CITY OF Vernon

CITY SPACES

City of Vernon Housing Needs Report

November 2024

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CITY OF Vernon

City of Vernon has developed a new Housing Needs Report to deepen understandings of current housing needs and challenges, support updates to the Official Community Plan, and meet new provincial legislative requirements for assessing housing needs.

Population Growth

Year	Population	Growth
2006	35,944	
2011	38,150	+2,206
2016	40,116	+1,966
2021	44,519	+4,403
2026	50,149	+5,630
2031	53,669	+3,520
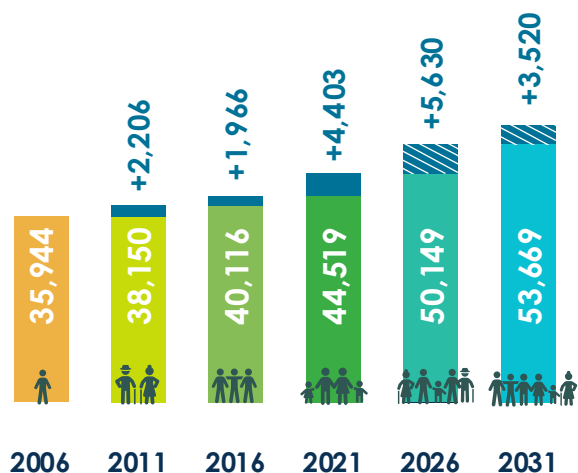
Vernon has been growing much faster in recent years and is projected to continue this growth!

New Households (2011 – 2021)

+3,370 Households
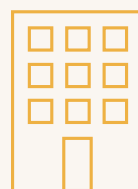
Renters
+1,995
59%

Owners
+1,375
41%

Over the past ten years, over half of new households have been renters.

Housing Stock (2021)

- 11,020 — 56%
- 5,045 — 26%
- 2,065 — 10%
- 1,640 — 8%

🏠 Single-detached

🏢 Apartment

🏘 Townhome

🚐 Other

New Dwellings (2011 – 2021)

- +735 — 37%
- +695 — 35%
- +410 — 21%
- +130 — 7%

Housing Needs Report

CITY OF **Vernon**
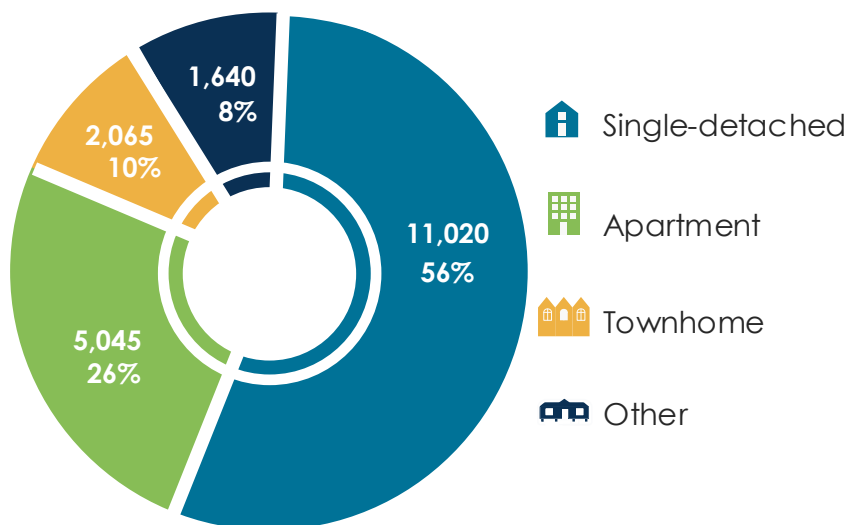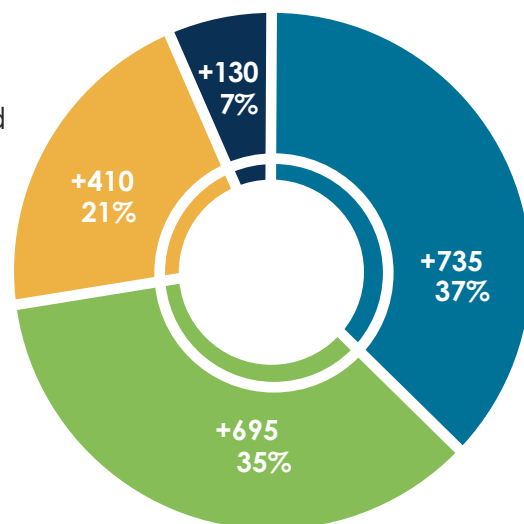
Housing Affordability

In 2021, 4,340 households (22%) could not afford their housing.

Over one third of renters (38%) were spending more than 30% of their income on housing.

22%
$ $ $

38%
2,555 Renters

14%
1,785 Owners

People Experiencing Homelessness

The number of people experiencing homelessness increased by at least

+66% from 2017-2023.

In 2023, it is estimated 254-332 people were experiencing homelessness, and 32% were sleeping outside.

Median Sales Prices

House — $368,250 — +100% — $735,000

Townhome — $250,000 — +114% — $535,000

Condo — $180,000 — +78% — $320,000

2014   2017   2020   2023
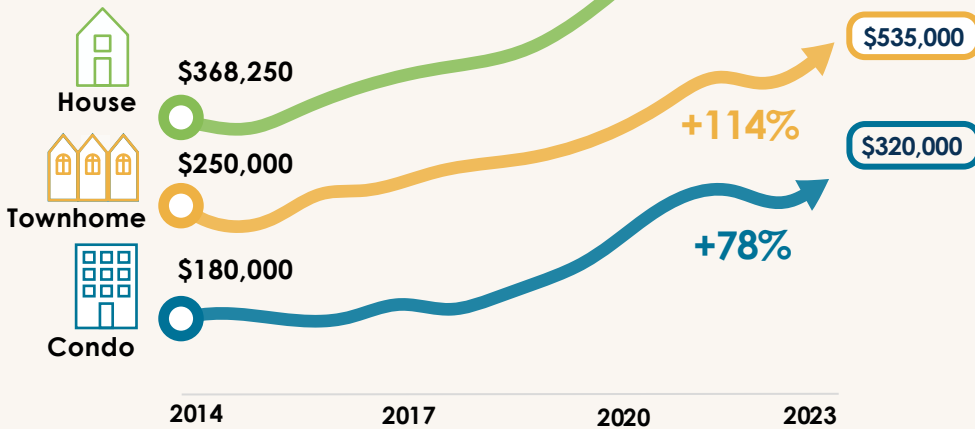
Purchase prices have approximately doubled in the last 10-years, with townhomes increasing most and apartment (condos) increasing least.

Median Rents

3+ bedroom — $880 — $1,450

2 bedroom — $780 — $1,400

1 bedroom — $650 — $1,145

Average Increase **+72%**

2014   2017   2020   2023
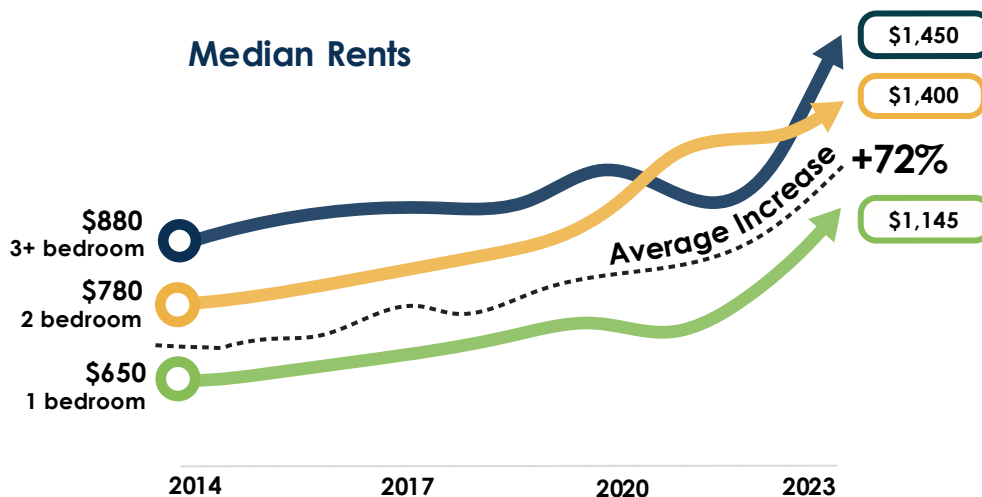
Over last 10-years, median rents have increased slower than ownership prices, with an overall increase of 72% (or increasing 42% more than inflation).

Median Household Income

$32,477
2011
$50,800
+66%
2021

Renter Households

$66,241
2011
$89,000
+40%
2021

Owner Households
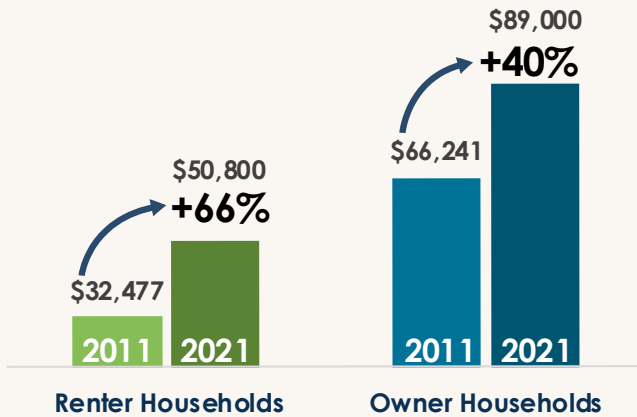
Owners usually have higher median incomes ($89,000) than renters ($50,800).

In the past ten years, renter incomes have increased faster (+66%) than for owners (+40%).

Median renter incomes have generally kept pace with median rent increases, but sales prices have increased much faster.

Household Income Groups

The distribution of renter and owner incomes by income group also varies, with 50% of owners in the highest income group compared to only 20% of renters.

The top two income groups could likely afford market rental (42% of renter households), but those moderate group may be challenged, and those in the bottom two groups likely need non-market housing to afford their homes.

Renters

| 66 3% | 697 30% | 576 25% | 510 22% | 465 20% |

Owners

| 23 1% | 301 13% | 378 16% | 453 20% | 1,159 50% |
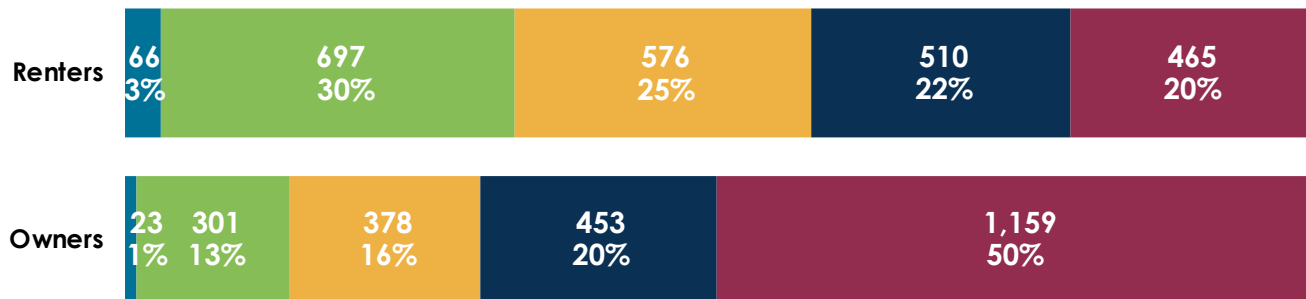
Income Group	Very Low	Low	Moderate	Average	Above Average
Household Income	< $15k	$15k – $34.9k	$35k – $59.9k	$60k – 89.9k	$90k+
Max. Monthly Housing Cost	< $376	$376 – $875	$876 – $1,500	$1,501 – $2,250	$2,251+

Housing Needs Report

CITY OF Vernon

Estimated Housing Units Need

3,312 — 2021 – 2026

5,933 — 2021 – 2031 (+2,621)

11,484 — 2021 – 2041 (+5,551)
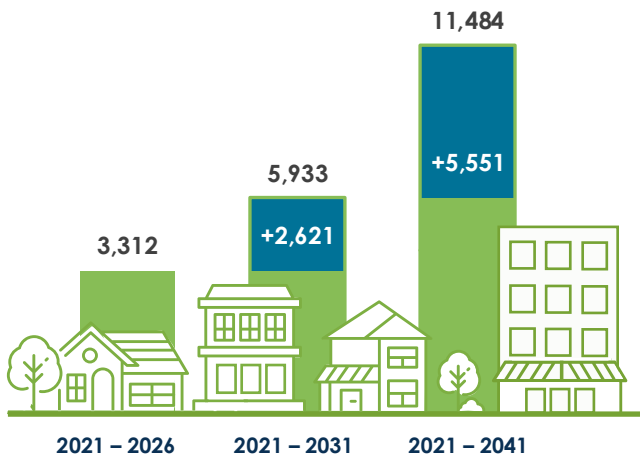
New legislative requirements for housing needs reports include a new HNR Method calculation to estimating housing need for the next 20-years.

The results for Vernon found 5,933 more homes are needed by 2031, and 11,484 by 2041.

The results have been assigned to four housing categories to provide a more detailed understanding of unmet need and future housing demand based on local incomes and housing costs.

10-Year Housing Type Estimates

Pie chart:
- 2,556 — 43%
- 638 — 11%
- 1,490 — 25%
- 1,249 — 21%
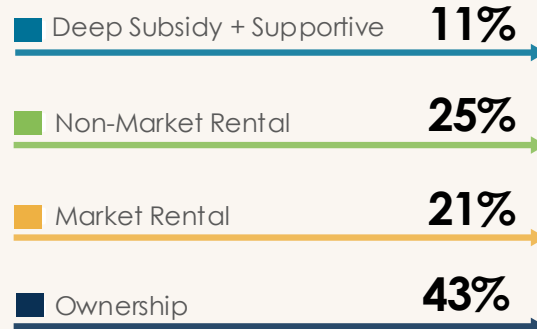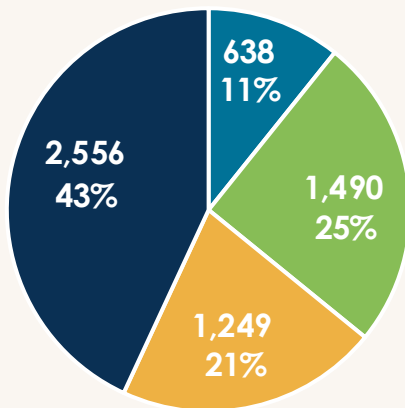
Estimated Monthly Housing Cost

Category	Percent	Cost
Deep Subsidy + Supportive	11%	< $500
Non-Market Rental	25%	$500 – $1,500
Market Rental	21%	$1,500 – $3,125
Ownership	43%	> $3,125
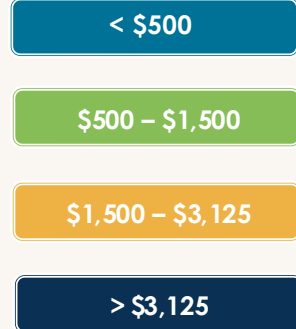
Estimated 10-Year Need : +5,933 Homes

Estimated Bedroom Needs

When considering high housing costs, trends towards smaller households, and meeting basic needs, most of the estimated housing need (85%) is for 1- and 2-bedroom homes. Those with financial capacity may seek larger dwellings or extra bedrooms.

Recent Development 2011 – 2021

35%	23%	13%	28%
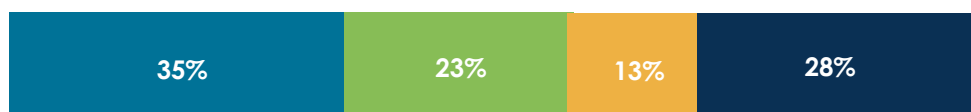
Estimated Need 2021 – 2031

63%	21%	15%	1%

1-bedroom | 2-bedroom | 3-bedroom | 4+bedroom
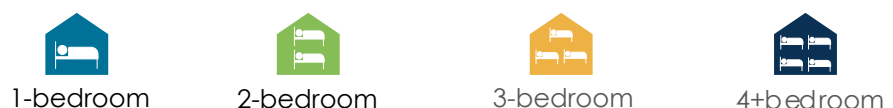
1. Introduction

Housing is both one of the largest expenses for households and a key necessity for social, physical, and economic wellbeing. Ongoing and widespread housing supply and affordability challenges are affecting communities across British Columbia and Canada. With a focus on affordable and attainable housing since 2008, City of Vernon is not excluded from these challenges, despite a continuing commitment to work on sustainable long-term solutions. Key challenges include both a general lack of housing supply relative to population growth and demand, but also an ongoing and evolving mismatch between what used to be built and what is needed today with changing household dynamics, an aging population, and a trend towards smaller households.

With a moderate climate, beautiful scenery, and ample access to outdoor recreation, Vernon is a desirable place to live. As existing residents seek to form new households, or new people join the community from elsewhere, it is important to create enough space to maintain a balanced and adaptable housing system to meet the evolving needs of households today and through their lifetime. Building on the 2020 Regional District of North Okanagan Housing Needs Assessment, this Housing Needs Report seeks to establish a new foundation to: understand current housing challenges with updated analysis and statistics, estimate potential demand for housing in the coming years, meet new provincially legislated requirements for assessing housing needs, and support an update to the City's Official Community Plan with detailed housing information.

1.1. Process Overview

This Housing Needs Report (HNR) process was undertaken concurrently with the review and update of Vernon's Official Community Plan (OCP) and Transportation Master Plan (TMP). The processes both align closely in their purpose and the results of each informs the others. For example, new population and household projections prepared for the OCP have been used to directly inform estimates of current and future housing need and demand in this report. Input on housing issues and concerns collected through the OCP engagement process in Spring and Summer 2024 has been used to inform this housing assessment.

The Ministry of Housing amended the requirements for HNRs in late 2023, with a new mandatory calculation for estimating the number of additional housing units needed over the next 5- and 20-years. The new guidelines were released June 2024, with the required analysis completed over the following months. See **Legislative Requirements** below for further discussion about HNRs and legislative requirements for local governments in BC.

Background Research + Data Collection

Public Engagement

HNR Method Analysis + Housing Demand Estimates

2024

| KICK OFF | FEB | MAR – APR | MAY – JUN | JUNE | JUL – AUG | SEP – OCT | FINISH LINE |

Population + Household Projections

New Provincial Guidelines Released

Report Writing
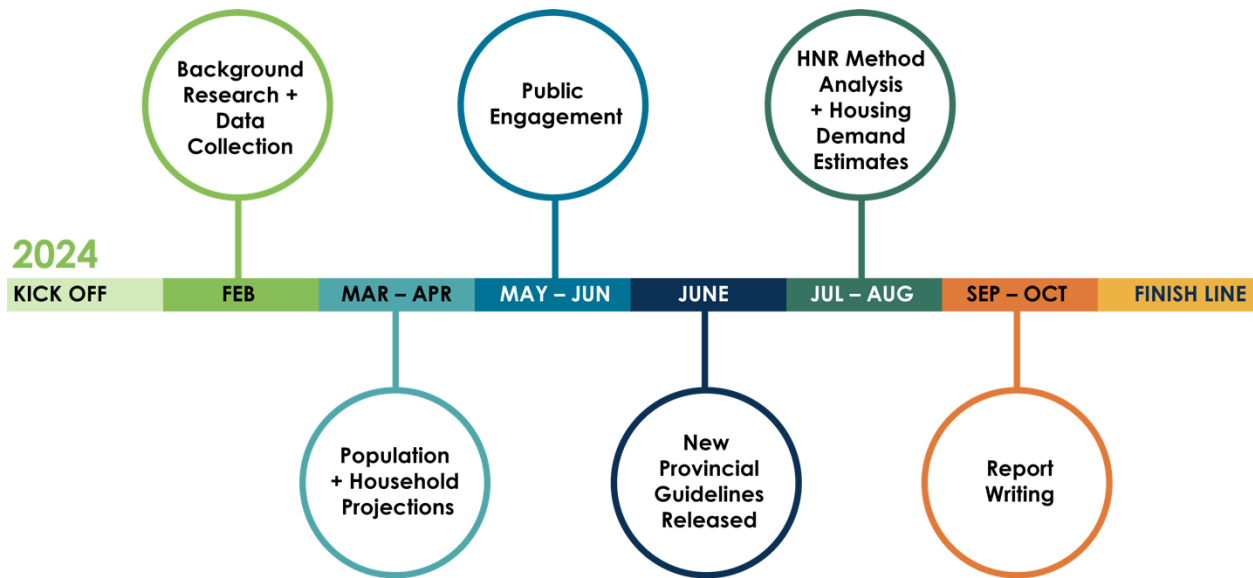
LEGISLATIVE REQUIREMENTS

In 2019, the Province of British Columbia passed new legislation requiring all local governments to undertake an HNR process every five years, with the first report due by 2022. City of Vernon completed its first HNR in June 2020, as part of a regional assessment process led by the Regional District of North Okanagan. This previous study would have relied on 2016 Census data, while the 2021 Census data is now available, and the analysis can be updated accordingly.

In Fall 2023, the provincial government passed a wide range of new housing legislation aimed at addressing widespread supply and affordability challenges in BC. Part of the new legislation included amendments to HNR requirements. The most significant change is a requirement to estimate the number of new dwellings required to meet current unmet needs and future demand for housing over the next 5- and 20-years with a specific methodology. The estimates must then be accommodated within updated Official Community Plans. **The results of the 'HNR Method' (HNRM) calculation are a central feature of this Report and unit demand estimates are presented in Section 6 (page 40).**

1.2. Methods

The Provincial requirements include collecting a wide range of housing indicators, including current and projected population, household income, economic and labour force statistics, current housing stock, and estimates of future housing demand – this data has been prepared and is available in **Appendix B: Housing Indicators Report**. This Housing Needs Report includes selected highlights from the analysis, as well as supplementary information to provide a comprehensive understanding of City of Vernon's housing context and challenges, including a mix of both quantitative and qualitative data sources.

QUANTITATIVE INFORMATION

The primary source for data indicators is the Canadian Census (2006, 2011, 2016, and 2021). The Province of BC has provided a custom Census dataset allowing for a deeper understanding of the differences between renter and owner households, which typically have distinct housing needs. Data from the most recent Census (2021) is central to this analysis. Other key data sources include:

- BC Assessment;
- BC Statistics;
- City of Vernon permit data;
- CMHC Market Rental Survey;

- CMHC Starts and Completions Survey;
- Custom Census data cross-tabulations;
- Multiple Listing Service (MLS); and
- Point-in-time homelessness counts (2017, 2019, 2021, 2023).

Since the new required HNR Method calculation is based on 2021 data and estimating housing demand between Census collections, the overall framework of this report is focused on 2021 to 2031. An updated report will be required following the release of 2026 Census data focused on 2026 to 2036.

COMMUNITY ENGAGEMENT

With the Official Community Plan update being undertaken concurrently with this report, the engagement process was integrated to support both initiatives. The OCP team undertook the engagement process, with input from the Housing Needs Report team, and provided the results for consideration within this specific housing study.

Public engagement was undertaken in Spring and Summer 2024, and included a community survey, ten community workshops with specific topics, and nine community pop-up events.

1.3. Context

LOCATION + GEOGRAPHY

Situated within the traditional territory of the Sylix people, Vernon is the second-largest city in the Okanagan Valley and serves as the central hub of the Regional District of North Okanagan, with around half of its households residing within the city limits. Located on the valley floor within a beautiful landscape, the City has direct access to Okanagan Lake, Kalamalka Lake, and Swan Lake with mountains rising around the City and waterways.

The City's neighbours include District of Coldstream to the southeast, District of Lake Country to the south, and Electoral Areas B and C to the east, north, and northeast. Okanagan Indian Band is located at the head of Okanagan Lake to the north and northwest of the City, with most on-reserve members living in Okanagan 1b; approximately half of the members of Okanagan Indian Band live off-reserve. Okanagan Indian Band is part of Okanagan Nation, also known as the Syeelhwh Nation, which comprises seven Indian Bands located throughout Okanagan Valley. Okanagan Lake and River were the traditional transportation routes of the people and their traditional boundaries are shaped by these waterways.

Vernon has a diverse economy and is the economic anchor of the North Okanagan, with long-established traditional resource sectors such as forestry and agriculture, and tourism, manufacturing, administrative and service sectors in more recent decades. The rich agricultural history of the City has supported the development of agritourism, with orchards, wineries, vineyards, and a bounty of local produce and other farm products.
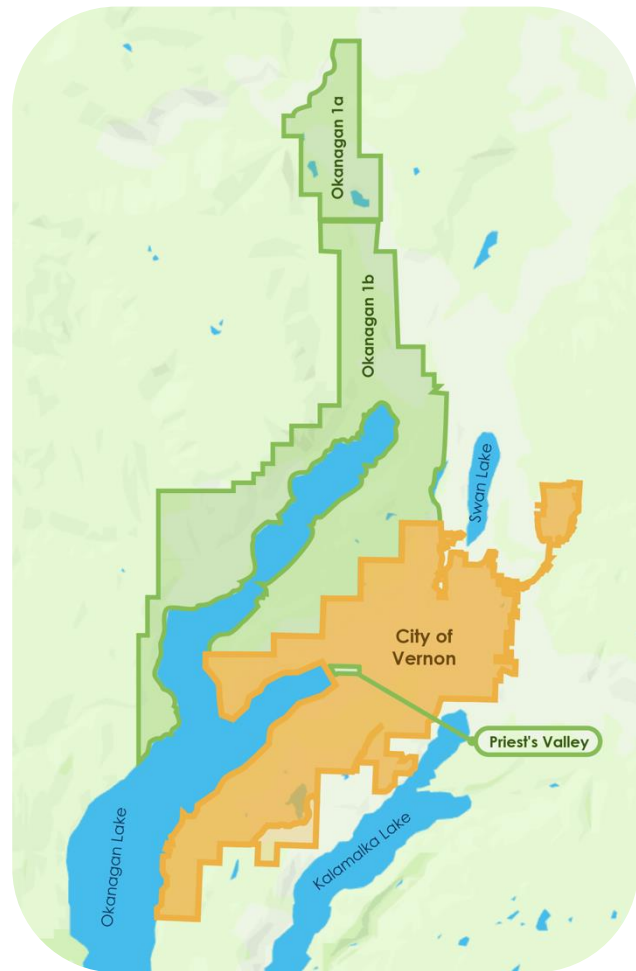
EXISTING HOUSING POLICY FRAMEWORK

Following the completion of the 2020 Regional District of North Okanagan Housing Needs Assessment, City of Vernon endorsed a Housing Action Plan (HAP) in 2022. The HAP seeks to build upon the City's focus on affordable housing since 2008. The HAP has **five strategic directions**, each with three to five supporting actions:

Increase the supply of rental housing

Increase the diversity + affordability of market housing

Acquire land for affordable + attainable housing

Partner in the delivery of affordable + attainable housing

Educate, communicate + strengthen relationships

Since adopting the HAP, the City has successfully implemented the following initiatives:

✓ Developed and adopted a new Zoning Bylaw aimed at reducing cumbersome regulations and promoting diverse housing options, including secondary suites, accessory dwelling units, multi-unit developments, and mixed-use projects;

✓ Collaborated with Regional District of North Okanagan to complete a design competition that produced pre-approved plans, streamlining the process for constructing secondary dwellings;

✓ Implemented short-term rental regulations inline with new Provincial legislation under the Short-Term Rental Accommodations Act;

✓ Aligned land use regulations with new Provincial housing legislation to support small-scale multi-unit housing and transit-oriented development;

✓ Introduced floor area ratio (FAR) density controls in medium-density and mixed-use zones, increasing flexibility in designing diverse housing options to meet market needs;

✓ Submitted applications for CMHC Housing Accelerator Funding in rounds 1 and 2; and

✓ Offered incentives and fast-tracked applications for non-profit housing developments.

1.4. Housing Network

A comprehensive housing network includes a broad range of different housing types, all available throughout the community's neighbourhoods in a range of different forms and styles. The type of housing an individual or household needs is not always the same over time, and the best solution might look different for one household than another. Evolving housing needs could be due to changing incomes, household size or composition, aging, starting a new career, or to accommodate other household changes. Sometimes moving into a new home is simply due to changing preferences, while other times it is a necessity to accommodate changing needs. When a community has a comprehensive and diverse housing network, all households should be able to access the type of housing they need as their needs evolve over their lifetime, including during times of emergency or crisis.

Figure 2: Housing Network

A healthy housing network includes emergency shelters, transitional housing, supportive housing, social housing, affordable rental and home ownership, and market housing. When gaps exist in one segment of the network, other areas are impacted. For example, when there is insufficient rental supply, rents typically increase. If rents increase enough, it may price some households out of being able to afford market rental housing, thereby increasing the need for non-market social housing. Similarly, if ownership prices or interest

rates are too high and fewer first-time buyers can purchase, they will continue to rent, reducing vacancy in the rental market and potentially leading to price increases.

It is important to have a sufficient stock of all parts of the housing network to maintain a healthy balance between supply and demand. When this balance exists, households are better able to meet their evolving needs by self-housing in dwellings they can afford.

There are five general categories of housing or emergency accommodation, many with their own subcategories or a diversity of options within them. See Appendix A: Glossary (page 56) for definitions for the five categories in the Housing Network.

1.5. Roles in the Housing System

Housing regulation, development, and financing is complex and multifaceted, with a range of actors that must come together to address the housing needed by communities.

Table 1: Housing Sector Roles

● CENTRAL ▲ SUPPORTIVE	Housing Delivery	Coordination + Education	Regulation + Planning	Funding	Advocacy
City of Vernon	▲	●	●	▲	●
Provincial Government	▲	●	●	●	▲
Federal Government	▲	▲	▲	●	▲
North Okanagan Regional District		●	●		●
Developers + Builders	●				▲
Non-Profit Sector	●				▲

CITY OF VERNON

The City's primary housing role is establishing the local planning and land use framework to set the overall direction and shape of the local housing system. These policies are typically established through official community plans, neighbourhood plans, housing strategies, and the zoning bylaw. The City plays a lead role in coordinating housing projects and development through approval processes, and communicating local housing challenges, processes, and needs. The City may advocate for other levels of government, or private and non-profit organizations, to form partnerships, address local housing needs, and coordinate efforts. The City may also support the funding of housing through grants, incentive policies, fee waivers, or other mechanisms to shape local housing outcomes.

PROVINCIAL GOVERNMENT

Provincial governments have the core constitutional authority over property, land use regulations, and housing policies or programs in Canada. Provincial governments enact legislation delegating responsibility over certain issues to local governments, but municipalities have no inherent responsibilities or jurisdiction related to land use regulations until established by the province; local governments implement the land use and housing policy framework set by the province. The provincial government is ultimately responsible for housing and setting regulations to maintain a healthy housing system able to sustainably meet the housing needs of households into the future.

The Province of BC supports housing delivery through establishing policies and regulations, providing direction to local governments, and undertaking best practices research to support local efforts. The government directly funds non-market housing development through arm's length organizations such as BC Housing, and forms partnerships with public, private, and non-profit groups to address housing needs. The Province may also advocate to the federal government for funding or other policy changes.

FEDERAL GOVERNMENT

The federal government sets national housing policies and/or establishes strategies to support provincial and local governments to meet housing needs. The federal government provides mortgage insurance through the Canada Mortgage and Housing Corporation, directly funds housing development, and undertakes research and innovation initiatives. It also sets financial, immigration, and economic policies with direct impacts on housing supply, affordability, and demand.

NORTH OKANAGAN REGIONAL DISTRICT

Regional Districts set regional land use regulations or policies, including the establishment of a Regional Growth Strategy in coordination with member municipalities. The regional government may undertake housing assessment studies, develop regional housing strategies or action plans, or manage infrastructure serving communities in the region.

BUILDERS AND DEVELOPERS

Most housing existing today was built by a private builder or developer to sell at market price. There are a wide range of developers, from those who build single homes with custom designs to larger subdivisions or multi-unit buildings. Private developers typically seek to generate profit for investors or financial institutions, which provide funding or financing for the projects, while meeting demand for housing in communities.

NON-PROFIT SECTOR

Non-market housing is typically built and operated by non-profit groups, which receive capital and/or operating funding from various levels of government or through fundraising and donations. This housing form has below market costs and may be targeted to specific groups or demographics; it may also have additional supports or community programming.

2. Key Findings

10 Key Findings

- There is an estimated demand for **5,933 additional homes over the next 10-years and 11,484 homes over the next 20-years.**

- **57% of the housing demand is for rental units**, including 21% for market rentals, 25% for non-market housing, and 11% for deeply subsidized or supportive housing.

- **Rents have risen +30% more than inflation in nine years:** from $925 in 2014 to $1,205 in 2023 (2023 dollars; inflation adjusted).

- Over the past decade (2011 to 2021), **~61% of new households were renters**, resulting in 34% of all households renting by 2021.

- **Over the past ten years (2014–2024), median home prices have nearly doubled**, with townhome prices rising the most at 114% and apartment prices increasing the least at 78%.

- **Over the past five years, 60% of housing starts were apartments or townhomes**, representing a new development trend for Vernon.

- An estimated **254 to 332 people are currently experiencing homelessness;** and there are no services or supports for people experiencing homelessness after 4pm.

- Residents have shown **a preference for "growing up" rather than "growing out" to address housing demand,** favouring densification over urban sprawl.

2.1. Housing Unit Estimates Summary

The new mandatory HNR Method (HNRM) calculation requires calculating 5- and 20-year estimates of the number of additional dwellings needed to address existing unmet need and future demand (growth). Supplemental to this base requirement, a 10-year estimate has also been provided.[1] The HNRM results are provided in Table 2.

Table 2: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, City of Vernon

Component	Detail	5-year	10-Year	20-Year
A	Extreme Core Housing Need	258.0	515.9	1,031.8
B	Person Experiencing Homelessness	166.2	249.3	332.4
C	Suppressed Household Formation	231.3	462.5	925.1
D	Anticipated Household Growth	2,310.2	4,012.9	7,811.1
E	Rental Vacancy Rate Adjustment	38.4	76.9	153.8
F	Demand Factor	307.5	615.0	1,230.1
	Total	3,312	5,933	11,484

Based local renter and owner income analysis, the 5- and 10-year HNR Method results have been assigned to four housing categories. The numbers represent an estimate of housing demand to address the unmet needs of current residents and projected household growth if all households had needs met by a new dwelling. However, many households moving into newly constructed dwellings will be moving from an existing home in the community, thereby freeing up a unit for another household, and some new households will have their needs met by an existing home.

See **Section 6 (page 40)** for descriptions of the four housing types and further discussion of the estimates and how they were developed.

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

Table 3: 5-Year and 10-Year HNR Method Type and Tenure Allocation

TIMEFRAME		MARKET RENTAL	NON-MARKET RENTAL	DEEP SUBSIDY + SUPPORTIVE RENTAL	OWNERSHIP	TOTAL
5-Year	#	674	822	373	1,442	3,312
	%	20%	25%	11%	44%	100%
10-Year	#	1,249	1,490	638	2,556	5,933
	%	21%	25%	11%	43%	100%

TREND ASSESSMENT SUMMARY – MEETING NEED BY HOUSING TYPE

Meeting the Need for Ownership Housing

Between 2011 and 2021, there were more dwellings completed for the ownership market (1,759) than demand for owner-occupancy (1,375)[2]; meaning 384 houses or condominiums were instead purchased as an investment and rented on the secondary market, used for short-term rental (i.e. AirBNB), or left unoccupied. Despite this apparent surplus, when considering the overall demand estimated by the HNRM, there is a need to increase the overall rate of home building for the ownership market. The gap between new supply and owner-occupiers may be due to investors being able or willing to pay more.

Figure 3: Comparison of Ownership Housing Completions (Fee Simple and Condo) Against New Owner Households, 2011-2021, and Future Estimate Ownership Demand

Source: StatCan. Census, 2011 & 2021; CMHC. Starts and Completions Survey, 2011-2021

Legend:
- Estimated Additional Future Demand
- Homeownership + Condo Completions
- Estimated Owner-Occupier Demand
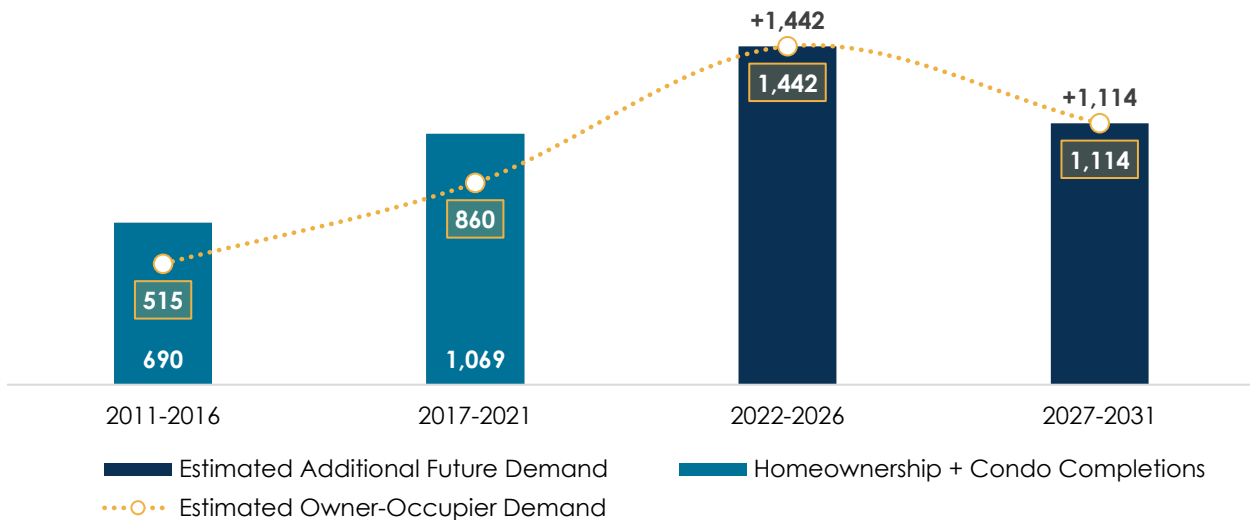
2. Owner-occupier demand being the number of new owner households in Vernon in between the 2011, 2016, and 2021 Census.

Meeting the Need for Market Rental Housing

Rental vacancy rates have remained below 2% for the past ten years, driving a rapid 72% increase in rents, which is 42% more than inflation since 2014, indicating a shortage of rental housing. Very few new renter households since 2011 have been accommodated by purpose-built rental, and instead are living in dwellings built for the ownership market (secondary market rental). Comparing the number of new renter households able to afford market rental[3] against changes to the purpose-built rental supply shows a shortfall from demand between both 2011 and 2016 (196 to 245 units) and 2017 and 2021 (536 to 809 units).[4]

There were 1,405 additional renter households that could afford market rental in Vernon between 2011 and 2021, while there were 351 – 673 more purpose-built rental units (gap of 732 – 1,054). From 2013 to 2021, the City issued permits for 209 secondary suites in detached homes, potentially helping to address the housing gap. This indicates most new renters are securing housing in the secondary rental market, which may be pricier and less stable.

Figure 4: Comparison of Purpose-Built Market Rental Housing Completions Against New Renter Households, 2011-2021, and Future Estimate Market Rental Demand
Source: StatCan. Census, 2011 & 2021; CMHC. Starts and Completions & Rental Market Survey, 2011-2021

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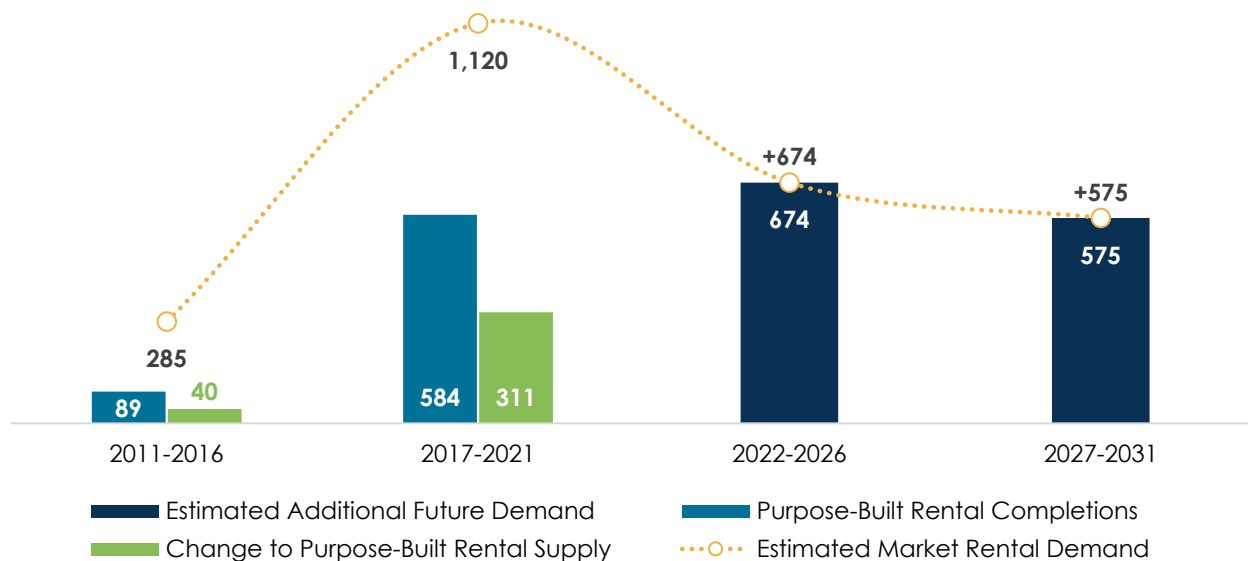
3. Demand for market rental being the change in renter households with incomes of $60,000-$125,000
4. It should be noted there is a large difference between the number of completions registered by CMHC and change in the total rental supply, which may be due to redevelopment of existing rental. For example, it is not clear from the available data whether the market rental supply increased by 311 or 584 from 2017 to 2021. Between October 2021 and 2023, there were 107 fewer purpose-built rental units in Vernon.

Meeting the Need for Subsidized Rental Housing

Low vacancy rates in the purpose-built market rental supply may lead to lower income households being priced out of market-rate rental housing. It is estimated households who can afford monthly housing costs between $500 and $1,500 would require subsidized non-market rental housing. Between 2011 and 2021, there were 1,080 additional renter households that likely could not afford market rental prices. Some of these households may have found affordable options or are paying more than they can afford.

Data availability makes it challenging to directly compare the need for subsidized non-market rental housing against supply. BC Housing's social housing inventory for Vernon includes 396-units for independent seniors (+49 between 2019 and 2024) and 424-units for families (+128 since 2019). The inventory tracked by City of Vernon includes 163 rent-geared-to-income units (estimated to rent for $665 – $1,041 in 2023 depending on the household type) and 94 other below market units.

Of the **3,415 renter households that could afford $500 to $1,500 per month in 2021, 1,995 (58%) were spending more than they could afford on their current homes**, paying over 30% of their before-tax income. The current estimated gap between supply and demand is 1,175 homes; however, it is possible some households could find market rental that meets their needs at a rent they could afford, and the gap may be smaller. For households with existing tenancies they can afford in market rental, it may be very challenging to find a rental at a similar cost if they were evicted or otherwise had to move.

Figure 5: Comparison of Subsidized Rental Housing Completions Against New Renter Households, 2011-2021, and Future Estimate Non-Market Rental Demand

Source: StatCan. Census of Population 2011 & 2021; BC Housing. BC Housing Unit Count.
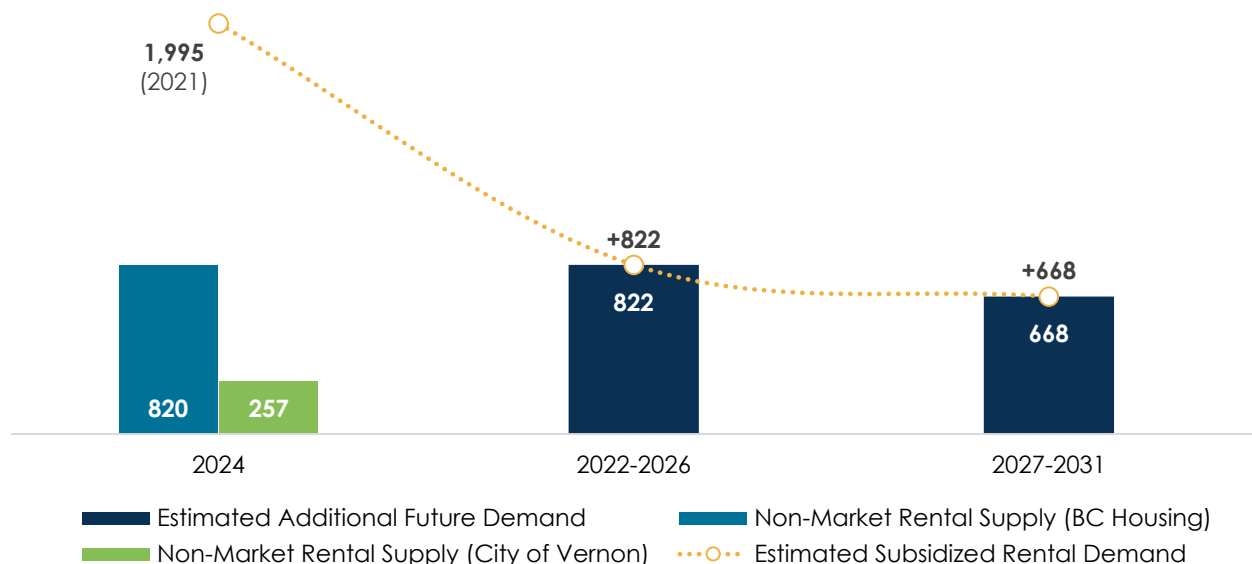
Meeting the Need for Supportive and Deeply Subsidized Housing

The supportive and deeply subsidized housing category is challenging to track and estimating demand is largely related to individual or household characteristics. For example, the category includes supportive housing for seniors (long-term care) and people with disabilities, but when an individual needs to transition into this type of housing is largely related to their health and unique circumstances. It is also unknown exactly how many seniors housing units with supports or long-term care beds exist in the community currently.

The estimates are based on an assessment of renter households with incomes of $20,000 or less, and counts of people experiencing homelessness, but there is no direct estimate for seniors aging into needing ongoing supports or how many people with disabilities may need additional support. There are currently 448 supportive housing units, and 97 transitional units tracked by BC Housing.[5] The future estimates includes both deeply subsidized rental (rents of no more than $500) and supportive or transitional housing.

Figure 6: Estimated Current Supply of Transitional and Supportive Housing, and Future Demand for Supportive and Deeply Subsidized Housing (2021-2031)

Source: BC Housing. BC Housing Unit Count. March 2024

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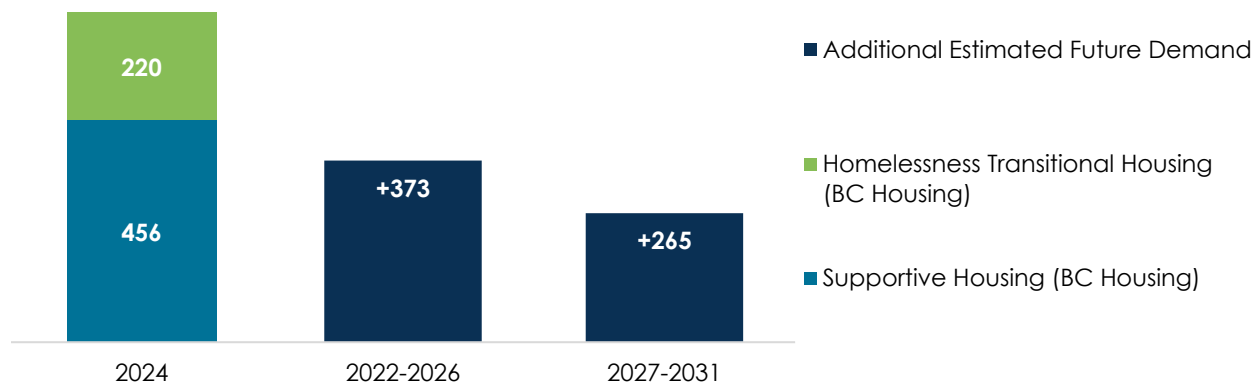
5. BC Housing's supportive housing category includes:
- Special Needs: Housing for clients who need access to affordable housing with support services, including, for example, adults with mental and/or physical disabilities or youth (125 in 2024).
- Supportive Seniors Housing: Housing for seniors needing access to housing with ongoing supports and services. Frail seniors are those who cannot live independently (306 in 2024).
- Women and Children Fleeing Violence: BC Housing provides funding for transition houses, safe homes and second stage housing programs that support women and their children who have experienced violence or at-risk of experiencing violence by providing temporary shelter/housing and support services (25 in 2024).

Transitional Housing describes housing for clients at-risk of homelessness, or formerly homeless for a period of at least 30-days and up to two or three years. This type of housing includes the provision of on- or off-site support services to help the clients move towards independence and self-sufficiency (220).

2.2. Key Themes from Engagement

During the development of this Housing Needs Report, the City was also undertaking the early stages of an Official Community Plan and Transportation Plan update, including a broad reaching public engagement process. The community consultation for this initiative also served to support the analysis and key findings of this report. **Full findings of the Phase 1: Needs Assessment process can be found in the What We Learned Report** (August 2024; Engage Delaney).

Key housing-related findings or themes include:

What We Heard – Key Housing Themes

- **Need to increase the housing supply**, offering more rental and ownership options.

- Tight rental market makes it difficult to secure suitable housing.

- Need for **maintaining a higher rental vacancy rate** to reduce housing stress and experiences of homelessness.

- Housing should be located near services and amenities, including parks, recreation, shopping, and transit.

- Desire for **more affordable ownership** options **for families and individuals.**

- Young adults want to stay in, or return to, Vernon but are **limited by affordable housing options and career opportunities** that would support their housing needs.

- Preference expressed for **building up rather than out**, through densification and infill, especially in and around downtown.

- Importance of **reducing stigma related to affordable housing** was highlighted.

- Desire to significantly reduce and eventually **eliminate the experience of homelessness.**

- A key focus should be on **reducing stress and fear related to housing** and providing hope and stability by **ensuring the right housing options are available** when they are needed.

Considerations about the types of housing needed in the community include:

What We Heard – Types of Housing Needed

- Broad need for **inclusive, diverse, and widely distributed affordable housing.**

- Need for housing targeted to **seniors, working-age residents, youth, newcomers, and low-income households.**

- Emphasis on establishing a flexible and accessible housing system able to **accommodate different life stages and household types or sizes**, including for intergenerational living.

- Need for apartments, condos, modular housing, tiny homes, and to **rely less on basement suites.**

- Need for **co-ops, social housing, and non-market housing.**

- Need for **housing supports or services for those experiencing homelessness after 4:00 pm**.

- Need for **sober safe homes, mental health facilities, and a community crisis centre.**

Engagement activities included:

COMMUNITY SURVEY	COMMUNITY WORKSHOPS	COMMUNITY POP-UPS
1,396 Responses	10 Workshops + 168 Attendees	9 Events + 822 Visitors

MAY - JUNE 2024

3. Community Profile

3.1. Population + Households Profile

POPULATION

Vernon has seen consistent population growth since 2006, a 24% increase over 15-years, or approximately 1.4% per year. However, the growth rate has not been consistent, with a slowing trend from 2006 through 2016, before a rapid pace of growth emerged over the next five-year period (+11%, or 2.1% growth annually). The population grew by 4,403 in the past five years, surpassing the combined increase of 4,172 in the previous ten years, effectively doubling the rate of population growth.

Figure 7: Population Growth (# and % Change), 2006--2021, City of Vernon
Source: StatCan. Census of Population 2006, 2011, 2016, and 2021
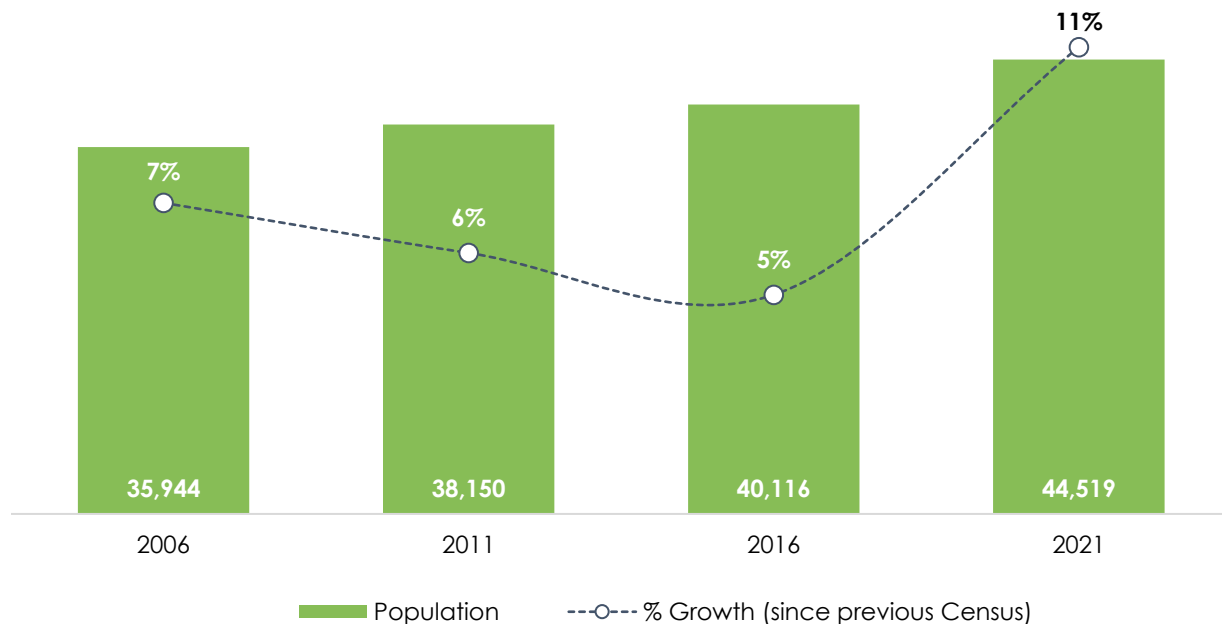
BC Statistics currently forecasts a slowdown in population growth over the next few decades, decreasing from an annual growth rate of 2.1% during the past five years (2016-2021) to 1.9% from 2021 to 2031, and further down to 1.5% over the next ten years until 2041. This rate of growth represents approximately 915 additional people per year through 2031, and 846 per year over the next ten years (2031-2041). If the 2016-2021 rate was maintained (2.1%), it would mean 7,920 additional residents by 2041 (see Figure 8). It will be important to monitor whether growth has slowed, maintained, or increased in the coming years.

Figure 8: Census Population (2006-2021) and BC Stats Population Projection (2022-2041), City of Vernon

Source: StatCan. Census of Population 2006, 2011, 2016, and 2021; BC Statistics. Population Projections. 2024
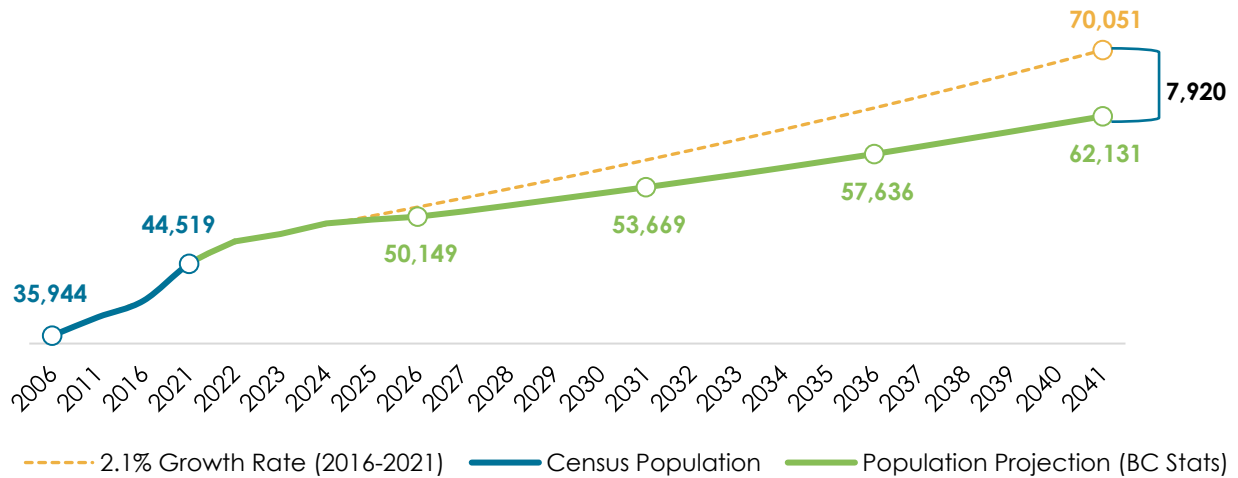
The population has also been aging with the median age increasing from 43.8 in 2006 to 48.0 in 2021, meaning half the population is now older than 48 years. There is also an increasingly smaller share of the population aged 0 – 19-years, while the population of seniors is increasing. In 2006, 34% of people were older than 55, increasing to 44% by 2021. The share of people in their early careers and family formation years (20 – 34) has remained consistent, while the share of middle-aged working adults (35 – 54) has decreased from 27% to 23%.

Figure 9: Population by Age Groupings (%), 2006-2021, City of Vernon

Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021
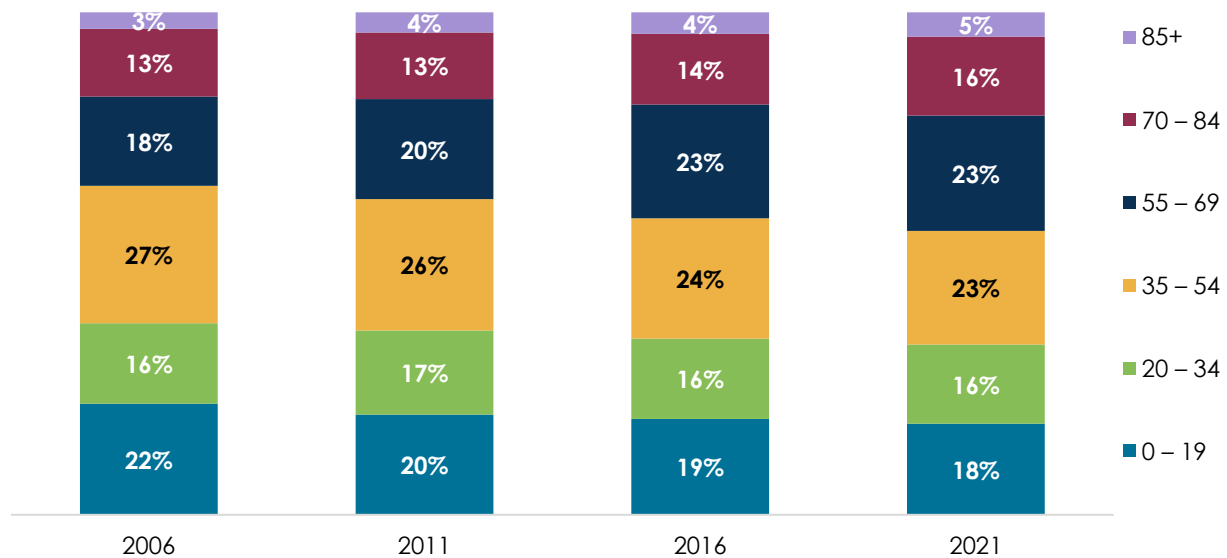
HOUSEHOLDS

Between 2006 and 2021, there were 4,100 additional households living in Vernon. Similar to the population trend, approximately half the increase in households since 2006 was seen in the past five years (+1,990 households, 2016 – 2021). The distribution by household size has remained similar since 2006, however, the share of households with one-person or two-persons has increased slightly from 70% to 72% in 2021.

More larger households moved to Vernon over the past five years, with 28% of additional new households comprising 3+ people, compared to only 9% between 2006 and 2016. Nonetheless, most new households since 2006 have been one-person or two-person (3,350 or 82%), suggesting a need for smaller dwellings to meet the demands of household growth.

Figure 10: Total Households and by Household Size, 2006-2021, City of Vernon
Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021
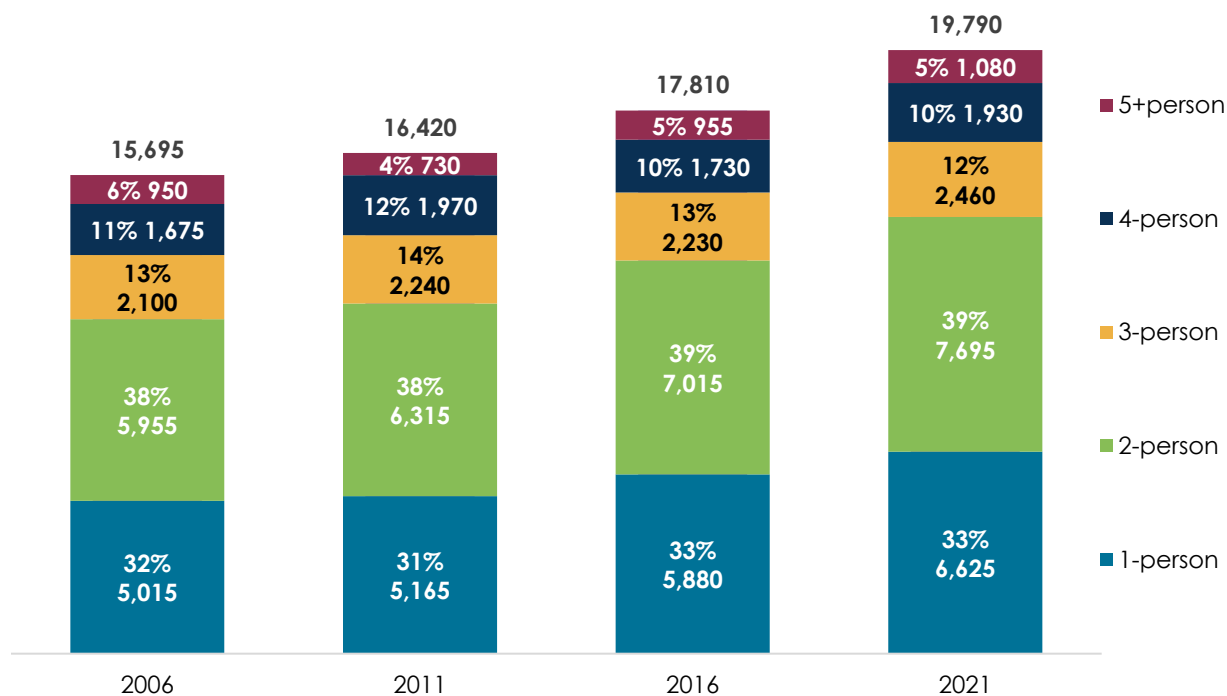
Household Tenure

The distribution of renter and owner households was generally consistent between 2006 and 2016, while the share of renter households has increased from 31% to 34% in the past five years. Over the past 10-years, approximately 61% of new households have been renters (1,955 of 3,260 new households). Between 2006 and 2011 there were 135 fewer renting households, highlighting a major shift in the trend after 2011, when over half of new households rented.

Figure 11: Household Tenure Trend, 2006-2021, City of Vernon
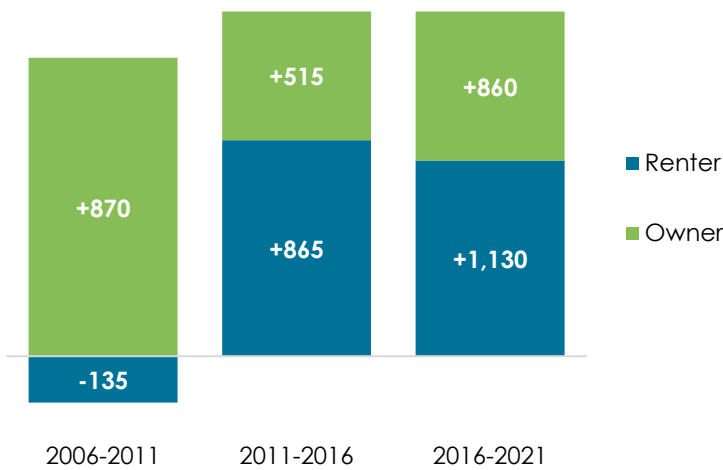
Figure 12: Overall Household Tenure Distribution, 2021, City of Vernon
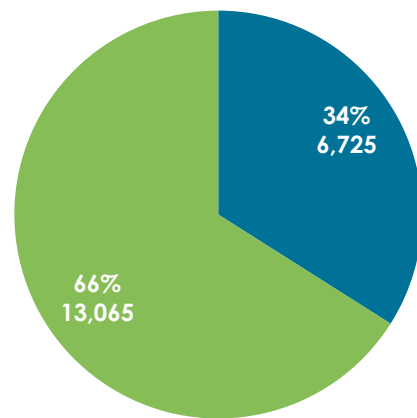
Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021

INCOME

Owner households typically have higher incomes than renter households. In 2021, the median owner income ($89,000) was 75% higher than the median renter income ($50,800). Despite this gap, renter incomes have risen at a faster rate (+66%) compared to owner incomes (+40%) since 2006.There are two potential explanations for the increasing renter incomes: existing renter households could be earning more than they used to, or higher income renter households may have moved into the community instead.

Figure 13: All Households, Renter and Owner Median Income Trend, 2006-2021, City of Vernon

Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021
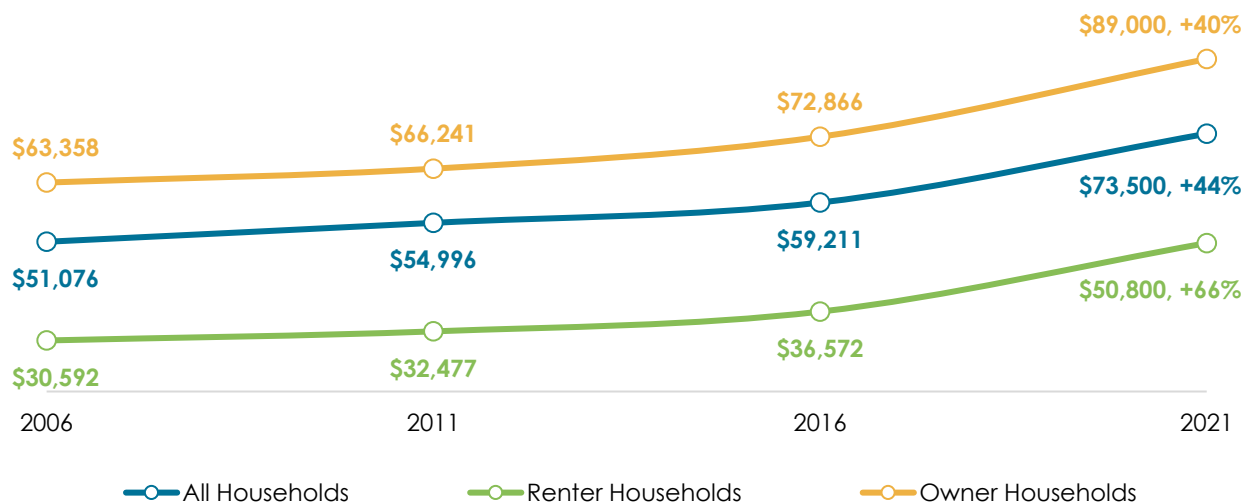
With increasing costs to purchase homes, it is possible higher income renter households who traditionally transitioned to owning are renting for longer. The rate of incomes increasing has accelerated for all households in each five-year period since 2006, and the increase in renter household income has consistently outpaced owner households. The renter median income increased by 39% between 2016 and 2021, compared to 22% for owners, while the minimum wage increased from $10.45 to $14.60 (+40%) between the 2016 and 2021 census.

Figure 14: Change in Income, Renter and Owner Households, Five Year Periods (2006-2021), City of Vernon

Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021
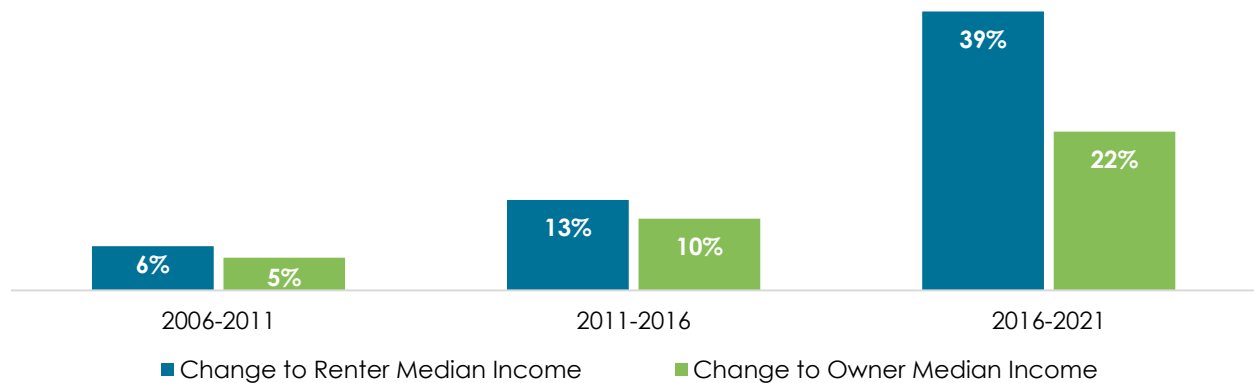
As seen in Figure 15, the distribution of renter households by income has shifted towards higher incomes, with a much higher share of renter households earning above average incomes (5% to 19% since 2006). There is now a more even distribution across the five income groups, with only 3% or 195 households in the very low-income group in 2021.

Figure 15: Renter Household Income Distribution by Income Group, 2006-2021, City of Vernon

Source: StatCan. 2021 Census Profile Custom Data Order - ORD-07412-P4R3D8
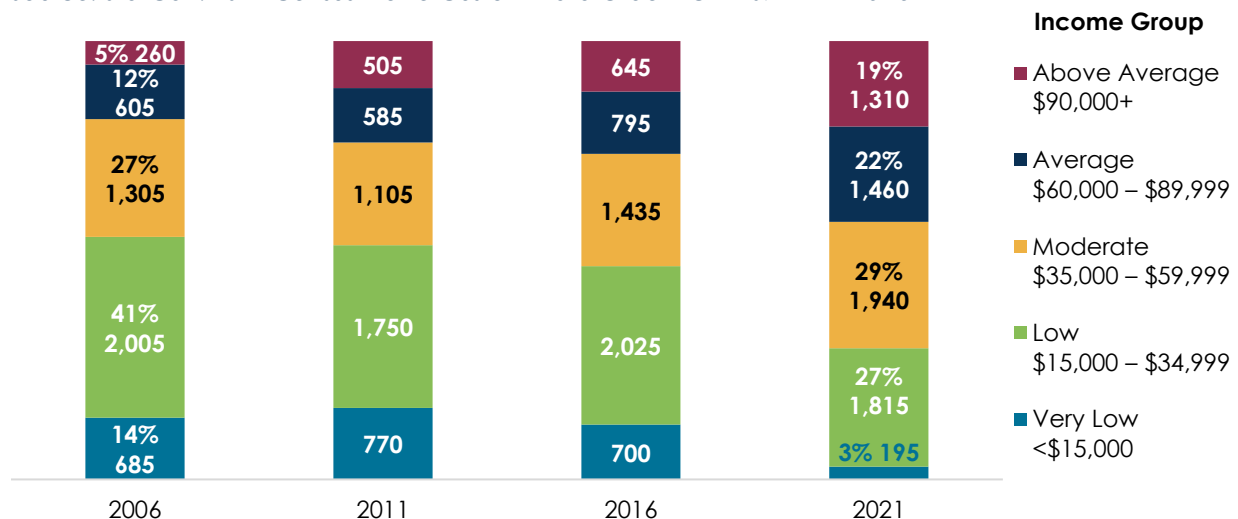
COVID-19 Pandemic Income Impacts

With the emergence of the COVID-19 pandemic in 2020, a broad range of income and wage supports were implemented to maintain employment, incomes, and housing for many households affected by lockdowns and potential business shutdowns.[6] It might be expected lower income households received a higher proportion of these income supports, however, available data does not necessarily support this assumption.

Figure 16 illustrates the share of all households in the five income groups, alongside the share of households in those income groups that received a COVID-19 income support. There is a very close relationship between the overall distribution of households and the distribution of who received supports. The very low- and low-income groups received a disproportionately small share of the benefits compared to the moderate- and average-income groups.

Figure 16: Share of Households by Income Group and Share of Households Receiving COVID-19 Financial Supports by Income Group, 2021, City of Vernon

Source: StatCan. 2021 Census Profile Custom Data Order - ORD-07412-P4R3D8

■ Share of Households Receiving COVID-19 Benefits   ■ Share of All Households
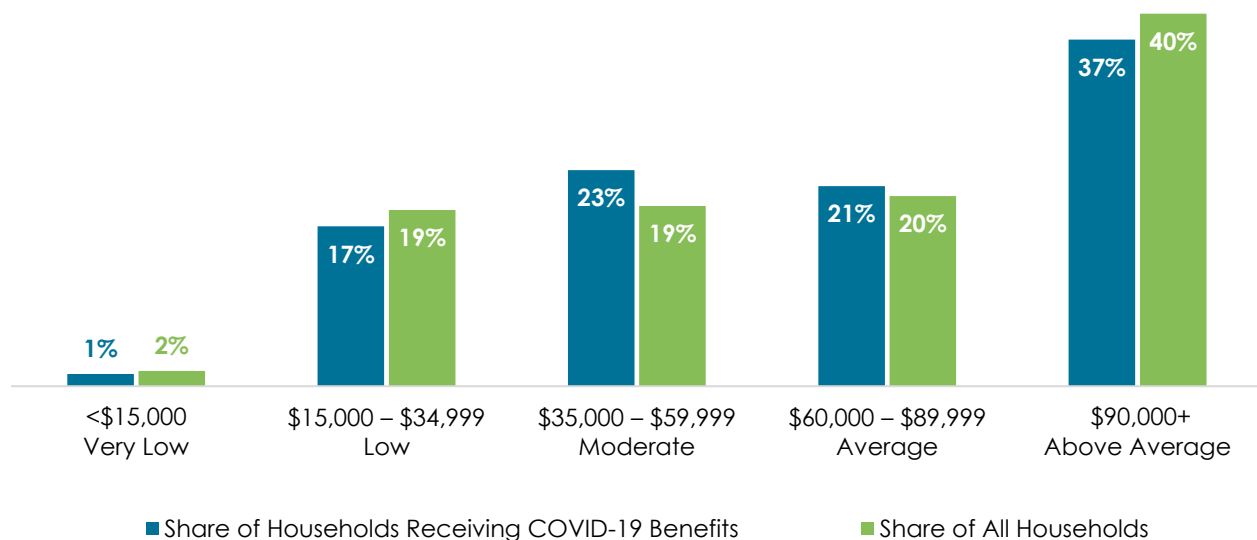
One of the main confounding factors for understanding the impact of COVID-19 income supports on household finances is the wide range of ways supports were transferred to households. New distinct programs were created, such as the Canada Emergency Response Benefit (CERB), which both provided the largest median amount ($9,500) and was provided to the largest share of households (35%). However, most households received

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6. Statistics Canada has communicated these income supports have affected income and housing statistics, but it is difficult to discern the exact impact due to factors related to the rapid roll out and many income supports being classified as taxable income or being to- ups to existing benefits and subsidies.

income supports through top-ups to existing subsidies, such as the Canada Child Benefit, disability benefits, GST credits, Old Age Security, and Guaranteed Income Supplement. The Province of British Columbia also had its own income support initiatives, which transferred funds to 65% of households in the Vernon Census Agglomeration.[7] Transfers from federal top-ups and provincial benefits were small in dollar value but were received by most households.

It would be helpful to understand the amount received by household of different incomes, however, this data is not publicly available at the municipal level. In considering the national data (see Figure 18, next page), the two lowest income deciles[8] ($27,300 or less after-tax income) received approximately four times the median amount received by the 8th, 9th, and 10th deciles (those earning more than $113,400 after tax). While this data is not specific to Vernon, a generally similar pattern may have occurred locally with uniform program eligibility.

_____

7. This data is unavailable at the Census subdivision (or municipal) level. Approximately 69% of households in the Vernon Census Agglomeration reside in the City of Vernon Census subdivision.
8. Deciles describe 10 even groupings of a population, with each group having 10% of households.

*Source: Statistics Canada, Table 11-10-0192-01; Statistics Canda, The contribution of pandemic relief
        benefits to the incomes of Canadians in 2020. August 2022.*

1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th
$2,480	$2,600	$1,090	$1,030	$1,090	$900	$640	$600	$600	$604
$12,100	$27,300	$38,400	$49,600	$62,200	$76,100	$92,300	$113,400	$144,300	$232,300
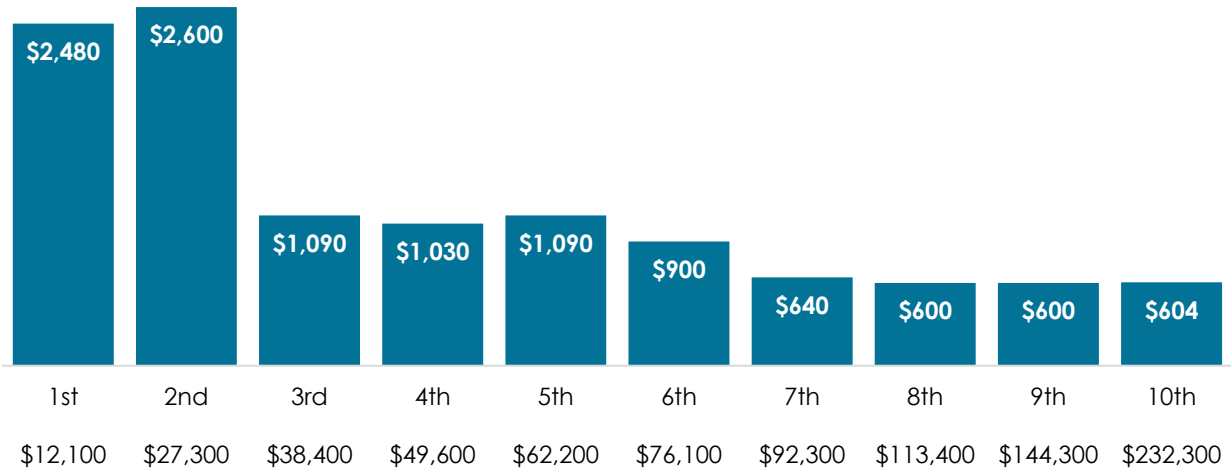
3.2. Housing Profile

THE HOUSING STOCK

Most of the City's housing stock (74%) was built before 2000, with almost half being more
than 40-years old. While this may not necessarily mean the current quality is poor, older
dwellings may not match the needs of current residents as well as in the past, while newer
homes may be designed to accommodate current needs or preferences. This may also be
the product of most affordable housing programs having been retired after the 1980s,
which was a key driver of multi-unit housing development in the 1960s and 1970s. Most
purpose-built rental housing (77%) was built before 1980 (see **Rental Housing** on page 29).

Figure 19: Housing Units by Year of Construction, (2021)

Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021

Pre-1960	1961-1980	1981-1990	1991-2000	2001-2010	2011-2021
12%	32%	12%	18%	13%	14%
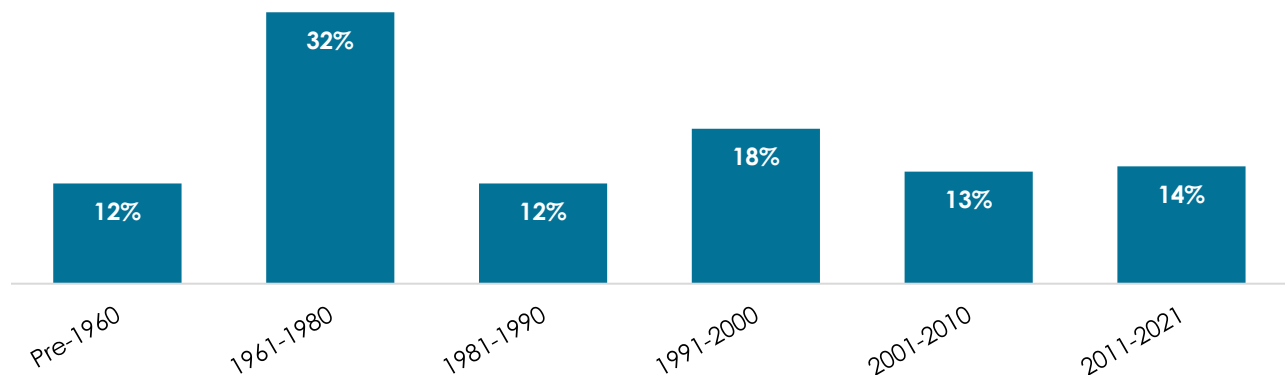
Almost half of new dwellings between 2016 and 2021 were 1-bedroom (40%) or studio (5%) units. These dwellings could meet the needs of one- or two-person households, depending on the household composition. Overall, two thirds of new dwellings have had 2-bedrooms or less, suggesting a high demand for smaller dwellings that can meet the needs of one- to three-person households. Over this time, 82% of net new households had one- or two-persons, suggesting a relatively good match between new dwellings and household size (recognizing households with sufficient income may desire an extra bedroom).

Figure 20: Change in Housing Units by Number of Bedrooms

Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021
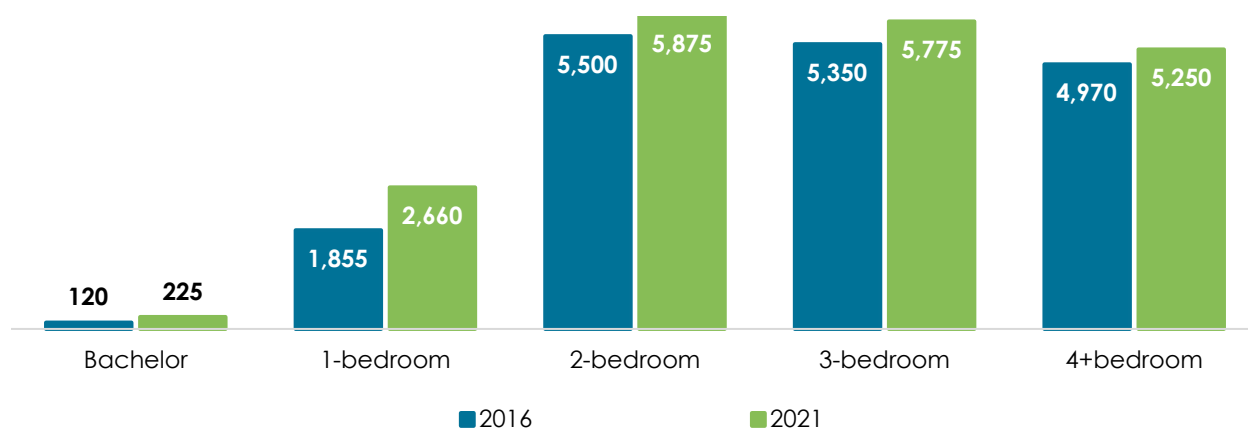
Between 2016 and 2021, the fastest growing housing type was apartments with less than five-storeys (+660 units) and single-detached homes (+595 units). The third most common housing type was row houses with 410 units (see Figure 19). Duplexes and detached houses with suites comprise most additional housing built since 2016 (135 and 140 units).

Figure 21: Change in Units by Dwelling Type, (2016-2021)

Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021
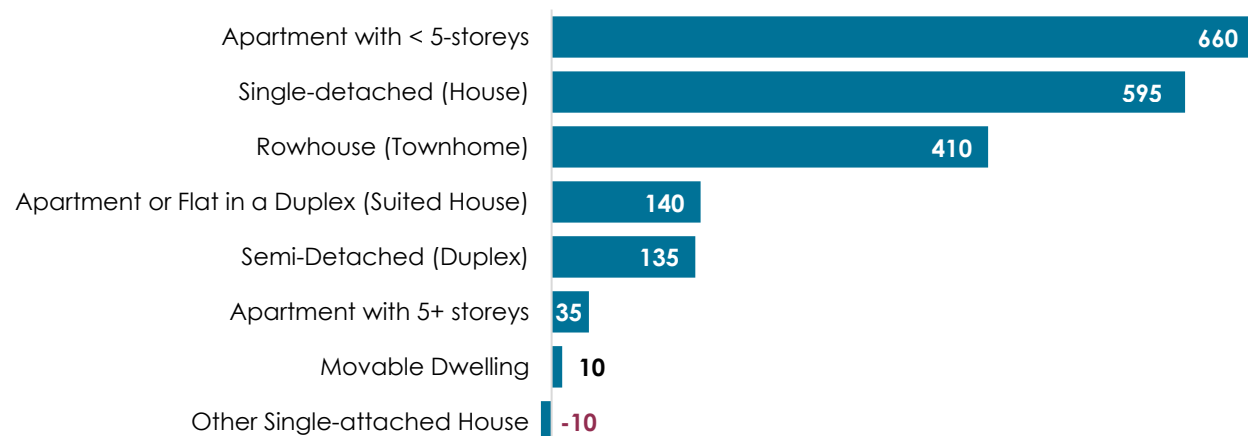
Housing Starts + Permits

When considering housing starts, there is a clear changing pattern since 2015, with more multi-unit housing, especially apartments, built than in previous years. Construction activity was increasing significantly year-over-year between 2014 and 2019, until the COVID-19 pandemic, which made construction more challenging. Housing starts are still relatively high, especially compared to 2009 through 2014, but activity has been more sporadic since 2020.

Over the past 20-years, approximately half of new dwelling starts have been single-detached houses (2,664). While there continues to be many houses built, with a relatively similar number annually since 2009, this housing form comprises an increasingly small share of all new housing starts, especially since 2018. There have been more townhomes[9] started in recent years, and especially since 2017. Over the last five years, 60% of housing starts have been apartments or townhomes (940 units), compared to 42% in the five years before (2014 to 2018; 557 units), and 23% from 2009 to 2013 (167 units).

Figure 22: Housing Starts by Dwelling Type, City of Vernon, 2004-2023
Source: CMHC. Starts and Completions Survey, 2004-2023
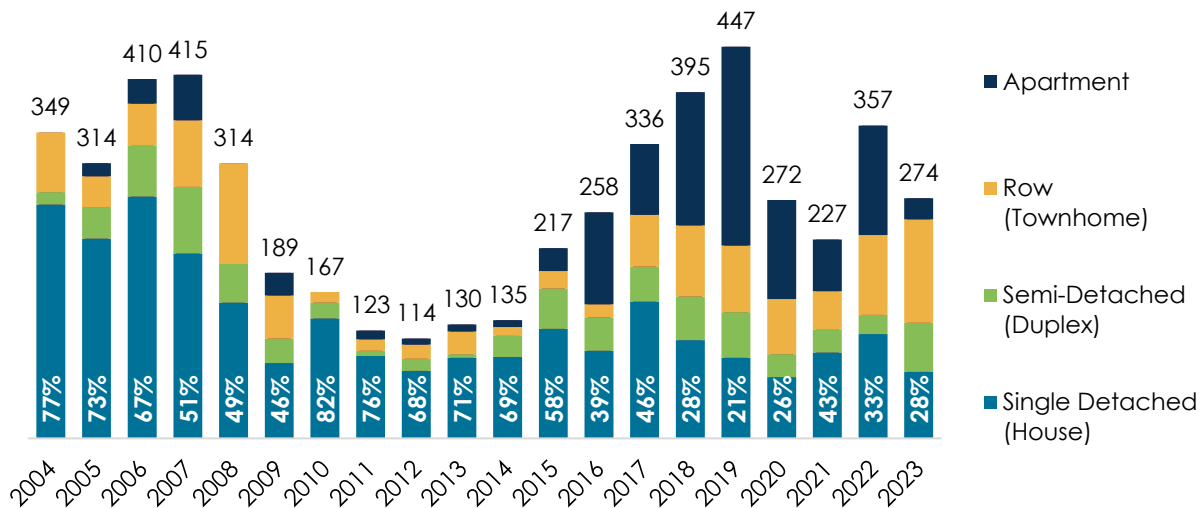
With increasing apartment construction, the city is also seeing more purpose-built rental housing added to the housing supply. The year with the most rental starts was 2019 (253). Since then, an average of 60 new rental units have been started each year. Since 2019, most units were condominiums (44%), a category which typically includes apartments and townhomes.

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9. CMHC classifies townhomes as "row" or rowhouses.

Figure 23: Housing Starts by Intended Market, City of Vernon, 2004-2023

Source: CMHC. Starts and Completions Survey, 2004-2023
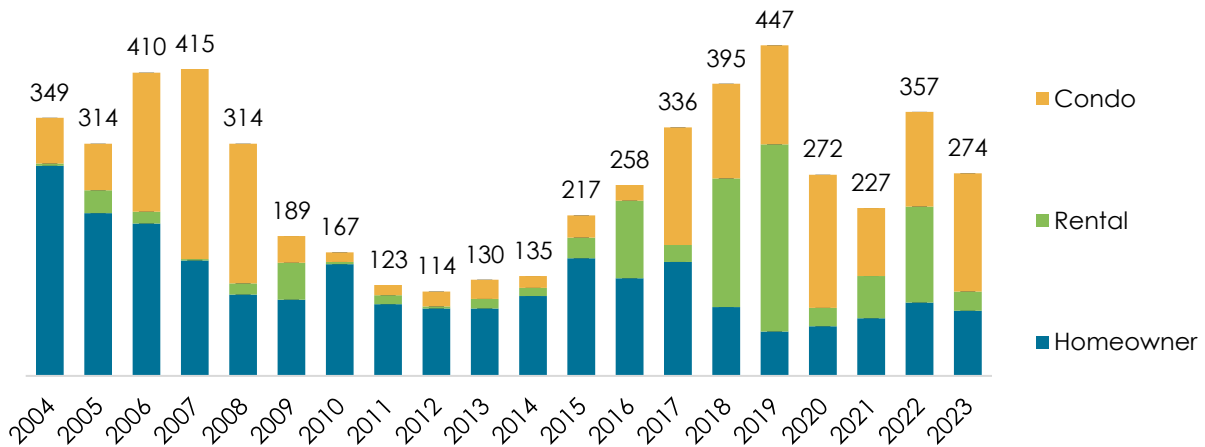
Since 2013, housing starts have generally lagged the number of building permits issued by the City of Vernon. In 2014, 2019, and 2022 housing starts and issued building permits were almost even, but most years there were fewer starts than permits issued; this could partially be due to timing – if a building permit was issued at the end of the year, the start may be registered in the following year. However, over 10-years, 502 permitted units were never started (14% of permitted units).

Figure 24: Building Permits Issued by the City of Vernon and Housing Starts (CMHC), 2013-2023, City of Vernon

Source: CMHC, Starts and Completions Survey; City of Vernon, Building Permit Data
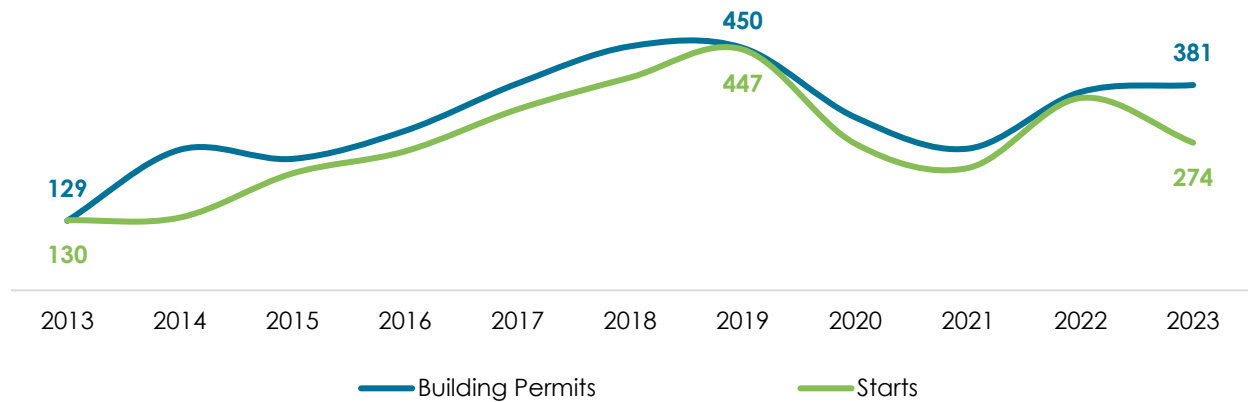
The impact of the initial COVID-19 restrictions may explain the decoupling of permits and starts between 2019 and 2021, before they came together again in 2022 as construction activity increased again. The much larger divergence seen in 2023 may be the result of interest rate and construction cost increases affecting the ability of projects to break ground. Proposed projects may need to adjust the product type, tenure or design to adapt

to changing conditions, such as first-time buyers being more challenged to qualify for mortgages in the current interest rate context necessitating a shift to more rental construction.

RENTAL HOUSING

Looking back to 1990, market rental housing in Vernon has gone through two periods where (inflation-adjusted) rents were relatively flat year-over-year (1994-2003, and 2009-2014). These periods coincide with >2% vacancy rates, often significantly higher. Rents typically increase when vacancy rates are below 2%, while lower vacancy will increase the pace. This pattern can be seen in Figure 25, where green shading indicates years where vacancy rates were at least 2% and rents did not increase, and sometimes decreased.

> **VACANCY RATES**
>
> ~3% vacancy rate is needed to allow existing households to move between dwellings and circulate within the housing system; lower vacancy rates suggest high competition and lead to rent increases.

During the other periods, rents increased rapidly as soon as vacancy rates came near or below 2%. Between 2003 and 2009, rents increased 21% more than inflation from $778 to $941 (annually increasing 1.5% faster than inflation). Rents reduced slightly by 2014, before increasing at the fastest pace seen in the available data (30% over nine years, or 2.9% faster than inflation annually; this represents a 72% increase between 2014 and 2023 without adjusting for inflation). Vacancy rates have been near or below 2% for ten years and rents have continued to rapidly increase in response.

Figure 25: Historical Vacancy Rate and Median Rent (Inflation Adjusted - 2023 $), 1990-2023
Source: CMHC Market Rental Survey, City of Vernon, 1990-2023; Statistics Canada. 18-10-0005-01, 2024
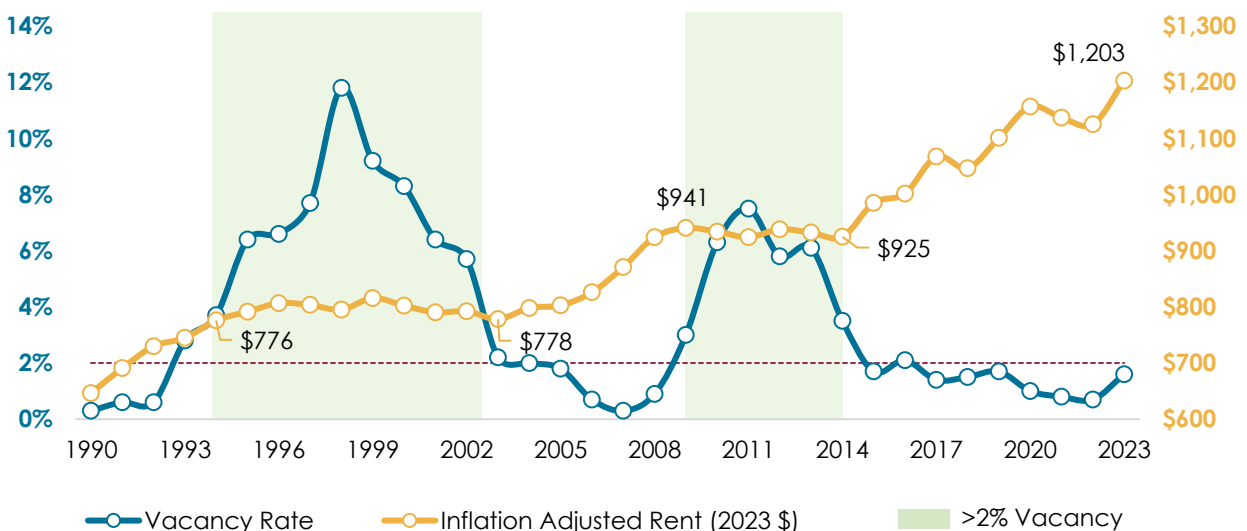
Based on the historical trend, it is clear additional rental supply to bring vacancy rates above 2% is an important objective to reduce the pace of rent increases. Rents tend to be very responsive to vacancy rates at or below 2%, with rapid increases seen immediately. Alternatively, rents are often described as 'sticky' when vacancy is higher – landlords typically want to maintain established rent levels and are much more hesitant to decrease them. This highlights the importance of maintaining a healthy vacancy rate so this hard to reverse escalation does not occur.

Most purpose-built rental stock in Vernon was constructed before 1979 (77%), with over half built between 1960 and 1979 (58%); this means over three quarters of the rental supply is at least 40-years old. This is typical of many communities, as rental and social housing funding programs from higher levels of government were largely eliminated through the 1980s and 1990s.

Figure 26: Purpose-Built Rental by Year of Construction, City of Vernon

Source: CMHC Market Rental Survey, City of Vernon, 1990-2023
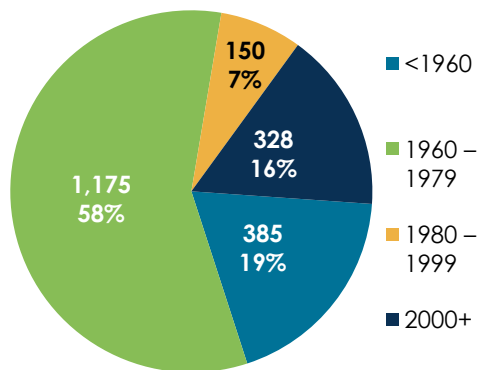
Figure 27: Purpose-Built Rental Units by Bedroom Count, 1990-2023, City of Vernon

Source: CMHC Market Rental Survey, City of Vernon, 1990-2023
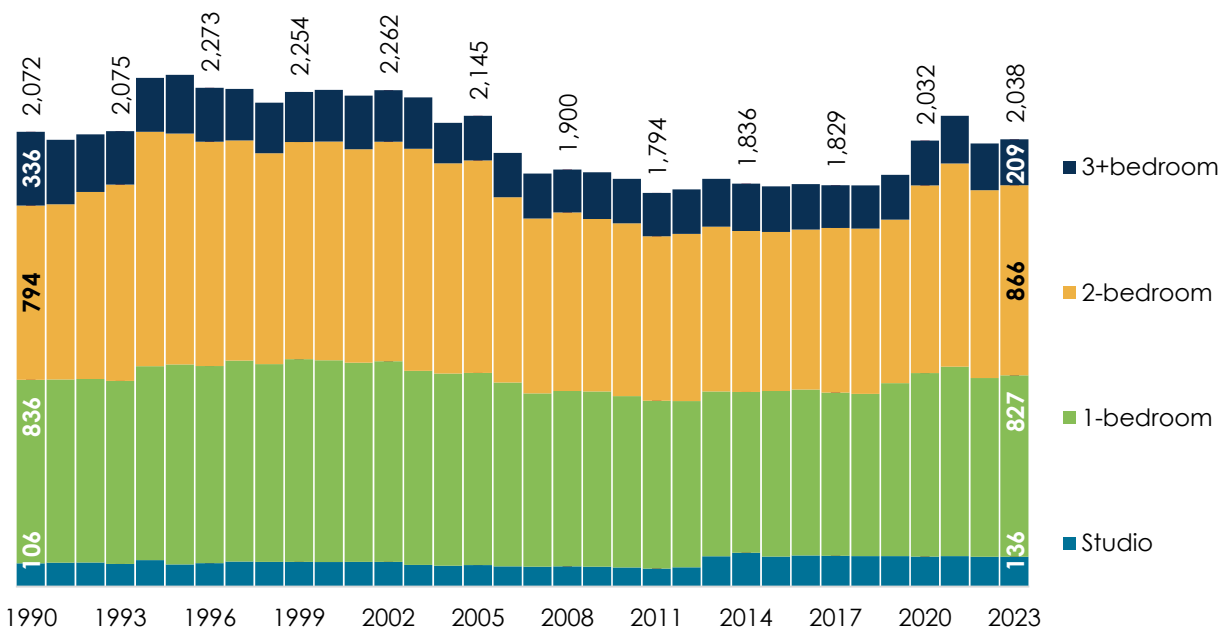
Figure 27, there was also a reduction of the total rental supply since in the last 20 years. While new construction has added more rental housing since 2019, there are fewer units today (2,038) than in 2003 (2,229). The loss of rental units could be due to redevelopment, housing reaching the end of its life, or through conversion to strata condominiums. There are more studio and 2-bedroom units in 2023 than in 1990, while there are 38% fewer 3-bedroom units (from 336 to 209) during the same period.

Secondary Market Rental

The statistics in the previous section only include **purpose-built rental units** (PBR), in buildings with at least three rental units, and on the market for at least three months. These homes are built specifically to be rented and usually in the form of apartment buildings or townhomes. Canada Mortgage and Housing Corporation collects annual statistics on PBRs.

However, many renter households live in secondary market rental housing. **Secondary rental housing** is usually a dwelling a single household could purchase, but rather than residing in it as their primary residence as owner-occupiers, the owner rents the unit to

> **SECURITY OF TENURE**
>
> A primary advantage of **purpose-built rental** units is they are built specifically to be rented. The ownership structure usually means an individual household could not buy a purpose-built rental unit and evict the tenant.
>
> With **secondary rental**, units were constructed to be lived-in by owner-occupiers, meaning there are some additional ways tenants can be evicted without cause, such as the owner or their family member moving into the unit.

others. Secondary rental can help fill the gap in the primary PBR supply and can also offer different forms of housing (for example, detached houses are unavailable as PBR).

Secondary suites are also a form of secondary rental, where an owner may live in part of the structure and/or rent two units within a house to different households. Suites in houses are typically the housing type most likely to be left empty, and **in Vernon 11% of dwellings in homes with suites were unoccupied in 2016**[10]. Some homeowners may purchase houses with suites without the intention of renting the second unit and absorb it back into the main house instead.

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10. This data is not currently publicly available from the 2021 Census for Vernon.

Secondary suites are often a less secure form of housing because owners have more mechanisms available to evict a tenant. Secondary rental providers may also be less familiar with tenancy regulations, requiring tenants to file Residential Tenancy Branch disputes to correct breaches of tenant protections. While the Province has increased enforcement and eviction protection for renters, it can be a stressful and uncertain process for tenants to navigate.

Secondary rental is often more expensive as homes constructed for the ownership market tend to be bigger, have a higher level of amenity, and consumer mortgage rates may be higher than for PBR developers, requiring a higher rent to cover operating costs. Nonetheless, some households may seek a higher level of amenity, have no difficulty affording the costs, and benefit from the greater diversity of options.

> ### SHORT-TERM RENTAL
>
> Short-term rental (STR) housing, such as AirBNB, has received increasing scrutiny for its role in reducing the available housing supply for residents, thereby driving up both rents (by diverting homes away from the rental market) and purchase prices (because buyers can accept a higher price with the expectation of higher revenue).
>
> However, the provincial government has recently implemented regulations to limit STR in an effort to shift the units to the secondary rental market, and limit potential purchasers from overpaying with the expectation of high revenues being generated through their residential properties.
>
> STRs are still permitted in principal residences while owners are away, or in secondary suites within an owner's principal residence.

The secondary rental supply is very fluid, and a unit may shift back to ownership due to a sale or the owner deciding to move-in. In recent years, many dwellings that could be rented on the secondary market have been diverted to short-term rental, such as AirBNB, which ultimately reduces the overall rental vacancy rate and results in increasing rents.

In Vernon, there were 1,860 new renter households between 2006 and 2021, however, the purpose-built rental supply only increased by 169 dwellings, meaning 91% of new renter households since 2006 have been housed in secondary rental housing, potentially indicating an undersupply in the purpose-built rental market.

Figure 28 estimates the share of new renter households accommodated in primary and secondary rental for 2006-2011, 2011-2016, and 2016-2021.

Source: CMHC Market Rental Survey, City of Vernon, 1990-2023
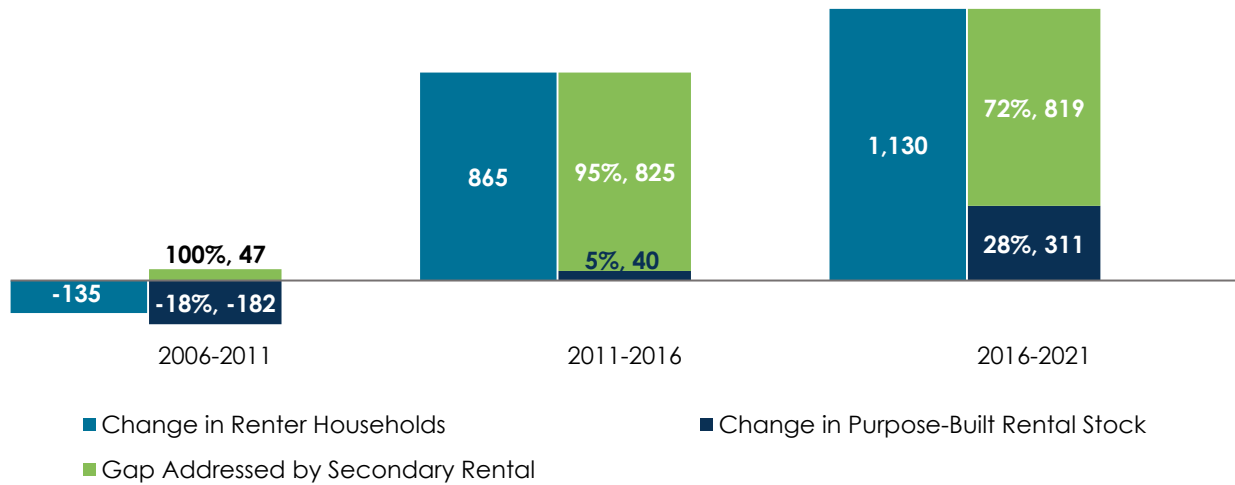
In 2021, approximately 28% of renter households lived in a detached house or a suite in a house, while 25% lived in units with 3+ bedrooms compared to 10% of the purpose-built rental stock having three or more bedrooms. **There is likely both an overall undersupply and a mismatch between the purpose-built rental stock and type or size of dwellings renters may require to meet their needs.**

While secondary rental may meet the needs of some households, the reliance on this option could be a driver of increasing rents. It will be important to **monitor purpose-built rental vacancy rates and rents over the next few years** as additional secondary rental is potentially shifted from the short-term vacation rental market to long-term rental.

OWNERSHIP HOUSING

Figure 29 illustrates the ten-year trend of median sales prices for houses, townhomes, and condominiums. The median sales price represents the midpoint, indicating half of the sales were below this price and half were above it.

Purchase prices have been on an upward trajectory for all housing types since 2014. Although, median prices for condominiums were relatively flat between 2014 and 2018, they have tracked more closely with house and townhome prices since. Townhomes have seen the largest overall increase since 2014 (114%), with accelerating price increases in the last two years, while detached homes have reduced in price slightly since 2022; this may be due to increasing competition for the lower cost townhomes, as higher interest rates and purchase prices have priced-out potential buyers of detached houses. The shifting demand could result in lower prices for detached homes, while driving prices up for townhomes.

Alternatively, there has been more townhome construction since 2017 and with newer homes generally having higher prices, this could pull the overall sales statistics upwards.

Figure 29: Annual Median Sales Prices by Housing Type, 2014-2024,[11] City of Vernon
Source: MLS Sales Data, 2014-2019, City of Vernon
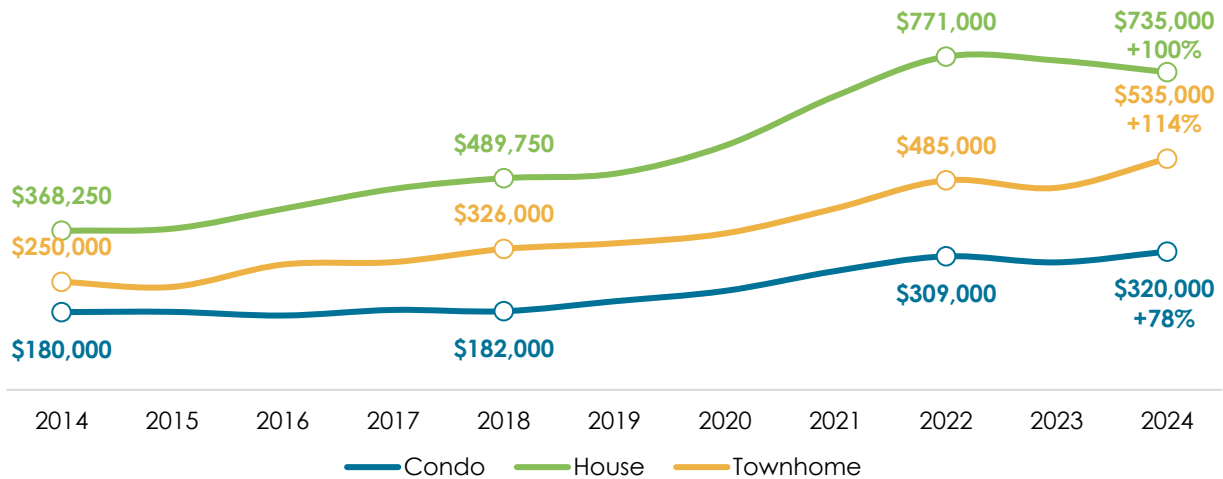
Figure 30 splits the sales of all houses, condominiums, and townhomes between January 2023 and April 2024 into four even groupings, with the median sales price by housing type. Half of sales were for $613,000 or less, while a quarter were for $432,000 or less. Most sales (677; 61%) were detached houses, a quarter were townhomes (279; 25%), and the remaining 15% were condominiums (163 sales).

Figure 30: Apartment, Townhouse, and Detached House Sales by Sales Price Quartile, January 2023 - April 2024, City of Vernon
Source: MLS Sales Data, City of Vernon, 2023-2024

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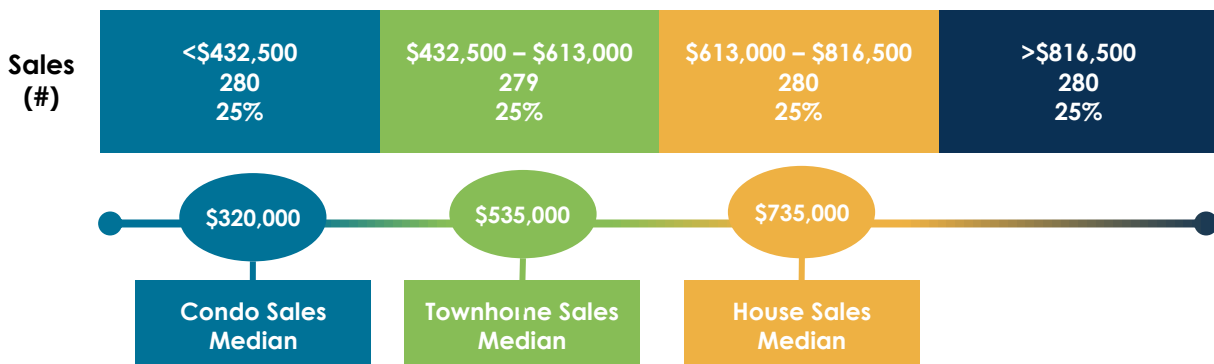
11. 2024 sales data is current through April 2024.

EMERGENCY AND NON-MARKET HOUSING

BC Housing maintains a registry of individuals and households seeking supportive or non-market housing. As seen in Figure 31, there has been a consistent growing unmet demand for non-market housing options over the past five years. Seniors have remained the largest overall subcategory, more than doubling from 91 to 186 between 2019 and 2024 (105%). The need for people with disabilities and families has also been rapidly growing (by +115% and +410%), although the numbers are lower overall than for seniors, the need for these groups has been increasing at a faster rate.

Figure 31: BC Housing Registry Applicants, 2019-2024, City of Vernon

Source: BC Housing, Housing Registry Statistics, City of Vernon, 2019-2024
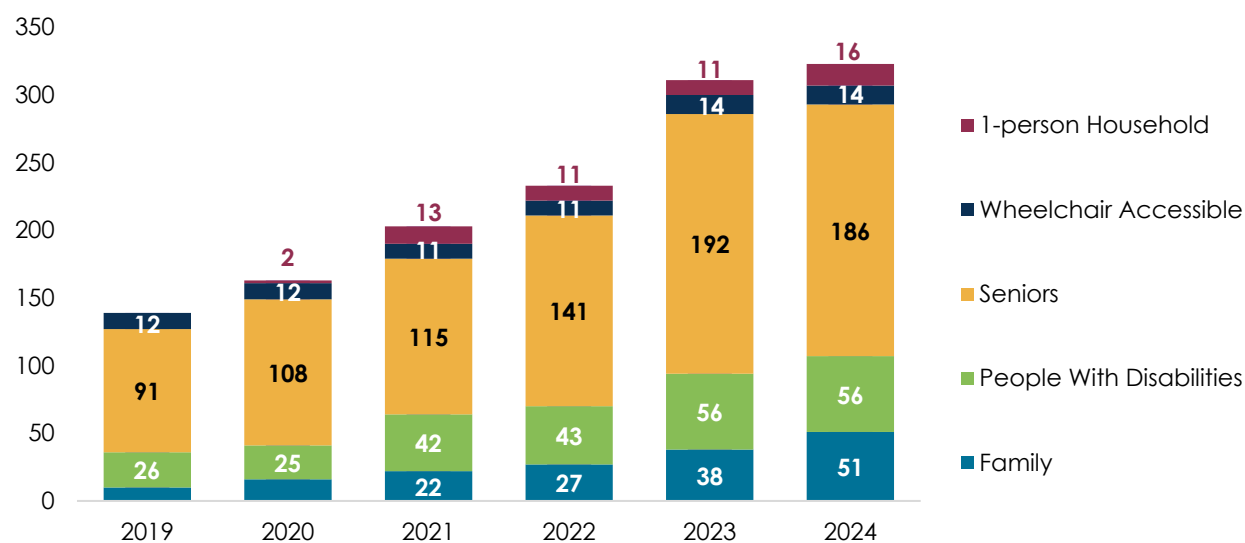
BC Housing also maintains statistics on non-market and supportive housing units with an active operating agreement. There may be other non-market housing in the community funded through federal programs, donations, and fundraising, or with expired BC Housing operating agreements.

As seen in Figure 32, there has been growth of all non-market housing categories tracked by BC Housing despite the increasing need tracked in the housing registry. Of the 307 additional units between 2019 and 2024, 128-units were family non-market housing, 49-units were for independent seniors, and 77-units were transitional units for people experiencing homelessness. There were also 40 more shelter spaces for people experiencing homelessness, and 13 new supportive housing spaces.[12]

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12. The supportive housing category in Figure 32 includes special needs housing, supportive seniors housing, and housing for women and children fleeing violence.

Source: BC Housing, March 2024 Unit Count, City of Vernon, 2019-2024
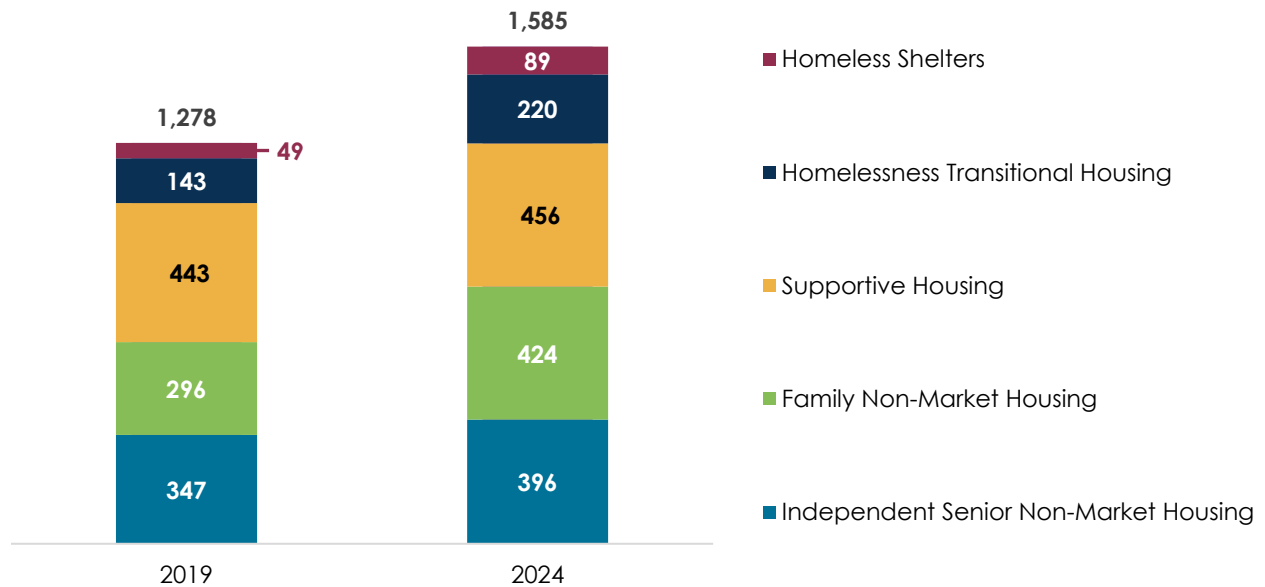
ESTIMATING HOMELESSNESS

Point-In-Time (PiT) counts to assess homelessness in Vernon were completed by Homelessness Services Association of BC (HSABC) in 2021 and 2023. Overall, the 2023 count captured 37 more people than in 2021, most of whom were unsheltered at the time of the count (75%, or 28). There were also nine more individuals experiencing homelessness who were sheltered in 2023 than in 2021. Considering the age of those counted, 30 more people between the age of 25 and 54 and five more seniors (55+) were unsheltered in 2023.[13] Most people unsheltered were 25 to 54 years old (83%).

People experiencing homelessness are classified as sheltered if they stayed overnight in a shelter, hospital, jail, or detox centre with no fixed address on the night of the PiT count.

13. Note: the total number of unsheltered people by age in Figure 34 varies slightly from the total in Figure 33 due to different response rates for each PiT count question. In 2023, 49% of respondents provided their age. Demographic information or other details were only collected in 2021 and 2023, while counts of sheltered and unsheltered people experiencing homelessness were conducted in previous years. The counting methodologies may vary before and after 2021.

*Source: Social Planning Council. Our Homeless
Count: Survey Results for Vernon BC –
October 2019; HSABC. Vernon 2021/2023
Point-In-Time Count.*
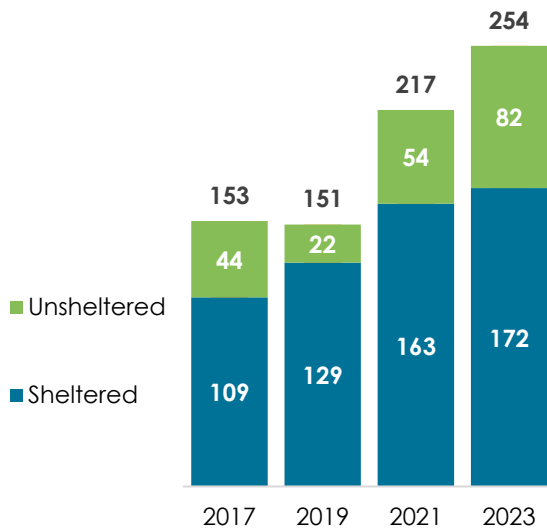
Figure 34: Unsheltered Individuals
Experiencing Homelessness in
Vernon by Age, 2021 & 2023
Point-In-Time Counts

*Source: HSABC. Vernon 2021/2023 Point-In-
Time Count.*
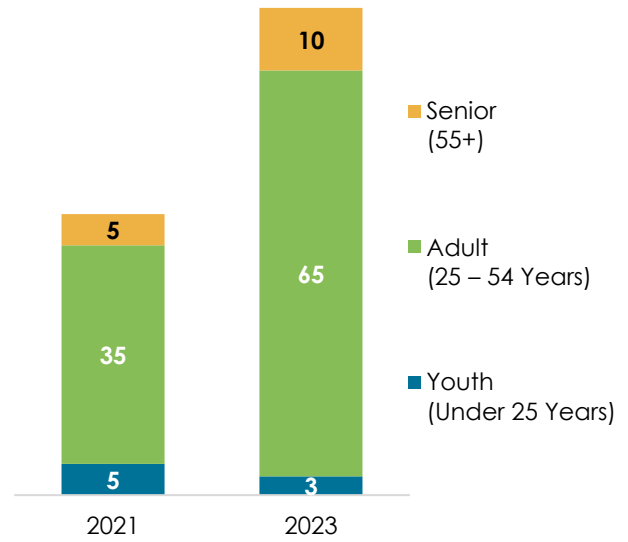
In comparing the age of PiT count respondents in 2021 and 2023, there is a notable increase in those aged 45 – 54 (+123%) and 55 – 64 (+188%). The number of people under 25 decreased by approximately half, while there was a small increase in those aged 25 to 44; meaning the share of people experiencing homelessness, found through the PiT count, older than 45-years increased from 26% in 2021 to 44% in 2023. It is possible a larger number of older residents are experiencing homelessness for the first time.

Figure 35: Individuals Experiencing Homelessness in Vernon by Age, 2021 & 2023
Source: HSABC. Vernon 2021/2023 Point-In-Time Count.
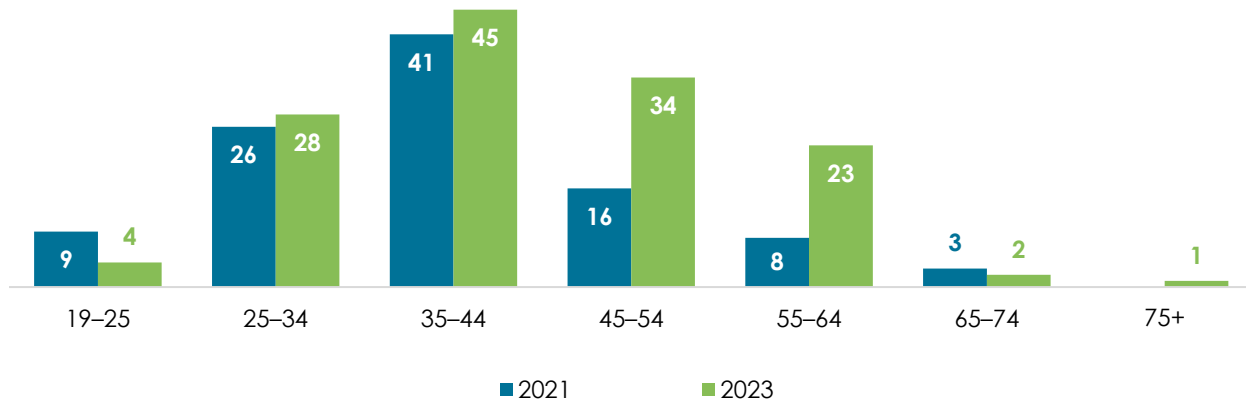
Figure 36: Length of Current Homelessness, 2021 & 2023

Source: HSABC. Vernon 2021/2023 Point-In-Time Count.

Legend:
- 1 Year+
- 6 Months – 1 Year
- <6 Months

2021 bar (total 92): 1 Year+ 58 63%; 6 Months – 1 Year 11 12%; <6 Months 23 25%

2023 bar (total 132): 1 Year+ 105 80%; 6 Months – 1 Year 15 11%; <6 Months 12 9%
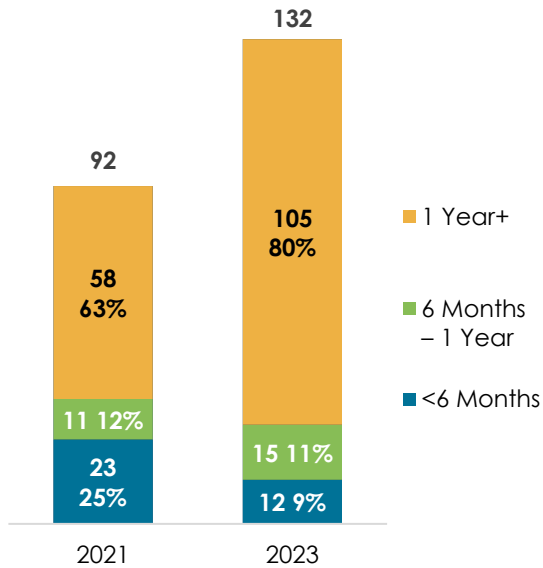
The share of people counted who were homeless for a year or more has increased from 63% to 80%, while the number nearly doubled from 58 to 105, suggesting a larger number of individuals may be struggling to resolve their housing challenges. However, the number of people who have experienced homelessness for six-months or less has decreased by approximately half (from 23 to 12), with only a few more people between six-months and one-year (from 11 to 15). There were more people who had been without a home for over one year in 2023 (132), than the entire count in 2021 (92).

The new HNR Method to estimating housing need required by the province includes a regional estimate of homelessness, with an approach to distributing the need to the local communities. The provincial homelessness estimate is based on direct counts of people on social assistance with no fixed address. **For Vernon, it is estimated 332 people were experiencing homelessness** (in 2021); it should be noted this number is higher than the 2021 PiT count.

PiT counts are helpful to measure trends over time, and the 2021 and 2023 counts collected valuable demographic information allowing for a better understanding of who is experiencing homelessness, what their key challenges are, and how long they have been without a home.

However, **PiT counts inevitably do not capture all people experiencing homelessness, as it relies on physically making contact with all individuals on a single day. Similarly, the provincial numbers will not account for anyone without a home who is not on social assistance. This means both are likely an undercount.**

> **It could be assumed at least the number of people counted by the PiT count, or identified through social assistance data, are experiencing homelessness; whichever is higher is likely the minimum need.**

3.3. Core Housing Need

While the number of Vernon households experiencing core housing need[14] was relatively flat between 2006 and 2016, there was a significant decrease in the 2021 Census. This trend was experienced in many communities and the reduction may be more related to the coincidental overlapping impacts of COVID-19 income supports and brief reductions in rental costs in 2020 than due to a true reduction in housing stress or challenges.

When examining the affordability standard, this trend is not seen. There was a similar number of both owner and renter households that could not afford their housing before (2016) and after (2021) the pandemic. In 2016, almost all households in core housing need did not meet the affordability standard (96%), suggesting the reduction in core housing need may be a statistical anomaly given the number of households in unaffordable housing has not decreased. In 2021, 38% of renters and 14% of owners could not afford their housing.

Figure 37: Households in Core Housing Need, 2006-2021
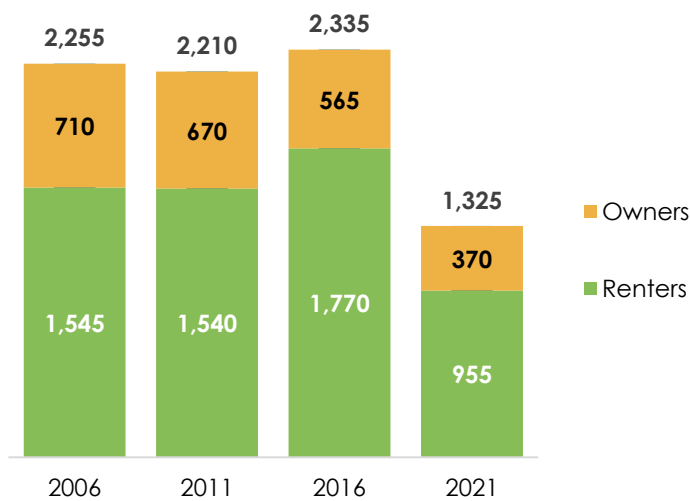
Figure 38: Households in Unaffordable Housing, 2006-2021
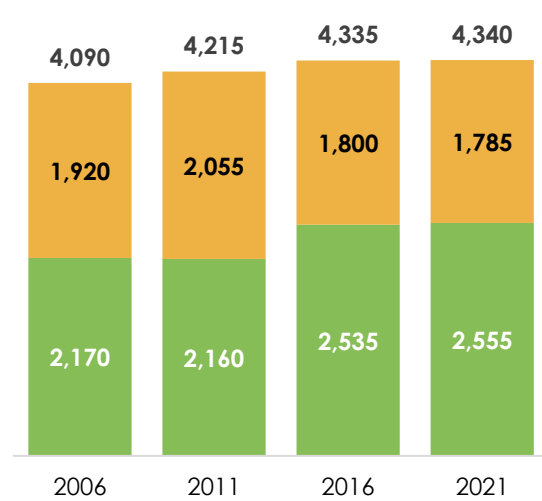
Source: StatCan. BC HNR Custom Census Report. Census of Population 2006, 2011, 2016 and 2021

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14. The core housing need concept combines three housing standards into a single indicator of housing need:
- Affordability: households can afford their housing when they spend no more than 30% of before-tax income on housing;
- Suitability: housing is suitable when there are enough bedrooms for their family type and size; and
- Adequacy: housing is adequate when it does not require any major repairs.

A household is in core housing need when it does not meet any one standard and could not resolve its unmet need by moving into another dwelling in the community without spending more than 30% of its before tax income.

4. Estimating Current + Future Housing Need[15]

LEGISLATIVELY REQUIRED HNR METHOD RESULTS

The legislatively required 5- and 20-year estimates for City of Vernon are for 3,312 and 11,484 additional units respectively (see Table 4 for breakdowns by component). Table 4 includes a supplemental **10-year estimate for 5,933 units.**[16]

The methodology includes six components[17], each with a prescribed calculation method. It should be noted the five-year result is not simply one quarter of the 20-year result.

Table 4: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, City of Vernon

Component	Detail	5-year	10-Year	20-Year
A	Extreme Core Housing Need	258.0	515.9	1,031.8
B	Persons Experiencing Homelessness	166.2	249.3	332.4
C	Suppressed Household Formation	231.3	462.5	925.1
D	Anticipated Household Growth	2,310.2	4,012.9	7,811.1
E	Rental Vacancy Rate Adjustment	38.4	76.9	153.8
F	Demand Factor	307.5	615.0	1,230.1
	Total	**3,312**	**5,933**	**11,484**

For Vernon, the biggest driver of the difference over time is from BC Statistics' projection slowly shifting from higher growth rate in the first five-years (2.3% annual growth) to a lower growth rate by 2026 and through 2041 (1.6%). Similarly, with the urgency in addressing the needs of people experiencing homelessness (Component B), the HNRM intends for half of this need to be addressed in five years, while the 10-year number represents 75% of the 20-year need for persons experiencing homelessness.

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15. See the HNR Method Technical Memorandum for the full unit need and demand analysis, assumptions applied, and further discussion.
16. The HNR Method only requires 5- and 20-year breakdowns of the calculations, however, most new housing units realized over the next five years will be from underway projects, and it may be challenging for local governments to meaningfully shape outcomes on this timescale. The 20-year timeframe has the opposite challenge with the timeline being so long, the context will likely change. Ten years is a middle point where the need estimated today may still be relatively accurate, with the ability for local governments to implement policy with the capacity to impact development outcomes. The 10-year calculation follows the same logic and approach as described for 5- and 20-years in the HNR guidelines, however, this is not an officially mandated methodology and some discretion around how to distribute the different components over time was required.
17. Refer to the Ministry of Housing's 'Guidelines for Housing Needs Reports – HNR Method Technical Guidance' for detail on the specific components, what they represent, and why they were included.

Given most development seen over the next five years will be projects already underway, **it is unlikely the short-term estimate is achievable in most municipalities, unless enough units are already under construction** (noting the 5-year estimate is two-years away in 2026, with the 5-year timeframes linked to the Census). However, **as local policies and plans are amended to accommodate other legislative changes to support additional housing development and diversity, it may become more realistic to achieve these 5-year estimates over time; these changes establish a new framework for land use and housing regulation, and it may take time to be fully operational and keep pace with estimated need.**

HNR METHOD RESULTS – ESTIMATED HOUSING DEMAND BY TYPE

While it is valuable to understand an estimate of total housing need or demand over the next 5-, 10- and 20-years, there is a wide diversity of housing needs and all types of housing may not effectively or affordably address the needs of all households. The 5- and 10-year HNR Method results have been assigned to four housing categories based on each component and assessing local incomes and housing costs:[18]

- **Market rental** is rental housing with rents set by the market, and in this context could include both primary, purpose-built rental, and secondary rental. Based on analysis of local market rents and incomes, renter households that can spend between $1,500 and $3,125 per month are allocated to this category.

- **Non-market rental** is purpose-built subsidized rental housing with a range of below-market rents. Based on analysis of market rents and current non-market funding programs, it is assumed renter households that can spend between $500 and $1,500 per month are allocated to this category.

- **Deep subsidy and supportive rental** represent two conceptual categories, including dwellings with very low rents for those on social assistance, and supportive housing for people experiencing homelessness or those requiring on-going supports with their housing. It is assumed renter households that can spend no more than $500 per month or those experiencing homelessness, are allocated to this category.

- **Ownership** describes housing owned and occupied by individual households; the ownership category in this methodology represents owner-occupiers only. Based on an affordability analysis of local ownership housing, it is assumed 9% of new renters, or those

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[18] See the HNR Method Technical Memorandum (**Appendix C**) for further explanation of how each HNR Method component is assigned to the four housing types.

earning over $118,000 annually could potentially purchase[19] and half of all projected household growth is assigned to ownership based on recent and historical trends.

Table 5 provides the resulting distribution of the four housing categories for 5- and 10-years.

Table 5: Estimated Housing Demand by 5-Year and 10-Year HNR Method Allocation

TIMEFRAME		MARKET RENTAL	NON-MARKET RENTAL	DEEP SUBSIDY + SUPPORTIVE RENTAL	OWNERSHIP	TOTAL
5-Years	#	674	822	373	1,442	3,312
	%	20%	25%	11%	44%	100%
10-Years	#	1,249	1,490	638	2,556	5,933
	%	21%	25%	11%	43%	100%

UNIT ESTIMATES BY SIZE AND INCOME

Income Group Concept

To better understand future housing need within these housing type and tenure categories, households are distributed into a set of income groups. Table 6 describes five income groups based on a percentage of the local median household income associated with different income types or sources.[20] Table 7 provides the outcomes of this distribution based on the 2021 median household income in Vernon ($73,500), with the income and affordable housing cost range[21] for households in each income group.

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19. Based on the minimum income required to qualify for the median priced townhouse ($480,000, January 2023 – April 2024) with a 20% downpayment ($96,000) at 4.64% for 25-years with a gross debt service ratio of 32% and $550 of relevant housing costs per month for qualification at the stress test rate at 4.64%+2%. The median sales price has been applied, as this is the middle point where half of sales were at a lower cost, and it is less impacted by outliers than the average.
20. University of British Columbia's Housing Research Collaborative received funding through Canada Mortgage and Housing Corporation Housing's Supply Challenge to develop standardized, replicable, and equity-focused Housing Assessment Resource Tools (HART) to support better housing supply decision-making. The Housing Assessment Tool introduced an income group concept based on area median household income, allowing for the distribution of future demand (population projections) and unmet need (core housing need) into income groups. The key innovation of this work is the custom dataset allowing for crosstabulation of census data by these five income groups. A revised version of this dataset has been applied for this analysis. The income type or source categories were defined by the HRC.
21. Housing is typically considered affordable when is costs no more than 30% of a household's before-tax income.

Table 6: Income Groups by Income Type, Percent of Area Median Income, and National Average Distribution (%)

Income Group	Income Type or Source	Percent of Median Household Income
Very Low	Social Assistance	< 20%
Low	Minimum Wage Worker	20% – 49%
Moderate	Entry-Level Professional Job	50% – 79%
Average	Middle Class	80% – 120%
Above Average	High-Income	> 120%

Most households (60%) fall into the Above Average (40%) and Average (20%) income groups – these households are the least challenged to meet their housing needs and could likely afford market rental housing or purchase a home depending on their circumstances. Moderate-income households may be challenged to afford housing that meets their needs, especially if they had to move unexpectedly. The Very Low- and Low-income groups are likely challenged to find homes they can afford and may need a non-market or social housing option depending on their household's needs.

Table 7: Income Range, Monthly Affordable Housing Cost, and Number of Households by Income Group, City of Vernon

Income Group	Income Range	Maximum Monthly Housing Cost	Number of Households	Share of Households
Very Low	< $15,000	< $376	330	2%
Low	$15,000 – $34,999	$376 – $875	3,725	19%
Moderate	$35,000 – $59,999	$876 – $1,500	3,805	19%
Average	$60,000 – $89,999	$1,501 – $2,250	4,015	20%
Above Average	$90,000+	> $2,250	7,865	40%

Components D and F (Anticipate Household Growth and Demand Buffer) of the HNRM represent a broad spectrum of households. In considering the types of households currently in Vernon, they can be projected forward by the income group to estimate the future share of all households, renters, and owners by income. Based on an assessment of recent trends, **it is assumed half of new households represented by these two concepts will be renters over the next ten years (2021 to 2031)**. By projecting a higher share of renter households, it shifts

the overall income distribution downwards, with 5% fewer households in the Above Average group than if the 2021 tenure distribution was maintained. [22]

10-YEAR ALLOCATION OF PROJECTED GROWTH + DEMAND BUFFER

Table 8 provides the distribution of **all households** by income group and household size applied to Components D and F to estimate the distribution of future households.

Table 8: Estimated 10-Year Future Demand by Income Group and Household Size, All Households, City of Vernon[23]

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
HOUSEHOLD INCOME	< $15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	78	812	444	251	117	**1,702**	37%
2-person	11	149	402	462	676	**1,700**	37%
3-person	0	33	80	129	324	**566**	12%
4+person	0	4	28	121	507	**660**	14%
TOTAL	89	998	954	963	1,624	**4,628**	100%
%	2%	22%	21%	21%	35%	100%	

---

22. Between 2011 and 2021, approximately 60% of new households were renters; taking a longer view, 45% of new households since 2006 were renters. If the trend is carried forward to 2031, approximately 50% of new households can be expected to rent, meaning by 2031, approximately 37% of all households would rent compared to 34% in 2021.
23. Future demand as presented includes Components D and F of the HNRM.

Table 9 provides the distribution of **owner households** by income group and household size applied to Components D and F.

Table 9: Estimated 10-Year Future Demand by Income Group and Household Size, Owner Households, City of Vernon

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
HOUSEHOLD INCOME	< $15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	19	238	169	121	70	**617**	26%
2-person	4	55	189	245	518	**1,011**	44%
3-person	0	4	16	51	225	**296**	13%
4+person	0	4	4	36	346	**390**	17%
TOTAL	23	301	378	453	1,159	2,314	100%
%	1%	13%	16%	20%	50%	100%	

Table 10 provides the distribution of **renter households** by income group and household size applied to Components D and F.

Table 10: Estimated 10-Year Future Demand by Income Group and Household Size, Renter Households, City of Vernon

INCOME GROUP	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE		
HOUSEHOLD INCOME	< $15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	59	574	275	130	47	**1,085**	47%
2-person	7	94	213	217	158	**689**	29%
3-person	0	29	64	78	99	**270**	12%
4+person	0	0	24	85	161	**270**	12%
TOTAL	66	697	576	510	465	2,314	**100%**
%	3%	30%	25%	22%	20%	100%	

For renters, there is a clear and direct relationship between household income and the housing cost they can afford. However, many owners can purchase despite incomes being too low to qualify for a mortgage at first glance. Many owners have existing equity in their homes to leverage, assistance from family, or inheritances to support larger downpayments to access ownership. As a result, **there may be new owner households in the bottom four income groups able to purchase despite their lower incomes.**

As seen in Figure 39, there is a clear difference in the income group distribution of renter and owner households. There is a larger share of owners in the Above Average-income group (50%) than renters in the Average and Above Average groups combined (42%).

Figure 39: Projected 2031 Income Group Distribution of New Households by Tenure, City of Vernon
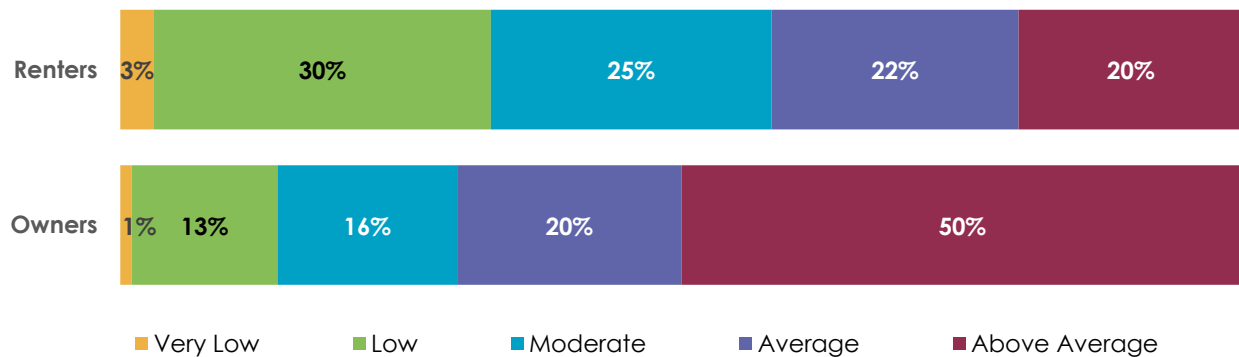
This approach results in exact unit estimates to align with the HNRM results; however, **the ultimate focus should be on the general distribution of units across the income groups rather than the precise number of units**. See **Appendix C: Housing Needs Report Method Technical Memorandum** for versions of the above tables with the proportion of units (%) by household size and income group for reference.

Bedroom Allocation

There is not a completely direct and consistent relationship between the number of people in a household and number of bedrooms required to meet their housing need due to variations in household composition and the resulting difference in bedroom needs. For example, a three-person household with one couple with one child requires two bedrooms to meet the National Occupancy Standards; however, a three-person household with three unrelated roommates requires three bedrooms. Alternatively, a four-person household with two couples would only require two bedrooms.

Bedroom allocation distribution is based on meeting the minimum basic needs of households; however, many households prefer having an extra bedroom for visitors,

storage, office space, or other uses. When financially able, many households will seek larger dwellings than required to meet their needs, but this analysis does not contemplate this factor (which largely comes down to personal choice and financial capacity rather than housing need).

Table 11: Estimated 10-Year Future Demand by Minimum Bedrooms Required, City of Vernon

UNIT SIZE	INCOME GROUP					TOTAL
	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE	
1-bedroom	71	784	682	588	777	**2,902**
2-bedroom	6	60	150	198	571	**985**
3-bedroom	0	29	51	145	447	**672**
4+bedroom	0	0	9	9	51	**69**
TOTAL	**77**	**873**	**892**	**940**	**1,846**	**4,628**

Table 12: Estimated 10-Year Future Demand Minimum Bedrooms Required Income Group Distribution, City of Vernon[24]

UNIT SIZE	INCOME GROUP				
	VERY LOW	LOW	MODERATE	AVERAGE	ABOVE AVERAGE
1-bedroom	92%	90%	76%	62%	42%
2-bedroom	8%	7%	17%	21%	31%
3-bedroom	0%	3%	6%	16%	24%
4+bedroom	0%	0%	1%	1%	3%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**

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24. Describes the share of future demand by bedroom count and income group. For example, 92% of Very Low-income households are estimated to require at least a 1-bedroom unit, while 76% of Moderate-income households are estimated to require a 1-bedroom unit and 17% require a 2-bedroom unit.

5. Interpreting the Results + Housing System Affordability

> **The housing estimates describe the potential demand for new housing units of various types and price ranges to address estimated current and future housing needs.**

Key considerations for interpreting these results and broader housing system affordability:[25]

- The housing type demand estimates are based on a set of current assumptions, which may vary over time or by data source.

- The housing demand estimates represent how **current unmet and projected future need could be accommodated through new dwellings.** However, not all households will need new dwellings to meet their needs because vacancy may be created when an existing household moves into a new dwelling.

- In general, all net additional housing improves the affordability of the housing system at a high-level. In existing urban areas, the greatest impact will be when low-density, relatively expensive housing is replaced by higher density, relatively more affordable housing. **Some households will need non-market options to afford their housing, and supporting its development will have the highest impact on affordability.**

- If the estimated demand for market rental or ownership housing has been met, it does not mean the City should stop permitting additional market rental or ownership housing. If higher cost housing is not added, higher income households will simply pay more for existing lower cost homes, thereby bidding-up the price until lower income households have been priced-out. Historical lack of market supply to absorb high-income households is a driver of current housing prices.

- **Policies or incentives to shift development to non-market options is needed to meet the needs of lower income households.** Protecting existing, relatively more affordable housing is also key – and this may often be older market rental and other multi-unit housing forms.

- **Regular five-year updates will help determine how effectively recent development has addressed the identified needs within the complexity of household choice, diversity of ways first-time buyers purchase, and existing lower cost housing can address the needs of some lower income households without building a new dwelling for them.**

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25. See **Appendix C: HNR Method Technical Memorandum** for further discussion on results interpretation.

6. Affordability Snapshots

Affordability snapshots provide narrative examples of housing situations or challenges experienced by households and individuals in Vernon and exemplify typical trade-offs or potential solutions informed by community engagement, research and analysis.

BERTRAM

Bertram has lived in Vernon all his life and purchased a large home in the 1970s. 50-years later, Bertram is living alone, as his wife has passed, and his kids have all moved away. He feels the house is too big for him and has been looking for a one-level apartment or townhome in his neighbourhood.

In his current home, Bertram can easily walk to where he volunteers and has easy access to daily services, including a grocery store and clinic. He plays pickleball to stay socially and physically active and gets a ride to the courts with a neighbourhood friend.

As Bertram is aging, he wants to live somewhere with no stairs and less maintenance. Both his children live out of town, so he cannot rely on them for help with home maintenance or social activities. With his established social network and volunteering, Bertram doesn't want to move away from his current neighbourhood.

Bertram has limited choices. Only 15% of sales were condos in 2024 and there are none for sale in his neighbourhood. He has looked at a few farther away, and while they meet his general housing needs, they would take him away from his social network, doctor's office, and volunteer activities. Bertram wants to maintain his independence for as long as possible and feels its important to still be able to walk to his daily needs.

Bertram did find a townhouse in the area, and while it is smaller than his current home with less maintenance requirements, it has stairs. Bertram decided to purchase the townhome since it was in his neighbourhood and he will be able maintain his activities. He does worry the stairs may become a problem in the coming years. **Betram was able to find something that works for now, but he hopes more apartments will be built in his neighbourhood so he can continue to meet his housing needs even if mobility becomes a challenge.**

RAHUL AND ARLENE

When Rahul and Arlene found out they were expecting a second child they began searching for a larger home. They are currently renting a 2-bedroom apartment for $1,500 and have been saving to purchase a larger, family friendly home since the birth of their first child. Rahul and Arlene enjoy spending time outdoors and love how Vernon provides easy access to both summer and winter recreation. Rahul earns $72,000 per year working in manufacturing and Arlene works as an administrative assistant making $42,000 per year but will be going on maternity leave soon.

With high housing prices, Rahul and Arlene know they cannot afford a single-detached house, and instead are looking for a 3-bedroom townhouse or condo, preferably ground-level so they can watch the children playing outside. Moving outside of Vernon is not an option as it would make transportation too challenging, and they finally found a daycare on the way to work. With $65,000 saved, Rahul and Arlene may have been able to afford a townhome in 2018, but they now need a much larger downpayment to qualify. They have thought about reaching out to family for help but hope to find a solution on their own.

Arlene and Rahul could look for a 3-bedroom rental unit and, with Arlene on maternity leave, they could afford about $2,375 per month in rent. While statistics show a median rental cost for a 3-bedroom unit for $1,450 in 2023, the average list price is $2,100. They think they can probably afford the rent, but availability could prove challenging with few 3-bedroom rentals in the city. They are also nervous to rent a secondary suite again after being previously displaced and hope to find somewhere they can stay long-term for their kids.

Because of the current housing costs and availability, **Rahul and Arlene will need to consider staying in their rental unit or moving into a secondary suite until Arlene returns to work and they can afford a larger mortgage. They worry about housing prices increasing if they wait longer, or potentially being displaced from a secondary suite with a newborn and young child.**

TAYLOR

Taylor has enjoyed living in their one-bedroom basement suite with their cat, Georgie. The suite is within walking distance to their work in agrotourism where they run tours at participating farms and wineries. In the winter, Taylor loves going skiing with friends and family and saves for a season's pass every year.

Taylor's current rent is $750 per month, but their landlord has just announced they sold the house and Taylor will need to find a new place to live so the new owner can move-in. Taylor earns $42,000 annually and can afford up to $1,050 in rent.

Taylor has been looking for similar rents to what they pay now, but costs have increased since they last looked; this will affect Taylor's ability to pay for daily needs, such as groceries and utilities. Taylor also risks having to rehome their pet, with many leases having 'no pet' policies – something Taylor wants to avoid at all costs. They could ask their family or friends for help, but at 46, Taylor feels embarrassed since many of their friends own their homes and Taylor is proud of their independence.

After searching for a pet-friendly 1-bedroom within their price range, Taylor had to make the difficult decision to rehome their cat as they could not find suitable alternatives and eviction was looming. Luckily, a friend was able to take Georgie, so Taylor can still see him regularly. No longer restricted by a pet, Taylor was then able to find an older one-bedroom apartment for $1,250 and will be able to take transit to work.

It is more than they can afford, but Taylor is grateful to have found something for now. Spending $500 more per month on rent means Taylor is unable to save enough to purchase this season's ski pass, but their family has offered to help. Taylor is thankful for their support network and wonders what they would have done without the help.

SIMRAN AND ETHAN (+ CHAZ, AND ANIKA'S FAMILY)

Simran and Ethan are retired and live in a 3-bedroom house with a 1-bedroom basement suite. With high rents these days, their youngest child Chaz lives in the suite downstairs. Simran and Ethan love having their son at home and are even happier when their daughter Anika visits with her partner and two children. Anika moved away for a higher-paying job, but she recently got a position in Vernon and is looking forward to moving back.

Simran and Ethan had always hoped to live multi-generationally with their whole family, but their children are a bit apprehensive and want to maintain some independence. Ethan recently attended an open house on upcoming changes to housing policies in Vernon and was intrigued by the new small-scale multi-unit housing options allowing up to four units on a single-detached lot. He is interested in redeveloping the family house into a fourplex so they could all live together on one property while still having their own separate spaces.

After crunching some numbers, Chaz realized it would probably be too expensive to demolish the existing house to build a fourplex or townhomes without selling them afterwards. After reading about all the new housing options, he realized they could just add a garden suite to their property without changing the existing house., meaning Anika and her family could live upstairs, where they would have enough bedrooms, and Simran and Ethan could live in the new garden suite where they would no longer have to navigate stairs to get to their bedroom. With the ability to customize the garden suite, they will also be able to include accessibility features to allow them to age in-place for much longer.

While they will have to take out a small loan to fund the construction, the monthly cost will be less than the mortgage payment for a separate 3-bedroom home for Anika's family. **With new development options, the family was able to meet the housing needs of all three households within their existing property.**

7. Key Areas of Local Need

Housing Need Summary Statements

Housing needs report legislation requires statements related to a range of housing types or housing needs for specific demographic groups, including:

Affordable Housing

There is a high need for affordable housing in Vernon, with 4,340 households (22%) unable to afford their housing in 2021. **Smaller, multi-unit dwellings, such as apartments, multiplexes and townhomes, will generally offer improved affordability over larger detached homes.**

Rental Housing

There is a mismatch between the purpose-built rental supply and number of new renter households, which may indicate a high unmet need for rental housing. Almost all new renter households have been accommodated by the secondary market.

Special Needs Housing

In considering the BC Housing registry between 2019 and 2024, the need for people with disabilities has more than doubled from 26 to 56, while the number of households seeking wheelchair accessible housing increased slightly from 12 to 14. **The demand for special needs housing is increasing.**

Housing for Seniors

With a rapidly aging population and a housing stock predominantly comprising ground-oriented housing, seniors may be increasingly challenged to meet their housing needs. Smaller, one-level homes will help meet the needs of seniors as they age – these could be apartments or new ground-level small-scale multi-unit housing forms. The BC Housing registry for seniors has doubled from 91 to 186 households between 2019 and 2024.

Housing for Families

In 2019, there were only 10 families on the BC Housing registry, however, this increased to 51 families by 2024. While these numbers are relatively small, they represent a five-fold increase, suggesting **there may be rapidly increasing housing challenges for families with children.** With high purchase prices for detached homes, **the need of families could be met with relatively more affordable small-scale multi-unit, ground-oriented options, such as townhomes or multiplexes.** Families typically need more space for storage and children's activities, and often desire access to outdoor space.

Shelters for Individuals Experiencing Homelessness and Housing for Individuals At-risk of Homelessness

The number of people experiencing homelessness in Vernon has continued to increase since 2017. While the number of shelter beds, and transitional and supportive housing spaces has increased between 2019 and 2024, there appears to be an increasing number of people experiencing homelessness. A higher share of people counted in 2023 had been without a home for more than one year (80%) than in 2021 (63%), indicating **people may be increasingly struggling to find housing once they become unhoused.**

8. Closing Comments

Similar to communities across British Columbia and Canada, City of Vernon has seen rapidly increasing housing costs in recent years. Despite higher rates of home building in the past 10-years, accelerating after a period of low construction from 2009 to 2014, there continues to be high demand and competition for housing. High competition for housing increases prices and ensuring adequate supply is key to maintaining higher levels of affordability.

Analysis in this Report will support the City in amending current policies and regulations to encourage the needed development outcomes and improve the ability of households to meet their housing needs.

The gap between housing supply and housing need and demand is driven by a wide range of factors including:

- General undersupply and need for more diverse options in the housing system, particularly for low-income households, over the past 30-years;

- An increasing mismatch between the existing housing supply and what households need today;

- Shifting demographic trends are creating different needs, particularly: households are getting smaller; baby boomers are reaching retirement and creating increasing need for smaller, accessible homes and specialized seniors housing; and a need for affordable housing better suited to growing families; and

- Labour shortages, high construction costs, and higher financing rates have made it increasingly challenging to build the housing needed by households at affordable prices, which highlights the importance of adding housing supply to create a range of price-points, recognizing homes typically depreciate and become more affordable over time relative to new homes.

It is estimated 5,933 additional homes are needed over the next ten years (2021 to 2031), and 11,484 homes over the next 20 years (2021 to 2041).
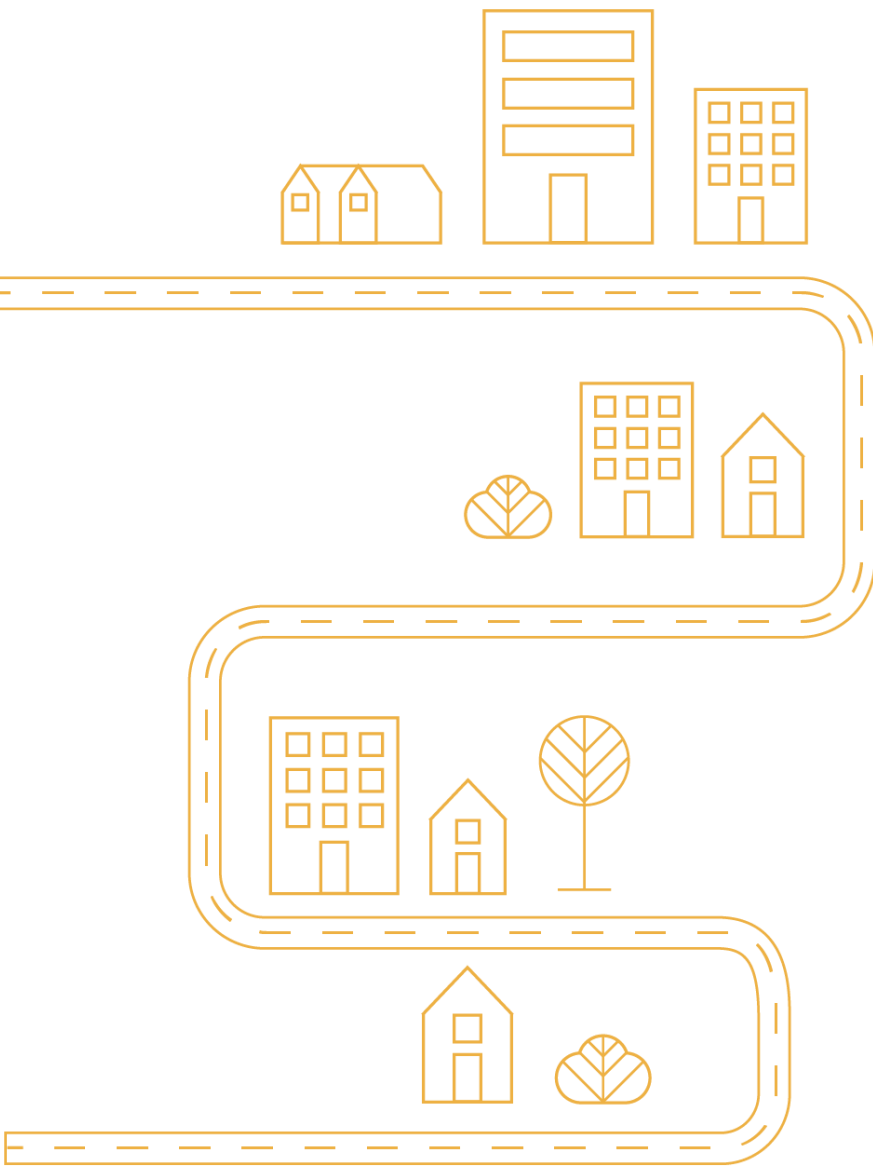
APPENDIX A

Glossary

Definitions

ACCESSORY DWELLINGS

Accessory dwellings are detached standalone buildings within a residential property built to be rented by the owner. These dwellings could be described as a type of secondary rental, and in Vernon they cannot be stratified to be sold as a separate property. Accessory dwellings are similar to secondary suites within a house, but they are not attached to the main residence – they are complete dwelling units with cooking, sleeping, and bathroom facilities.

AFFORDABLE HOUSING

Canada Mortgage and Housing Corporation classifies housing as affordable when it costs no more than 30% of a households before-tax income. It is not necessarily a specific type of housing, but rather describes the relationship between housing cost and household income.

DEEP SUBSIDY RENTS

Rents set at a rate affordable to those on social assistance, as defined by BC Housing's 'deep subsidy income limits'.

DWELLINGS

Dwellings generally refer to the homes of residents, regardless of the housing form or structure type.

EMERGENCY ACCOMMODATION

Emergency accommodation is temporary, short-term housing people can access immediately when at-risk of or experiencing homelessness. Emergency housing facilities may be open to all people or restricted to target groups such as men or women and children. Examples of emergency housing include shelters, warming centers, youth safe houses, or other crisis intervention support. Emergency accommodation is not permanent housing, but rather an emergency safety net to meet basic needs and serves as a bridge while permanent and secure housing is sought.

FILTERING

Filtering describes the way dwellings become available to lower income households as they age, allowing households to meet their needs by sorting themselves into housing they can afford. In a healthy housing system, older dwellings filter down in price relative to new

dwellings. However, homes will not filter down in price unless there is consistently enough supply relative to demand.

HOME(S)

A home is a place where a household lives. It can be any type of permanent housing.

HOUSEHOLD INCOME GROUPS

Households can be distributed to five income groups, using the HART framework developed by University of British Columbia Housing Research Collaborative. Each group is based on earning a certain percentage of the median household income in Vernon ($73,500 in 2021). See Section 6 (page 40) for further details.

- **Very Low-income Group**: households earning up to 20% of the median household income (up to $15,000/year); this group can afford to spend < $376/month on housing.

- **Low-income Group:** households earning between 20% and 50% of the median household income ($15,000 –$34,999/year); this group can afford to spend $376 – $875/month on housing.

- **Moderate-income Group**: households earning between 50% and 80% of the median household income ($35,000 –$59,999/year;) this group can afford to spend $876 – $1,500/month on housing.

- **Average-income Group:** households earning between 80% and 80% of the median household income ($60,000 – $89,999/year); this group can afford to spend $1,501 – $2,250/month on housing.

- **Above Average-Income Group:** households earning more than 120% of the median household income ($90,000+/year); this group can afford to spend $2,250+ on their housing.

HOUSING UNIT DEMAND HOUSING CATEGORIES

This report assigns estimated current and future housing need or demand to four categories of housing (Ownership, Market Rental, Non-Market Rental, and Deep Subsidy and Supportive Rental). See HNR Method Results – Estimated Housing Demand by Type (page 41) for individual definitions of the categories within the context of this report.

MARKET RENTAL

Market rental is housing owned by a private individual or company that is rented to tenants who pay market rates. Rental housing can refer to any type of housing available on the

market, such as purpose-built apartments, condominiums, secondary suites, and coach houses. Some homes built for the ownership market are purchased as investments to be rented to other households (secondary rental).

NON-MARKET RENTAL

Non-market housing has below market prices and is typically funded through government grants and loans to reduce the cost for residents. It is often built and operated by non-profit organizations, with restrictions on rents and below-market prices are maintained in perpetuity. Examples of non-market housing include housing co-operatives and affordable rental housing with rents capped at a certain percentage of a tenant's income. Non-market rental may also be called subsidized rental or social housing.

MARKET HOME OWNERSHIP

Ownership housing describes dwellings a single person or household could purchase to reside within; this housing may be fee simple (where the building and land are attached together as one single property) or stratified (where the owner buys the dwelling itself but shares common areas or land with other members of a strata corporation). Prices are set by the market.

PURPOSE-BUILT RENTAL HOUSING

A type of market rental purpose-built specifically to be rented. Purpose-built (or primary) rental housing is typically apartments and sometimes townhomes. Entire multi-unit purpose-built rental buildings are typically one single property, and individual dwellings could not be purchased by different households or have different owners.

SECONDARY RENTAL HOUSING

A type of market rental housing where individual owners rent homes built for the ownership market to other households, including secondary suites, individually owned condominiums, apartments, or houses, or any other form of housing a household could purchase.

SUPPORTIVE HOUSING

Supportive housing provides subsidized living spaces with on-site support services to help people maintain stable housing and improve their quality of life. This type of housing is designed for individuals living with disabilities, mental health issues, substance use challenges, seniors, or those at-risk of homelessness. Typically run by non-profit organizations with government funding, supportive housing includes long-term care, group homes,

transitional housing, safe houses, and temporary accommodations to help people move from homelessness or incarceration into permanent housing.

TRANSITIONAL HOUSING

A type of temporary supportive housing for stays of 30-days to three years, with the objective of transitioning residents to long-term, permanent housing.
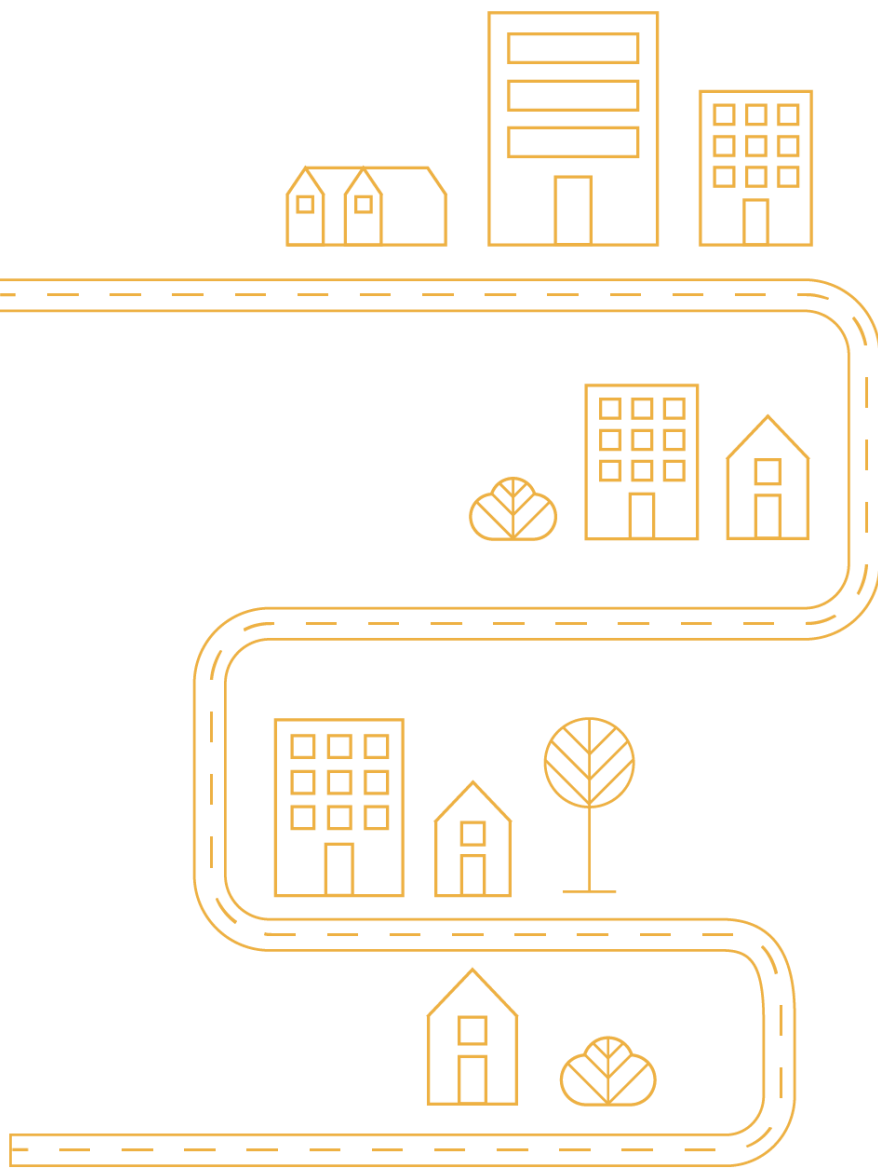
APPENDIX B

Housing Indicators Report

City of Vernon
Housing Needs Report

Legislatively Required Data Indicators

May 2024
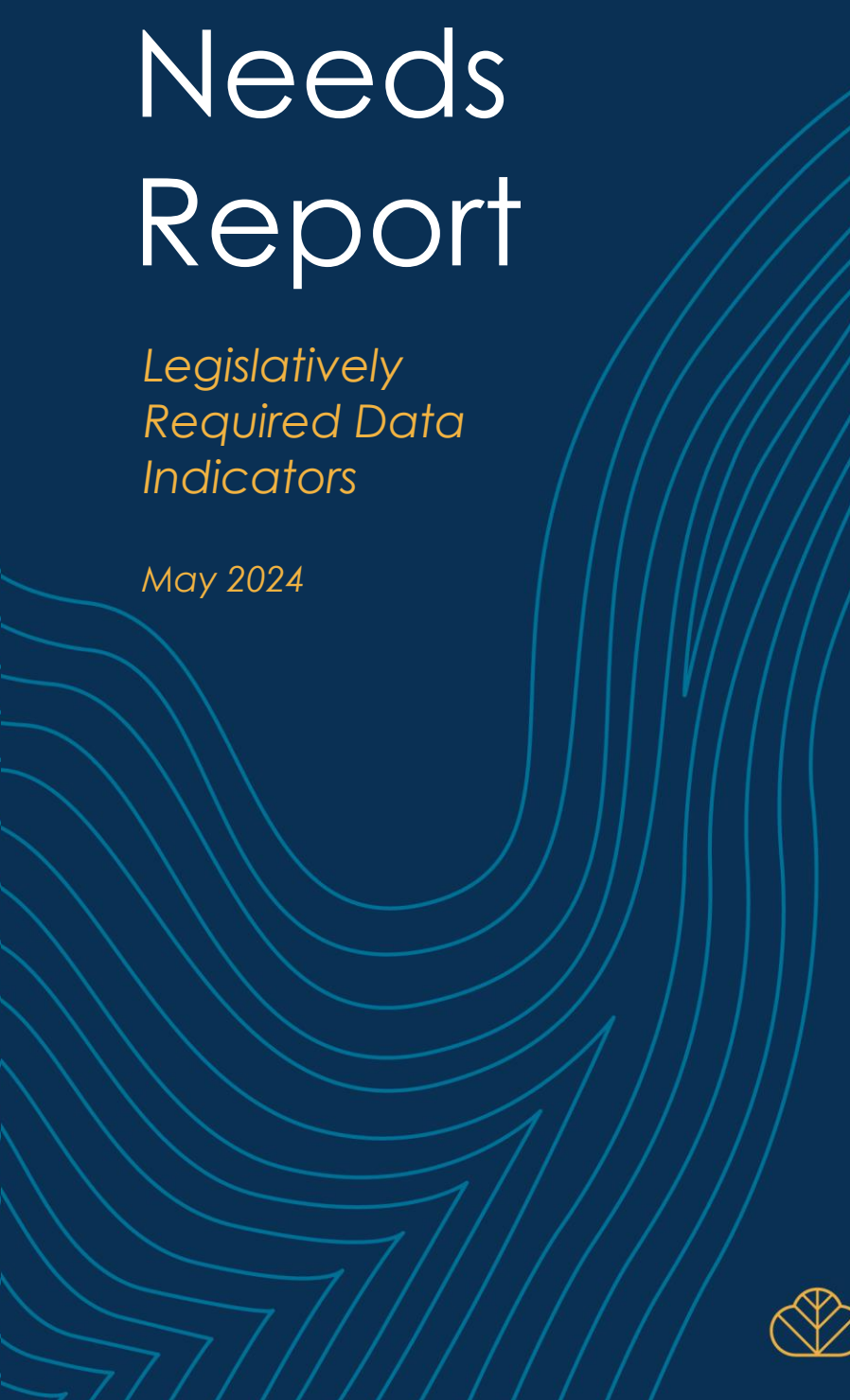
Legislative Required Data Indicators

LIST OF TABLES

POPULATION

Table 1: Population and Population Change, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

2011	2016	2021	Growth, 2011-2021	Percent Change, 2011-2021	Annual Growth Rate, 2011-2021
38,150	40,116	44,519	+8,575	+17%	+1.6%

Table 2: Average and Median Age, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Year	Average Age	Median Age
2011	43.4	45.1
2016	45.0	47.4
2021	46.1	48.0

Table 3: Age Group Distribution, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Age Group	2011		2016		2021	
	#	%	#	%	#	%
0-14	5,370	14%	5,675	14%	6,030	14%
15-19	2,245	6%	1,980	5%	2,040	5%
20-24	2,185	6%	2,060	5%	1,990	4%
25-64	19,555	51%	20,180	50%	21,935	49%
65-84	7,270	19%	8,515	21%	10,365	23%
85+	1,530	4%	1,715	4%	2,155	5%
Total	**38,155**	**100%**	**40,125**	**100%**	**44,515**	**100%**

Table 4: Mobility, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Mobility Status	2011	2016	2021
Non-movers	30,225	31,970	35,925
Non-migrants	4,085	3,640	3,545
Migrants	1,845	2,825	3,265

Table 5: Individuals Experiencing Homelessness, Sheltered and Unsheltered, City of Vernon, (2023)

Source: HSABC, 2023 Point in Time Count. City of Vernon, (2023)

	#
Sheltered	170*
Unsheltered	54
Total	**224**

* Note: 7 accompanied children are included in the sheltered count

Table 6: Indigenous Identity of Individuals Experiencing Homelessness, Sheltered and Unsheltered, City of Vernon (2023)

Source: HSABC, 2023 Point in Time Count. City of Vernon, (2023)

	Indigenous Identity	Non-Indigenous Identity	Total
Sheltered	24	33	57
Unsheltered	17	28	45
Total	**41**	**61**	**102**

Note: an additional 122 respondents did not answer this question or did not know how to answer (57 sheltered & 9 unsheltered)

Table 7: Individuals Experiencing Homelessness by Age Group, Sheltered and Unsheltered, City of Vernon (2023)

	Youth (Under 25 Years)	Adult (25-54 Years)	Senior (55+)	No Answer	Total
Sheltered	4	48	6	112	**170**
Unsheltered	5	35	5	9	**54**
Total	**9**	**83**	**11**	**121**	**224**

HOUSEHOLDS

Table 8: Total Number of Households, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Year	#
2011	16,415
2016	17,800
2021	19,790

Table 9: Average Household Size, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

	2011	2016	2021
Average Household Size	2.2	2.2	2.2

Table 10: Breakdown of Households by Size, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Household Size	2011		2016		2021	
	#	%	#	%	#	%
1-Person	5,165	31%	5,880	33%	6,625	34%
2-Person	6,315	38%	7,015	39%	7,695	39%
3-Person	2,240	14%	2,230	13%	2,460	12%
4-Person	1,970	12%	1,730	10%	1,930	10%
5+Person	730	4%	955	5%	1,080	6%
Total	**16,420**	**100%**	**17,810**	**100%**	**19,790**	**100%**

Table 11: Housing Tenure, City of Vernon, (2011 to 2021)

Source: 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Housing Tenure	2011		2016		2021	
	#	%	#	%	#	%
Owner	4,730	29%	5,595	31%	6,725	34%
Renter	11,690	71%	12,205	69%	13,065	66%
Total	**16,415**	**100%**	**17,800**	**100%**	**19,790**	**100%**

Table 12: Renter Households in Subsidized Housing, City of Vernon, (2011 to 2021)

Source: 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

	2011		2016		2021	
	#	%	#	%	#	%
Households	670	14%	600	11%	785	12%

ANTICIPATED POPULATION AND HOUSEHOLDS

Table 13: Anticipated Population Growth, City of Vernon, (2021 to 2031)

Source: BC Statistics, Population Estimates & Projections for British Columbia

Year	Projected Population
2021	23,495
2022	23,981
2023	24,788
2024	25,483
2025	25,958
2026	26,387
2027	26,833
2028	27,269
2029	27,716
2030	28,152
2031	28,593
2021-2031 Projected Growth	**5,098**
	21.7%

Table 14: Anticipated Population by Age, City of Vernon, (2031)
Source: BC Statistics, Population Estimates & Projections for British Columbia

Age Group	Anticipated Population	%
0 to 14	6,584	12%
15 to 19	3,017	6%
20 to 24	3,298	6%
25 to 64	25,350	47%
65 to 84	13,701	25%
85+	2,431	4%
Total	**54,381**	**100%**

Table 15: Projected Average and Median Age, City of Vernon, (2021-2031)
Source: BC Statistics, Population Estimates & Projections for British Columbia

Year	Average Age	Median Age
2021	45.7	48.0
2022	45.7	47.6
2023	45.3	46.8
2024	45.1	46.1
2025	45.2	45.9
2026	45.3	45.9
2027	45.5	45.9
2028	45.6	46.0
2029	45.8	46.0
2030	45.9	46.1
2031	46.0	46.2

Table 16: Anticipated Average Household Size, City of Vernon, (2021 to 2031)
Source: BC Statistics, Household Estimates & Projections for British Columbia

Year	Households	Average Household Size
2021	19,389	2.32
2022	19,797	2.32
2023	20,357	2.32
2024	20,920	2.32

Year	Households	Average Household Size
2025	21,354	2.32
2026	21,769	2.31
2027	22,162	2.31
2028	22,553	2.30
2029	22,935	2.30
2030	23,316	2.30
2031	23,692	2.30
2021-2031 Projected Growth	**4,303**	**22.2%**

HOUSEHOLD INCOME

Table 17: Average and Median Total Household Income, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Year	Average	Median
2011	$69,979	$54,996
2016	$74,954	$59,211
2021	$89,800	$73,500

Table 18: Average and Median Renter Household Income, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Year	Average	Median
2011	$44,102	$32,477
2016	$47,177	$36,572
2021	$61,300	$50,800

Table 19: Average and Median Owner Household Income, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Year	Average	Median
2011	$80,450	$66,241
2016	$87,684	$72,866
2021	$104,400	$89,000

Table 20: Total Household Income, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Income Range	2011		2016		2021	
	#	%	#	%	#	%
Under $5,000	380	2%	165	1%	120	1%
$5,000 to $9,999	215	1%	160	1%	100	1%
$10,000 to $14,999	655	4%	685	4%	130	1%
$15,000 to $19,999	940	6%	1,035	6%	495	3%
$20,000 to $24,999	1,030	6%	1,130	6%	1,065	5%
$25,000 to $29,999	885	5%	830	5%	805	4%
$30,000 to $34,999	1,050	6%	915	5%	855	4%
$35,000 to 39,999	680	4%	885	5%	1,040	5%
$40,000 to 44,999	855	5%	865	5%	905	5%
$45,000 to 49,999	770	5%	865	5%	870	4%
$50,000 to $59,999	1,385	8%	1,535	9%	1,575	8%
$60,000 to $69,999	1,335	8%	1,270	7%	1,525	8%
$70,000 to $79,999	915	6%	1,095	6%	1,300	7%
$80,000 to $89,999	925	6%	1,085	6%	1,250	6%
$90,000 to $99,999	860	5%	940	5%	1,220	6%
$100,000 to $124,999	1,345	8%	1,775	10%	2,185	11%
$125,000 to $149,999	975	6%	935	5%	1,570	8%
$150,000 to $199,999	755	5%	990	6%	1,565	8%
$200,000 and over	445	3%	660	4%	1,220	6%
Total	**16,415**		**17,795**		**19,790**	

Table 21: Renter Household Income, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Income Range	2011		2016		2021	
	#	%	#	%	#	%
Under $5,000	150	3%	90	2%	60	1%
$5,000 to $9,999	85	2%	100	2%	55	1%
$10,000 to $14,999	535	11%	510	9%	80	1%
$15,000 to $19,999	515	11%	640	11%	335	5%
$20,000 to $24,999	510	11%	570	10%	610	9%
$25,000 to $29,999	385	8%	445	8%	410	6%
$30,000 to $34,999	340	7%	370	7%	460	7%
$35,000 to 39,999	200	4%	265	5%	495	7%
$40,000 to 44,999	225	5%	315	6%	395	6%
$45,000 to $49,999	325	7%	350	6%	390	6%
$50,000 to $59,999	355	8%	505	9%	660	10%
$60,000 to $69,999	305	6%	325	6%	565	8%
$70,000 to $79,999	160	3%	275	5%	490	7%
$80,000 to $89,999	120	3%	195	3%	405	6%
$90,000 to $99,999	90	2%	130	2%	370	6%
$100,000 to $124,999	240	5%	275	5%	490	7%
$125,000 to $149,999	70	1%	110	2%	230	3%
$150,000 to $199,999	105	2%	95	2%	125	2%
$200,000 and over	0	0%	35	1%	95	1%
Total	4,730		5,595		6,725	

Table 22: Owner Household Income, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Income Range	2011		2016		2021	
	#	%	#	%	#	%
Under $5,000	230	2%	70	1%	55	0%
$5,000 to $9,999	130	1%	60	0%	45	0%
$10,000 to $14,999	125	1%	175	1%	45	0%
$15,000 to $19,999	420	4%	395	3%	165	1%
$20,000 to $24,999	520	4%	565	5%	455	4%
$25,000 to $29,999	500	4%	385	3%	390	3%
$30,000 to $34,999	715	6%	540	4%	395	3%
$35,000 to 39,999	480	4%	625	5%	545	4%
$40,000 to 44,999	625	5%	550	5%	500	4%
$45,000 to 49,999	445	4%	510	4%	480	4%
$50,000 to $59,999	1,030	9%	1,030	8%	925	7%
$60,000 to $69,999	1,030	9%	945	8%	955	7%
$70,000 to $79,999	755	6%	820	7%	810	6%
$80,000 to $89,999	800	7%	890	7%	845	7%
$90,000 to $99,999	770	7%	805	7%	855	7%
$100,000 to $124,999	1,105	9%	1,495	12%	1,690	13%
$125,000 to $149,999	910	8%	825	7%	1,335	10%
$150,000 to $199,999	650	6%	890	7%	1,440	11%
$200,000 and over	435	4%	625	5%	1,120	9%
Total	**11,690**		**12,205**		**13,065**	

ECONOMIC SECTORS AND LABOUR FORCE

Table 23: Total Number of Workers, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Year	Number of Workers
2011	18,445
2016	19,035
2021	20,930

Table 24: Number of Workers by Industry, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Industry	2011	2016	2021
Agriculture, forestry, fishing, and hunting	430	395	450
Mining, quarrying, and oil and gas extraction	150	300	180
Utilities	230	120	225
Construction	1,365	1,715	2,070
Manufacturing	1,185	1,560	1,450
Wholesale trade	550	450	580
Retail trade	3,130	2,765	3,405
Transportation and warehousing	665	630	785
Information and cultural industries	340	245	210
Finance and insurance	540	525	465
Real estate and rental and leasing	360	335	380
Professional, scientific and technical services	940	1,150	1,290
Management of companies and enterprises	0	35	45
Administrative and support, waste management and remediation services	805	825	810
Educational services	1,035	1,080	1,180

Health care and social assistance	2,260	2,760	3,155
Arts, entertainment, and recreation	755	515	565
Accommodation and food services	1,670	1,915	1,690
Other services (except public administration)	935	870	955
Public administration	755	560	650
Industry - Not Applicable	345	305	390
Total	**18,445**	**19,035**	**20,930**

Table 25: Unemployment and Participation Rates, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

	2011	2016	2021
Unemployment Rate	9.4%	8.0%	8.2%
Participation Rate	59.3%	57.4%	56.4%

Table 26: Commuting Destination, City of Vernon, (2011 to 2021)

Source: Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Within census subdivision (Vernon)	To Different Census Subdivision	To Different Census Division	To Another Province/Territory
9,670	1,950	1,685	140

HOUSING UNITS

Table 27: Total Housing Units, City of Vernon, (2021)

Source: Statistics Canada, 2021 Census of Population

	Housing Units
Total Private Dwellings	21,287
Private Dwellings Occupied by Usual Residents	19,776
Dwellings Not Occupied by Usual Residents*	1,511

Note: Dwellings Not Occupied by Usual Residents includes temporary residents, post-secondary students, vacation homes, short-term rentals, and vacant homes. This metric describes dwellings with residents who have a principal residence elsewhere, those that are empty, and those with other temporary circumstances.

Table 28: Housing Units by Structural Type, City of Vernon, (2021)

Source: Statistics Canada, 2021 Census of Population

Structure Type	#	%
Single-detached House	9,415	48%
Semi-detached House	1,490	8%
Row House	2,065	10%
Apartment or Flat in Duplex	1,605	8%
Apartment or Building with Fewer than Five Storeys	4,700	24%
Apartment in a Building with Five or More Storeys	345	2%
Other Single-attached House	65	0.3%
Movable Dwelling	85	0.4%
Total	**19,770**	

Table 29: Housing Units by Size (2021)

Source: Statistics Canada, 2021 Census of Population

Number of Bedrooms	#
No bedrooms	225
1-bedroom	2,660
2-bedrooms	5,875
3-bedrooms	5,775
4 or more bedrooms	5,250
Total	**19,785**

Table 30: Housing Units by Date Built (2021)
Source: Statistics Canada, 2021 Census of Population

Date of Build	#	%
1960 and before	2,315	12%
1961 to 1980	6,275	32%
1981 to 1990	2,315	12%
1991 to 2000	3,590	18%
2001 to 2005	1,095	6%
2006 to 2010	1,505	8%
2011 to 2015	885	5%
2016 to 2021	1,815	9%
Total	**19,790**	

Table 31: Subsidized Housing Units, City of Vernon, (2024)
Source: BC Housing, Research Centre, Unit Count, March 2024

Subsidized Housing Units	#
Supportive Seniors	306
Special Needs	125
Women and Children Feeling Violence	25
Housing with Supports Subtotal	*456*
Low Income Families	424
Independent Seniors	396
Independent Social Housing Subtotal	*820*
Subsidized Housing Total	**1,276**

Table 32: Rental Vacancy Rate, City of Vernon, (2003-2023)
Source: Canada Mortgage and Housing Corporation, Rental Market Rental Report, 2023

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +
2003	1.0%	2.5%	2.1%	1.8%
2004	3.2%	2.4%	1.7%	1.1%
2005	4.3%	2.3%	1.6%	0.0%
2006	0.0%	1.1%	0.5%	0.0%
2007	1.1%	0.3%	0.3%	0.5%
2008	1.1%	1.1%	0.5%	1.5%
2009	1.1%	2.9%	3.3%	3.3%
2010	11.5%	5.4%	7.0%	4.9%
2011	7.4%	6.6%	8.3%	8.1%
2012	4.5%	6.0%	5.2%	8.4%
2013	4.8%	4.8%	8.3%	3.9%
2014	1.2%	2.6%	5.1%	2.8%
2015	0.8%	1.6%	2.0%	1.6%
2016	1.5%	2.0%	2.8%	0.7%
2017	0.7%	1.6%	1.5%	0.8%
2018	0.8%	1.5%	1.0%	3.4%
2019	0.0%	1.5%	2.6%	0.6%
2020	**	0.4%	1.6%	1.3%
2021	1.6%	0.6%	0.8%	1.3%
2022	1.2%	0.2%	1.3%	0.0%
2023	2.7%	1.1%	1.7%	1.8%

*** Data suppressed to protect confidentiality or data not statistically reliable*

Table 33: Purpose-Built Rental Units, City of Vernon, (2003 to 2023)

Source: Canada Mortgage and Housing Corporation, Primary Rental Market, 2022

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	Total
2003	99	884	1,012	234	**2,229**
2004	95	876	958	184	**2,113**
2005	98	876	968	203	**2,145**
2006	92	838	844	202	**1,976**
2007	91	789	797	205	**1,882**
2008	92	799	814	195	**1,900**
2009	91	798	786	213	**1,888**
2010	87	781	787	203	**1,858**
2011	82	765	749	198	**1,794**
2012	88	757	762	203	**1,810**
2013	138	751	751	218	**1,858**
2014	154	733	733	216	**1,836**
2015	137	754	725	208	**1,824**
2016	142	756	729	207	**1,834**
2017	140	744	750	195	**1,829**
2018	139	739	753	197	**1,828**
2019	139	788	745	204	**1,876**
2020	137	836	855	204	**2,032**
2021	139	863	926	217	**2,145**
2022	136	814	856	213	**2,019**
2023	136	827	866	209	**2,038**

Table 34: Renter Households in Primary and Secondary Rental, City of Vernon, (2011 to 2021)

Source: Canada Mortgage and Housing Corporation, Primary Rental Market, 2022; 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

Rental Type	2011		2016		2021	
	#	%	#	%	#	%
Primary (Purpose-Built)	1,794	38%	1,834	33%	2,145	32%
Secondary	2,936	62%	3,761	67%	4,580	68%
All Renters	**4,730**		**5,595**		**6,725**	

Table 35: Cooperative Housing Units, City of Vernon (2024)

Source: Co-operative Housing Federation of BC (CHF BC).

Co-Op	One Bedroom	Two Bedroom	Three Bedroom	Total Units
Blue Skies Housing Co-operative	1	10	16	27

Table 36: Shelter Beds, Housing Units, and Rent Supplements for People Experiencing or at-Risk of Homelessness, City of Vernon, (2019 and 2024)

Source: BC Housing, Research Centre, Unit Count, March 2024

Service Allocation Subgroup	2019	2024
Homeless Housed	143	220
Homeless Shelters	49	89
Homeless Rent Supplements	69	68
Total	**261**	**377**

Table 37: Registered New Homes, City of Vernon, (2016 to 2021)

Source: BC Housing, New Homes Registrations 2016-2022

	2016	2017	2018	2019	2020	2021	2022
Single-detached	150	167	121	112	117	183	205
Multi-unit Homes	74	172	149	120	184	127	194
Rental	*	110	307	*	41	61	128

For privacy reasons data has been suppressed for communities where there are less than 5 homes registered in a year

HOUSING VALUES

Assessed Values

Table 38: Average and Median Assessed Value, All Units (2023 and 2024)[1]

Source: BC Assessment Roll, 2024.

Assessed Value	2024	2023
Average	$730,669	$712,831
Median	$656,000	$650,000

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1. All unit assessed value statistics include detached homes, strata and non-strata duplexes, strata condo (apartments), and rowhouses.

Table 39: Average Assessed Value by Residential Property Class (2023 and 2024)
Source: BC Assessment Roll, 2024.

Property Class	2024	2023
Single Detached Dwelling	$872,352	$854,272
Detached Dwelling with Suite	$885,529	$854,256
Duplex Non-Strata	$717,404	$666,431
Duplex Strata	$778,190	$714,094
Row House	$523,979	$512,221
Strata Condo	$325,799	$324,961
2+ Acre Detached & Duplex	$1,460,042	$1,427,598

Table 40: Median Assessed Value by Residential Property Class (2023 and 2024)
Source: BC Assessment Roll, 2024.

Property Class	2024	2023
Single Detached Dwelling	$742,000	$728,000
Detached Dwelling with Suite	$798,500	$777,000
Duplex Non-Strata	$660,000	$651,000
Duplex Strata	$802,000	$726,000
Row House	$505,000	$503,000
Strata Condo	$288,100	$288,900
2+ Acre Detached & Duplex	$1,278,000	$1,201,000

Table 41: Average Assessed Value by Bedroom Count (2023 and 2024)
Source: BC Assessment Roll, 2024.

Bedroom Count	2024	2023
1	$325,565	$317,900
2	$521,890	$514,646
3	$769,083	$748,747
4	$882,274	$862,276
5	$957,402	$934,295
6	$1,171,419	$1,124,237
7	$1,073,647	$1,006,383
8	$1,531,214	$1,485,571

Table 42: Median Assessed Value by Bedroom Count (2023 and 2024)

Source: BC Assessment Roll, 2024.

Bedroom Count	2024	2023
1	$228,500	$216,900
2	$457,000	449,000
3	$673,000	$668,000
4	$756,000	$745,000
5	$823,000	$804,000
6	$940,000	$895,000
7	$964,000	$937,000
8	$1,248,000	$1,110,500

Sales Values

Table 43: All Units Average and Median Sales Prices (2000-2024)

Source: Multiple Listing Service. City of Vernon Historical Sales (2000–2024)

Year	Average Sale Price	Median Sale Price
2000	$144,432	$134,000
2001	$139,772	$134,000
2002	$147,262	$137,500
2003	$178,839	$156,000
2004	$197,061	$174,900
2005	$245,838	$216,000
2006	$300,705	$268,000
2007	$352,206	$315,950
2008	$374,923	$345,000
2009	$359,638	$321,000
2010	$352,097	$316,500
2011	$345,400	$305,000
2012	$339,259	$313,500
2013	$345,964	$315,375
2014	$367,575	$328,500
2015	$364,680	$332,000
2016	$412,445	$367,000
2017	$432,141	$387,000
2018	$458,655	$400,000
2019	$475,270	$439,000
2020	$543,340	$475,000
2021	$630,220	$562,900
2022	$713,729	$645,000
2023	$695,696	$633,500
2024[2]	$670,455	$622,000

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2. 2024 sales are current through April 30 2024.

Table 44: Average Sales Prices by Structure Type (2000-2024)

Source: Multiple Listing Service. City of Vernon Historical Sales (2000 – 2024)

Year	Condo	House	Townhome	Half Duplex
2000	$82,924	$158,249	$113,143	$109,457
2001	$93,376	$155,083	$108,247	$74,212
2002	$82,916	$162,415	$114,056	$84,060
2003	$94,990	$200,727	$126,305	$147,279
2004	$107,103	$226,217	$146,179	$149,667
2005	$125,599	$289,354	$168,427	$161,872
2006	$182,237	$351,390	$222,592	$196,615
2007	$184,717	$414,039	$256,375	$271,076
2008	$208,610	$433,963	$271,758	$350,510
2009	$174,869	$411,594	$264,763	$311,872
2010	$207,321	$403,441	$264,636	$378,758
2011	$164,028	$400,985	$272,766	$340,429
2012	$196,219	$375,671	$242,392	$258,158
2013	$166,162	$395,015	$230,060	$332,401
2014	$199,579	$413,658	$254,972	$324,772
2015	$188,307	$427,731	$256,030	$303,019
2016	$191,510	$474,423	$294,304	$387,241
2017	$205,821	$516,153	$308,529	$418,480
2018	$208,641	$563,864	$329,476	$489,230
2019	$225,894	$564,383	$349,539	$456,243
2020	$249,570	$652,070	$374,977	$496,576
2021	$279,395	$759,989	$451,639	$644,264
2022	$329,592	$869,607	$529,714	$720,303
2023	$323,831	$845,590	$493,768	$696,724
2024[3]	$348,582	$788,802	$520,421	$738,143

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3. 2024 sales are current through April 30 2024.

Table 45: Median Sales Prices by Structure Type (2000-2024)

Source: Multiple Listing Service. City of Vernon Historical Sales (2000 – 2024)

Year	Condo	House	Townhome	Half Duplex
2000	$85,000	$146,000	$114,900	$88,642
2001	$96,000	$145,000	$114,000	$76,000
2002	$79,250	$152,000	$113,000	$80,000
2003	$95,000	$173,000	$122,250	$115,000
2004	$98,250	$195,750	$130,500	$129,000
2005	$113,500	$253,000	$158,623	$150,500
2006	$147,900	$315,000	$204,950	$187,500
2007	$168,500	$369,000	$249,900	$240,000
2008	$195,000	$385,500	$247,500	$309,000
2009	$164,750	$360,000	$255,500	$283,000
2010	$184,200	$364,500	$261,000	$272,450
2011	$165,000	$343,500	$265,000	$280,000
2012	$180,000	$349,375	$232,500	$233,500
2013	$163,750	$363,500	$223,375	$329,000
2014	$180,000	$368,250	$250,000	$255,000
2015	$180,500	$373,000	$238,250	$268,000
2016	$172,000	$418,750	$289,950	$351,000
2017	$185,000	$464,900	$295,625	$355,000
2018	$182,000	$489,750	$326,000	$470,450
2019	$205,000	$500,000	$339,000	$450,000
2020	$229,000	$565,000	$362,000	$491,500
2021	$275,000	$680,000	$420,000	$647,500
2022	$309,000	$771,000	$485,000	$715,000
2023	$295,000	$762,000	$467,500	$664,950
2024[4]	$320,000	$735,000	$535,000	$680,000

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4. 2024 sales are current through April 30 2024.

Table 46: Average Sales Prices by Bedroom Count (2000-2024)

Source: Multiple Listing Service. City of Vernon Historical Sales (2000 – 2024)

| Year | Bedroom Count | | | | | | |
	0	1	2	3	4	5	6
2000	$145,000	$59,300	$106,556	$144,645	$170,799	$181,159	$174,000
2001	n/a	$79,656	$112,010	$144,211	$160,580	$169,356	$179,250
2002	n/a	$70,023	$111,606	$150,192	$177,441	$179,723	$244,317
2003	$151,200	$93,071	$129,037	$176,732	$207,126	$254,944	$189,794
2004	$46,578	$94,287	$143,935	$194,251	$255,430	$252,688	$254,745
2005	$125,870	$105,189	$172,842	$246,553	$322,704	$293,851	$371,285
2006	$177,478	$134,837	$234,869	$308,706	$364,213	$397,479	$454,644
2007	$103,163	$134,351	$266,648	$361,014	$417,581	$511,671	$483,759
2008	$210,160	$174,335	$272,464	$356,264	$472,571	$494,125	$502,727
2009	$201,180	$133,727	$251,719	$354,410	$438,392	$479,017	$411,417
2010	$242,031	$210,763	$268,896	$353,912	$409,620	$453,605	$549,833
2011	$157,500	$120,241	$238,714	$356,757	$441,175	$472,882	$602,778
2012	n/a	$141,674	$237,746	$329,154	$403,454	$456,874	$554,700
2013	$57,000	$153,735	$239,251	$340,183	$413,908	$469,705	$655,758
2014	n/a	$172,438	$253,812	$369,434	$433,636	$449,470	$615,438
2015	$99,800	$155,213	$245,456	$356,286	$461,011	$483,323	$502,800
2016	$99,500	$143,852	$276,678	$406,948	$501,600	$540,667	$535,158
2017	$129,800	$171,387	$283,714	$432,267	$528,531	$579,606	$648,084
2018	$143,000	$172,522	$320,027	$465,292	$596,828	$631,613	$662,611
2019	$171,360	$217,221	$326,378	$460,248	$576,309	$655,731	$681,057
2020	$197,783	$259,113	$340,131	$526,461	$717,900	$679,128	$747,544
2021	$200,161	$276,536	$387,328	$612,945	$801,449	$877,765	$814,194
2022	$294,780	$285,167	$448,592	$690,579	$933,753	$979,805	$1,003,866
2023	$246,488	$308,321	$440,149	$716,693	$828,254	$1,029,616	$1,017,357
2024[5]	n/a	$279,580	$444,090	$671,909	$822,801	$882,478	$1,130,750

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5. 2024 sales are current through April 30 2024.

Table 47: Median Sales Prices by Bedroom Count (2000-2024)

Source: Multiple Listing Service. City of Vernon Historical Sales (2000 – 2024)

Year	Bedroom Count						
	0	**1**	**2**	**3**	**4**	**5**	**6**
2000	$145,000	$42,500	$110,000	$138,000	$163,000	$161,000	$166,000
2001	n/a	$65,000	$110,000	$139,000	$147,000	$169,750	$179,250
2002	n/a	$70,000	$110,000	$140,000	$163,000	$175,000	$165,950
2003	$93,500	$77,150	$119,000	$164,000	$172,500	$207,000	$166,000
2004	$31,450	$71,000	$136,000	$176,000	$214,000	$222,000	$222,450
2005	$117,900	$97,000	$166,000	$226,000	$265,500	$268,250	$277,000
2006	$169,000	$102,500	$204,900	$287,000	$312,000	$346,000	$392,250
2007	$72,000	$120,000	$241,000	$321,000	$380,000	$409,950	$438,000
2008	$149,000	$155,000	$252,000	$330,000	$395,000	$461,250	$500,000
2009	$101,500	$116,000	$235,000	$318,500	$373,000	$420,000	$397,500
2010	$206,563	$168,750	$237,000	$322,250	$368,000	$382,000	$500,000
2011	$157,500	$127,000	$219,000	$315,000	$365,000	$388,500	$375,000
2012	n/a	$135,000	$221,000	$315,000	$365,000	$419,900	$499,000
2013	$57,000	$116,000	$217,000	$316,000	$377,500	$413,600	$431,375
2014	n/a	$164,750	$230,000	$320,000	$384,750	$408,500	$535,000
2015	$108,000	$133,500	$230,000	$332,500	$400,000	$429,000	$450,000
2016	$102,500	$138,500	$250,750	$370,000	$436,500	$465,000	$470,000
2017	$120,000	$171,000	$265,000	$389,500	$465,000	$530,000	$563,500
2018	$168,000	$141,000	$290,750	$425,000	$509,900	$518,000	$591,000
2019	$185,000	$167,500	$304,750	$435,000	$523,750	$543,875	$558,000
2020	$212,500	$200,000	$322,000	$469,950	$594,000	$650,000	$695,000
2021	$223,900	$235,000	$351,000	$572,450	$686,000	$765,000	$719,875
2022	$301,000	$220,000	$420,000	$650,000	$813,000	$837,500	$935,000
2023	$252,950	$247,000	$427,500	$650,000	$729,000	$906,000	$921,000
2024[6]	$168,500	$251,000	$389,900	$625,000	$782,500	$780,000	$1,115,000

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6. 2024 sales are current through April 30 2024.

Rental Prices

Table 48: Median Rental Price by Unit Size, Purpose-Built Rental, City of Vernon, (2003-2023)
Source: Canadian Mortgage and Housing Corporation, Primary Rental Market

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	All Units
2003	$362	$480	$569	$600	$525
2004	$390	$502	$579	$625	$550
2005	$420	$515	$620	$690	$565
2006	$435	$545	$650	$735	$595
2007	$450	$595	$700	$750	$640
2008	$465	$648	$750	$825	$700
2009	$480	$625	$800	$834	$700
2010	$525	$625	$775	$875	$700
2011	$505	$625	$750	$900	$700
2012	$525	$630	$775	$875	$710
2013	$500	$630	$765	$900	$700
2014	$550	$650	$780	$880	$700
2015	$534	$680	$825	$925	$745
2016	$565	$707	$865	$950	$768
2017	$575	$750	$900	$975	$840
2018	$619	$790	$956	$980	$850
2019	$602	$842	$1,000	$1,025	$915
2020	$550	$860	$1,130	$1,100	$975
2021	$775	$868	$1,300	$1,037	$1,000
2022	$575	$954	$1,319	$1,081	$1,065
2023	$720	$1,145	$1,400	$1,450	$1,203

Table 49: Average Rental Price by Unit Size, Purpose-Built Rental, City of Vernon, (2003-2023)
Source: Canadian Mortgage and Housing Corporation, Primary Rental Market

	Bachelor	1 Bedroom	2 Bedroom	3 Bedroom +	All Units
2003	$365	$474	$583	$630	$534
2004	$402	$498	$601	$660	$555
2005	$411	$505	$619	$695	$572
2006	$435	$539	$653	$726	$603
2007	$463	$587	$702	$746	$646
2008	$491	$647	$765	$839	$707
2009	$495	$628	$780	$850	$710
2010	$515	$633	$788	$850	$718

2011	$518	$634	$774	$867	$713
2012	$525	$637	$780	$875	$721
2013	$496	$640	$785	$888	$717
2014	$536	$645	$790	$898	$722
2015	$518	$668	$821	$934	$746
2016	$544	$698	$863	$956	$781
2017	$586	$757	$913	$1,019	$835
2018	$628	$787	$946	$1,028	$861
2019	$626	$854	$1,075	$1,109	$947
2020	$637	$910	$1,175	$1,142	$1,017
2021	$752	$927	$1,244	$1,192	$1,076
2022	$640	$992	$1,333	$1,244	$1,132
2023	$704	$1,110	$1,427	$1,496	$1,259

CORE HOUSING NEED

Table 50: Affordability - Households Spending 30%+ of Income on Shelter, City of Vernon (2011-2021)

Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

	2011		2016		2021	
	#	%	#	%	#	%
Renter	2,160	50%	2,535	48%	2,555	40%
Owner	2,055	18%	1,800	15%	1,785	14%
Total	**4,215**	**27%**	**4,340**	**25%**	**4,340**	**23%**

Table 51: Adequacy - Households in Dwellings Requiring Majors Repairs, City of Vernon (2011-2021)

Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

	2011		2016		2021	
	#	%	#	%	#	%
Renter	505	12%	470	9%	585	9%
Owner	565	5%	515	4%	540	4%
Total	**1,070**	**7%**	**985**	**6%**	**1,125**	**6%**

Table 52: Suitability- Households in Overcrowded Dwellings, City of Vernon (2011-2021)

Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

	2011		2016		2021	
	#	%	#	%	#	%
Renter	280	6%	320	6%	465	7%
Owner	255	2%	135	1%	140	1%
Total	**545**	**4%**	**455**	**3%**	**610**	**3%**

Table 53: Households in Core Housing Need, City of Vernon (2011-2021)

Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

	2011		2016		2021	
	#	%	#	%	#	%
Renter	1,540	35%	1,770	33%	955	15%
Owner	670	6%	565	5%	370	3%
Total	**2,210**	**14%**	**2,335**	**14%**	**1,325**	**7%**

Table 54: Households in Extreme Core Housing Need, City of Vernon (2011-2021)

Statistics Canada, 2021 Census of Population, 2016 Census of Population, 2011 National Household Survey

	2011		2016		2021	
	#	%	#	%	#	%
Renter	785	18%	995	19%	700	11%
Owner	405	4%	225	2%	400	3%
Total	**1,190**	**8%**	**1,225**	**7%**	**1,100**	**6%**
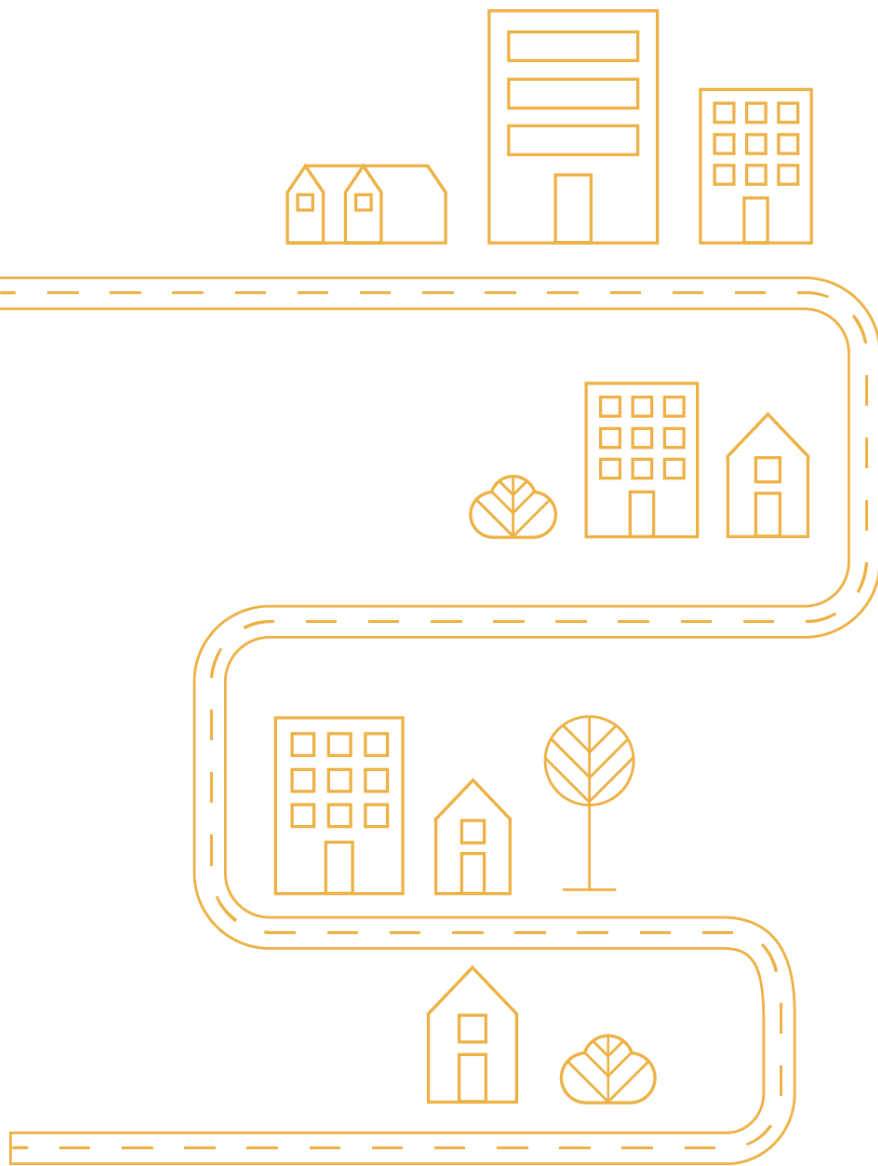
APPENDIX C

Housing Needs Report Method
Technical Memorandum

City of Vernon
Housing Needs Report

HNR Method
Technical Memorandum

September 2024

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Introduction

This technical memorandum introduces the new legislatively mandated 'HNR Method' (referred to in legislation as the 'applicable method') to estimating current and future housing need in British Columbia. The first section describes a brief history of housing needs report requirements, followed by the mandatory calculations results. The remaining sections explore a more complex analysis of the results to understand the estimated need by housing tenure and type, household income, household size, and required bedroom count.

Housing Needs Report History and HNR Method

Initial Legislative Requirements (2019)

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

Legislative Amendments (2023)

In Fall 2023, new legislation was introduced to significantly amend a broad range of planning and land use tools, regulations, and requirements for local governments. A key change was a shift to more pro-active planning, the requirement to estimate 5- and 20-year housing need with a specific HNR Method (HNRM), and to implement sufficient residential capacity through Official Community Plan (OCP) amendments to accommodate the HNRM identified need. An interim housing needs report (IHNR) with the results of the HNRM calculation must be completed by all local governments no later than January 1, 2025, with OCPs amended to accommodate the need no later than December 31, 2025. The analysis, and associated OCP updates, must be completed every five years going forward. INHRs have two additional components beyond the HNRM calculation (see **Appendix A** for all three required components).

With the release of the HNRM guidelines in late June 2024, the work to prepare an IHNR can now be initiated. This technical memo serves to present the findings of the HNRM analysis, alongside additional breakdowns of the results for a 10-year timeframe, and by housing

type and tenure, income group, household size and bedroom count for 5- and 10-years.[1] The additional components are supplemental to the basic requirements and provide the City of Vernon with a more nuanced understanding of housing need.

HNR Method Legislatively Required Results

The legislatively required 5- and 20-year estimates are for 3,312 and 11,484 additional units respectively (see Table 1 for breakdowns by component). Revised OCPs must accommodate this amount of housing. Table 1 includes a supplemental 10-year estimate for 5,933 units.

The methodology includes six components[2], each with a prescribed calculation method. It should be noted the five-year result is not simply one quarter of the 20-year result.

Table 1: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, City of Vernon[3]

Component	Detail	5-year	10-Year	20-Year
A	Extreme Core Housing Need	258.0	515.9	1,031.8
B	Person Experiencing Homelessness	166.2	249.3	332.4
C	Suppressed Household Formation	231.3	462.5	925.1
D	Anticipated Household Growth	2,310.2	4,012.9	7,811.1
E	Rental Vacancy Rate Adjustment	38.4	76.9	153.8
F	Demand Factor	307.5	615.0	1,230.1
	Total	**3,312**	**5,933**	**11,484**

For Vernon, the biggest driver of the difference over time is from BC Statistics' projection slowly shifting from higher growth rate in the first five-years (2.3% annual growth) to a lower

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1. Note: the HNR Method only requires 5- and 20-year breakdowns of the calculations, however, most new housing units realized over the next five years will be from underway projects, and it may be challenging for local governments to meaningfully shape outcomes on this timescale. The 20-year timeframe has the opposite challenge with the timeline being so long the context will likely change before then. Ten years is a middle point where the need estimated today may still be relatively accurate, with the ability for local governments to implement policy with the capacity to impact development outcomes. The 10-year calculation follows the same logic and approach as described for 5- and 20-years in the AM guidelines, however, this is not an officially mandated methodology and some discretion around how to distribute the different components over time was required.
2. Refer to the Ministry of Housing's 'Guidelines for Housing Needs Reports – HNR Method Technical Guidance' document for further detail on the specific components, what they represent, and why they were included in the methodology.
3. The Ministry of Housing HNR Method guidelines state values should remain unrounded until the final total, which is to be rounded to the near whole number. For the components, one decimal place has been shown for clarity when summing to the total.

growth rate by 2026 and through 2041 (1.6%). Similarly, with the urgency in addressing the needs of people experiencing homelessness (Component B), the HNRM intends for half of this need to be addressed in five years, while the 10-year number represents 75% of the 20-year need for persons experiencing homelessness.

Component D (Anticipated Household Growth) could be described as estimated future need, while the other components are considerations of pre-existing unmet need regardless of future population growth. Most of the estimated need is from projected growth (68% of the need over 5-years and 70% over 20-years).

Given most development seen over the next five years will be projects already underway, it is unlikely the short-term estimate is achievable in most municipalities. However, as local policies and plans are amended to accommodate other legislative changes to support additional housing development and diversity, it may become more realistic to achieve these 5-year estimates over time; these changes establish a new framework for land use and housing regulation, and it may take time to be fully operational and keep pace with need.

Values presented in Table 1 provide the minimum requirements of the HNRM calculation for IHNRs, however, more nuance could be provided to understand the type, size, and price-point required to meet the needs of local households. The remainder of this technical memo will explore additional complexity for the 5- and 10-year breakdowns of the HNRM calculation.

Distribution of HNR Method by Price-Point, Housing Type and Tenure, and Bedroom Count

While an estimate of the overall unit need for housing is important to understand, there are a wide range of housing needs requiring different solutions. More advanced analysis of the basic HNRM results can provide a broader understanding of potential housing need in the community. A key aspect of distributing overall estimated housing need to housing type, tenure, or price-point is considering the amount household can afford paying for their housing.

Income Group Concept

The University of British Columbia's Housing Research Collaborative received funding through the Canada Mortgage and Housing Corporation (CMHC) Housing Supply Challenge to develop standardized, replicable and equity-focused Housing Assessment Resource Tools (HART) to support better housing supply decision-making. The Housing

Assessment Tool introduced an income group concept allowing for the distribution of future demand (population projections) and unmet need (core housing need) into income groups. The key innovation of this work is the custom dataset allowing for crosstabulation of census data by these five income groups.

CitySpaces and rennie intelligence have since further developed this baseline concept to incorporate additional conceptualizations of unmet need, which closely paralleled the concepts now introduced through the HNRM. This customized approach included applying a revised version of the custom dataset to allow for additional considerations and adaptability to local concerns or trends. A new version of this dataset has been procured to support more advanced analysis within the new HNRM framework, and previous approaches have now been adapted to build upon the individual HNRM components.

Income Groups

Table 2 provides a high-level description of the basis for the income groups by their type of income, the resulting percentage of the area median (household) income they would earn, with the share of households falling into each group (national average distribution).[4] With the groups defined by a percentage of the area median income each household earns, the exact income thresholds will vary by community, but the overall share of households falling into each group is generally consistent across all geographies.

Table 3 provides the resulting income ranges, affordable monthly housing cost (30% of income), and number and share of households in each income group for Vernon.

Table 2: Income Groups by Income Type, Percent of Area Median Income, and National
Average Distribution (%)

Income Group	Income Type or Source	Percent of AMI	2021 National Average Distribution
Very Low	Social Assistance	< 20%	3%
Low	Minimum Wage Worker	20% – 49%	18%
Moderate	Entry-Level Professional Job	50% – 79%	18%
Average	Middle Class	80% – 120%	21%
Above Average	High-Income	> 120%	40%

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

Table 3: Income Range, Monthly Affordable Housing Cost, and Number of Households by Income Group, City of Vernon

Income Group	Income Range	Maximum Monthly Housing Cost	Number of Households	Share of Households
Very Low	< $15,000	< $376	330	2%
Low	$15,000 – $34,999	$376 – $875	3,725	19%
Moderate	$35,000 – $59,999	$876 – $1,500	3,805	19%
Average	$60,000 – $89,999	$1,501 – $2,250	4,015	20%
Above Average	$90,000+	> $2,250	7,865	40%

The rightmost columns of Table 2 and Table 3 show there is a similar share of households in each income group in Vernon compared to the national average. The low- and moderate-income groups have slightly higher shares of households in Vernon than nationally, with a corresponding lower share in the very low and average groups.

Applying the income group distribution to the HNRM results will support allocating by affordable price-point, and therefore by tenure based on an affordability analysis of local housing.

Allocation of HNR Method – Housing Type + Tenure Categories

To provide a deeper understanding of the high-level results, the HNRM calculation has been allocated to four different housing types or tenures:

- **Market rental** is rental housing with rents set by the market, and in this context could include both secured primary rental and secondary rental. The need would ideally be met with purpose-built secured market rental, which generally offers superior security of tenure. However, strata apartments or secondary suites rented by individual owners on the secondary rental market would also address this need. Based on analysis of local market rents and incomes, renter households in the average-income group, and bottom two thirds of the above average group are allocated to market rental.

- **Non-market rental** is purpose-built subsidized rental housing with a range of below-market rents; this category could include a range of price-points above the housing component of social assistance. Based on analysis of market rents, it is assumed all renter households in the moderate-income group and 80% of the low-income group, would need non-market rental housing to meet their needs.

- **Deep subsidy and supportive rental** represent two conceptual categories, including those on social assistance with rents affordable to those earning less than the "deep

subsidy income limits" as defined by BC Housing programs. This category also includes supportive housing for people experiencing homelessness and those requiring on-going supports with their housing. Based on analysis of market rents, it is assumed all renter households in the very low-income group, and the bottom fifth of the low-income group, will need deep subsidy or supportive housing to meet their needs.

- **Ownership** describes housing owned and occupied by individual households; this category is broad, representing a range of households, and does not identify a specific structure type. The ownership category in this methodology represents owner-occupiers only, and investment properties purchased to rent on the secondary market would be in the market rental category. Based on an affordability analysis of local ownership housing, it is assumed 9% of renters, or approximately half of renters in the above average income group earning over $118,000 annually could potentially purchase.[5]

There is some discretion in this allocation and the assumptions to apply will change over time as the local dynamics of rental and ownership housing prices evolve. For example, if ownership prices decrease, a larger share of renter households could be assumed to successfully purchase in the future. Similarly, if market rents were reduced due to the rebalancing of vacancy rates, a smaller share of households could be allotted to non-market rental housing. As the HNRM analysis must be updated every five-years, there will be frequent opportunities to reconsider the allocation of current and future demand to different housing types or tenures.

Table 4 provides the resulting distribution of the four housing categories for 5- and 10-years, while the following sections further explain how the HNRM components have been allocated to the four housing type and tenure categories.

Table 4: 5-Year and 10-Year HNR Method Type and Tenure Allocation

TIMEFRAME		MARKET RENTAL	NON-MARKET RENTAL	DEEP SUBSIDY + SUPPORTIVE RENTAL	OWNERSHIP	TOTAL
5-Years	#	674	822	373	1,442	3,312
	%	20%	25%	11%	44%	100%
10-Years	#	1,249	1,490	638	2,556	5,933
	%	21%	25%	11%	43%	100%

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5. Based on the minimum income required to qualify for the median priced townhouse ($480,000, January 2023 - April 2024) with a 20% down payment ($96,000) at 4.64% for 25 years with a gross debt service ratio of 32% and $550 of relevant housing costs per month for qualification at the stress test rate at 4.64%+2%. The median sales price has been applied, as this is the middle point where half of sales were at a lower cost, and it is less impacted by outliers than the average.

Allocation of HNR Method – Distribution of Components

Table 5 broadly summarizes how the HNRM components have been allocated to the four housing type and tenure categories. The allocation of the HNRM components to housing type utilizes the income group concept introduced in the previous section, alongside an affordability analysis of market and non-market rental (BC Housing programs), and ownership prices.

Table 5: Type and Tenure Allocation of HNR Method, City of Vernon

Component	Detail	Type + Tenure Allocation
A	Extreme Core Housing Need	Rental Based on Income of Households in ECHN
B	Persons Experiencing Homelessness	Deep Subsidy + Supportive Rental
C	Suppressed Household Formation	Market Rental + Ownership[6]
D	Anticipated Household Growth	Distribute by Income[7]
E	Rental Vacancy Rate Adjustment	Market Rental
F	Demand Factor	Distribute by Income

The assumptions for how each HNRM component is distributed to housing type or tenure are described below.

Component A – Extreme Core Housing Need

It is assumed households in Extreme Core Housing Need (ECHN) will require non-market rental housing to meet needs for adequate and affordable housing. 39% of ECHN is allocated to **Deep Subsidy + Supportive Rental**, based on the share of renter households experiencing ECHN with incomes below $20,000, while the remainder is allocated **Non-Market Rental** (61%).

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6. Suppressed household formation units allotted to ownership proportionally by the share of renter households (9%) earning over $118,000/year with the remainder assigned to market rental.
7. Estimated future renter households are assigned to market, non-market, and deep subsidy rental by income group compared against current market rents, and non-market funding programs.
For owners, the share of new owner households from 2011-2021 has been considered to conservatively project 50% of new households from 2021-2031 will purchase their home (resulting in the overall share of households who own shifting from 66% in 2021 to 65% by 2031). It is assumed a similar share of new households will own in the future regardless of income to accommodate for inheritance, assistance from family members, or other novel circumstances allowing for purchase without a high income.

Component B – Persons Experiencing Homelessness

It is assumed all persons experiencing homelessness require **Deep Subsidy + Supportive Rental**.

Component C – Suppressed Household Formation

It is assumed suppressed households will generally require **Market Rental**, except for the 9% of renter households earning over $118,000/year, which are instead allocated to **Ownership**.

Component D – Anticipated Household Growth

Anticipated household growth has been allocated based on an affordability analysis of rental and ownership housing compared against renter and owner incomes. Based on the 2011-2021 trend of new households who rent or own, 50% of new households projected through 2031 are assigned to each tenure.

- **Market Rental**: based on the share of renter households in the average income group and 54% of the moderate-income group.

- **Non-Market Rental**: based on the share of renter households in the moderate-income group who can afford no more than $1,125/month (46%), and 81% of renter households in the low-income group (those who can spend more than $500/month).

- **Deep Subsidy + Supportive Rental**: based on the share of renter households in the very low-income group, and 19% of the low-income group.

- **Ownership**: based on a 50% share of new households being owners, in addition to the 9% of renter households earning over $118,000/year.

Component E – Rental Vacancy Adjustment

It is assumed all rental vacancy adjustment is **Market Rental**, as this component seeks to achieve a 3% market rental vacancy rate.

Component F – Demand Factor

Component F seeks to describe the required buffer, or extra room in the housing system, to achieve a 'healthy' supply-demand balance. It is assumed this component will represent a range of housing types and is broadly allocated with the same method as Component D.

While the distribution of Component D and F are framed as shares of the five income groups, the affordability analysis to assign units to housing type is based on smaller income ranges, as available in the census. This has resulted in some of the income groups being split into multiple categories as they do not currently align with the housing costs associated with the four types. The next section explores the income group and household size distributions for owners and renters represented by Components D and F.

Income Group + Bedroom Count Allocation

This section explores the distribution of Components D and F by income group and household size, with a final breakdown by income group and number of bedrooms required to meet the National Occupancy Standards[8]. The allocations have been calculated for both 5- and 10-year breakdowns of HNRM results. The projected distribution of future renter (50%) and owner households (50%) used in the housing type analysis was applied to inform the allocation of the results by income group and household size.[9]

By projecting a larger share of future households as renters, the overall distribution of households by income group shifts towards the lower income groups, with 5% less of the total in the above average group. See **Appendix B** for a full set of 5- and 10-year tables in, alongside supplemental breakdowns with proportions (%) rather than unit counts.

10-YEAR ALLOCATION OF PROJECTED GROWTH + DEMAND BUFFER

Table 6 provides the distribution of all households by income group and household size (2021 Census distribution carried forward) applied to Components D and F combined.

Table 6: Estimated 10-Year Future Demand by Income Group and Household Size, All Households, City of Vernon[10]

Income Group	Very Low	Low	Moderate	Average	Above Average		
Household Income	< $15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	< $376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	78	812	444	251	117	**1,702**	37%
2-person	11	149	402	462	676	**1,700**	37%
3-person	0	33	80	129	324	**566**	12%
4+person	0	4	28	121	507	**660**	14%
TOTAL	89	998	954	963	1,624	**4,628**	100%
%	2%	22%	21%	21%	35%	100%	

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8. Bedroom count allocation is based on the Vernon household composition distribution in the 2021 Census by income group. The distribution has been applied to the combined projected growth and demand buffer from the HNR Method calculation for all households, renters, and owners.
9. Based on an assessment of the share of new households who rent or own, and the number of rental completions, from 2011-2021.
10. Future demand as presented includes Components D and F

Table 7 provides the distribution of **owner households** by income group and household size (2021 Census distribution) applied to Components D and F.

Table 7: Estimated 10-Year Future Demand by Income Group and Household Size, Owner Households, City of Vernon

Income Group	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
Household Income	< $15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	< $376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	19	238	169	121	70	**617**	26%
2-person	4	55	189	245	518	**1,011**	44%
3-person	0	4	16	51	225	**296**	13%
4+person	0	4	4	36	346	**390**	17%
TOTAL	23	301	378	453	1,159	**2,314**	100%
%	1%	13%	16%	20%	50%	100%	

Table 8 provides the distribution of **renter households** by income group and household size (2021 Census distribution) applied to Components D and F.

Table 8: Estimated 10-Year Future Demand by Income Group and Household Size, Renter Households, City of Vernon

Income Group	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
Household Income	< $15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	< $376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	59	574	275	130	47	**1,085**	47%
2-person	7	94	213	217	158	**689**	29%
3-person	0	29	64	78	99	**270**	12%
4+person	0	0	24	85	161	**270**	12%
TOTAL	66	697	576	510	465	**2,314**	**100%**
%	3%	30%	25%	22%	20%	100%	

This approach results in exact unit estimates; however, the ultimate focus should be on the general distribution of units across the income groups rather than the precise number of units. See **Appendix B** for versions of the above tables with the proportion of units (%) by household size and income group for reference.

For renters, there is a clear and direct relationship between household income and the housing cost they can afford. However, many owners can purchase despite incomes being too low to qualify at first glance. Many owners have existing equity in their homes to leverage, assistance from family, or inheritances, to support accessing ownership housing. As a result, there may be new owner households in the bottom four income groups who are able to purchase despite their incomes.

Bedroom Allocation

There is not a completely direct and consistent relationship between the number of people in a household and number of bedrooms required to meet their housing need due to variations in household composition and the resulting difference in bedroom needs. For example, a three-person household comprising one couple with one child requires two bedrooms to meet the National Occupancy Standards; however, a three-person household with three unrelated roommates would require three bedrooms. Alternatively, a four-person household comprising two couples would only require two bedrooms. While larger households typically need more bedrooms, it is not always the case.

This distribution is based on meeting the minimum basic needs of households, however, many households prefer having an extra bedroom for visitors, storage, office space or other uses. When financially able, many households will seek out larger dwellings than required to meet their needs, but this analysis does not contemplate this factor (which largely comes down to personal choice and financial capacity rather than housing need).

The backend analysis for the bedroom and income group distributions in Table 9 (unit count by bedrooms) and Table 10 (percent distribution by bedrooms) are per income group. For example, based on the analysis of the distribution of household composition of low-income households, 92% would need one-bedroom. This approach has been chosen as there is a relationship between incomes, household size, and composition.[11]

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11. Undertaking this analysis based on each individual income group results in a higher estimated need for smaller units than an aggregated analysis would provide. Changing demographic trends and an aging population are resulting in an increasing need for smaller housing units than in the past. Many communities also have a higher concentration of larger units (typically detached houses), while there is a direct relationship between housing affordability and unit size. Addressing affordability for many household may involve developing smaller units than the historical trend.

Table 9: Estimated 10-Year Future Demand by Minimum Bedrooms Required, City of Vernon

Unit Size	Very Low	Low	Moderate	Average	Above Average	TOTAL
1-bedroom	71	784	682	588	777	2,902
2-bedroom	6	60	150	198	571	985
3-bedroom	0	29	51	145	447	672
4+bedroom	0	0	9	9	51	69
TOTAL	77	873	892	940	1,846	4,628

Table 10: Estimated 10-Year Future Demand Minimum Bedrooms Required Income Group Distribution, City of Vernon[12]

Unit Size	Very Low	Low	Moderate	Average	Above Average
1-bedroom	92%	90%	76%	62%	42%
2-bedroom	8%	7%	17%	21%	31%
3-bedroom	0%	3%	6%	16%	24%
4+bedroom	0%	0%	1%	1%	3%
TOTAL	100%	100%	100%	100%	100%

12. Describes the share of future demand by bedroom count and income group. For example, 100% Very Low income households are estimated to require at least a 1-bedroom unit, while 77% of Moderate income households are estimated to require a 1-bedroom unit and 16% require a 2-bedroom unit.

Interpreting the Results + Housing System Affordability

> **The housing need estimates describe the potential demand for new housing units of various types, tenures, and price ranges to address estimated current and future housing needs.**

Accurately estimating current and future housing need is not a simple exercise, and addressing any estimated need can be even more challenging for local governments, which do not typically construct housing. Addressing the current and future housing needs of the community is primarily dependent on the construction of new housing by individual private and non-profit actors, ideally as closely matched to need as possible. Local governments can use regulations and incentives to encourage certain outcomes, but do not directly control what is developed. Meeting need also comes down to the choices households make about where to live, whether to move, how much space they want or can afford, and other factors.

All new households will not necessarily require a new dwelling to meet their needs because existing homes may become available when a current household moves into a new unit. This means the actual number of new units needed may vary from the assessed demand. An important consideration for addressing housing need is the impact of these moves, the resulting vacancies, and how it drives filtering of prices in the housing system. **Filtering describes the way units become available to lower income households as they age, allowing households to meet their needs by sorting themselves into housing they can afford.**

As a household's need or income changes, they may decide to move into a larger or more expensive dwelling, thereby freeing up their existing (and potentially more affordable) home for another household. These moves can trigger a chain of moves and available units, where one vacated unit allows another household to move into it. As households access bigger, newer, or otherwise more desirable dwellings over time, and as incomes increase, priorities change and/or families grow, these chains of moves can create room for lower income households in existing and relatively more affordable housing.

Where there is a sufficient supply of new housing to meet demand, older units should filter down in price. In contrast, if supply is insufficient, older units may filter up in price. **A key aspect of the current housing challenge is most dwellings have been filtering up in price, regardless of age or physical depreciation**. In some high-demand areas, the rent for older dwellings is the same or similar to newer dwellings, despite clear differences in quality.

In a balanced market, older homes should become relatively more affordable. This means the needs of a low- or moderate-income household could be met by a new market-priced unit being created, not because they move into it, but due to an opening created within the existing housing stock. In this way, addressing all housing need or demand will not necessarily rely on the construction of new units for all households. **Protecting the existing stock of older, relatively more affordable housing is important as it allows for downward filtering as new dwellings are added.**

All else being equal, adding a significant number of market-rate units can therefore have a positive impact for lower income households, as long as it is not replacing dwellings that could otherwise be affordable to those households. Although it may seem counterintuitive, **new market-rate homes can enhance overall affordability by absorbing higher-income households who can afford them.** Without other options, these households would bid up the price of existing lower cost housing. **Nonetheless, it is unlikely the needs of very low- and low-income households can be effectively met by the market.** Non-market housing options will also be needed, especially for the foreseeable future while existing supply imbalances are being addressed; any efforts to support lower prices in new housing construction will be vital to meeting the needs of these households.

These dynamics are more complicated when considering ownership housing. While the same patterns generally apply, where households will sort themselves into housing based on their needs and means, there can be extra costs and effort involved in changing dwellings for owners. Additionally, while owner households can be distributed into the five income groups, as seen in Table 7 (page 10), **more than 50% of new owner households projected over the next 10-years likely could not purchase a dwelling today based on incomes alone**. Many owners have existing equity they can use when purchasing a new home or, in the case of first-time buyers, they often receive support from parents or use an inheritance. Senior owners may have a significantly reduced income from when they first purchased.

Most newly built ownership housing will be at the upper end of the price spectrum, but when an existing owner moves into a new dwelling, the previous unit becomes available, likely at a lower price-point than a new dwelling. Ownership housing will still filter down in price as supply increases relative to demand, but it is difficult to understand or predict exactly how households are purchasing, or what they will be able to purchase, compared to renter households where the relationship between incomes and cost of affordable housing is clearer.

Key Takeaways

- The housing type demand estimates are based on a set of current assumptions, which may vary over time or by data source.

- The housing demand estimates represent how current unmet and projected future need could be accommodated through **new dwellings**. However, not all households will need new dwellings to meet their needs because vacancy may be created when an existing household moves into a new dwelling.

- In general, all net additional housing improves the affordability of the housing system at a high level. In existing urban areas, the greatest impact will be when low-density, relatively expensive housing is replaced by higher density, relatively more affordable housing. Some households will need non-market options to afford their housing, and supporting its development will have the highest impact on affordability.

- If the estimated demand for market rental or ownership housing has been met, it does not mean the local government should stop allowing more to be built. If higher cost housing is not added, higher income households will simply pay more for existing lower cost homes, thereby bidding-up the price until lower income households have been priced-out. Historical lack of market supply to absorb high-income households is a key driver of current housing prices.

- Policies or incentives to shift development to non-market options would be positive and necessary to meet the needs of some households. Protecting the existing, relatively more affordable housing is also key, this may often be older market rental and other multi-unit housing forms.

- **Regular five-year updates to the estimates will help determine how effectively recent development has addressed the identified needs within the complexity of household choice, the diversity of ways first time buyers purchase, and how filtering can address the needs of some lower income households without building a new dwelling for them.**

Conclusion

This technical memo provides the legislatively required content for an Interim Housing Needs Report with additional supplemental analysis. **Appendix A** includes all Interim Report requirements as per Part 14 of the *Local Government Act*:

1. "The number of housing units needed currently and over the next 5- and 20-years, calculated using the HNR Method provided in the Regulation;

2. A statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation; and,

3. A description of the actions taken by the local government, since receiving the most recent housing needs report, to reduce housing needs."[13]

The supplemental analysis in this memo provides a finer grain understanding of the total number of estimated units required to meet local need as per the HNR Method and will support crafting effective housing policies and land use regulations in City of Vernon, particularly for the current Official Community Plan update process.

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

APPENDIX A

INTERIM HOUSING NEEDS REPORT REQUIRED CONTENT

Interim Housing Needs Report Legislative Requirements

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

Table 1: 5- and 20-Year HNR Method Housing Need Estimates, City of Vernon

Component	Detail	5-year	20-Year
A	Extreme Core Housing Need	258.0	1,031.8
B	Person Experiencing Homelessness	166.2	332.4
C	Suppressed Household Formation	231.3	925.1
D	Anticipated Household Growth	2,310.2	7,811.1
E	Rental Vacancy Rate Adjustment	38.4	153.8
F	Demand Factor	307.5	1,230.1
	Total	3,312	11,484

Statement on Housing Need in Proximity to Alternative Transportation Infrastructure

Recognizing the strong connection between land use, housing, and transportation, the City of Vernon is updating its Official Community Plan alongside its Transportation Plan. This coordinated effort ensures that land use policies align with the future transportation network and addresses the critical link between housing and access to safe, affordable, and efficient transportation options. By expanding access to alternative and active transportation modes, the City strives to help reduce transportation costs for households, especially those impacted by rising living expenses.

## Description of Actions Taken by Local Government to Reduce Housing Need

In response to the findings of the 2020 Housing Needs Report, Vernon's City Council endorsed a new Housing Action Plan (HAP) in September 2022. The Plan outlines five strategic directions and 20 specific actions to guide policy development and decision-making. Since adopting the HAP, the City has successfully implemented the following initiatives:

- Developed and adopted a new Zoning Bylaw aimed at reducing cumbersome regulations and promoting diverse housing options, including secondary suites, accessory dwelling units, multi-unit developments, and mixed-use projects.

- Collaborated with the Regional District of North Okanagan to complete a design competition that produced pre-approved plans, streamlining the process for constructing secondary dwellings.

- Implemented short-term rental regulations in line with new Provincial legislation under the Short-Term Rental Accommodations Act.

- Aligned land use regulations with new Provincial housing legislation to support small-scale multi-unit housing and transit-oriented development.

- Introduced floor area ratio (FAR) density controls in medium-density and mixed-use zones, increasing flexibility in designing diverse housing options to meet market needs.

- Submitted applications for CMHC Housing Accelerator Funding in both rounds 1 and 2.

- Offered incentives and fast-tracked applications for non-profit housing developments.
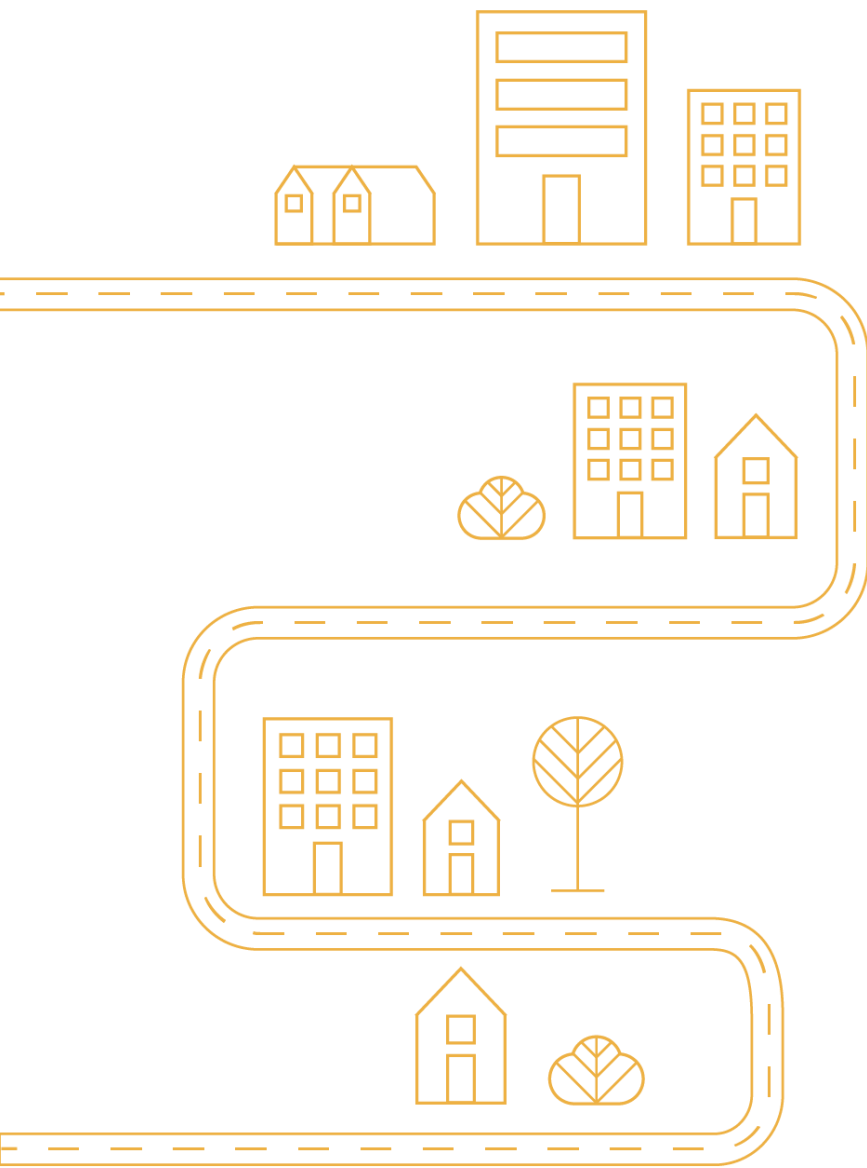
APPENDIX B
HNR METHOD RESULTS + SUPPLEMENTAL TABLES

LIST OF TABLES

HNR METHOD RESULTS

Table 1: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, City of Vernon

Component	Detail	5-year	10-Year	20-year
A	Extreme Core Housing Need	258	516	1,032
B	Person Experiencing Homelessness	166	249	332
C	Suppressed Household Formation	231	463	925
D	Anticipated Household Growth	2,310	4,013	7,811
E	Rental Vacancy Rate Adjustment	38	77	154
F	Demand Factor	308	615	1,230
	Total	3,312	5,933	11,484

HOUSING TYPE AND TENURE ALLOCATION

Table 2: 5-Year and 10-Year HNR Method Type and Tenure Allocation

Timeframe		MARKET RENTAL	NON-MARKET RENTAL	DEEP SUBSIDY + SUPPORTIVE RENTAL	OWNERSHIP	TOTAL
5-Years	#	674	822	373	1,442	3,312
	%	20%	25%	11%	44%	100%
10-Years	#	1,249	1,490	638	2,556	5,933
	%	21%	25%	11%	43%	100%

5-YEAR ALLOCATION OF PROJECTED GROWTH + DEMAND BUFFER

All Households

Table 3: Estimated 5-Year Future Demand by Income Group and Household Size, All Households, City of Vernon

Income Group	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
% AMI	< 20%	20–49%	50–79%	70–119%	> 120%		
Household Income	<$15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	<$376	$376 – $875	$876 – $1,500	$1,501 – $2,250	>$2,250	TOTAL	%
1-person	44	460	251	141	66	**962**	37%
2-person	7	84	228	262	382	**963**	37%
3-person	0	19	45	73	183	**320**	12%
4+person	0	2	16	68	287	**373**	14%
TOTAL	51	565	540	544	918	**2,618**	100%
%	2%	22%	21%	21%	35%	100%	

Table 4: Proportional Allocation of Estimated 5-Year Future Demand by Income Group and Household Size, All Households, City of Vernon

INCOME GROUP

HOUSEHOLD SIZE	Very Low	Low	Moderate	Average	Above Average
1-person	1.7%	17.6%	9.6%	5.4%	2.5%
2-person	0.3%	3.2%	8.7%	10.0%	14.6%
3-person	0%	0.7%	1.7%	2.8%	7.0%
4+person	0%	0.1%	0.6%	2.6%	11.0%
TOTAL	2.0%	21.6%	20.6%	20.8%	35.1%

Owner Households

Table 5: Estimated 5-Year Future Demand by Income Group and Household Size, Owners, City of Vernon

Income Group	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
% AMI	<20%	20-49%	50-79%	70-119%	>120%		
Household Income	<$15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	<$376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	11	135	95	68	40	**349**	26%
2-person	3	31	107	139	293	**573**	44%
3-person	0	2	9	29	127	**167**	13%
4+person	0	2	2	20	196	**220**	17%
TOTAL	14	170	213	256	656	1,309	100%
%	1%	13%	16%	20%	50%	100%	

Table 6: Proportional Allocation of Estimated 5-Year Future Demand by Income Group and Household Size, Owners, City of Vernon

INCOME GROUP

HOUSEHOLD SIZE	Very Low	Low	Moderate	Average	Above Average
1-person	0.8%	10.3%	7.3%	5.2%	3.1%
2-person	0.2%	2.4%	8.2%	10.6%	22.4%
3-person	0%	0.2%	0.7%	2.2%	9.7%
4+person	0%	0.2%	0.2%	1.5%	15.0%
TOTAL	1.1%	13.0%	16.3%	19.6%	50.1%

Renter Households

Table 7: Estimated 5-Year Future Demand by Income Group and Household Size, Renters, City of Vernon

Income Group	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
% AMI	<20%	20-49%	50-79%	70-119%	>120%		
Household Income	<$15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	<$376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	33	325	156	73	26	**613**	47%
2-person	4	53	121	123	89	**390**	29%
3-person	0	17	36	44	56	**153**	12%
4+person	0	0	14	48	91	**153**	12%
TOTAL	37	395	327	288	262	1,309	100%
%	3%	30%	25%	22%	20%	100%	

Table 8: Proportional Allocation of Estimated 5-Year Future Demand by Income Group and Household Size, Renters, City of Vernon

INCOME GROUP

HOUSEHOLD SIZE	Very Low	Low	Moderate	Average	Above Average
1-person	2.5%	24.8%	11.9%	5.6%	2.0%
2-person	0.3%	4.0%	9.2%	9.4%	6.8%
3-person	0%	1.3%	2.8%	3.4%	4.3%
4+person	0%	0%	1.1%	3.7%	7.0%
TOTAL	2.8%	30.2%	25.0%	22.0%	20.1%

Bedroom Allocation

Table 9: Estimated 5-Year Future Demand by Minimum Bedrooms Required, City of Vernon

UNIT SIZE	INCOME GROUP					TOTAL
	Very Low	Low	Moderate	Average	Above Average	
1-bedroom	40	443	386	333	439	1,641
2-bedroom	4	34	84	112	323	557
3-bedroom	0	17	29	82	253	381
4+bedroom	0	0	5	5	29	39
TOTAL	44	494	504	532	1,044	2,618

Table 10: Estimated 5-Year Future Demand Minimum Bedrooms Required Income Group Distribution, City of Vernon

UNIT SIZE	INCOME GROUP				
	Very Low	Low	Moderate	Average	Above Average
1-bedroom	92%	90%	76%	62%	42%
2-bedroom	8%	7%	17%	21%	31%
3-bedroom	0%	3%	6%	16%	24%
4+bedroom	0%	0%	1%	1%	3%
TOTAL	100%	100%	100%	100%	100%

10-YEAR ALLOCATION OF PROJECTED GROWTH + DEMAND BUFFER

All Households

Table 11: Estimated 10-Year Future Demand by Income Group and Household Size, All Households, City of Vernon

Income Group	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
% AMI	<20%	20-49%	50-79%	70-119%	>120%		
Household Income	<$15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	<$376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	78	812	444	251	117	**1,702**	37%
2-person	11	149	402	462	676	**1,700**	37%
3-person	0	33	80	129	324	**566**	12%
4+person	0	4	28	121	507	**660**	14%
TOTAL	89	998	954	963	1,624	**4,628**	100%
%	2%	22%	21%	21%	35%	100%	

Table 12: Proportional Allocation of Estimated 10-Year Future Demand by Income Group and Household Size, All Households, City of Vernon

INCOME GROUP

HOUSEHOLD SIZE	Very Low	Low	Moderate	Average	Above Average
1-person	1.7%	17.6%	9.6%	5.4%	2.5%
2-person	0.2%	3.2%	8.7%	10.0%	14.6%
3-person	0%	0.7%	1.7%	2.8%	7.0%
4+person	0%	0.1%	0.6%	2.6%	11.0%
TOTAL	1.9%	21.6%	20.6%	20.8%	35.1%

Owner Households

Table 13: Estimated 10-Year Future Demand by Income Group and Household Size, Owners, City of Vernon

Income Group	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
% AMI	<20%	20-49%	50-79%	70-119%	>120%		
Household Income	<$15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	<$376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	19	238	169	121	70	**617**	26%
2-person	4	55	189	245	518	**1,011**	44%
3-person	0	4	16	51	225	**296**	13%
4+person	0	4	4	36	346	**390**	17%
TOTAL	23	301	378	453	1,159	2,314	100%
%	1%	13%	16%	20%	50%	100%	

Table 14: Proportional Allocation of Estimated 10-Year Future Demand by Income Group and Household Size, Owners, City of Vernon

INCOME GROUP

HOUSEHOLD SIZE	Very Low	Low	Moderate	Average	Above Average
1-person	0.8%	10.3%	7.3%	5.2%	3.0%
2-person	0.2%	2.4%	8.2%	10.6%	22.4%
3-person	0%	0.2%	0.7%	2.2%	9.7%
4+person	0%	0.2%	0.2%	1.6%	15.0%
TOTAL	1.0%	13.1%	16.4%	19.6%	50.1%

Renter Households

Table 15: Estimated 10-Year Future Demand by Income Group and Household Size, Renters, City of Vernon

Income Group	Very Low	Low	Moderate	Average	Above Average		
% AMI	<20%	20-49%	50-79%	70-119%	>120%		
Household Income	<$15,000	$15,000 – $34,999	$35,000 – $59,999	$60,000 – $89,999	$90,000+		
Monthly Affordable Housing Cost	<$376	$376 – $875	$876 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	59	574	275	130	47	**1,085**	47%
2-person	7	94	213	217	158	**689**	29%
3-person	0	29	64	78	99	**270**	12%
4+person	0	0	24	85	161	**270**	12%
TOTAL	66	697	576	510	465	2,314	100%
%	3%	30%	25%	22%	20%	100%	

Table 16: Proportional Allocation of Estimated 10-Year Future Demand by Income Group and Household Size, Renters, City of Vernon

INCOME GROUP

HOUSEHOLD SIZE	Very Low	Low	Moderate	Average	Above Average
1-person	2.5%	24.8%	11.9%	5.6%	2.0%
2-person	0.3%	4.1%	9.2%	9.4%	6.8%
3-person	0%	1.3%	2.8%	3.4%	4.3%
4+person	0%	0%	1.0%	3.7%	7.0%
TOTAL	2.9%	30.1%	24.9%	22.0%	20.1%

Bedroom Allocation

Table 17: Estimated 10-Year Future Demand by Minimum Bedrooms Required, City of Vernon

UNIT SIZE	INCOME GROUP					TOTAL
	Very Low	Low	Moderate	Average	Above Average	
1-bedroom	71	784	682	588	777	2,902
2-bedroom	6	60	150	198	571	985
3-bedroom	0	29	51	145	447	672
4+bedroom	0	0	9	9	51	69
TOTAL	77	873	892	940	1,846	4,628

Table 18: Estimated 10-Year Future Demand Minimum Bedrooms Required Income Group Distribution, City of Vernon

UNIT SIZE	INCOME GROUP				
	Very Low	Low	Moderate	Average	Above Average
1-bedroom	92%	90%	76%	62%	42%
2-bedroom	8%	7%	17%	21%	31%
3-bedroom	0%	3%	6%	16%	24%
4+bedroom	0%	0%	1%	1%	3%
TOTAL	100%	100%	100%	100%	100%