

# Report to Council



**Date:** April 25, 2022  
**To:** Council  
**From:** City Manager  
**Subject:** Annual Housing Report – 2021 Update  
**Department:** Policy & Planning

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## **Recommendation:**

THAT Council receives, for information, the report from Policy & Planning dated April 25, 2022, with respect to Kelowna's Annual Housing Report.

## **Purpose:**

To introduce the 2021 Annual Housing Report, which provides updated information about Kelowna's housing system and Healthy Housing Strategy progress.

## **Background:**

Each year, the City's Annual Housing Report (AHR) summarizes key data and insights about Kelowna's housing system. The 2021 AHR (Attachment A) is structured around the City's Housing Wheelhouse, which was updated in 2021. Using the Housing Wheelhouse as a reporting tool helps link the AHR to other City documents related to housing, including the *Housing Needs Assessment* and the *Healthy Housing Strategy*. Additionally, using the Wheelhouse makes it easier to see relationships between different housing types and better understand how housing functions as a system. For each segment of the Wheelhouse, a commentary on recent data, City actions, and relationships to other parts of the Wheelhouse is provided.

The AHR provides an overview of demographic and economic trends that affect Kelowna's housing system, followed by an analysis of quantitative and qualitative data related to housing. The AHR incorporates data from various sources including City of Kelowna, Statistics Canada, Canadian Mortgage and Housing Corporation, and BC Assessment, to provide a comprehensive review of each segment of the Wheelhouse.

## **Discussion:**

Kelowna remains a highly desirable place to live with a strong demand for housing – this demand was reflected in home price and rental rate increases in 2021. In Kelowna and across Canada, wages are not rising as quickly as housing and living costs, and housing affordability remains a key concern. Key takeaways from the 2021 AHR include:

- **Strong growth:** Kelowna experienced recovery from COVID-19 over the course of 2021, with above average population growth – particularly due to people moving to Kelowna from other provinces – as well as a comparatively low unemployment rate
- **Progress on data integration:** Real-time data on homelessness and emergency shelter housing remains an ongoing challenge – the City is working with the Central Okanagan Journey Home Society to address this data gap through the Data Roadmap
- **Complex needs advocacy:** While there was a modest increase in new supportive housing units in 2021 compared to 2020, there is ongoing need for additional supportive housing units – the *Complex Needs Advocacy Paper* was endorsed by Council in 2021 to advocate for additional complex needs housing
- **Investment in purpose-built rental:** Although rental rates increased and the vacancy rate decreased, there was an increase in the number of new purpose-built market rental units in 2021 compared to 2020, with many more units currently in the development approval process
- **Home ownership increasingly out of reach:** 2021 saw record home sales and support for increased housing diversity through the 2040 OCP and the Infill Challenge 2.0; however, there was a large increase in median home prices, and the median multiple – a measure of unaffordability – hit a 10-year high

Looking forward, the strong demand for housing in Kelowna is expected to continue into the coming years. As home ownership prices rise, it is anticipated that there will be more demand for rental housing. Furthermore, may be more demand for lower-cost and subsidized rental housing, and potentially more pressure on the emergency shelter system.

There were a record number of building permits issued in 2021, and there is a significant amount of housing in the development approval process. Approximately 60 per cent in the form of apartment housing, 20 per cent townhouse or houseplex housing, and 20 per cent single dwelling housing.

#### **Conclusion:**

The AHR provides foundational information about Kelowna's housing system and acknowledges the significant action being taken by the City and our partners to address housing challenges including supporting the Journey Home Strategy, providing incentives for rental housing, moving forward on the Affordable Housing Land Acquisition Strategy, and supporting housing diversity. Despite these actions, there is still need for more housing that is attainable for a larger proportion of Kelowna residents, including housing options across all the Housing Wheelhouse segments. City staff will continue to bring forward tools and initiatives to give Council new options to meet community housing needs.

#### **Internal Circulation:**

Policy & Planning  
Planning and Development Services  
Real Estate Services  
Active Living and Culture  
Communications

Submitted by: A. Janousek, Planner

**Approved for inclusion:** J. Moore, Long Range Policy Planning Manager

**Attachments:** Attachment A: Kelowna Annual Housing Report 2021