



Affordable Housing Strategy Revised Background Report

July 2019



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EXECUTIVE SUMMARY

Affordable housing considerations have been an important aspect of the Village of Pemberton policies and plans for over a decade. The Village developed an Affordable Housing Strategy in 2009 with the assistance of CitySpaces Consulting. At that time, the Strategy created a policy and planning framework through which the Village could respond to its affordable housing issues.

In order to inform the 2009 Strategy, a background report was developed by CitySpaces to outline the policy, planning and regulatory framework for affordable housing in Pemberton, provide an analysis of available data to produce indicators of housing affordability; and identify issues and considerations based on key-informant interviews.

In 2017, it was recognized that the Village's Affordable Housing Strategy would benefit from an update of more recent data. This Revised Background Report has been updated to include more recent data and inform next steps. Key research findings were as follows:

Key Population Groups

Four population groups have been identified in 2018 as being in need of special consideration through the Affordable Housing Strategy. They include:

- Low income households seeking rental or ownership housing suited to their needs;
- Working families with young children looking to move into ground-oriented housing suitable to family living;
- Seniors seeking safe and affordable housing options to accommodate “aging in place”; and
- Local employees looking primarily for secure and affordable long-term housing.

Key Housing Indicators

- Pemberton in 2016 grew at a rate on par with the BC average, with a population that rose from 2,434 to 2,574. The population percentage change over the decade from 2006 to 2016 equals a 17.4% increase. Many of Pemberton's new population continue to be working families with young children and individuals working in Whistler, resulting in a younger population compared to the rest of the province.
- Pemberton's housing stock has only risen slightly (~10%) from 2009. The number of total private dwellings in Pemberton in 2016 was 1,028, compared to 940 in 2006. While new construction activity slowed down considerably between 2008 – 2016; it is on the rise once again.
- In Pemberton in 2009, low cost market housing was limited to secondary suites in detached houses. In 2018, the Village saw the completion of a new purpose-built forty-five (45) unit rental apartment building (Radius), with another similar project (Orion) slated to be completed in 2019, adding an additional forty-five (45) units of market apartments.

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- Recently approved residential subdivisions on Pemberton's Hillside (The Ridge at Pemberton and Sunstone Ridge), add a new form of potential rental housing to the supply. Carriage homes are separate secondary suites located on medium to larger sized single family residential view lots.
- At the same time, additional multi-family residential projects (Crestline and future mixed use developments in the Town Centre), will add new ground oriented townhouse and stacked townhouse units to the inventory of market housing in Pemberton.
- In terms of non-market housing, while the Lion's Villa seniors housing remains the only project in the Village, this project has expanded from its initial eight (8) units built in 1986 to a total of thirty (30) units targeted toward seniors and persons with disabilities. The Lions are in the process of investigating further expansion.
- Between 2008 and 2018, single detached home (chalet) sales prices increased 56% reaching a peak median price of \$830,000 in 2018, compared to \$530,000 in 2008. During the same ten year period, townhouse sales prices increased 89% reaching a peak median price of \$602,000 in 2018 from \$317,750 in 2008 and, notably, apartment prices increased 99% reaching a peak mean price of \$352,000 in 2018, from a median of \$270,000 in 2008. Since 2008, single detached home prices dropped off but have recently increased dramatically to a median of \$800,000.
- According to the Facebook page dedicated to local rentals in Pemberton and area (Pemberton B.C. Canada Housing Rentals), and classified listings (mostly Craigslist.com) from 2017-2018, rents in Pemberton range from as low as \$750 for a bedroom in a shared unit (utilities included), to approximately \$1,500 for a one (1) bedroom suite, approximately \$2,000 for two (2) bedroom suite, and \$2,500+ for a house or townhouse with three bedrooms or more. Between 2008 and 2018, rents on average increased by as much as 58.5% in Pemberton, according to the recent findings.
- For the typical Pemberton household, rental units remain relatively affordable. Married couples earning the median household income of \$68,500 could afford \$1,700 for rent, single parent families could afford up to \$1,050 per month and one person households could afford up to \$900 for rent. Rental housing may, however, be difficult to find.
- With regard to purchasing a home, in 2016 a married couple family earning the median-income could afford a home priced at approximately \$397,962 with a 10% down payment. Single parent families could afford a home priced at approximately \$141,408 and one person households a unit priced at \$100,025 Overall, options for affordable home ownership are limited for all households, compelling many households to spend in excess of 30% of their gross income on housing and housing expenses. First-time home buyers are generally limited to condominium apartments and those looking to move up the property ladder may not be able to do so because of limited choice in the market

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Key Factors and Considerations

- Housing issues span geopolitical boundaries and housing in Pemberton needs to be considered in a regional context encompassing SLRD Electoral Area C and Mount Currie. The Regional Growth Strategy (RGS) is currently being revised to include regional targets in terms of affordable housing.
- Improved accessibility as a result of the Sea-to-Sky highway improvements between Whistler and the Lower Mainland and rising costs in Squamish has created demand in the Pemberton market.
- Housing prices have increased significantly over the last two (2) years creating greater challenges to local businesses to attract and retain employees given a lack of affordable rental and home ownership options.
- Rising bare land prices, aging infrastructure, preload and flood plain considerations, and the high cost of construction make it more expensive and challenging for developers' bottom line when coming forward with affordable housing proposals;
- The proliferation of short term tourism accommodation, demand for recreational and retirement housing by non-residents and Whistler commuters has resulted in house prices that exceed local affordability levels;
- Physical constraints to development such as the floodplain, land within the Agricultural Land Reserve (ALR), and topographic conditions limit the amount of land available for affordable housing development.
- A large share of the population is in the young family stage, and there is a strong demand for ground-oriented dwelling units, but the prices are unattainable for many.

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INTRODUCTION

This Background Report has been prepared in order to gain a clear picture of current figures with respect to housing need, supply, and demand. This Background Report provides a summary of the contextual information, including statistical and qualitative research findings, to describe Pemberton's current housing situation. This information will help inform and guide the development of an Affordable Housing Action Plan, which is the next piece.

Specifically this report contains:

- A summary of the Village's efforts to date with respect to affordable housing;
- An outline of the current policy, planning and regulatory framework for affordable housing in Pemberton;
- An analysis of current demographic and development related data to produce key indicators of housing affordability in Pemberton; and
- An identification of the preliminary issues and consideration related to housing affordability based on key-informant interviews.

Background

Pemberton is facing a critical time in home ownership affordability and availability of rental units in the market. This threatens to undermine the Village's ability to retain employees by driving out young people and making it harder to attract employees to the Region.

Over the years, the Village of Pemberton has supported several initiatives to facilitate affordable housing within its boundaries:

- Since the adoption of Zoning Bylaw No. 466, 2001, the Village has permitted secondary suites in its single family residential zones (RS-1, RSA-1, RSA-2) and permits up to four (4) accessory residential units in the Industrial Zone (M-1), thus increasing the supply of rental accommodation.
- The Village supported the expansion of the Lion's Villa Seniors Housing in 2005 by funding the cost of the trucking and pre-load for the site when it appeared this development might not proceed without the Village's assistance.
- The Village adopted the Benchlands Neighbourhood Concept Plan in 2007 which calls for a mix of housing (single family and multi-family housing) and mandates that 5% of dwelling units be dedicated for community housing which means it will be oriented toward those persons who have special housing needs as defined by such factors as age, disability, or income (to be achieved through density bonusing as outlined in the OCP).
- The C-3 Portage Road Commercial zone was amended in 2008 to allow stand-alone residential units including townhouses and stacked townhouses and again in 2010 to allow stand-alone apartments, all of which are considered more affordable housing options than single family residences.

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- The Village of Pemberton adopted an Affordable Housing Strategy in 2009. This Strategy contained 12 recommendations that sought to create a mix of rental and ownership housing options that meet the needs of Pemberton residents.
- The Village adopted an Official Community Plan in 2011 which included a policy statement with respect to supporting the development of a variety of affordable ownership housing options.
- The Village of Pemberton adopted a new Development Procedures Bylaw in 2013 with an aim to streamline the development application process.
- The Village approved the Comprehensive Development Zone No. 5 for the Tiyata Development in 2014, which is a small lot residential development close to community amenities.
- The Village approved amendments to the Official Community Plan (OCP) and Zoning Bylaw to facilitate the Hillside Residential Developments - The Ridge (in 2015) and Sunstone Ridge (in 2011) both of which include a mix of single family lots sizes (including small lots), multi-family residential development and the potential for Accessory Residential Units (Carriage Homes) which may accommodate rentals.
- The Village approved a Development Permit in 2016 to build the municipality's first dedicated, energy efficient rental apartment building (Radius) in close proximity to community amenities, adding 45 units to the rental stock.
- The Village adopted a new Zoning Bylaw 832 in July 2018 which includes a reduction in parking standards required for affordable and rental housing projects that are subject to a Housing Agreement. The new Zoning Bylaw also increased the maximum size of secondary suites and carriage homes to 90m² from 75 m² and created a new residential multi-family zone (RM-2) to provide for duplexes, row houses, townhouses, and apartment buildings in the same zone.
- As part of the adoption of Zoning Bylaw 832, 2018 the Village created regulations for short term vacation rentals (Airbnb's) that caps the number of permitted in single family dwelling zone to 5% of the total lots per neighbourhood, to support the retention of secondary suites in the long term rental pool. Short term vacation rentals (Airbnb's) are prohibited in multi-family residential buildings and mixed use (comprehensive development) zones.

These initiatives have been beneficial to increase the supply of what is referred to as “attainable” affordable housing. However, to really address affordability, Pemberton needs to attract even more dedicated and non-market affordable housing, not just “attainable” initiatives that have come forward in the last few years.

A FRAMEWORK FOR AFFORDABLE HOUSING

Definitions

The topic of affordable housing involves many concepts that benefit from a shared understanding or definition. The term is often used interchangeably with “social housing”; however, social housing is just one category of affordable housing and usually refers to rental housing subsidized by the government.

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Affordable Housing is a much broader terms and includes housing provided by private, public and non-profit sectors as well as all forms of housing tenure (i.e., rental, ownership and cooperative ownership).

According to CMHC, affordable housing is housing that costs no more than 30% of a household's gross income. Affordable housing encompasses much more than non-market housing; it means that families and individuals – of all income levels and lifestyles – can find suitable places to live and can enjoy a stable, secure place to call “home”. In addition to affordability, issues related to suitability and quality of the housing stock is identified as being integral to planning for affordable housing.

This report offers the following definitions in order to provide clarity to the reader:

Affordable Housing –housing is considered to be affordable when a household spends less than 30% of the household's gross (before tax) income on housing costs.

Attainable Housing – market housing that is priced to be as attainable to as wide and varied a market as possible.

Below Market Rental Housing – housing with rents equal to, or lower than, average rates in private-market housing.

Emergency Shelter – immediate, short-stay housing for people who are homeless or at risk of homelessness.

Independent Living – a type of housing for seniors and people with disabilities that includes on-site hospitality and personal-care support services.

Low and Moderate Income Limits –

- a) For residential units with less than two (2) bedrooms, a gross household income that does not exceed the median income for families without children in B.C., as determined by BC Housing from time to time, based on data provided by Statistics Canada. **For 2017, this figure is \$69,360.00**
- b) For residential units with two (2) or more bedrooms, a gross household income that does not exceed the median income for families with children in B.C., as determined by BC Housing from time to time, based on data provided by Statistics Canada. **For 2017, this figure is \$99,910.00**

Market Housing – housing that is purchased and sold at ‘market prices’ by buyers and sellers; this is the primary source of shelter needs of Canadians.

Non-market Housing – housing that is price-controlled as a means of reducing the impacts of market forces and only available to a certain sector of the population; usually covenanted to remain affordable in perpetuity.

Non-profit Housing – a housing development that is owned and operated by a community-based, non-profit housing partner.

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Rent geared to income – a type of subsidized housing where the housing provider matches your rent to how much income you earn.

Shelter Aid for Elderly Renters (SAFER) – a type of rent supplement program that BC Housing offers to eligible low-income older adults and people with disabilities.

Subsidized Housing – According to BC Housing, this is a type of housing for which the provincial government provides financial support or rent assistance.

The Affordable Housing Continuum

The affordable housing continuum, illustrated below in **Figure 1**, continues to represent the spectrum of affordable housing types. At the far left of the continuum, is emergency shelter for people who are homeless or at risk of homelessness. At the far right of the continuum, are affordable rental and home ownership options for households with low to moderate incomes. The continuum shows a shift from non-market housing to housing that is government subsidized, to affordable housing that is provided in the private market. As one moves along the continuum, reliance upon government support decreases and independence increases.

Figure 1: Affordable Housing Continuum

THE AFFORDABLE HOUSING CONTINUUM					
Emergency Shelters	Transitional Housing	Supportive /Social Housing	Below Market	Market Housing - Rental	Market Housing - Owned
Immediate, short-stay housing for homeless	Special Needs housing (recovery, mental health, abuse)	Subsidized rental housing (seniors, people with disabilities)	Price restricted housing geared to be affordable to low and moderate income households (rental, owned)	Dedicated rental apartment buildings	Small lots; small townhouse units; secondary suites
i.e. Pearl's Safe Home (Pemberton Valley)	i.e. Pearl's Place (Squamish)	i.e. Lion's Villa	i.e. Whistler Housing Authority Projects (no Village examples)	i.e. Radius; portions of Orion	i.e. Tiyata; Crestline; Carriage Homes
NON-MARKET				MARKET	

Legislative Context in British Columbia

In British Columbia, the BC Housing Authority has played an increasingly important role in providing housing to vulnerable populations including low-income individuals and families, homeless and populations at-risk of homelessness.

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A municipality's powers in relation to housing are derived from the *Community Charter* and the *Local Government Act (LGA)*. The *Community Charter* (2004) gives BC municipalities the authority to legislate in a number of broadly-stated spheres of jurisdiction and provides:

- more flexibility to identify and provide service that Council considers necessary or desirable, such as housing;
- clear authority to regulate, prohibit and impose requirements;
- ability to waive or reduce fees when land or improvements are held by a charitable or non-profit corporation
- authority to establish a tax exemption program for an area designated as a revitalization area or a permissive tax exemption to non-profits.

The *Local Government Act (LGA) RSBC 2015*, Section 473 (2) requires municipalities to include policies related to affordable housing, rental housing and special needs housing in their Official Community Plans (OCP's). The *LGA* contains a number of additional provisions related to housing:

- Provides flexibility to allow density benefits (density bonusing) in return for the provision of community amenities, including affordable and special needs housing, as defined by the municipality in their OCP Bylaw, including the number, kind and extent of the housing.
- Enables a local government to enter into a housing agreement with a landowner regarding the occupancy of the housing units in terms of tenure; classes of persons identified in the agreement; administration and management of the units; rents and lease, sale or share prices that may be charged. The housing agreement is registered on title and is binding on future owners.
- Provides authority to waive or reduce a Development Cost Charge (DCC) for not-for-profit rental housing, including supportive living housing and for-profit affordable rental housing.
- Allows for variation of DCCs according to different sizes or different numbers of lots or units in a development.
- Stipulates that the *BC Building Code* applies to all municipalities, of which Part 9.37 reflects on Secondary Suites.

The Policy and Planning Context in Pemberton

There are a number of policies, plans and regulations which comprise the current framework for housing development in Pemberton. In particular, affordable housing is identified as a key planning issue in several documents. These documents are noted below.

SLRD Regional Growth Strategy, Bylaw No. 1062, 2008

The Squamish-Lillooet Regional District (SLRD) supports a range of quality affordable housing and housing types, targeting households of low and moderate income earning less than 80% of the median income. It

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includes policy statements regarding stakeholder collaboration, advocating for a range of housing types and housing affordability, and promoting consistency of affordable housing policies across the region.

The Regional Growth Strategy's Strategic Directions include:

- Establish a regional affordable housing strategy encouraging regional housing trust funds, partnerships with non-profit organizations and exchange of experiences via a vis an affordable housing committee
- Adopt policies and regulations to support live-work, mixed-use neighbourhoods, and residential intensification (secondary suites, flex-housing, infill and small lot development)
- Encourage affordable housing self-help initiatives (e.g. community housing land trusts)
- Adopt financial tools (e.g. cash-in-lieu of social housing contributions, waiving DCCs, property tax exemptions, and land grants)
- Adopt price, resale, rent geared-to-income controls and other options to increase supply of affordable housing and create housing that is perpetually affordable
- Encourage cooperation with community services groups and developers to supply low- cost housing options for seniors.

Squamish-Lillooet Regional District Growth Strategy Bylaw No. 1062, 2008 Amendment Bylaw No. 1562-2018

The Squamish-Lillooet Regional District (SLRD) revised Regional Growth Strategy (RGS) has received First and Second Reading on and is nearing completion. The revised RGS contains an updated section on affordable housing in Chapter 3 – Generate a Range of Quality Affordable Housing. This section will build on the strategic directions mentioned above with an emphasis on supporting an ongoing regional collaboration that will serve to strengthen communication and coordination of local efforts by all municipalities in the SLRD. It recognized that affordable housing is a regional issue, and that collaboration and sharing common tools and techniques will help increase the supply and range of quality and affordable housing across the region. It is also acknowledged that Pemberton, Squamish and Lillooet can gain important expertise from the Resort Municipality of Whistler and the successes of the Whistler Housing Authority.

The SLRD is currently in the process of conducting its own Housing Needs and Demand Study for all Electoral Areas and is hoping to complete this study by the end of 2019.

Village of Pemberton Official Community Plan, Bylaw No. 654, 2011

During 2010-2011, the Village undertook the process of updating its Official Community Plan (OCP). Included in the adopted OCP was a section devoted to formalizing the Strategy's recommendations. The OCP Bylaw No. 654, 2011 includes Section 5.9 – "*Pemberton Offers a Stock of Livable, Affordable and Secure Housing*" as one of its Community Planning Directions. Section 5.9 of the OCP acknowledges "*that residential growth should facilitate the needs of the local workforce and residents*" and includes the following Housing Policy goal statements:

- Facilitate the development of quality rental housing for residents with low to moderate incomes;

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- Support a variety of affordable ownership housing options for young families, first time home purchasers, retirees and seniors;
- Encourage housing designed to meet changing household needs and the ability for the community to age in place;
- Encourage the development of housing for seasonal workers;
- Facilitate the provision of housing services and supports for Pemberton's vulnerable populations; and
- Acknowledge that housing development and redevelopment is a provider of local employment.

Within its Special Planning Areas Section 6.0, the OCP also makes specific policy recommendations with respect to the Tiyata, Benchlands and Hillside areas. For examples, the OCP:

- Encourages the developers of Crown Benchlands to include a range of multi-family residential housing opportunities; with a target of 25% multi-family housing, and 5% to be dedicated to community housing oriented to persons who have special needs as defined by age, disability, or income);
- Supports multi-family as well as a range of single detached housing lot sizes, with the ability to develop secondary suites in accessory buildings (Carriage Homes) in the Hillside Special Planning Areas (i.e., the Ridge at Pemberton and Sunstone Ridge);
- Supports the creation of compact housing development (small lots) that will cater to a range of income and ages, with easy access to place of work, shopping and community amenities.

Squamish-Lillooet Regional District Electoral Area C Official Community Plan Bylaw 1484, 2017 (Rescinded)

This Bylaw was proposed to replace the Area C Official Community Plan Bylaw No. 689, 1999, received Second Reading and a Public Hearing, but has been recently rescinded due to community concerns with some of the agricultural policies. The biggest priority of the proposed new Area C OCP was to implement the Pemberton Valley Agricultural Area Plan recommendations with a strong emphasis on ensuring agricultural lands are used for agricultural purposes.

However, the rescinded OCP Bylaw did contain a policy section on Affordable Housing that is worth mentioning. It noted that a diversity of housing forms and options contributes to a diverse and vibrant community; but at the same time it acknowledged that most land in Area C is not suitable for housing development; land in the Agricultural Land Reserve (ALR) cannot be considered as an option to meet future housing demand as it is meant to be protected for the preservation of agriculture.

In practice, the opportunities for the provision of affordable housing and for diversifying housing provision in Area C are limited to a couple of existing small concentrations of housing in rural areas and to the very limited areas designated Commercial. Therefore, a potential exists for offering a diversity of housing

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provision in rural areas and currently their regulations permits secondary suites, allowing caretaker's units in commercial and industrial zones and permits home-based businesses. The direction the Bylaw was taking toward housing in Agricultural zones was that it should be restricted to the main farm dwelling, and only additional dwellings where they are necessary for bona-fide farm activities.

Council Strategic Priorities List (2019)

In late 2016, as a result of the economic boom and lack of long term rentals being available in the Pemberton area, the issue of Affordable Housing became a concern for Council and as such in 2017 was incorporated as a Strategic Priority for the Village.

At the Committee of the Whole No. 160, held April 11, 2017, discussion took place with respect to the housing shortages in the Pemberton Valley and the impacts these shortages have for businesses recruiting for employees, local families and economic development in the region. The Committee requested that a working session be held on housing and include discussion related to Social housing opportunities; Review of the Affordable Housing Plan; and Incentives for developers.

Completing a revised Affordable Housing Strategy / Action Plan and an Age-Friendly (Seniors) Housing Needs Assessment remains on the Village Council's Strategic Priorities list for 2019.

Benchlands Neighbourhood Concept Plan, 2007

The 2007 Benchlands Neighbourhood Concept Plan (NCP) established a land use and servicing framework for the future development of the hillside adjacent to Pemberton's village centre. The NCP proposes a mixed use, hillside residential neighbourhood consisting of ground- oriented single family and multi-family housing units. Phase 1 includes 503 dwelling units including 189 secondary suites within large and medium single family homes. The OCP requires 25% of new housing in the Benchlands to be multi-family housing.

The plan is based on the assumption that Pemberton's demographic profile points to a need for affordable and flexible housing for young families that they will be able to grow in to over time. The plan also assumes that secondary suites will be desirable as mortgage helpers and to help provide lower cost rental housing in the community.

The following statement is found in the Benchlands NCP supporting documents:

*"Surveyed public opinion during the public consultation process has stated that affordable single family housing options are desirable, and that secondary suites are a necessary component of future growth in the Village. The Benchlands NCP aims to meet this demand by designating a broad range of single family lot sizes, multi-family townhomes, and the provision for accommodating secondary suites in larger single family homes"*⁵.

The Village is expecting a comprehensive rezoning application from the developers of the land covered by the Benchlands NCP in the fall of 2019. At this time, Staff will work with the developers to ensure that the affordable housing commitments noted in this plan are met and are based on the results of the 2019 Age-Friendly Affordable Housing Needs Assessment.

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Village Affordable Housing Strategy, 2009

The Village's Affordable Housing Strategy prepared by CitySpaces Consulting was adopted December 15, 2009 and provides policy direction and an outline of the Village's role in pursuing a supply of housing that meets the needs of the community (as identified in 2009). The Strategy included the following twelve (12) directions:

- 1) Draft and adopt affordable housing policies that provide clear and consistent direction to staff, council and developers.
- 2) Streamline the development review process and remove barriers to affordable housing development.
- 3) Amend regulations to encourage innovation in the design and planning of new residential construction as well as residential redevelopment and infill projects.
- 4) Amend zoning regulations to facilitate the development of accessory suites as a means of increasing the rental housing stock.
- 5) Use financial tools to facilitate the development of affordable housing.
- 6) Consider approaches to legalize and facilitate the development of secondary suites.
- 7) Introduce municipal programs and mechanisms to direct funds toward affordable housing initiatives.
- 8) Build partnerships that can lead to the development of non-market housing projects in the Pemberton area.
- 9) Build partnerships that can lead to the development of rental housing projects in the Pemberton area.
- 10) Continue to liaise and facilitate dialogue with key stakeholders and community groups regarding housing issues.
- 11) Advocate to senior levels of government on housing matters beyond the Village's jurisdiction.
- 12) Provide information and outreach to community members.

The Village OCP recommends that the Affordable Housing Strategy be reviewed once the supply and demand for housing stabilized, as it was based on the circumstances existing at the time, that being the 2010 Olympics and the very high rate of growth Pemberton was experiencing compared to the provincial average.

Not all of the recommendations contained in the Village's Affordable Housing Strategy have been accomplished. The first of which - the creation of affordable housing policies that provide clear and consistent direction to staff, council and developers - was never completed. And although the Development Procedures Bylaw was updated, it did not contain specific measures to streamline (i.e., fast-

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track) applications related to affordable housing. In addition, there are actions identified in the 2011 Official Community Plan related to affordable housing that still hold merit (i.e., the creation of a Mobile Home Retention Policy) but have not yet been achieved due to work load and other priorities. A review and update of the Village's 2009 Affordable Housing Strategy is currently underway by CitySpaces and Staff with the aim of having an Affordable Housing Action Plan adopted by Council in the fall of 2019.

INDICATORS OF HOUSING MARKET IN PEMBERTON

A number of demographic, socio-economic, housing and income-related data help to inform our understanding of Pemberton's housing market.

Demographic Indicators

Population Profile

The Village of Pemberton grew at a rate of 5.8% per year between 2016 and 2011 just slightly more than the provincial growth rate of 5.6% per year for the same period. Compared to the previous Background Report, Pemberton has experienced a marked slowdown in its pace of growth; between 2001 and 2006 the growth rate in Pemberton was 34%, as such it was one of the fastest growing municipalities in the province.

Generally, Pemberton has a younger population than the rest of the province. The median age in 2016 was 36 years of age, compared to 43 years of age in BC; however, this median age has risen slightly from 33 years of age in 2006.

In 2016, nearly half the population of Pemberton (49.3%) was between 25 and 49 years of age, compared to only 32.8% of the Province. Conversely, only 15% of Pemberton residents were between the ages of 49 and 64, and no more than 5.2% were seniors over the age of 65. While the share of the population over 49 has risen during the last Census period, seniors make up a smaller share of the population in Pemberton (~20%) than the rest of B.C. (~40%). In 2016, the number of children under 14 years of age was 585/2,575 or nearly 23% of the population. This distribution illustrates the extent that Pemberton's population consists of working families with younger children.

Socio-Economic Indicators

Labour Force

The 2016 Census indicates a continued high level of labour force participation (the percentage of adult residents 15 years and older who are either working or actively seeking work), for Pemberton, 85.9% compared to 63.9% BC-wide. The labour force participation for 2018 is only slightly lower than it was in 2006, when it was 89%. It is not surprising that Pemberton's labour force participation remains high compared to the provincial average, given the large share of the Village's population of working age.

- Management/Business, Finance and Administration occupations employ the highest percentage of Pemberton residents at 27% in 2016. This exceeds Sales and Service occupations which was reported in 2006, when over a quarter of Pemberton's population was employed in this sector. In

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2016, those employed in Sales and Service occupations dropped to 24%; and Trades, Transport and Equipment Operators (mostly construction) and related occupations employ an equal amount at 24%.

- Between 2006 and 2016, unemployment rates in Pemberton fell from 3.5% in 2006 to 0.6% in 2016. The unemployment rate for BC in 2016 is 6.0%. As a trend, unemployment rates for Pemberton have been steadily decreasing from 9.6% in 1996, to 4.8% in 2001 and 0.16% in 2016.

Housing Indicators

Housing Stock

In 2016, Pemberton was estimated to have 1,028 total private dwellings, of which 965 were occupied by usual residents. The vast majority of housing was ground oriented (87%) including single detached, duplexes, townhouses and mobile homes. The remaining 13% were in apartments/condominiums. As part of the ground oriented stock, 40 out of 965 or 4% were in movable dwellings (mobile homes).



As estimated from more recent Building Department statistics, the number of single family dwellings presently is 382, the number of duplexes is 14, the number of townhouses is 339, the number of apartments is 235, and the number of mobile homes is 50. This data does not include the Radius development.

Table 1: Total Number of Residential Buildings by Type

Building Type	SFD	Duplex	Townhouse	Apartment	Mobile Home
Total in 2018	384	14	339	235	50
New since 2009 to 2018	39	0	22	4	25

Source: Village of Pemberton Building Department

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Age of Housing Stock

The 2016 Census data on the period of construction of occupied private dwellings illustrates that Pemberton remains a relatively “young” community in terms of the age of its housing stock. Of all occupied dwelling units in the Village of Pemberton, only 20.5% were built before 1990, the majority (66%) was built between 1991 and the year 2005, and only 13.5% have been between 2006 and 2016.

Development Activity (2015 – 2018)

The following information demonstrates an overview of the number of residential building permits issued over the last four years.

In 2015 the Village issued thirty-two (32) Building Permits in total, of which three (3) were for residential buildings. A breakdown of residential building permit data in 2015 is provided below:

# of BP's Issued 2015	Type of Permit	Value of Construction	2015 Permit Fees
1	Single Family Dwelling	\$254,070	\$4,067
2	Single Family Dwelling with suite	\$847,739	\$9,599
0	Manufactured Homes (mobile)	0	\$0
0	Multi Family Dwelling (owned)	0	\$0
0	Multi Family Dwelling (rental)	0	\$0
TOTAL		\$1,101,809	\$13,666

Source: Village of Pemberton Building Department

In comparison in 2016 a total of forty-nine (49) Building Permits were issued in total; of which thirteen (13) were for residential buildings. A breakdown of residential building permit data in 2016 is provided below:

# of BP's Issued 2016	Type of Permit	Value of Construction	2016 Permit Fees
1	Single Family Dwelling	\$334,221	\$4,880
5	Single Family Dwelling with suite	\$1,838,397	\$20,786
6	Manufactured Homes (mobile)	\$547,115	\$7,761
0	Multi Family Dwelling (owned)	\$0	\$0
1	Multi Family Dwelling (rental/45 units)	\$4,646,539	\$55,215
TOTAL		\$7,366,271	\$88,552

Source: Village of Pemberton Building Department

In 2017, the Village issued a total of fifty-one (51) building permits, of which nine (9) were for residential buildings. A breakdown of residential building permit data in 2017 is provided below:

# of BP's Issued 2017	Type of Permit	Value of Construction	2017 Permit Fees
3	Single Family Dwelling	\$1,013,869	\$12,314
5	Single Family Dwelling with suite	\$3,408,915	\$33,779
1	Manufactured Homes (mobile)	\$121,400	\$1,400
0	Multi Family Dwelling (owned)	0	\$0
0	Multi Family Dwelling (rental)	0	\$0

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TOTAL	\$4,544,184	\$47,493
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Source: Village of Pemberton Building Department

And last year, in 2018, the Village issued a total of seventy-eight (78) of which twenty-eight (28) were for residential buildings. A breakdown of residential building permit data in 2018 is provided below.

# of BP's Issued 2018	Type of Permit	Value of Construction	2018 Permit Fees
22	Single Family Dwelling	\$7,632,926	\$90,623
5	Single Family Dwelling with suite	\$1,814,513	\$12,712
0	Manufactured Homes (mobile)	0	0
1	Multi Family Dwelling (owned)	\$5,054,727	\$162,017
0	Multi Family Dwelling (rental)	0	\$0
TOTAL		\$14,502,166	\$265,352

Source: Village of Pemberton Building Department

Real Estate Prices (2008 – 2018)

Available real estate data from 2009 – 2018 indicate that real estate prices have increased steadily over the ten year period. Notably, there has been a significant increase in residential real estate prices of single family dwellings since 2016 to present. Median real estate prices based on resale house prices in the Pemberton Whistler system is shown in Table 2.

Table 2: Median Real Estate Prices (2008-2017)

Type	2008	2017
Single Detached	\$530,000	\$816,000
Townhouse	\$317,750	\$485,000
Apartments/Condominium	\$270,000	\$346,000
Mobile Home	\$107,500	\$145,000
Vacant Land	\$260,000	\$330,000*

Source: Whistler Real Estate, Pemberton and Area Sales Statistics, to February 15, 2018; *adjusted due to limited data

Between 2008 and 2018, single detached home prices increased 56% reaching a peak median price of \$830,000 in early 2018. During the same ten year period, townhouse prices increased 89% reaching a peak median price of \$602,000 in early 2018, and notably, apartment prices increased 99% reaching a peak median price of \$352,000 in early 2018.

Real Estate Sales

Since 2008, the number of real estate sales in the Pemberton Whistler System has gone through a cyclical trend, reaching a peak in resale transactions in 2007 with 66 sales, and a low of 10 in 2012. Sales dropped considerably between 2009 and 2014, with roughly 20.5 transactions per year, but have since recovered to 2006 levels at around 37 transactions a year.

Tenure

Similar to many BC communities, Pemberton remains a community of primarily home owner – 77% of households currently own their own home. However, the proportion of home owners in the community

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has been declining. Between 2006 and 2016, the proportion of owned dwellings has increased from 65% to 77%. During the same period, the share of households who rent their residence has decreased from 35% to 23%. Comparatively, a higher percentage of Pemberton's residents own their own home compared to the Provincial average, which in 2016 was only 68%.

Rental Rates

As rental market data for smaller centres like Pemberton is not compiled through the Canada Mortgage and Housing Corporation's (CMHC) rental survey, rental listings found on the local Facebook Page and Craigslist ads were used to determine estimated average rents for typical Pemberton rental unit types. The figures in Table 3 do not account for units rented by word of mouth or alternate arrangements.

Table 3: Estimated Average Rents (2009 - 2017/2018)

Average Rent \$/Type of Unit	2009	2017/2018	% Increase
Shared	\$551	\$758.33	73%
1 Bedroom	\$922	\$1,462.50	59%
2 Bedroom	\$1,341	\$1,962.50	46%
3+ Bedroom	\$1,682	\$2,533.33	66%

Sources: <https://www.facebook.com/search/top/?q=pemberton%20b.c.%20canada%20housing%20rentals> (Facebook - Pemberton B.C. Canada Housing Rentals); <https://whistler.craigslist.ca> and the Pique Classifieds (February-March 2018)

Housing Affordability Indicators

Income to Housing Costs

In order to determine whether or not housing is affordable, housing costs are compared to household income. Housing is considered to be affordable when housing costs are less than 30% of a household's gross (pre-tax) income. However, 32% of a household's gross income is used by lending institutions, corresponding to gross debt service ratio, for the purposes of approving mortgages.

Using average household income figures from Census 2016, Table 4 presents the maximum purchase price and maximum rents for different types of households earning the median household income in Pemberton.

Table 4: Estimate Maximum Housing Costs (2018)

Household/Family Type	Median Income	Available Income for Rent (30%)	Maximum Purchase Price (5% down)	Maximum Purchase Price (10% down)
Married Couple Families	\$88,816	\$2,220	\$377,962 With \$20,000 down	\$397,962 With \$40,000 down
Single Parent Families	\$46,464	\$1,161	\$130,425 With \$10,000 down (min)	\$141,408 \$16,000 down

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One person households	\$38,199	\$955	\$90,025 With \$10,000 down	\$100,025 With \$20,000 down
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Source: Village of Pemberton calculations based on 2016 Federal Census. Mortgage Prices using TD Bank rates for five year fixed term at 3.24% (March 2018), 25 year amortization and \$760 average monthly costs for property taxes, maintenance fees and utilities.

- With respect to rental housing, according to the calculations in Table 3, married couples earning the median income of \$88,816 could afford approximately \$ 2,220 for rent, single parent families could afford \$1,161 per month and one person households could afford up to \$ 955 for rent. This assumes households are spending a maximum of 30% of their income on rent.
- With respect to purchasing a home, according to the calculations in Table 3, a married couple family earning the median income would only be able to afford a home priced at approximately \$397,962 with a 10% down payment. Single parent families would be able to afford a home priced at approximately \$141,408 and one person households a home priced at \$100,025. Unfortunately, for Pemberton, prices have not been this low since 2002.
- For the typical Pemberton married couple family, rental units remain relatively affordable (Table 3). However, for one person households, their only option is a room in a shared house, unless they are able to spend more their options are even more dire – in order to remain affordable a single parent family would only be able to afford a one bedroom suite, which is not acceptable. And while the number of rental units in Pemberton has increased, it is not increasing fast enough to keep up with demand. When Radius first created its waiting list in 2016, the top number of persons interested (~120) far outweighed the number of units available (45).
- On the home ownership side, many households would never be able to purchase a home in Pemberton without surpassing the affordability threshold established by lending institutions. Single detached houses and townhouse would be unattainable without a more substantial down payment or other special circumstances and starter home for first time buyers would likely be limited to condominium apartments.

Issues and Considerations Related to Housing Affordability

Employee Housing Challenges

As part of the Village of Pemberton's preparation of this report, the Planning Department reached out to the business community through an on-line survey to quantify the employment characteristics and employee housing needs of Pemberton's workforce. The survey, conducted for one (1) week between March 6 and March 13, 2018, asked for participants to comment on employment levels for the 2017/2018 winter season, projected employment levels for the upcoming 2018 summer season, the reason for employee shortages, and whether or not they provided or subsidized employee housing. The information helps the Village get a better sense of how housing affordability is or is not impacting Pemberton businesses. The following is a summary of the key findings of this survey:

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- A total of 58 respondents completed the SurveyMonkey instrument. This represents an approximately 30% response rate among all Pemberton businesses (estimated to be about 195) operating within the municipal boundaries in 2018. The majority of respondents indicated they were from the restaurant/dining sector, followed by retail, building and construction, and the medical and dental sector.

Table 5– Survey Response rates, 2017/2018 winter season

Size of Business	# of Businesses	# of Responses
Self-Employed	TBD	7
Small (1-5 Employees)	TBD	23
Medium (6-19 Employees)	TBD	23
Large (20+ Employees)	TBD	5
TOTAL	TBD	58

- Approximately 15% of the respondents operate seasonal businesses, with the majority of employers (approximately 85%) operate year round businesses. Most businesses (38%) indicated that 81 – 100% of their staff was employed full time as opposed to part-time.
- In terms of the number of businesses that were unable to fill available positions, an equal number (50%) responded that they were unable to fill available positions, as opposed to the amount that responded they had no issue filling available positions.
- For the 50% who did have issues with employee shortages, “housing affordability and shortages” was ranked as the number one reason; “lack of job applications” was number two; and “work location/public transit issues” was number three.
- Looking forward, thirty-four (34) out of the total fifty-eight (58) or approximately 59% of the respondents indicated their business will require from one (1) to five (5) new employees in the next year. The vast majority (96%) indicated they “would not be” reducing their number of employees in the next year.
- As far as employer supported housing, Pemberton businesses for the most part do not provide either housing or subsidies for employees. 89.66% of respondents indicated they did not provide housing for employees, while 93% of respondents indicated they did not provide housing subsidies. The top reasons for not providing housing assistance in the form of housing or subsidies were ranked as 1.) “too much work to manage”, 2.) “too expensive”, and 3.) “not available”.

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- For the small percentage of businesses (10%) that do provide housing, respondents indicated they either cover the cost of accommodation in rental rooms or hotels, or provide free meals and reduced rent via their secondary suites.
- Similarly, only a small percentage of businesses (7%) who participated in the survey provide a housing subsidy, and one respondent explained they contributed \$1.00 for each hour worked, paid out on a bi-weekly basis.
- These respondents ranked their decision to offer housing assistance because 1.) “it retains / attracts staff”, 2.) “improves their overall compensation plan” and 3.) “is worth the expense”.

Cost of Housing

The cost of housing in Pemberton has risen substantially since the previous housing strategy was completed in 2009. Median real estate data demonstrates the price of single-detached homes, townhouses and apartments has increased significantly between 2008 and 2017. These increases represent a growing disconnect between median incomes and the cost of housing. While incomes have risen during this ten-year period, the price of homeownership is out-of-reach for many Pemberton households. Rental prices have also increased, and the affordability analysis demonstrates low-income households would need to spend more than 30% of monthly income on shelter costs.

Rental Housing Availability

Unfortunately, there is no CMHC data available on the supply of purpose-built rental housing or vacancy rates. However, about one third (1/3) or approximately 36% of single-family homes in Pemberton pay utilities for a secondary suites which are rented out on a monthly basis. Despite the somewhat healthy supply of ‘mortgage helper’ suites, they are considered an unstable supply of rental housing. Stakeholders expressed frustration in the shortage of dedicated rental housing in the community. A forty-five (45) unit rental apartment building (Radius) was recently completed on Arbutus, and has an existing waitlist, which is indicative of latent rental housing demand. With limited construction of purpose-built rental housing in recent years and population increases, the rental market begins to experience pressure, and when a rental housing project is completed, those units are quickly occupied, due to the existing, or latent demand within the community.

While secondary suites may contribute to the rental housing stock within Pemberton, floodplain restrictions limit the extent to which this is a viable option. Additionally, there is a greater risk of displacement with secondary market rentals, as owners may decide to sell or have family members move into the rented unit. One senior stakeholder sadly spoke of being ‘ousted’ from her home of 8 years when the owners sold their property, and how difficult it has been for her to find an alternate place to live. Purpose-built rental housing offers greater security of tenure compared to secondary market rentals (e.g. strata condominiums).

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Ownership Housing Options

While Pemberton's housing stock is relatively diverse, there has been limited construction of multi-unit residential dwellings between 2015-2017. For seniors looking to downsize, stakeholders indicated many households are struggling to find affordable, suitable options that fit their income and lifestyle. For seniors currently in single-detached homes who want to remain independent, there is a need for additional ground-oriented options that will allow residents to age-in-place, continue to garden and remain within their communities.

Physical Constraints

The Village of Pemberton has a limited land base comprising approximately 5 km² (1236 acres). The municipality has a relatively small development footprint (approximately 30% of its total area) whereby the remainder is restricted by the presence of Crown land (forests, steep slopes, and watercourses), open space and parkland, utility rights-of-way and Agricultural Land Reserve (ALR) lands.

Since the Pemberton Valley is located on a floodplain, this means that it is prone to periodic flooding from nearby rivers, lakes and streams. Minimum flood proofing requirements or flood construction levels (FCLs) are incorporated into Pemberton Building Bylaws, and limit the extent of developable land, and viability of some basement suites in the Village. On a positive note, the natural land constraints (i.e. steep slopes, flood plain, Agricultural Land Reserve lands) have resulted in Pemberton having a relatively compact development area, with the majority of existing homes located close to the downtown core and other community amenities.

Development Costs

Construction escalations have led to increases in development costs, which limits the ability of the private sector to provide affordable housing. Furthermore, construction costs in Pemberton are heightened due to location, as building materials and trades services are typically more expensive in Pemberton than in the Lower Mainland. While stakeholders identified the importance of rental housing, particularly for Pemberton employees, representative from the building and development industry specified construction costs are fixed, and do not relate to employee incomes. In anticipation of changes to the Building Code that will be coming forward in the next few years, the Village of Pemberton will be implementing the Energy Step Code beginning in 2020. Although this measure is timely, follows the direction of most municipalities in British Columbia, will result in an overall reduction of greenhouse gasses (GHGs), and offers other benefits to homeowners including heightened comfort and reduced energy costs, it does result in an increase in construction costs of approximately 2-3% of the total construction bill. In order to help deliver affordable and energy efficient housing, reduced development cost charges, rebates or subsidies are potentially required to bridge the gap.

Socio-Economic Challenges

The Village of Pemberton's high labour force participation rate can be attributed to the majority of the population consisting of working families with young children. Additionally, unemployment rates have been steadily decreasing from 1996 to 2016. While seemingly positive, the high labour force participation

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and low unemployment rates could also be attributed to the high cost of living. The high cost of housing and lack of rental housing availability, poses as a barrier for those who are unemployed or living on a fixed income (i.e. seniors) to continue to live in Pemberton.

The survey of local employers, conducted by the Village in March 2018, to examine the extent housing affordability impacts local businesses revealed what was suspected in terms of the challenge local businesses face to retain staff. Employers facing employee shortages indicated that housing affordability and shortages were primary contributing issues. It has become standard practice for local employers, including the Village of Pemberton, to ask applicants how they plan to secure housing if they were to be offered a job. While the majority of local employers do not, some choose to offer staff housing assistance to attract employees and improve their compensation plans. The high cost of housing and lack of rental availability poses an economic challenge to attracting new industry and local employers in the Village of Pemberton.

Another factor affecting the supply of rental housing is the proliferation of the sharing economy; specifically, the short term vacation rental (Airbnb) market. Qualitative research has found that some home owners in Pemberton prefer not to rent out secondary suites on a long term or monthly basis, but rather to rent out on a short term basis hence removing units from the long term rental pool. Home owner's discontent with the new *Tenancy Act* requirements is also a consideration. In some cases, home owners choose to incorporate former secondary suite space into the family home to accommodate visiting parents, teenagers, playrooms or for home occupation use.

Target Population Groups

Single Income Households

Pemberton's single income households (one person households and single parent households) are challenged with being able to find secure, long-term housing that is both affordable and appropriate to their needs. This group remains a focus for the Village.

Working Families with Young Children

Working families with young children who are seeking to move from multi-family housing to ground oriented or single detached housing with secure, private yards are challenged to find homes that are within their budgets. This group too remains a target population for the Village's affordable housing efforts.

Seniors and Persons with Disabilities

Seniors are a relatively small proportion of Pemberton's population profile; however, their housing needs are vital to be considered in view of our aging population. The Village has identified securing housing for seniors as a top consideration.

Local Employees

Local employees have struggled to secure suitable, affordable rental housing, which has impacted local businesses and community vitality. There are concerns young people will leave Pemberton because of

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housing affordability. The Village shall continue to focus on facilitating opportunities for employee housing to support the local workforce, and not that of the neighbouring resort municipality.

The Homeless or Those at Risk for Homelessness

Fortunately, the homeless or those at risk for being homeless do not appear to be as prevalent in Pemberton as some of the above noted target groups. This is a target group better addressed by senior levels of government and for this reason, it has not been identified as a top consideration at this time.

CONCLUSION

With the completion of this Background Report, the Village will now be in a position to develop an Affordable Housing “Action Plan” to address the community’s current challenges and changes to the market. The creation of a Village of Pemberton Affordable Housing Action Plan will outline how the Village will respond to this community's unique housing needs and address a broad range of housing options in our community and focuses on solutions for those not able to find and maintain private market housing. The Village is fortunate to see some rental housing coming on market soon, but more is needed – the Village would require even more to address growing needs for seniors’ housing or to address the need for social housing in a meaningful way. In this regard, The Village will benefit from a clearly articulated action plan that prioritizes the relevant work still needed to be done, and new measures, rather than a re-write of the 2009 Strategy.