given rent price (x-axis) in 2015 and 2020. The vertical lines represent the median cost of a rental unit for that given year.

Figure ##: % of Renter HHs who could Afford Estimated Rents, '15 vs '20



Source: derived from CMHC & Statistics Canada

A rough observation of 2015 estimates suggests that 90% of households could afford the median studio apartment in the SRD. Conversely, 10% could not. Given that the median represents the centre point of rents, this means that about 10% of households could not afford at least 50% of similar sized rental units. By 2020, estimates suggest this share had fallen from 90% to 75%.

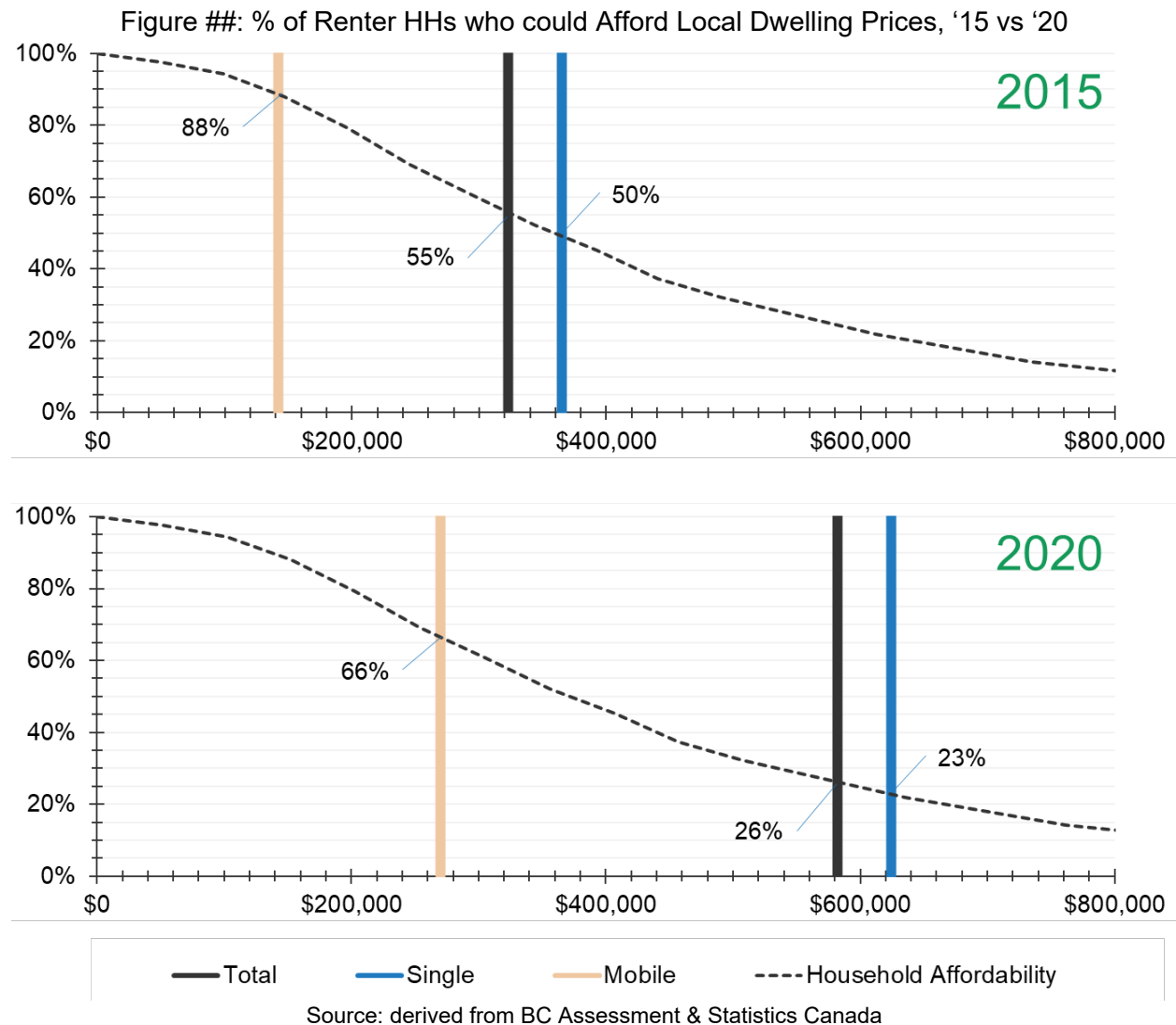
Between 2015 and 2020, renter accessibility for 1-bedroom apartments may have fallen from 86% to 70%, 2-bedrooms from 81% to 61%, and 3+ bedrooms fell from 76% to 38%.

3.5.2 First-Time Home Buyers / Homeownership

Figure ## illustrates what proportion of total renter households (y-axis) can afford to buy a home at any given purchase price (x-axis) in 2015 and 2020. The vertical lines represent the median cost of a dwelling type for that given year. For simplicity, this exercise does not consider whether a household has saved or can save for a down payment.

A rough observation of 2015 indicates that about 55% of renter households could afford the mortgage cost of the median home. By 2020, estimates suggest that this share decreased to about 26%. In other words, 74% of renter households (those who could potentially purchase a home for the first time) could not reasonably afford half the 2020 dwellings sold in Strathcona's rural communities.

As for specific dwelling types, the proportion of households that could afford the median single-detached home may have fallen from 50% to 23% and manufactured homes from 88% to 66%.

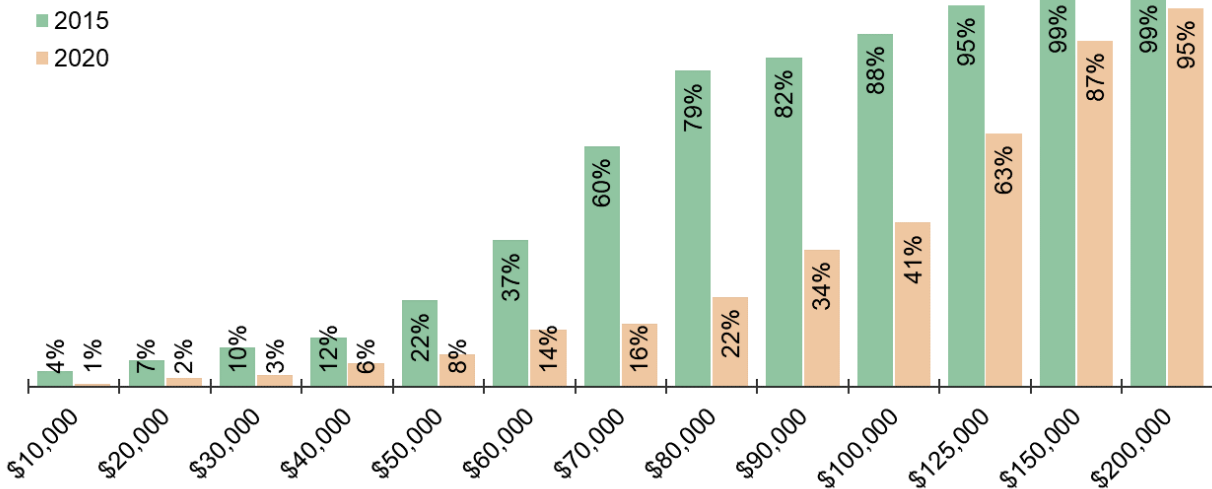


An alternative way to discuss the change in real estate affordability is what percentage of dwellings for sale in 2015 and 2020 were affordable based on income category limits. **Figure ##** shows this relationship at intervals based on publicly available Statistics Canada income ranges.

In 2015, an income of at least \$60,000 could afford the estimated mortgage (based on stated assumptions) of 37% of the dwellings sold across the SRD's Electoral Areas. By 2020, the same income could possibly afford 14% of dwelling units. A household income of \$100,000 could afford

88% of dwellings in 2015, potentially down to 41% in 2020. Please note that this analysis is based on estimates, meaning that results are as good as the inputs available. Percentages are not accurate results; rather, they are educated guesses based on a set of assumptions.

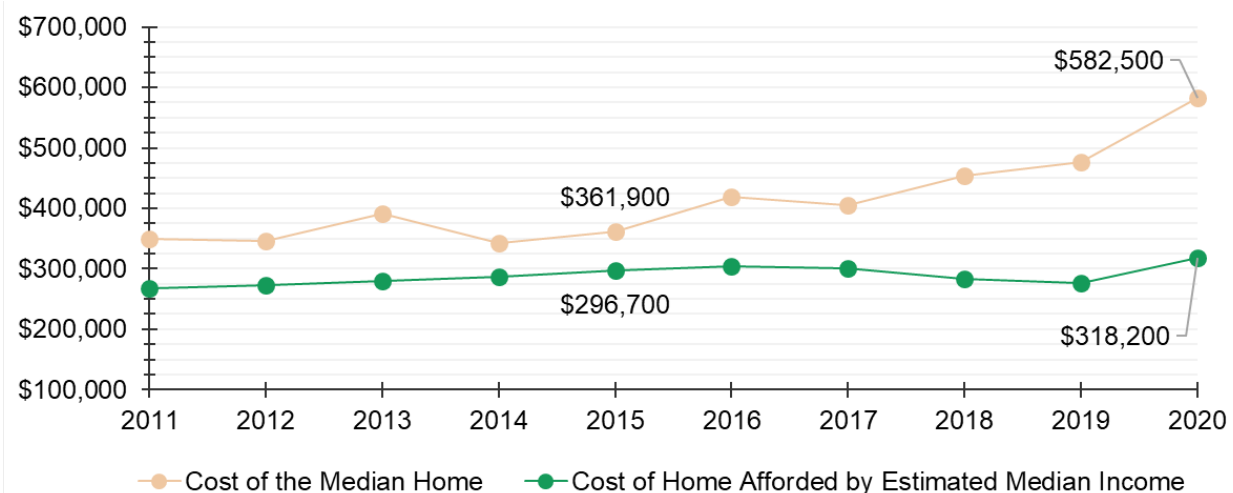
Figure ##: % of Sales that are Affordable per Income Threshold, '15 vs '20 (2020 dollars)



Source: derived from BC Assessment, & Statistics Canada

Figure ## offers a different perspective on the cost local housing by comparing the cost of the median home across Strathcona Rural versus the cost that the estimated median income in a given year could afford (based on the same assumptions discussed at the beginning of this section, with the addition that the affordable cost of one year uses the prime rate of that given year). The purpose is to highlight the impact of changing local incomes on affordability.

Figure ##: Median Home Cost vs Estimated Affordable Home Cost (Current Dollars)



Source: derived from BC Assessment, & Statistics Canada

Generally, the cost of the median Strathcona Rural home has exceeded that of an affordable purchase price, but the difference remained about the same (with fluctuations) until later parts of the decade.

In 2015, the median home was about \$65,200 higher than the affordable price for an estimated median income. By 2020, this gap expanded to \$264,300.

It is important to note that the gap between the affordable purchase price and actual price reflects the median. There are individuals or households who face significantly greater financial challenges related to their shelter. As of 2016, 14% of owner households in Electoral Area C reported not reasonably affording where they live.

4 Glossary

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

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

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

“census agglomeration (CA)” Area consisting of one or more neighbouring municipalities situated around a core. A census agglomeration must have a core population of at least 10,000;

“census dissemination area (CA)” is a small, relatively stable geographic unit composed of one or more adjacent dissemination blocks. It is the smallest standard geographic area for which all census data are disseminated. DAs cover all the territory of Canada;

“census dissemination block (DB)” is an area bounded on all sides by roads and/or boundaries of standard geographic areas. The dissemination block is the smallest geographic area for which population and dwelling counts are disseminated. DBs cover all the territory of Canada;

“census division (CD)” means the grouping of neighbouring municipalities, joined together for the purposes of regional planning and managing common services (e.g. Strathcona Regional District);

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

“census subdivision (CSD)” is the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes;

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

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

“components of demographic growth” refers to any of the classes of events generating population movement variations. Births, deaths, migration, marriages, divorces, and new

widowhoods are the components responsible for the variations since they alter either the total population or the age, sex, and marital status distribution of the population.:

“emigrant” refers to a Canadian citizen or immigrant who has left Canada to establish a permanent residence in another country.

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

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

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

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

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

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

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

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

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

“dwelling” is defined as a set of living quarters;

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

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

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

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

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

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

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

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

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

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

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

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

“family size” refers to the number of persons in the family;

“full-time equivalent (FTE) student” represents all full-time and part-time enrolments, converted to represent the number of students carrying a full-time course load. One student whose course

load is equal to the normal full-time number of credits or hours required in an academic year would generate 1.0 Student FTE. A student taking one-half of a normal course load in one year would be a 0.5 Student FTE;

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

“owner household” refers to a private household where some member of the household owns the dwelling, even if it is still being paid for;

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

“household maintainer” refers to whether or not a person residing in the household is responsible for paying the rent, or the mortgage, or the taxes, or the electricity or other services or utilities. Where a number of people may contribute to the payments, more than one person in the household may be identified as a household maintainer. In the case of a household where two or more people are listed as household maintainers, the first person listed is chosen as the primary household maintainer;

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

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

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

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

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

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

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

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

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

“NAICS industry” means an industry established by the NAICS;

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

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

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

“Rental Market Survey” refers the collection of data samples from all urban areas with populations greater than 10,000 and targets only private apartments with at least three rental units. Among the information provided are median rental prices for units within the primary rental market;

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

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

“short-term rental (STR)” means the rental of a housing unit, or any part of it, for a period of less than 30 days;

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

“STR – total market” refers to all short-term rental units that were active (meaning, reserved or available at least one day in a month) within a given time period. The total market only considers entire homes or apartments, not listings that are hotels, private rooms, or other;

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

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

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

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