



DISTRICT OF LAKE COUNTRY

INTERIM HOUSING NEEDS REPORT

FINAL DRAFT

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URBAN
S Y S T E M S



PREPARED FOR:

District of Lake Country

10150 Bottom Wood Lake Road

Lake Country, BC V4V 2M1

304 - 1353 Ellis Street, Kelowna, BC V1Y 1Z9 | T: 250.762.2517

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EXECUTIVE SUMMARY

This report satisfies the provincial requirements to complete an Interim Housing Needs Report (HNR) by January 1, 2025. The next regular HNR update will be required by 2028, and subsequently in five-year intervals. This Interim Housing Needs Report is prepared pursuant to the *Local Government Act*, the Housing Needs Report Regulation (HNRR) and utilizes data provided by the BC HNR Calculator. This Interim HNR is to supplement the current 2023 Housing Needs Report (HNR).

Pursuant to Section 790 of the *Local Government Act*, the Interim HNR is required to include three components:

- The number of housing units required to meet the current and anticipated need for the next 5 and 20 years,
- A statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation; and,
- A description of the actions taken by the District of Lake Country since receiving the previous HNR.

Table 1 below shows the District’s 5-year and 20-year housing needs which have been generated using the BC HNR Calculator¹ and in accordance with the HNR Method Technical Guidelines provided by the Province.

The Interim HNR includes the above-required items as well as additional context and discussion of discrepancies between the calculations completed for the June 2023 HNR and those completed using the provincial HNR Method. This report is intended to supplement and note replace the [June 2023 District of Lake Country Housing Needs Report](#).

5-YEAR AND 20-YEAR HOUSING NEED

- The estimated number of net new housing units needed within the next **5 years** is **1,485**.
- The estimated number of net new housing units needed within the next **20 years** is **5,162**.

Table 1. Interim HNR Summary of Estimated New Units Needed; 5 and 20-Year Need

Component	5 Year Need	20 Year Need
A. Extreme Core Housing Need	55	224
B. Persons Experiencing Homelessness	44	89
C. Suppressed Household Formation	57	228
D. Anticipated Growth	1,126	3,814
E. Rental Vacancy Rate Adjustment	6	22
F. Additional Local Demand	196	784
Total New Units – 5 years	1,485	
Total New Units – 20 years		5,162

Overall, the Interim HNR reflects different housing unit estimates to that of the existing 2023 HNR for the near term. In the 5-year timeframe, the Interim HNR estimates reflects higher amounts of needed housing as compared to the existing 2023 Housing Needs Report: The Interim HNR estimates a need for 1,485 units between 2021 and 2026, whereas the previous HNR estimated approximately 250 units annually, for a total of 1,250 units between 2021 and 2026.

In the longer term, the two reports are very similar: The 2023 HNR predicted a need for 2,505 new housing units from 2021 – 2031, which is half the timeline of the Interim HNR, but reflects 48.5% of the 20-year estimate in the Interim HNR.

¹ The BC HNR Calculator is hosted by Housing Assessment Resource Tools (HART), which is a non-governmental research group with a team of researchers from numerous Canadian universities. HART is government and grant funded. The BC HNR Calculator follows the Provincial Guidelines exactly.

Overall, if the 2023 HNR report projection was doubled (resulting in 5,010 units), the difference between the 2023 HNR and the new Interim HNR would be a total of 152 housing units.

APPLICATION OF THE INTERIM HNR 5-YEAR AND 20-YEAR HOUSING NEED ESTIMATES

The District of Lake Country's Interim Housing Needs Report presents estimates for housing needs using the new provincial Housing Needs Report (HNR) method. This standardized approach enables consistent comparisons across municipalities and also incorporates new methods to quantify estimated need across different components of the housing continuum.

The Interim Housing Needs report responds to new Provincial legislation which requires that a Zoning Bylaw be amended by 31 December 2025 to accommodate, at minimum, the 20-year number of estimated housing units identified in the Interim HNR (Section 481.7 of the *Local Government Act*). Following receipt of the Interim HNR, an analysis of zoning capacity throughout the District will be necessary. This is to identify and ensure that the estimated number of housing units for 20 years are accommodated in zoning; if not the District will be required by legislation to updating zoning (and corresponding OCP land use designations, maps, statements and policies) to ensure that the total 20 year figure of estimated housing need can be achieved without the need for a rezoning process or Official Community Plan amendment.

OTHER INTERIM HNR REQUIREMENTS

The body of this report also contains a list of actions taken by the District of Lake Country since receipt of the 2023 HNR, as well as a statement on the importance of alternative transportation options near housing within Lake Country, as is required by legislation. For brevity, those sections have not been repeated here.

LIMITATIONS AND IMPACT ON EXISTING 2023 HOUSING NEEDS REPORT

The existing Housing Needs Report remains a valid document. Differences between this Interim HNR and the 2023 HNR can be attributed to variations in methodology, the incorporation of updated and alternative data sources required by the HNR method, and the introduction of new components that were not considered by the 2023 HNR. The existing 2023 Housing Needs Report contains vital information on Key Areas of Local Need, including contextual discussion on target populations and housing types. Further discussion on these differences is contained within this report.

The housing figures produced by this Interim HNR are estimates and not projections. These figures are based on a simplified method that is intended to be applied across an entire Province, encompassing vastly different geographics, markets, demographics, and planning context. As such, some figures may not accurately represent need for specific categories of housing within Lake Country. This Interim report lacks the detail, additional research and analysis, and resulting context that a typical Housing Needs Report would include. This results in a lack of supporting contextual information on the estimates, and creates limitations surrounding how those estimates should be interpreted. Estimates can be used to inform conversations surrounding policy and decision-making, level of effort required for that type of housing, and inform future conversations around housing policy and objectives.

1.0 INTRODUCTION & BACKGROUND

In 2019, the Provincial government introduced changes to the *Local Government Act* (LGA) requiring local governments to complete Housing Needs Reports (HNRs). This new requirement involved collecting housing data, analyzing trends, and presenting reports that described current and anticipated housing needs throughout B.C. communities. The intent of Housing Needs Reports is to provide an evidence-based approach to understanding growth in the context of planning for various types and tenures (and costs) of future housing needs. Legislation required local governments to prepare Housing Needs Reports initially in 2019 and every five years thereafter.

In November 2023, through the passage of Bill 44 *The Housing Statutes Amendment Act*, the Provincial government adopted a suite of new legislation intended to streamline the delivery of new housing and implement proactive planning tools to remove regulatory barriers to housing development. As of June 2024, the Province has updated legislative requirements for Housing Needs Reports. This includes requiring all local governments to complete a Housing Needs Report, (or Interim Housing Needs Report with specific content -see below) by January 1, 2025. Both versions of these reports must include a 5 and 20-year housing need that is calculated using a standardized method prescribed by the *Housing Needs Report Regulation* (HNRR) (LGA S.585.3).

All local governments must then complete ‘regular’ Housing Needs Reports by December 31, 2028 and every 5 years thereafter (LGA S. 585.31). Some content of HNRs/Interim HNRs can be applied by using the HNR Calculator, an online tool developed by UBC’s Housing Assessment Resource Tools (HART) which exactly follows the methodology for Housing Needs Reports prescribed by the Province.

The District only recently completed a Housing Needs Report in June 2023. The Province has accounted for situations such as this, and implemented requirements for an ‘Interim Housing Needs Report’ which is to contain more limited content and must amend or be appended to an existing Housing Needs Report. Three (3) items are required to be incorporated into an Interim Housing Needs Report, which then must amend or be appended to an existing Housing Needs Report (LGA S.790):

- The number of housing units needed currently and over the next 5 and 20 years, calculated using the standard HNR Method.
- A statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation.
- A description of the actions taken by the local government to reduce housing needs since receiving the most recent housing needs report.

This report provides an Interim Housing Needs Report that is intended to be appended to the District’s June 2023 HNR. It includes the above-required items and incorporates discussion of discrepancies between the calculations completed for the June 2023 HNR and those completed using the provincial HNR Method.

1.1 IMPLICATIONS FOR OCP AND ZONING

The new provincial legislation requires municipalities to review and update their Official Community Plans and Zoning Bylaws by December 31, 2025, following completion of the Interim Housing Needs Report, to incorporate land use regulation permissions enabling the 20-year housing need identified by the HNR Method (LGA S.481.7). A subsequent HNR is due by December 31, 2028, and a corresponding OCP and Zoning Bylaw update by December 31, 2030 (LGA S.585.3).

The intent of this change is to ensure that statements, maps, and associated land use designations in both Zoning and OCPs anticipate and accommodate the identified total number of estimated housing units needed over the next 20 years as produced by the HNR Method. The requirement to update zoning bylaws is intended to provide a ‘zoning buffer’ for the

anticipated housing growth, which can avoid the need for site-specific land use regulation changes (ie rezoning) to meet minimum housing growth demand.

Following receipt of the Interim HNR, an analysis of zoning capacity throughout the District will be necessary. This is to identify and ensure that the estimated number of housing units for 20 years are accommodated in zoning; if not the District will be required by legislation to updating zoning (and corresponding OCP land use designations, maps, statements and policies) to ensure that the total 20 year figure of estimated housing need can be achieved without the need for a rezoning process or Official Community Plan amendment.

This next step is, in simple terms, a comparison of the maximum density permitted under zoning, against the number of housing units that exist. Ideally, parcels zoned for new housing units would have available servicing and be able to accommodate housing units through the Development Permit and Building Permit processes.

1.2 IMPLICATIONS FOR THE EXISTING 2023 HOUSING NEEDS REPORT

The Interim Housing Needs report supplements but does not replace the existing HNR. The existing HNR is still a valid document with important statements surround Key Areas of Local Need for housing. It also includes reliable data sources and supporting detail which can be used to inform ongoing conversations surrounding housing policy and objectives.

The Interim HNR and the previous HNR use different methods and accordingly arrive at different results. Ways to interpret the differences between those results are discussed throughout this report as appropriate. The HNR Method will reflect a higher total housing need, as it represents a 20-year need, while the District's 2023 HNR will reflect lower numbers as it only projects needs until 2031. Differences between reports and methods should not be interpreted as correct or incorrect, but rather the results of different methods. A further discussion and comparison between the Interim HNR and existing HNR is contained in Section 2.1, "Aligning findings to the previous HNR."

1.3 THE HNR METHOD: COMPONENTS OF 5 AND 20-YEAR HOUSING CAPACITY

Municipalities are now required to follow a standardized approach to identifying housing need which informs 5 and 20-year housing needs that must be accommodated in Zoning. HNRs must follow the methodology identified in the *Housing Needs Report Regulation*, which has been colloquially referred to as the "HNR Method" and described below.

The HNR Method is a multi-component assessment of housing needs and is now required to be applied to municipalities of all sizes for Housing Needs Repots. By using a consistent method, the province intends that local governments can create assessments of housing needs that are comparable across locations. Technical guidance for the HNR Method is available on the Province's website.²

The HNR Method consists of six components, which are added together to provide the total estimated number of needed housing units for the 5 and 20 year timeframes. The components are as follows:

- Component A: The number of housing units for households in extreme core housing need
- Component B: The number of housing units for individuals experiencing homelessness
- Component C: The number of housing units for suppressed households
- Component D: The number of housing units for anticipated household growth
- Component E: The number of units required to increase the rental vacancy rate to 3%

² hnr_method_technical_guidelines.pdf (gov.bc.ca)

- Component F: The number of housing units that reflect additional local demand

BC HNR Calculator and Data Outputs

Inputs used for HNR calculations utilize publicly available datasets. They include census data, CMHC data, and other sources that are compiled and made available by the Province specific for the HNR Method. In some cases, while publicly available, the required datasets necessitate custom orders from Statistics Canada. To facilitate a more streamlined process, a research group based out of the University of British Columbia has produced a calculator that automates data collection, including the required custom datasets, and produces raw data for each municipal and regional district census division (The BC HNR Calculator.³) This calculator has been used to generate the figures contained in the District of Lake Country Interim HNR.

1.4 INTERIM HNR REPORT AND HNR METHOD LIMITATIONS

The housing figures produced by this Interim HNR are estimates and not projections. These figures are based on a simplified method that is intended to be applied across an entire Province, encompassing vastly different geographics, markets, demographics, and planning context.

Some of the figures of the individual components of the Interim HNR may not accurately reflect specific need in Lake Country, or may conflict with the existing HNR (see further discussion in the report), or may lack supporting context. Development of housing policy should consider the individual components of housing identified in the Interim HNR to ensure provision of housing across a continuum. However rather than rely on the specific figures of each component within the HNR, the policy development process should take these figures into account, as well as continue to be informed by Key Statements of Need in the existing 2023 HNR to achieve outcomes that result in housing that accommodates each component across categories of household income in the District (as was identified in the 2023 HNR).

Housing markets operate beyond municipal boundaries. While the HNR Method incorporates some data from regional population growth figures, its methods reflect results that are largely isolated to the community to which the HNR Method is applied. As result, the method does not capture the nuance of migration patterns throughout a region, the availability of transportation alternatives which may support various types of housing tenure and cost, housing markets and land use patterns, or land and development cost.

As result, this Interim report lacks the detail, additional research and analysis, and resulting context that a typical Housing Needs Report would include. This results in a lack of supporting contextual information on the estimates, and creates limitations surrounding how those estimates should be interpreted. As result, the HNR Method can be utilized most effectively as follows:

- The estimated “Total new units - 20 years” is the single most important output of the Interim HNR, and is used to inform subsequent zoning amendments to align with provincial requirements.
- Individual components of the estimate should be reviewed in conjunction with the Key Areas of Local Need in the existing 2023 Housing Needs Reports
- Estimates within individual categories should not necessarily be used as targets, but can be used to inform conversations surrounding policy and decision-making, level of effort required for that type of housing, and with the information in the existing HNR, inform the context of types, tenures, affordability levels, size and associated target demographics for new housing within the District.

A further discussion on interpretation of the results, in the context of the existing 2023 Housing Needs Report, is contained in Section 3.0 Aligning findings to the previous HNR.

³ BC HNR Calculator | Housing Assessment Resource Project (HART)

2.0 INTERIM HNR COMPONENTS

The following sections individually address the components of the HNR Method. Each section provides the following:

1. A description of the required Interim HNR component;
2. A description of the HNR Method calculation and the estimated number of new units needed for 5 and 20 years;
3. A brief discussion of any discrepancies between 2023 HNR and 2024 Interim HNR that that category.

At the end of the description of each individual component, a summary table of all components, including the total 5 year and 20 year estimated need is provided. Raw data tables produced by the HNR Calculator that inform the individual component estimates are provided in Appendix A: HNR Calculator Data Tables.

2.1 COMPONENT A: EXTREME CORE HOUSING NEED (ECHN)

Indicator Description

CMHC defines Core Housing Need as a household whose housing does not meet one or more of the minimum requirements of adequacy (in good repair), affordability (less than 30% of gross income on housing costs), or suitability (having an appropriate number of bedroom) indicators. The extreme core housing need (ECHN) indicator highlights households experiencing any of the core housing need criteria while also paying 50% or more of their gross household income toward housing costs. Households in ECHN lack sufficient income to afford an alternative or more suitable housing in the market. These households are extremely vulnerable and likely require some form of subsidized housing option or financial support to alleviate their extreme core housing need.

Interim HNR Estimated ECHN

To calculate the number of new units needed for ECHN, the Provincial Method averages the ECHN rates (the percentage of households in ECHN) for renters and owners with a mortgage from the past four census reports. These average rates are then multiplied by the total number of households in the community, by tenure, from the most recent census and added together.

Using the HNR Method, the Interim HNR estimates that 224 new housing units specifically targeting ECHN will be needed over the next 20 years. It should be noted that this figure could represent an underestimate, as Core Housing Need across all communities in Canada dropped for the 2021 Census as result of temporary CERB payments during the COVID-19 pandemic were in effect.

Table 2. Interim HNR Estimated Units Need to Meet ECHN

Household Type	2021 Total DLC Households	Average ECHN Rate (2006 – 2021)	Estimated ECHN
Owners	4,870	n/a	n/a
Owners with a mortgage		1.95%	95
Renters	1,335	9.66%	129
Total New Units to Meet ECHN - 20 years			224
Total New Units to Meet ECHN – 5 years⁴			56

⁴ The total number of housing units for this component is distributed over 20 years, therefore the 20-year result is divided by 4 to calculate the 5-year number. Some components are relatively higher in the first 5 years, reflecting the urgency of addressing them, and so calculating the 5-year total is not as straightforward as simply dividing the 20-year number by 4.

Discrepancy between 2023 HNR and 2024 Interim HNR

In 2021, the 2023 HNR reported 250 households in ECHN, broken down into 135 renter households and 115 owner households. The Provincial HNR Method calculated a slightly different total of 235 households in ECHN: 140 renter households and 95 [owner] households with a mortgage.

The differences between these figures exist for two primary reasons.

1. The 2023 HNR uses only 2021 census data, reflecting a single point in time. The Interim HNR averages ECHN data figures from four census reporting periods. As DLC's ECHN number has decreased over a series of census reports, the Interim HNR number reflects a lower amount. Averaging across multiple years helps smooth out temporary changes, such as the CERB payments during COVID-19, which temporarily increased incomes and reduced the number of renters counted as being in need.
2. The Provincial HNR Method assumes that to alleviate ECHN, not every household in ECHN requires a newly constructed housing unit. Rather, solutions such as making repairs, broadly adding more housing, and creating subsidy programs may be sufficient to alleviate ECHN. As such, the average amount from the previous 20-year time horizon is used as an estimate to forecast need for the following 20 years.

2.2 COMPONENT B: INDIVIDUALS EXPERIENCING HOMELESSNESS

Indicator Description

People experiencing homelessness (PEH) is a population not typically well captured in data sources such as the census. This component of housing need quantifies the supply of permanent housing units required for those currently experiencing homelessness (including visible and hidden homelessness). Under the HNR Method, the new provincial 5- and 20-year housing need estimates are based on 2021 data from the provincial Integrated Data Program (IDP), which estimates homelessness at a regional level by combining BC Housing shelter data with administrative data from individuals reporting 'no fixed address' and accessing Income Assistance and Disability Assistance programs. This is effectively data on the number of people who have accessed services and have no permanent home.

The IDP provides data on people experiencing homelessness at any point during the year, as a complement to the annual, one-day point-in-time (PIT) counts conducted by many local and regional governments. To be included in IDP counts, individuals must have received income assistance (i.e., BC Employment Assistance) and had no fixed address for three consecutive months or stayed in a BC Housing-affiliated shelter for at least one night, or both.

Interim HNR Estimated New Units Needed for PEH

To calculate the number of new homes needed for the current population of people experiencing homelessness (PEH), the Provincial HNR Method uses the regional estimate from the IDP. This estimate is then allocated to each municipality and electoral area within the region based on its share of the total regional population. For example, if a municipality makes up 10% of the regional population, it is assigned 10% of the regional homeless population through this method. The calculation assumes that each person experiencing homelessness requires one permanent housing unit. It should be noted that the HNR Method does not take account of where services are for the homeless population, the Method is an effort to make the share of providing support more regionally equitable. Municipal effort and/or contribution towards this component would need to be determined through policy or Council direction.

Using the provincial HNR Method, the interim HNR estimates that 89 new housing units specifically targeting PEH will be needed over the next 20 years.

Table 3. Interim HNR Estimate Units Needed to Meet Needs of PEH (Table 3)

Regional Population	Local Population		Regional PEH	Proportional Local PEH
	#	% of region		
218,525	15,625	7.15%	1244	89
Total New Units to Homelessness Needs - 20 years				89
Total New Units to Homelessness Needs - 5 years⁵				44.5

Discrepancy between 2023 HNR and 2024 Interim HNR

The 2023 HNR does not include specific homeless data for Lake Country, as there is no Point-in-Time homeless count undertaken or available that is specific to the municipality, and data on people experiencing homelessness in the District is limited. According to the 2023 HNR, feedback from local engagement suggests that there are few visible cases of homelessness in Lake Country, though hidden homelessness (like couch-surfing) may be more common (2023 HNR, p.38).

To address gaps in local data, the Provincial HNR Method uses regional estimates. By distributing these estimates based on population size, it helps balance differences in local government investment in services and housing for people experiencing homelessness. The regional approach to estimating homelessness also accounts for persons who may typically call the District of Lake Country home but have relocated to Kelowna or other surrounding municipalities to access services (or live in designated outdoor overnight shelter locations).

2.3 COMPONENT C: SUPPRESSED HOUSEHOLD FORMATION

Indicator Description

Suppressed household formation (SHF) refers to households that have not formed due to housing market pressures, including affordability and availability. Some examples of suppressed households include young adults living with their parents for longer periods into adulthood, renters unable to move into ownership due to cost, combined households (such as roommates or multiple couples sharing costs) or households that do not come to the region because of a lack of available or attainable housing. This calculation uses household formation rates from 2006—a time with fewer market pressures and lower prices—to estimate the number of potential households in 2021 if housing conditions had remained the same or become more favorable for forming new households.

Interim HNR Estimated New Units for Suppressed Household Formation

To estimate SHF, data from the 2006 census is used to determine headship rates by tenure and age group. A headship rate represents the percentage of people in each age and tenure group who are the primary heads of households, calculated by dividing the number of 2006 households by the population within each age and tenure category. The HNR Method uses headship rates based on 2006 Census data to calculate suppressed households, as this is the earliest date with compatible data, and the HNR method assumes that the housing market was less constrained at this time and there were fewer suppressed households.

Next, the numbers of *Potential Households* and *Suppressed Households* are calculated to understand how housing needs might have evolved under more favorable conditions. *Potential Households* represent the households that could have theoretically formed if the 2006 headship rates had remained stable. This figure is calculated by applying the 2006

⁵ Based on the Guidelines for Housing Needs Reports, the total number of housing units for this component is spread out over 10 years to address the urgent needs of this population. As a result, the 20-year figure is divided by 2 to determine the 5-year target.

headship rates to the 2021 census data for each age category and tenure type, giving an estimate of how many households might have formed if housing conditions (ie costs and availability) were similar to those in 2006.

Suppressed Households, on the other hand, measure the gap between the households that could have formed under 2006 headship rates and the actual number of households formed by 2021. The HNR Method estimates the gap of units between 2021 Potential Households and 2021 Actual Households to be the need for Suppressed Household Formation (SHF).

Based on the provincial HNR method, Lake Country will need approximately 228 new housing units by 2041 to fulfill the suppressed housing demand.

Table 4. Interim HNR Estimated Units Required to Address Suppressed Household Formation

Age Categories – Household Maintainers	2021 Potential Households		2021 Households		2021 Suppressed Households		
	Owner	Renter	Owner	Renter	Owner	Renter	Total
15 to 24 years	23.94	35.91	50	70	-26.06	-34.09	0
25 to 34 years	412.74	240.76	425	310	-12.26	-69.24	0
35 to 44 years	927.89	209.52	875	240	52.89	-30.48	22.41
45 to 54 years	943.77	147.63	895	185	48.77	-37.37	11.4
55 to 64 years	1284.79	124.33	1,185	270	99.79	-145.67	0
65 to 74 years	1078.71	110.32	955	155	123.71	-44.68	79.03
75 years and over	610.85	94.79	485	105	125.85	-10.21	115.64
Total New Units to Meet Suppressed Housing Need - 20 years							228.49
Total New Units to Meet Suppressed Housing Need - 5 years⁶							57

Discrepancy between 2023 HNR and 2024 Interim HNR

No comparable data points are included in the 2023 HNR as this measure has not been tracked or estimated locally. Table 4 (from the HNR Method) estimates the total number of suppressed households in the District of Lake Country between 2006 and 2021 totalled 228 households. Positive numbers indicate a potential shortage of housing units for a given age demographic. Ultimately, this may indicate that many individuals or families in these age groups may be unable to form independent households due to housing constraints, reflecting a shortage of suitable, affordable options.

The overall headship rate in Lake Country has increased since 2006 (37% to 39%, which reflects increased overall housing formation. Looking at individual categories by tenure, with the caveats described above, may provide more insight that the total figure and may provide some insight into where further investigation is warranted.

Looking at owners separately from renters, the method suggests there is 414 suppressed owner households (a tally of the figures in the “Owner” column. A number of factors that the HNR Method does not account for could explain these suppressed households. For owners, particularly in the 65+ age group, the creation of new Senior’s Assisted Living or care homes in Lake Country since the 2006 census could result in a data skew; residents of these facilities are included in population counts, but these facilities are not counted towards housing units. The simplistic approach of the HNR Method would then assume household formation for these persons is suppressed.

⁶ The 5-year estimate is calculated in the same way as Component A. Since the total number of housing units for this component is spread over 20 years, the 20-year total is divided by 4 to determine the 5-year number.

The method suggests there is a surplus of 375 rental housing units. This is unlikely, given the low vacancy rate in the region, and the low proportion of renters in Lake Country (See Component E for further discussion on rental households). For renters, a large increase in secondary suites, due to new single-detached homes, that are not accounted for in census housing unit counts may contribute to errors in the data (resulting in census results showing renter households, but not an accompanying number of housing units being accounted for). The HNR Method does also not account for regional migration. An example would a young person moving out from their parents leaves the municipality to live in appropriate housing in another municipality). The lack of rental options will necessitate people moving to neighbouring municipalities with increased rental options. The Method also assumes, by using 2006 data as a comparison, that the housing market was balanced at that time. This may not be the case. A more nuanced investigation and custom data analysis would be required.

2.4 COMPONENT D: ANTICIPATED HOUSEHOLD GROWTH

Indicator Description

This component, anticipated household growth (AHG), quantifies the additional households required to accommodate an increasing population in Lake Country over the next twenty years.

Interim HNR Estimated New Units Needed to Address Anticipated Household Growth

This component of the calculation shows the number of units that will be required to accommodate estimated household growth in the District of Lake Country between 2021 and 2041. This growth projection is based on taking the average of two scenarios:

- A local growth scenario that is based on BC Stats population projections; these projections are based on births, deaths, in-migration and out-migration for a municipality. BC Stats population projections are calibrated for each municipality to account for migration and growth rates based on both historical trends and current federal immigration policy.
- A regional growth scenario that calculates the total number of anticipated households if a municipality follow projected regional growth rates.

According to the provincial HNR method, Lake Country will need an estimated 3,814 total new housing units to meet anticipated household growth by 2041.

Table 5. Interim HNR Estimated Units Need to Meet Anticipated Growth

Growth Scenarios	Regional Growth Rate	Households		New Units
		2021	2041	
Local Household Growth	n/a	6,205	10,209	4,004
Regionally Based Household Growth	58.40%	6,205	9,829	3,624
Scenario Average				3,814
Total New Units to Meet Household Growth Needs - 20 years				3,814
Total New Units to Meet Household Growth Needs - 5 years⁷				1,126

Discrepancy between 2023 HNR and 2024 Interim HNR

⁷ See the [Guidelines for Housing Needs Reports – HNR Method Technical Guidance](#) document for more information on how this is broken down to estimate the 5-year need.

The 2023 HNR projects a 3% household growth rate, following the medium growth scenario in the District’s Official Community Plan (OCP). Based on this, the report estimates a need for 2,505 new housing units by 2031, or about 250 units annually. For comparison, the estimated 5-year need would be 1,250 new units, close to the Interim HNR’s 5-year estimate of 1,126 units.

However, because Lake Country’s growth rate is higher than the regional average, this projection may underestimate local demand. Averaging regional and local growth rates pulls the 20-year projection down, which could result in a lower estimate than a strictly local growth scenario would indicate, as noted in the 2023 HNR. The Demand Buffer (Component F) may however balance out this underestimation.

2.5 COMPONENT E: RENTAL VACANCY RATE

Indicator Description

A Rental Vacancy Rate Adjustment (RVRA) adds surplus rental units to restore local vacancy rates to levels representing a healthy and well-functioning rental housing market. Including a RVRA in calculations of housing need has been recommended by multiple sources, including the Expert Panel on Housing Supply and Affordability (BC/Canada) and CMHC. Typically, rates between 3% and 5% are considered healthy rates. The RVRA assumes that the total amount of housing being produced in a given location reflects a

The Interim HNR calculations uses a rate of 3%.

Interim HNR Estimated New Units Needed for a 3% Vacancy Rate

The provincial HNR Method relies on Primary Rental Market Vacancy Rate data from the Canada Mortgage and Housing Corporation (CMHC) to estimate the number of new units needed for a 'healthy and well-functioning rental housing market.'

In 2021, there were an estimated 1,335 renter households. The HNR Method calculates the additional number of new units needed as the difference between the units required for a healthy 3% vacancy rate (the Target Vacancy Rate) and the current estimated number of rental units (the Local Vacancy Rate). Local vacancy data for Lake Country is not available, so following the technical guidance provided by the province, the provincial vacancy rate of 1.4% was used to estimate the local estimated number of units.

Under the HNR Method, the District of Lake Country will need an estimated 22 new units to achieve a healthy rental vacancy rate of 3% by 2041. It is important to note that this projection assumes that adequate rental housing will also be provided to meet the current and future demands outlined in Components A, B, C, D, and E. For example, 21% of residents in Lake Country currently rent, a proportion that the 2023 HNR points out is much lower than provincial and regional statistics. Lake Country would still need to produce at minimum this proportion of new rentals over coming years, with the estimated need identified below in addition to this.

Table 6. Interim HNR Estimated Units Needed to Achieve a 3% Rental Vacancy Rate

	Vacancy Rate	Occupied Rate	Renter Households	Estimated Number of Units
Target Vacancy Rate	3%	97%	1,335	1,376
Local Vacancy Rate	1.40%	98.60%		1,354
Total New Units to Achieve 3% Vacancy Rate - 20 years				22
Total New Units to Achieve 3% Vacancy Rate - 5 years⁸				5.5

⁸ Similar to components A, C, and F, the total number of housing units for this component is distributed over 20 years. Therefore, the 20-year result is divided by 4 to calculate the 5-year number.

Discrepancy between 2023 HNR and 2024 INTERIM HNR

The Interim HNR's projection of a need for 22 new rental units relies on assumptions about existing conditions in Lake Country that may not be correct. The method assumes that the number of housing units being produced annually to meet estimated need identified in this report would at least reflect or better yet improve upon the existing tenure ratio of renter and owner households in Lake Country (currently approximately 22% renters and 78% owners⁹). The method also substitutes provincial data for local information, as the vacancy rate in Lake Country is suppressed in CMHC/Census data given the small number of households and likelihood of inaccuracy.

The Interim HNR used a provincial vacancy rate of 1.4% to project the units needed to reach a 3% vacancy rate. Given the 2023 vacancy rate in neighbouring Kelowna (1.0% overall, and 0.8% in Kelowna North/Rutland). Using the 2023 Rental Vacancy Rate for the Kelowna North neighbourhood (Rutland), 0.8%, the calculation would show a 20 year need of 81 rental housing units.

The current number of renter households in Table 6, 1,335, reflects nearly 22% of the total households in the District. In contrast, the 2023 HNR indicates that Lake Country has only 71 purpose-built rental units (approximately)(p. 62), with most rental supply likely coming from the secondary rental market—a segment not included in the Interim HNR analysis likely due to tracking challenges and the unpredictability of availability. Privately owned rental units (secondary suites or private condos) cannot be counted as permanent rental stock. Availability of these rental units relies on the decisions of individual homeowners; owners may choose to use them for different purposes, such as AirBnb, children living at home, or conversion back to living space, or alternatively not include a secondary suite in the construction of a new home. For comparison, the City of Kelowna has a 35% renter population, and the Province of BC as a whole is 33%¹⁰

Ultimately, the Interim HNR result should be interpreted as a very low amount, with actual need to improve the rental vacancy rate likely being much higher. It would be more accurate to estimate the number of needed rental units to be at least a continuation of the current breakdown of 78% owner and 22% renter households in Lake Country. This means that at least one out of every five new households produced annually would be a permanent rental unit – ideally purpose built (primary market) rental housing. If the current ratio of owners to renters was to be improved upon, this number would need to be higher.

Targeting purpose-built rental with policy and regulation (such as inclusionary zoning and incentives) is an important aspect of ensuring rental housing supply; the primary (purpose built) rental market is more secure housing, whereas the secondary market (individual ownership, usually basement suites or private apartments) is less secure and.

2.6 COMPONENT F: DEMAND BUFFER

Indicator Description

The final component of the HNR Method is the "demand buffer"—an additional number of housing units calculated to address demand beyond the minimum needed for current and future residents. The demand buffer is designed to ensure that the HNR Method, in calculating the total number of units needed over 5 and 20 years, accounts for units required to meet “healthy” market demand in municipalities. The demand buffer essentially builds in the extra capacity that is needed to meet healthy market demand – which is needed to provide more housing choices. This helps accommodate fluctuations in market conditions and supports a diverse range of housing options for residents. Examples of the kind of

⁹ District of Lake Country Housing Needs Assessment, 2023.

¹⁰ Statistics Canada. 2023. (table). *Census Profile*. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released November 15, 2023.

demand for extra capacity include households seeking homes closer to jobs and schools, growing families looking for larger homes, and seniors looking to downsize in their existing communities.

Interim HNR Estimated New Units Needed to Address the Demand Buffer

To determine the number of new units needed to address the "demand buffer," a demand factor is calculated for the municipality. This factor is based on the ratio between housing prices and housing density. This factor is then multiplied by the sum of the housing units calculated for Components A (housing units to address extreme core housing need), B (housing units for persons experiencing homelessness), C (housing units to address suppressed household formation), and E (housing units to increase the rental vacancy rate) to determine the additional local housing demand. The figure used for the demand factor for Lake Country (1.39 in Table 7 below) is provided by the Province. The exact methodology for determining the demand factor is not provided by the Province, but a higher demand factor represents higher density and lower cost.¹¹

Using the provincial HNR Method, Lake Country will need an estimated 784 new units to address local demand over the next 20 years (2021-2041).

¹¹ For comparison, Kelowna has a demand factor of 0.39, Vernon 0.50, West Kelowna 1.23, and Peachland 0.98. If Kelowna's demand buffer was substituted into the calculation for Lake Country, the resulting figure for the demand buffer calculation of estimated need would be much lower. This reflects the availability of higher density and lower cost housing in Kelowna.

Table 7. Interim HNR Estimated Units Needed to Address the "Demand Buffer"

Component	Result
A. Extreme Core Housing Need	224
B. Persons Experiencing Homelessness	89
C. Suppressed Household Formation	228
E. Rental Vacancy Rate Adjustment	22
Total	564
Demand Factor	1.39
Total New Units to Address Demand Buffer - 20 years	784
Total New Units to Address Demand Buffer - 5 years¹²	196

Discrepancy between 2023 HNR and 2024 Interim HNR

This component is a new requirement of HNRs and was not included in the 2023 HNR, contributing to differences in the number of units estimated to meet housing needs by 2041.

2.7 SUMMARY OF TOTAL 5-YEAR AND 20-YEAR HOUSING NEED

For the purposes of calculating 20-year housing need using the HNR Method, the total number of new housing units for the applicable municipality is the sum of the six components rounded to the nearest whole number. For calculating the 5-year housing need, components A, C, E, and F are straightforward: the total number of housing units for each is distributed over 20 years, so the 20-year total is divided by 4 to get the 5-year figure. However, for components B (Persons Experiencing Homelessness) and D (Anticipated Growth), the HNR Method is different, as these components are assumed to require a higher number of units in the first 5 years to address more urgent needs and latent demand. Details of these calculations are contained in the description of each component.

Table 8 below includes a summary of each component, and includes the total 5 year and 20 year estimated housing need that the HNR Method produces. The figure for 20 year housing need is the number of housing units that zoning must accommodate, as described in 1.1 Implications for OCP and Zoning.

Table 8. Interim HNR Summary of Estimated New Units Needed; 5 and 20-Year Need

Component	5 Year Need	20 Year Need
A. Extreme Core Housing Need	56	224
B. Persons Experiencing Homelessness	44	89
C. Suppressed Household Formation	57	228
D. Anticipated Growth	1,126	3,814
E. Rental Vacancy Rate Adjustment	6	22
F. Additional Local Demand	196	784
Total New Units – 5 years	1,485	
Total New Units – 20 years		5,162

¹² Similar to components A, C, and E, the total number of housing units for this component is distributed over 20 years. Therefore, the 20-year result is divided by 4 to calculate the 5-year number.

3.0 ALIGNING FINDINGS TO THE PREVIOUS HNR

For many communities, including the District of Lake Country, the HNR Method calculates a different number of estimated housing units needed than those identified in existing HNRs. This is due to the introduction of new components of estimated housing need, such as additional household demand and an estimation of households that have not formed due to unaffordability (‘suppressed household formation’), as well as different methods undertaken to arrive at unit estimates.

Differences between reports and methods should not be interpreted as correct or incorrect. The new HNR Method is an estimate, and follows a standardized approach intended to be applicable across many different geographics. It also includes new categories not previously used as a means to draw attention to imbalances in the housing market and resulting needs (such as suppressed household formation, rental housing vacancy adjustment and additional local demand). Whereas the HNR method is the same across all communities and may result in anomalies. Previous HNRs were undertaken specific to each community, with variations in data availability, project scope, and approach taken. The previous HNR did not assigned specific estimates of housing need to categories at the same level of detail as the HNR method.

Identifying need for key target populations and demographics, across different types and tenures of housing, is critical to informing housing policy. Policies and practices should support this intention of the HNR method, which ultimately is intended to inform the effort and focus of action towards specific housing need. For example, the level of effort towards non-market housing will be substantially different on a unit-by-unit basis as opposed to market housing, and the promotion of purpose built market rental housing will require specific land use policy and possibly additional incentives.

Differences between estimates for each component of the Interim HNR and the previous 2023 HNA were discussed in preceding sections. A summary comparison of those differences is provided in **Table 9** below. The results of the Interim HNR method for each component and the most comparable data point (where available) from the 2023 HNR is included.

Table 9 2023 HNR and 2024 Interim HNR Data Compared

Component	HNR (2023)	Interim HNR (2024) ¹³	
	2021 – 2036 Estimate	5-Year: (2021 – 2026) Estimate	20-Year (2021 – 2041) Estimate
A. Extreme Core Housing Need	250	56	224
B. Persons Experiencing Homelessness	N/A	44	89
C. Suppressed Household Formation	N/A	57	228
D. Anticipated Growth	3075 by 2036	1,126	3,814
E. Rental Vacancy Rate Adjustment	71 purpose-built units	6	22
F. Additional Local Demand	N/A	196	784
Total New Units – 5 years	1,250¹⁴	1,485	
Total New Units – 20 years			5,162

¹³ The estimates are rounded to the nearest whole number.

¹⁴ For this comparison, it was assumed that 1,250 new housing units would be needed over five years, based on projections from the 2023 Housing Needs Report (HNR). The estimate comes from page 56 of the report, which states: “To accommodate this growth and address existing housing need, it is estimated that a minimum of 2,505 new housing units are needed by 2031, which reflects an average of approximately 250 units per year.” If the need for 250 new units per year stays the same, the total projected need over a 5-year period would be 1,250 units (250 units per year × 5 years).

Unlike the District’s existing 2023 HNR, the Interim Housing Needs Report and HNR Method do not identify nor calculate housing need based on income levels or unit size. This is a much more nuanced analysis which often requires investigation at a local level, combined with additional datasets and analysis.

The existing 2023 HNA identified that a total of approximately 30% of all new housing units will need to be priced at or below an equivalent monthly cost of \$1,250, to address the need of households making less than \$50,000 per year. This was based on household income statistics specific to the District Lake Country. Units at this price would fall into the category of below-market, and would require some amount of external subsidy (government support or otherwise) to be feasible.

Components A and B (Extreme Core Housing Need, Housing to Persons Experiencing Homeless) would be within this category and would require deep subsidy to be achievable. However, the total 5-year estimate for these two components – an estimated 100 housing units in total - forms just less than 7% of the identified total 5-year housing need of 1,485 units. As such, a further 26% percent of the remaining identified would also need to be below-market housing and subsidized in some form.

The remaining 70% of estimated units would fall into the market housing category, and then divided into rental and ownership. As discussed in Section 2.5, Component E: Rental Vacancy Rate, The HNR method does not account for existing proportions of rental tenure and whether they are higher or lower than regional or provincial figures.

To assist with interpretation of the results of the Interim HNR, a modified version of the 5 year housing estimate has been adapted, to show how the Interim HNR’s individual components of housing need could be applied across the housing continuum, and across households of different incomes levels. This interpretation is informed by the following data in the 2023 HNR:

- Table 16 on Page 59, “Housing Unit Need Estimates by Household Income).”
- Statements of Key Areas of Local Need
- Census Data on the proportion of rental households (22% as of 2021).

Using this data, the following key points and assumptions were incorporated:

- All households in extreme Core Housing Need would require deep subsidies.
- Reflecting that 33% of all households in Lake Country make less than \$50,000, all of Component A, and 33% of the total of Components C and D would require subsidy and be below-market or non-market housing.
- To reflect the provincial rate of 33% renter households, 33% of the balance of Component C and D, as well as 33% of Component F, and the total of Component E, are assigned as market rental housing.
- The balance of Components C, D and F are assigned to market (ownership) housing.

This is shown in Table 10, below. This table provides an estimate of the number of housing units required over 5 years for four (4) different target categories of housing: housing for those experiencing or at risk of homelessness, subsidized affordable rental units for low income households and those in extreme core housing need, market rental units, and market ownership units. Additionally, the table indicates which of the components from the Interim HNR would fall within each housing category. Lastly, the corresponding “Key Areas of Need” from the 2023 Interim HNR are indicated.

Table 10: 2024 Interim HNR Data by Target Housing Type and Tenure

Estimated Housing Needs by Type and Tenure	Estimated 5 Year Housing Units Needed	Corresponding Interim HNR Component	Corresponding 2023 HNR Key Areas of Need
Shelter beds, supportive, and transitional housing	44	B	<ul style="list-style-type: none"> Shelters for Individuals Experiencing and at Risk of Homelessness
Affordable rental housing units (Subsidized, below market and non-market housing targeting households making \$50,000 – \$60,000 or less a year)	450	A, C, D	<ul style="list-style-type: none"> Affordable Housing Special Needs Housing Housing for Seniors Housing for Families Housing for One Person Households Housing for Workers
Market rental housing units	331	C, D, E, F	<ul style="list-style-type: none"> Rental Housing Housing for Families Housing for Seniors Housing for One Person Households Housing for Workers
Market ownership housing units	660	C, D, F	<ul style="list-style-type: none"> Housing for Families
Total 5 Year Housing Needs (2024-2029)	1,485		

Source: Adapted from Interim HNR Table 8, 2023 HNR Table 15, 2023 HNR “Key Areas of Local Need”

The 2023 HNA continues to be a relevant source of information to inform specific target demographics and distribution of housing based on needed size and cost. In particular, the Key Areas of Local Need, including affordable housing, rental housing, special needs housing, housing for seniors, families, workers, small (1 bedroom) households, and those experiencing homelessness, remain highly relevant. These statements are invaluable to informing the specific needs of housing that falls within each component of the Interim HNR, and should continue to be used to inform decision-making in this regard.

4.0 LIST OF ACTIONS TAKEN SINCE THE 2023 HNR

Interim Housing Needs Reports (Interim HNRs) must include a list of actions each municipality has taken to address housing needs since their latest Housing Needs Report (HNR), as specified in Section 790(3)(b)(ii) of the *Local Government Act*.

The following section presents a chronological summary of actions taken by the District of Lake Country which support housing development since receiving the current HNR in June 2023.

- **December 2023:** Was successfully awarded a \$25,000 grant from Economic Trust of the Southern Interior (ETSI-BC) Regional Transportation Enhancement (RTE) funding program towards DLC's Integrated Transit Strategy: Phase 3. The purpose of the Integrated Transit Study (Phase 3): to develop an implementation plan for prioritized and community-approved solutions to improve mobility in the community. The implementation plan would include infrastructure improvements, costing, phasing, marketing and branding necessary to achieve the District's goal of increasing transit ridership to 10%. The implementation plan is scheduled for completion in December, 2024.
- **January 2024:** During a Council meeting in January 2024, resolution 2022-05-095 was moved and second, reading: *Staff be directed to report back on the creation and implementation of an affordable housing policy in Lake Country be reconfirmed as a priority and staff resources directed to its completion at the time of the Provincially mandated review of the Official Community Plan.* Discussions on this topic are ongoing.
- **May 2024:** Establishment of a Revitalization Tax Exemption Program aimed at purpose built rental housing.
- **June 2024:** Council adopted Purpose-Built Rental Housing Incentive Bylaw 1232, 2024. The tax exemption incentive will assist builders taking on rental housing projects in Lake Country.
- **June 2024:** Council adopted Bylaw 1225, 2024, amending the Official Community Plan (OCP) to expand exemptions for Development Permit Areas (DPAs) and consolidate certain DPAs. This change aims to streamline development approvals by establishing clear, non-discretionary criteria for interim DP exemptions as the OCP undergoes a comprehensive review.
- **July 2024:** Council adopted Bylaw 1238, 2024 which amends Zoning Bylaw 561, 2007 to accommodate the Province's new Small-Scale Multi-Unit Housing (SSMUH) legislation (Bill 44) and enabling additional housing units with permissive zoning.
- **July 2024:** Council adopted Bylaw 1227, 2024, an updated Development Approval Procedures Bylaw to align with other recent updates and amendments. This update helps to streamline the process by simplifying the development process and clarifying language.
- **August 2024:** Council approved \$14,900 of funding for the DLC to participate in the 2024 Regional Household Travel Survey being conducted by the Sustainable Transportation Partnership of the Central Okanagan (STPCO). The survey results are expected to help guide the DLC to shaping housing policies, particularly for areas near transit infrastructure and in terms of parking requirements. Data from this survey will include mode and choice of travel, household trips, travel patterns and trip purposes, as well as broader demographic conclusions. This will serve to update the Regional Travel Demand Model, which is a key tool to support the planning and design of the regional transportation infrastructure needed to connect the whole area, and further inform the short- and long-term vision for community mobility improvements and transit demand planning, as well as asset management and capital project planning.

5.0 STATEMENT ON HOUSING NEAR TRANSIT AND ACTIVE TRANSPORTATION INFRASTRUCTURE

The Interim HNR must include a statement regarding the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation, as per Local Government Act section 790(3)(b)(iii). The balance of this section is provided to fulfill this need.

Context

Historical patterns of growth in Lake Country have been rural in nature, with growth concentrated in the long-established communities of Carrs Landing, Winfield, Okanagan Centre, and Oyama. Since incorporation in 1995, master-planned neighbourhoods in formerly unincorporated areas between the four historical centres have also begun to accommodate growth. The District's growth management goals are to emphasize infill and the intensification of land use in locations that make the best use of existing infrastructure, within the Urban Containment Boundary.

Transportation that is a viable and safe alternate to driving in Lake Country includes;

- Regional Bus service with by Route 90 "UBCO Vernon" providing service to the north to the City of Vernon, and Route 23 "Lake Country" providing service to the south to the Kelowna Airport and UBCO
- Local Bus service by Route 32 "The Lakes", providing service between the Town Centre and "The Lakes" neighbourhood
- An extensive walking and cycling network within the Town Centre, with dedicated cycling lanes connecting the Town Centre to the Lakes development and Oyama Neighbourhood
- Okanagan Rail Trail connections between Oyama/Winfield and the Town Centre via the Okanagan Rail Trail. Potential future connection to Kelowna via the Okanagan Rail Trail, pending outstanding agreements and right-of-way acquisition/development.

Alternative transportation infrastructure connecting to the Carrs Landing neighbourhoods and other development or rural areas is currently limited however future connections are identified in the Master Mobility Plan.

Statement:

The existing Official Community Plan Goal 5.1.1 recognizes the need to develop housing in proximity to transportation alternatives by identifying the Town Centre as the residential, employment, and cultural core of the community. Additional housing density is planned for this area, in light of existing concentrations of employment lands and existing alternative transportation infrastructure. The District of Lake Country recognizes the need to continue to prioritize the development of new housing in the Town Centre neighbourhood, where existing alternative transportation infrastructure and public transit is available. Integrating housing with alternative transportation options is essential to sustainable community growth, as it helps to reduce vehicle traffic on roads, lower emissions, improve social equity, and enhances quality of life among residents. The District of Lake Country further acknowledges the need to strengthen and improve alternative transportation connections between the Town Centre and existing neighbourhood centres.

The District of Lake Country also acknowledges the need for expanded Transit services to support housing growth, and will continue to pursue transit system investments with higher levels of government.

5.1 HOUSING AND TRANSPORTATION POLICY OPPORTUNITIES:

The following opportunities and considerations are provided as potential future policy options to consider in the pursuit of increasing housing development near alternative transportation infrastructure. Many of these also support the creation of a new housing opportunities across the continuum of housing types and tenures.

- Initiation of a land use inventory throughout the Town Centre to identify underdeveloped lands and explore barriers to redevelopment;
- Consider development of inclusionary zoning policies specific to the Town Centre area in line with new Bill 16 permissions, targeting minimum bedroom count, affordability parameters, or tenure;
- Pre-zoning of lands for multi-family and/or rental tenure to meet estimated 20-year housing need, particularly where pre-serviced lands and access to transportation alternatives exists;
- Exploration of partnership opportunities to develop, lease, or sell (with conditions, such as a housing agreement) municipally owned land for identified needed forms of housing.
- Inclusionary zoning in the Town Centre that requires needed housing to be developed in conjunction with any commercial and/or employment lands designated 'Mixed Use' or 'Mixed Use Commercial' by existing OCP land use designations. This avoids lands in close proximity to transportation infrastructure being developed without new housing.
- Consider reduced parking requirements in conjunction with other policy options such as provision of car-share vehicles, pre-payment of transit passes, proximity to employment lands, or reducing requirements when parking cash-in-lieu is provided, which can later be used to fund other transportation/parking infrastructure and initiatives.
- Work with the development community to support development or redevelopment of housing within walking distance of daily amenities, such as groceries, daycares, elementary schools, and existing employment lands.
- Establish a fast-track process for development applications that address one or more of the preceding conditions.

APPENDIX A: HNR
CALCULATOR RAW DATA
TABLES



6.0 APPENDIX A: DATA TABLES

Based on new regulations developed by the Province of B.C., municipalities are now required to develop a multi-component assessment of housing need to determine the 5 and 20-year housing needs to be accommodated through OCPs using the Housing Needs Report (HNR) Method.

The “HNR Method” is a provincially established and standardized approach that local governments must use to calculate the number of housing units their communities will need over 5 and 20 years. Technical Guidance for the HNR Method is available on the Province’s website.¹⁵

The HNR Method consists of six components (A-F), which are added together to provide the total number of housing units needed in the District of Lake Country. The components are as follows:

- A. The number of housing units for households in extreme core housing need
- B. The number of housing units for individuals experiencing homelessness
- C. The number of housing units for suppressed households
- D. The number of housing units for anticipated household growth
- E. The number of housing units required to increase the rental vacancy rate to 3%
- F. The number of housing units that reflects additional local housing demand (“demand buffer”).

The following tables are the direct output of the HNR Calculator and reference the steps identified in the HNR Technical Guidance document provided by the Province of BC. These tables are the raw data used to arrive at the 5 and 20 year projections. Explanations of each component are contained in the body of the report.

6.1 COMPONENT A: EXTREME CORE HOUSING NEED (ECHN)

The following tables calculate the new homes required to meet existing Extreme Core Housing Need (ECHN) according to provincial guidelines.

Table 1a. Owner and Rental Households

Total number of owner and renter households in the four previous census years (Step 1)

Total Households	2006	2011	2016	2021
Owners	3070	3680	3990	4870
Renters	570	810	1105	1335

¹⁵ hnr_method_technical_guidelines.pdf (gov.bc.ca)

Table 1b. Extreme Core Housing Need

Total number of owner and renter households in ECHN in the four previous census years, with average ECHN rate. Data for owners with a mortgage is only available for 2021 (Step 2).

Extreme Core Housing Need	2006		2011		2016		2021		Average ECHN Rate
	#	% of total	#	% of total	#	% of total	#	% of total	
Owners with a mortgage	n/a		n/a		n/a		95	1.95%	1.95%
Renters	35	6.14%	105	12.96%	100	9.05%	140	10.49%	9.66%

Table 2 2021 ECHN Total

Total estimated number of owner and renter households in ECHN in 2021. (Table 1a + Table 1b) (Steps 3 and 4).

Total Households	2021 Households	Average ECHN Rate	Households in ECHN
Owners	4,870	n/a	n/a
Owners with a mortgage		1.95%	95
Renters	1,335	9.66%	128.96
Total New Units to Meet ECHN - 20 years			223.96

6.2 COMPONENT B: INDIVIDUALS EXPERIENCING HOMELESSNESS

Table 3. Homes for People Experiencing Homelessness (PEH)

Estimated number of homes required to meet the need of existing PEH households as a proportion of the regional need (Steps 1 – 3).

Regional Population	Local Population		Regional PEH	Proportional Local PEH
	#	% of region		
218,525	15625	7.15%	1244	88.95
Total New Units to Homelessness Needs - 20 years				88.95

6.3 COMPONENT C: SUPPRESSED HOUSEHOLD FORMATION

Table 4a. Age of Household Maintainer

Total number of owner and renter households in 2006 by age of primary household maintainer (Step 1).

Age – Primary Household Maintainer 2006 Categories	2006 Households Owner	2006 Households Renter
Under 25 years	20	30
25 to 34 years	180	105
35 to 44 years	620	140
45 to 54 years	895	140
55 to 64 years	620	60
65 to 74 years	440	45
75 years and over	290	45

Table 4b. Owner & Renter Age of Household Maintainer

Total number of owner and renter households in 2021 by age of primary household maintainer (Step 1, cont'd).

Age – Primary Household Maintainer 2006 Categories	2021 Households Owner	2021 Households Renter
Under 25 years	50	70
25 to 34 years	425	310
35 to 44 years	875	240
45 to 54 years	895	185
55 to 64 years	1185	270
65 to 74 years	955	155
75 to 84 years	410	80
85 years and over	75	25

Table 6. Population by Age Category in 2006 and 2021

Population by age category in 2006 and 2021 (Step 2).

Age Categories – Household Maintainers	2006			2021	
	Age Categories – Population	All Categories	Summed Categories	All Categories	Summed Categories
15 to 24 years	15 to 19 years	770	1270	805	1520
	20 to 24 years	500		715	
25 to 34 years	25 to 29 years	375	785	800	1800
	30 to 34 years	410		1000	
35 to 44 years	35 to 39 years	615	1470	1165	2200
	40 to 44 years	855		1035	
45 to 54 years	45 to 49 years	955	1835	920	1935
	50 to 54 years	880		1015	
55 to 64 years	55 to 59 years	745	1315	1315	2725
	60 to 64 years	570		1410	
65 to 74 years	65 to 69 years	405	775	1130	1900
	70 to 74 years	370		770	
75 years and over	75 to 79 years	260	470	540	990
	80 to 84 years	115		240	
	85 years and over	60		170	

Table 6. 2006 Headship Rate

2006 headship rate in each age category for both renters and owners (Step 3).

Age Categories – Household Maintainers	2006 Households		2006 Population	2006 Headship Rate	
	Owner	Renter	Total	Owner	Renter
15 to 24 years	20	30	1270	1.57%	2.36%
25 to 34 years	180	105	785	22.93%	13.38%
35 to 44 years	620	140	1470	42.18%	9.52%
45 to 54 years	895	140	1835	48.77%	7.63%
55 to 64 years	620	60	1315	47.15%	4.56%
65 to 74 years	440	45	775	56.77%	5.81%
75 years and over	290	45	470	61.70%	9.57%

Table 7. Potential 2021 Headship Rates

Potential 2021 headship rate of each age category for both renters and owners if the headship rate from 2006 remained constant (Step 4).

Age Categories – Household Maintainers	2006 Headship Rate		2021 Population	2021 Potential Households	
	Owner	Renter	Total	Owner	Renter
15 to 24 years	1.57%	2.36%	1520	23.94	35.91
25 to 34 years	22.93%	13.38%	1800	412.74	240.76
35 to 44 years	42.18%	9.52%	2200	927.89	209.52
45 to 54 years	48.77%	7.63%	1935	943.77	147.63
55 to 64 years	47.15%	4.56%	2725	1284.79	124.33
65 to 74 years	56.77%	5.81%	1900	1078.71	110.32
75 years and over	61.70%	9.57%	990	610.85	94.79

Table 8. Suppressed Households

Number of suppressed households by subtracting actual households in 2021 from potential households in 2021, by age category (Steps 5 and 6).

Age Categories – Household Maintainers	2021 Potential Households		2021 Households		2021 Suppressed Households		
	Owner	Renter	Owner	Renter	Owner	Renter	Total
15 to 24 years	23.94	35.91	50	70	-26.06	-34.09	0
25 to 34 years	412.74	240.76	425	310	-12.26	-69.24	0
35 to 44 years	927.89	209.52	875	240	52.89	-30.48	22.41
45 to 54 years	943.77	147.63	895	185	48.77	-37.37	11.4
55 to 64 years	1284.79	124.33	1185	270	99.79	-145.67	0
65 to 74 years	1078.71	110.32	955	155	123.71	-44.68	79.03
75 years and over	610.85	94.79	485	105	125.85	-10.21	115.64
Total New Units to Meet Suppressed Housing Need - 20 years							228.49

6.4 COMPONENT D: ANTICIPATED HOUSEHOLD GROWTH

Table 9. Regional Population

20-year population projection and growth rate for the RDCO (Step 1).

Regional District Projections	2021	2041	Regional Growth Rate
Households	94,335	1491431	0.584

Table 10. 20-Year Housing Need

Number of new homes needed in next 20 years, calculated with the average of municipal and regional growth projections (Steps 2 – 5).

Growth Scenarios	Regional Growth Rate	Households		New Units
		2021	2041	
Local Household Growth	n/a	6,205	10,209	4,004.00
Regionally Based Household Growth	58.40%	6,205	9,829.01	3,624.01
Scenario Average				3,814.00
Total New Units to Meet Household Growth Needs - 20 years				3814.00

6.5 COMPONENT E: RENTAL VACANCY RATE OF 3%

Table 11. Rental Deficit

Difference between existing rental homes and the total number required for a 3% vacancy rate (Steps 1 – 4).

	Vacancy Rate	Occupied Rate	Renter Households	Estimated Number of Units
Target Vacancy Rate	3%	97%	1,335	1376.29
Local Vacancy Rate	1.40%	98.60%		1353.96
Total New Units to Achieve 3% Vacancy Rate - 20 years				22.33

6.6 COMPONENT F: DEMAND BUFFER

Table 12. Additional Demand

Additional demand derived from applying the demand factor to Component A, B, C & E totals (Steps 1 and 2).

Component	Result
A. Extreme Core Housing Need	223.96
B. Persons Experiencing Homelessness	88.95
C. Suppressed Household Formation	228.49
E. Rental Vacancy Rate Adjustment	22.33
Total	563.73
Demand Factor	1.39
Total New Units to Address Demand Buffer - 20 years	784.41

6.7 TOTAL 5-YEAR AND 20-YEAR HOUSING NEED

The calculation of 5-year housing need is based on the 20-year calculation for each of the six components of current and anticipated need described above.

The 5-year total number of new housing units for the applicable municipality or regional district electoral area (EA) is the sum of the six components, rounded to the nearest whole number.

Note: some components are relatively higher in the first 5 years, reflecting the urgency of addressing them, and so calculating the 5-year total is not as straightforward as simply dividing the 20-year number by 4.

Table 13. Total New Units, 5 and 20-Year Need

Component	5 Year Need	20 Year Need
A. Extreme Core Housing Need	55.99	223.96
B. Persons Experiencing Homelessness	44.47	88.95
C. Suppressed Household Formation	57.12	228.49
D. Anticipated Growth	1,126.22	3814
E. Rental Vacancy Rate Adjustment	5.58	22.33
F. Additional Local Demand	196.1	784.41
Total New Units – 5 years	1,485	
Total New Units – 20 years		5,162