

# City of Salmon Arm



## Interim Housing Needs Report



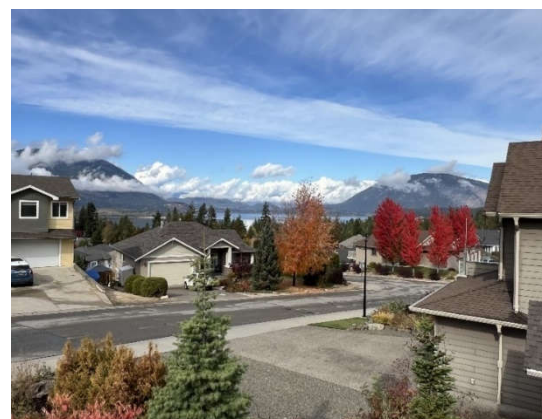
November 2024

# TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	1
1 INTRODUCTION .....	3
2 SALMON ARM ACTIONS ON HOUSING.....	4
3 HOUSING NEAR TRANSIT & ACTIVE TRANSPORTATION.....	5
4 EXTREME CORE HOUSING NEED .....	6
5 HOMELESS COUNTS & HOUSING UNIT PROJECTIONS .....	9
6 SUPPRESSED HOUSEHOLD FORMATION .....	11
7 ANTICIPATED HOUSEHOLD GROWTH .....	14
8 UNITS REQUIRED TO ACHIEVE 3% VACANCY.....	15
9 UNITS REQUIRED TO MEET THE “DEMAND BUFFER”.....	18
10 EXTRACTING 5-YEAR HOUSING NEEDS.....	19
11 IN CLOSING & LOOKING AHEAD .....	20
12 COMMUNITY & HOUSING PROFILE .....	22

## Acronym Reference

ATP	Active Transportation Plan
BC	British Columbia
City	City of Salmon Arm
CSRD	Columbia Shuswap Regional District
CMHC	Canadian Mortgage & Housing Corporation
HART	Housing Analysis Resource Tool
HNR	Housing Needs Report
OCP	Official Community Plan
PEH	people experiencing homelessness
SHF	suppressed household formation
SSMUH	small scale multi-unit housing
STR	short term rental



## EXECUTIVE SUMMARY

This 2024 Interim Housing Needs Report (HNR) provides an updated forecast of the City of Salmon Arm housing context and the anticipated needs going forward 5 and 20 years. It follows the Province’s prescribed methodology and so comprises of desktop calculations. This is supplemented by local context commentary and both current housing development and qualitative information.

The City has undertaken substantial, meaningful, and effective steps to address housing needs, including fast-tracking application and reduced fees/cost sharing for non-market housing; adopting a Housing Strategy and SSMUH legislation; and embarking upon a Complete Community Assessment of the central high density residential area in the OCP.

Looking ahead at the horizon, the methodology yields the following estimates for Salmon Arm:

- over the next 20 years, an additional 4,100 housing units must be planned for and anticipated; and
- over the next 5 years, an additional 1,228 unit or 245 per annum, are to be anticipated.

### The key Report highlights & takeaways follow



The majority, 71.5% or 878 housing units in the next 5 years are estimated to be needed to serve population growth. This consists primarily of in-migration from other Provinces. Recent data suggests a population increase well above that anticipated in the 2020 HNR. Legislation mandates the City plan for this and for the 20-year estimate of 4,100 additional units.



Extreme core need, where over 50% of gross income is spent on housing, is estimated at 296 households of which renters comprise the majority. While this has edged down from the 2020 HNR that applied the 2016 Census, it is likely higher given increased housing prices and interest rates since 2021. Developing more affordable, rental, and non-market housing to service this priority population will be critical in the coming years.



People experiencing homelessness, estimated to be 60 to 70, are a critical priority for housing especially for others on the verge of losing their home. HART estimates only 30 additional units for the next 5 years and 60 over the next 20; however, based upon the 2023 homeless count and local stakeholders and social service providers, this is underestimated.



Salmon Arm’s ongoing low vacancy rate of 0.5% has resulted in scarcity of available units, competition, and challenges for local employers to secure workers and expertise. A total of 47 additional rental units are prescribed to meet the Provincial target of 3% vacancy. While this is an underestimate, market rentals currently in planning or construction stages will exceed the anticipated 47 units.



The 20-year estimate of suppressed household formation, meaning households that would have formed if acceptable and/or affordable units were available, is 326 households. Based upon the methodology, the cohorts most underrepresented in Salmon Arm are aged 55 to 74. This runs counter to the assumption that it is young adults staying with parents or roommates.



As per the stipulated methodology, a “demand buffer” calculated to be 612 housing units across the next 20 years has been added to ensure there is a diverse market of home types, locations, sizes and a range of affordability.

## Terminology Quick Reference

**Anticipated household growth** means the number of housing units required to accommodate an increasing population (i.e. number of residents) within a given jurisdiction.

**Core housing need** means households that must spend over 30% of their pre-tax income to pay the median cost of acceptable housing (i.e. rent, mortgage or some alternate).

**Demand buffer** means the additional housing count, beyond the minimum to house current priority populations and anticipated growth, so as to satisfy residents who need or prefer certain housing characteristics.

**Extreme core housing need** means households that must spend over 50% of their pre-tax income to pay the median cost of acceptable housing (i.e. rent, mortgage or alternate).

**Purpose built rental** means a housing unit constructed to be rented (not strata or fee simple ownership nor private rentals) on the open market and thus is tracked by CMHC.

**Rental vacancy rate adjustment** means how many rental units would need to be added to the pool of units to achieve or secure a healthy vacancy rate.

**Suppressed household formation** means the demand for households that would have formed but did not due to a challenging, costly and constrained housing market.

# 1 INTRODUCTION

## What is this Report's purpose and why now?

An *Interim* Housing Needs Report (HNR) is mandated by the Province under the *Local Government Act* and the *Housing Needs Reports Regulation* for all local governments across BC. The Act requires an interim report for specific 2021 Census data and updated analysis relating to more recent small scale multi-unit housing zoning changes. This must be completed and be placed before Council for consideration of a resolution for “acceptance” by January 1<sup>st</sup> of 2025.

By updating the HNR now, the City will secure a more current understanding of the housing situation and the needs for Salmon Arm going forward 5 years and 20 years. This then informs the City's Official Community Plan (OCP) (currently under review) and Zoning Bylaw changes which must accommodate and plan for the identified housing needs – both to be complete no later than 2025 yearend.

## How does this Report differ from the City's 2020 Housing Needs Report?

The original HNR, completed for the City of Salmon Arm in 2020, was a comprehensive report that included extensive consultation, focus groups, surveys, etc.; however, it comprised primarily of 2016 Census data and contained 5-year projections for growth/population that have since been exceeded. This *Interim HNR* applies the 2021 Census data and looks ahead 5 and 20 years (similar to the OCP); however, it does not undertake a comprehensive engagement/ consultation process or review of all the 2020 HNR data sets. This is a desktop update that will fulfill the Province of British Columbia requirements to establish basic municipal housing supply targets.

Following this Report, under the Act, Salmon Arm must complete a regular or “full” housing needs assessment by end of year 2028 using the 2026 Census data. Then going forward, an updated report will be due every five years in parallel to Statistic Canada Census data release.

## Data sources & developing this Interim Report

Unless noted otherwise, the data in this Report is generated via the 2023 *Housing Analysis Resource Tool* or HART, developed at the University of British Columbia with the support of the CMHC and 11 local governments from across BC. It is a Census-based tool programmed to measure core housing need and affordable shelter costs by income category, household size, and priority populations. The program applies statistical data sets to generate the specified estimates required by the Province using their prescribed methodology. These were previously calculated by data input and Excel spreadsheet in the 2020 HNR.



Given it is Census-based, many of the limitations explained in the 2020 HNR still apply. This Interim Report is supplemented with data - where available and relevant - from the City, various agencies, BC Statistics and other sources so as to provide a more fulsome and qualitative profile of Salmon Arm needs. It foregoes community engagement until the 2028 regular HNR when analysis of population, family composition, mobility, income, economic indicators, etc. must all be added to the mix of housing need forecasting.



## 2 SALMON ARM ACTIONS ON HOUSING

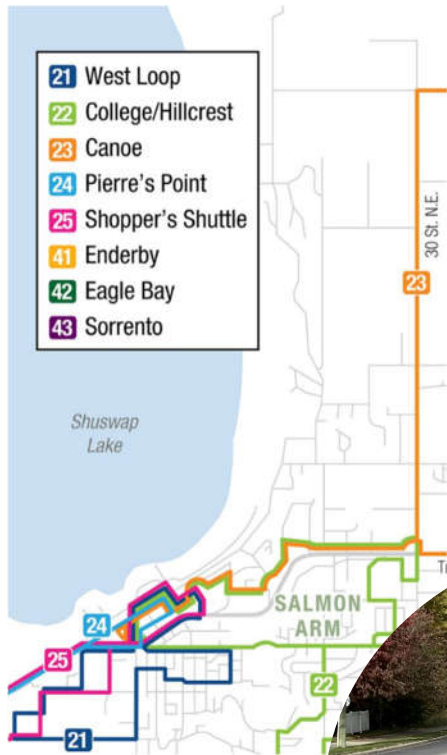
The following outlines and describes the actions taken by the City of Salmon Arm since the first Housing Needs Report was compiled and accepted:

- **Salmon Arm Housing Strategy**, August 2020, completed after and based upon the original HNR
- **Density bonuses** for constructing accessible units, rental units, and an additional 5 units per ha for developing affordable rental units
- **Fast-tracking all development applications** for zoning and development/building permit for affordable housing, non-market housing, and purpose-built rental projects
- **Waiving application fees** for nonprofit “affordable housing” OR reduced fees by 50% for purpose-built rental housing
- **Emergency Shelter on City land** whereby a non-market lease was granted for a pre-manufactured building to support homeless persons with a year-round shelter and increased beds
- **Supporting non-market housing development** built by a partnership between BC Housing and the Canadian Mental Health Association (*Larch and Cedar House pictured below*)



- **Adopted small scale multi-unit housing** (SSMUH) provincially mandated zoning changes to increase density from single family to three or more often four units per parcel
- **Completing Impact Assessment Report** for **Complete Community** analyzing lands and servicing to calculate where and how high-density residential development can be achieved within the City core
- **Official Community Plan 2024**, a review is in-progress and anticipated to be complete in early 2025, will include specific targets for accommodating housing needs
- **Subsidizing Development Cost Charges** may be considered for priority population housing by the City on a project by project basis

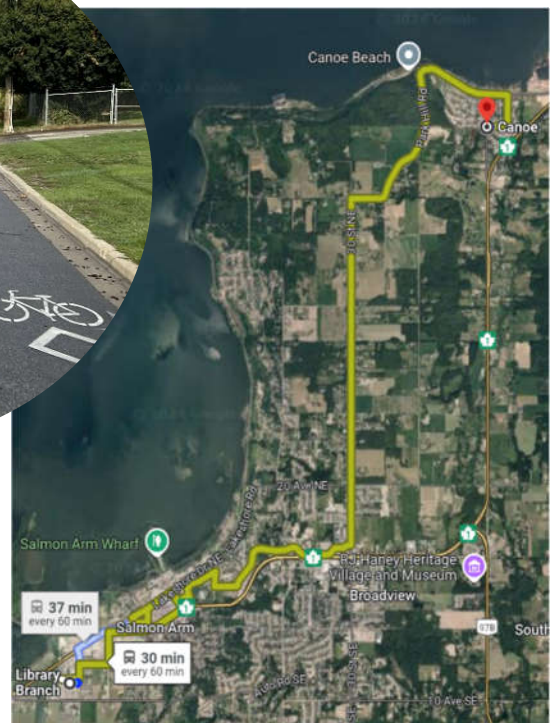
### 3 HOUSING NEAR TRANSIT & ACTIVE TRANSPORTATION



Part 3 of the Interim HNR speaks to the need for housing in proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of getting about.

In 2023, the City completed/implemented an Active Transportation Plan (ATP) that sets policy and priorities to be considered as new development and capital projects are reviewed. The Plan looks to expand and connect roadway bicycle lanes, greenways, and trails, including:

- Develop a complete and connected bicycle network for people of all ages and abilities that connects to key destinations in Salmon Arm based on priority; and
- Identify and then prioritize 37 actions based upon criteria such as proximity to transit, schools, population density and active transportation generators.



In addition to the ATP, a *Complete Communities Impact Assessment Report* is in the final stages of preparation – to be complete by November of 2024. This study examines three scenarios for the development now to 2046, of Salmon Arm’s core high density residential precinct south of the Trans-Canada Hwy. The goal is to analyze and then realize a “complete community” that is vibrant, walkable, safe, and provides affordable housing. This study applies a holistic lens in considering the following:

- proximity to transit to increase ridership and service;
- walkable to essential services and retail;
- walkable to parks and green space;
- viability of redeveloping parcels with existing small older homes to increase density on existing roads; and
- capacity of current utility infrastructure and what new capital works may be required for this area.

## 4 EXTREME CORE HOUSING NEED

Extreme core housing need in the case of either renters or homeowners is used to estimate the number of required new units for households in vulnerable situations. As defined by Statistics Canada, this comprises of private households that have to spend over 50% of their pre-tax income to pay the median rent or the cost of an alternate form of acceptable housing in their given Census area.

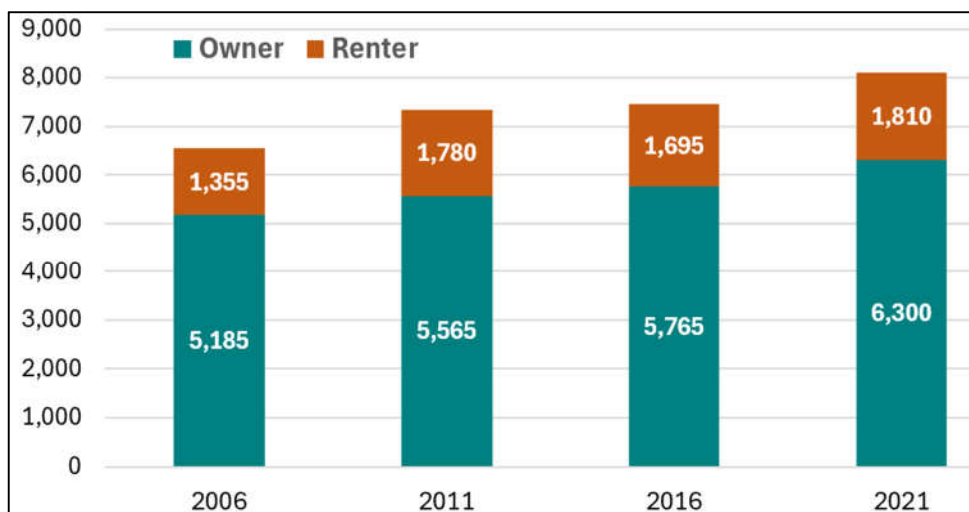
By comparison, a household in “core” need is living in housing that fails to meet one or more standards and would have to spend 30%, or more, of their total before-tax household income to pay the median rent or the cost of alternative acceptable housing. Core housing need may include a unit not quite adequate for the size of a household or a mortgaged situation where home repairs are required but are unaffordable, thus a new housing unit may not always be required.

*Extreme* core housing need is a subset of *core* housing need. While the 2020 HNR estimated both categories, this HNR factors extreme core need in the unit calculations. To provide more fulsome context, current data on *core needs* is included at the end of this Part.

### Total Household Count

The following table shows the household count and the trend over the previous four Census periods.

Table 4.1 Salmon Arm renter & owner household count



Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

### How is extreme core need calculated?

Taking the total households (in Table 4.1) and factoring in reported income provides the data to estimate the extreme core housing need (as a % of all households). To calculate required new units, the average extreme core need rate, by tenure, is extracted from the previous four Census counts and multiplied by the total number of households by tenure in the 2021 Census. Importantly, data for owners with a mortgage is available in the 2021 Census only. Homeowners with no mortgage are not a part of the analysis.



*Table 4.2 Total and % of Salmon Arm renters & owners in Extreme Core Housing Need, 2006-2021*

Extreme Core Housing Need	2006		2011		2016		2021		Average Extreme Core Housing Need
	#	% of total	#	% of total	#	% of total	#	% of total	
Owners w/mortgage	n/a	n/a	n/a	n/a	n/a	n/a	80	1.27%	1.27%
Renters	215	15.87%	175	9.80%	235	13.86%	150	8.29%	11.96%

Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

The estimate in the table below calculates the total number of Salmon Arm households in extreme core housing needs by applying the averaged percentages above to the total households in Table 4.1.

*Table 4.3 Estimated total of renters & owners (w/ mortgage) in extreme core housing need, 2021*

	2021 Households	Average ECHN %	Households in Extreme Core Need
Owners with a mortgage	6300	1.27%	80
Renters	1810	11.96%	216.4
<b>Total New Units to Meet ECHN - 20 years</b>			<b>296.4</b>

Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

The HART analysis yields an estimate of 216 renter plus 80 owner households in extreme need and forecasts that 296 new units will be required going forward 20 years. Similar to the 2020 findings, renters in extreme need number three times those carrying mortgages.

### Extreme Core Housing Need Comments/Analysis

While these calculations follow the prescribed methodology, 296 may be an underestimate and so should be read with caution. Using the 2016 Census, the 2020 HNR estimated the Salmon Arm total in extreme core need to be 335 (235 renting plus 100 owning), more than the updated estimates generated by HART. This discrepancy is further underlined by several changes and major events since 2016, including:

- major increase in the cost of housing, especially since 2020 and the pandemic;
- enduring low vacancy rates and increases in market rents; and
- rapid interest rate escalation impacting new purchasers and existing owners when renewing their mortgage or holding a variable rate mortgage.

On this basis, it is arguable that the extreme core housing need in Salmon Arm may exceed the near 300 units estimated by the provincially prescribed methodology for the next 20 years.

## What about CORE housing need rates and trends?

Reiterating, core need is not included in the prescribed method for interim reporting and so does not figure into the 5 and 20-year estimates at the end of this report; however, it is important to consider the recent steep increase in the proportion of households spending over 30% of gross income on housing.

The 2020 HNR used 2016 Census household income<sup>1</sup> and housing data to calculate that 10% of Salmon Arm households were in core need where over 2/3 of this 10% comprised of renters.<sup>2</sup> Breaking this down further, 30% of all renter households were in *core* need and half of these or 15% were in *extreme* core need. The core need indicator related overwhelming to affordability rather than size, state, or suitability of the given housing.

Moving ahead to 2021 Census data and the Salmon Arm Profile, the overall median household income was \$74,500 while that of renter households was only \$46,800<sup>3</sup>. Based upon this, 38% of Salmon Arm renter households are in core need. This is the same rate as all BC despite the average monthly local rent was \$1,099, about \$400 less than the BC average.

Shifting to consider all Salmon Arm households and the 2021 Census, 1,640 or 24% are in core need in respect of affordability, suitability and the need for major repairs. Again, the majority or 80% of these are simply on the basis of housing cost versus their household income. This is a significant increase, more than double, from the rate recorded in the 2016 Census.

## What is the Salmon Arm non-market housing context?

Non-market housing is provided to serve those in need and more so those in extreme core housing need. The largest proportion of BC Housing supported units in Salmon Arm are for low-income families in community housing followed by rent assistance for seniors in private market housing. According to the BC Housing website and local officials, there are 297 supported non-market housing units in townhomes and apartments across the City. There are also currently 169 households receiving up to \$600 as a monthly rental supplement in the private rental market. And finally, there are a total of 108 emergency shelter beds, up from 46 in 2019.

Since 2019, a new development through a partnership with BC Housing, the Canadian Mental Health Association and a CanZea Developments, added over 100 units of purpose-built non-market housing.

More recently as of October of 2024, an additional 40 units of affordable housing are with the City in the Development Permit application stage. This project, a partnership of BC Housing and a private developer, will build a non-profit complex to be run by CMHC and serve local housing needs.

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<sup>1</sup> Census income data is always for the year prior (i.e. 2015 for 2026 Census) as it is based on Revenue Canada records.

<sup>2</sup> For more detail, refer to Part 6.6. of the 2020 HNR, especially pages 52 to 55.

<sup>3</sup> Source: BC Non-Profit Housing Assoc. <https://bcnpha.ca/policy/publications/projections/> noting 2021 Census cites 39.3% for renters in core housing need.

## 5 HOMELESS COUNTS & HOUSING UNIT PROJECTIONS

This component of the required analysis estimates the number of housing units needed for those currently experiencing homelessness. Since Census data does not focus upon or capture the number of people experiencing homelessness (“PEH” in the tables), the estimates below follow the prescribed methodology supplemented by the first ever point in time homeless count undertaken in Salmon Arm over the night of April 5<sup>th</sup> and day of the 6<sup>th</sup>, 2023<sup>4</sup> and further supplemented by input from local social service agencies.

### How is homelessness defined?

For the purposes of both Provincial data, individuals must have received income assistance and had no fixed address for three consecutive months and/or have stayed in a BC Housing-affiliated shelter for at least one night. This data is available at the regional level only, with the most recent year being 2021, and thus is calculated as a ratio to extract an estimate for the City.

Meanwhile and more broadly the “point in time count,” defines an individual as homelessness if they did not have a place of their own where they paid rent and could expect to reside for 30 or more days. This included people who overnighted on the night of the count in shelters, including transition homes and youth safe houses; people of no fixed address staying temporarily in hospitals, jails or detox shelters; those who stayed outside in alleys, doorways, parkades, parks and vehicles; persons staying temporarily at someone else’s place (couch-surfing); and those using homelessness services.

### How are homeless housing needs calculated?

City of Salmon Arm population as a share or % of the Columbia Shuswap Regional District (CSRD) Census population is determined as a ratio. Then the data on people experiencing homelessness from the 2021 BC *Integrated Data Project*<sup>5</sup>- most recently published - is factored to provide an estimate for Salmon Arm. This method assumes one housing unit per person, such that the proportional total PEH is equal to the number of units required. The Provincial methodology requires this count be applied as the total new units needed to address homelessness over the next 20 years (Table 5.1).

*Table 5.1 Estimated people experiencing homelessness (PEH) in Salmon Arm, 2021*

CSRD Population	CoSA Population	% of CSRD	CSRD PEH	Proportional City PEH
55765	18620	33.4%	180	60.1
Total number of new units to serve homeless needs - 20 years				<b>60.1</b>

Source: Statistics Canada Census and BC Integrated Data Project/ generated via HART (Oct. 2024)

The prescribed methodology yields an estimate of ~60 people experiencing homelessness. This is within the top end of the 2020 HNR estimate of 50 to 60 but less than the 2023 point in time homeless count explained below. Critically, the count is more current than the 2021 Census data and includes those who may have moved from other places and those not captured via income assistance or not registered in shelters.

<sup>4</sup> Source: <https://www.bchousing.org/research-centre/housing-data/homeless-counts> - retrieved Sept. 26/2024

<sup>5</sup> Link: [https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/social-housing/supportive-housing/2021\\_idp\\_cohort\\_report\\_homeless\\_population\\_in\\_bc\\_final.pdf](https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/social-housing/supportive-housing/2021_idp_cohort_report_homeless_population_in_bc_final.pdf)

## Salmon Arm Point in Time Homeless Count

A point in time count provides a snapshot of people who are experiencing homelessness in a 24-hour period; their demographic characteristics; the services they use; as well as other key information.

The point in time count of April yielded an estimate of 69 homeless persons, higher than the HNR methodology. Of these 69, 61% identified as male, 37% as female, and 2% as “other gender.” While 30% identified as indigenous, only 7% of the overall BC population is First Nation or indigenous.

This count included those in formal shelters who were willing to respond but may not count all the individuals residing in vehicles or staying temporarily with friends. For these reasons, the point in time count acknowledges this is an undercount or simply the minimum number experiencing homelessness on a given day.

City officials have observed a trend that is not captured in the data: residing in recreational vehicles (RVs). Households may reside in RVs in commercial campgrounds or private backyards for the warmer seasons and then move into homes with family or friends for the winter. These individuals fall under the Province’s definition of homeless and/or under the category of suppressed household formation, but do not comprise a part of the homeless count.

### Input from Social Service providers

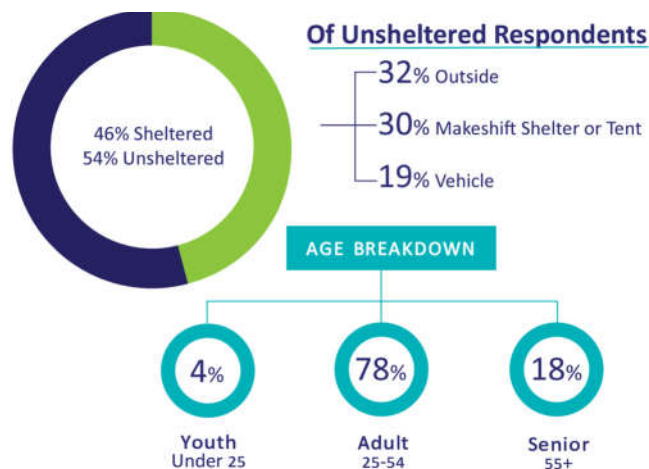
Frontline workers in the community estimate at least 50 - 60 chronically homeless individuals. High rental costs and low vacancy rates put pressure on the lowest income households in the community. Service providers indicated they are overcapacity most of the time, with lengthy waitlists for services. In the eight months prior to August 2024, the 25-bed homeless shelter has accommodated 160 different individuals, some staying every night. People with lived experience indicate that it is challenging to access shelter beds, as the shelters are always full and people are turned away.

Stakeholders identified that many vulnerable populations in the City are at risk of or experiencing homelessness, including low income families, people with mental health challenges, women and children fleeing domestic abuse, youth transitioning out of care, and seniors.

### People Experiencing Homelessness Comments/Analysis

In closing, all the methodologies for estimating Salmon Arm’s homeless caution about underestimating the PEH and the actual resources needed to address this situation. The Province and social service providers have identified this as a critical need.

### Where did the “unsheltered” stay the night of the count?



### Over the previous year, the top 3 overnight locations comprised of the following:



## 6 SUPPRESSED HOUSEHOLD FORMATION

This part examines the number of housing units that are required to meet the demand for households that are “unable to form due to a challenging and constrained housing market.” The Provincial guidelines for suppressed household formation (SHF) estimate those households that did not form due to supply and cost. The background assumption is that individuals make decisions about housing based on the available options, for example:

- young adults cannot move out of their parents’ home into a place of their own;
- individuals may seek roommates due to lack of available/affordable housing supply; or
- households may reside in a RV parked at a campground or a private yard.

To estimate suppressed demand, 2006 Census data – the earliest available data for a time when housing supply was considered less constrained – is used to determine headship rates by tenure and age cohort. Headship rate is calculated by dividing the number of households by population for a given age cohort. These 2006 headship rates are then applied to population data from the 2021 Census to estimate how many additional households *might* have formed if more housing was available.

### How is suppressed household formation calculated?

The first part of the calculation looks at the age of the primary individuals who maintain a renter or owner household for 2006 versus 2021, qualifying that between these two Census periods, age categories had slightly changed. For the purposes of this calculation, 25 years or younger from 2006 is equivalent to “15 to 24 years” for 2021 and the “75 to 84 years” and “85 years and over” demographic for 2021 is combined to align with the 2006 group “75 years and over.”

Table 6.1 Salmon Arm household maintainers by age, 2006 &

Ages - Household Maintainers	Age Categories	2006		2021	
		All Categories	Summed Categories	All Categories	Summed Categories
15 to 24 years	15 to 19 years	1120		1080	
	20 to 24 years	830	1950	675	1755
25 to 34 years	25 to 29 years	585		795	
	30 to 34 years	645	1230	1000	1795
35 to 44 years	35 to 39 years	830		970	
	40 to 44 years	1100	1930	1035	2005
45 to 54 years	45 to 49 years	1325		950	
	50 to 54 years	1225	2550	1120	2070
55 to 64 years	55 to 59 years	1190		1340	
	60 to 64 years	955	2145	1625	2965
65 to 74 years	65 to 69 years	920		1545	
	70 to 74 years	800	1720	1375	2920
75 years and over	75 to 79 years	695		995	
	80 to 84 years	455		700	
	85 years and over	310	1460	595	2290

Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

Then this is broken down to calculate a percentage for 2006 by age category that can be applied to 2021. Table 6.3 applies the percentage from Table 6.2 to estimate how many more household we may have had - *if housing was more affordable and available.*



Table 6.2 Renter & owner household heads as % of total population by age, 2006

Age Household Maintainers	2006 Headship Rate		2006 Population Total	2006 Household Headship Rate	
	Owner	Renter		Owner	Renter
15 to 24 years	40	105	1950	2.05%	5.38%
25 to 34 years	290	225	1230	23.58%	18.29%
35 to 44 years	865	195	1930	44.82%	10.10%
45 to 54 years	1095	320	2550	42.94%	12.55%
55 to 64 years	1100	155	2145	51.28%	7.23%
65 to 74 years	975	170	1720	56.69%	9.88%
75 years & over	825	190	1460	56.51%	13.01%

Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

Table 6.3 Headship rate of 2006 applied to 2021 population

Age Household Maintainers	2006 Headship Rate		2021 Population Total	2021 Potential Households	
	Owner	Renter		Owner	Renter
15 to 24 years	2.05%	5.38%	1755	36	94.5
25 to 34 years	23.58%	18.29%	1795	423.21	328.35
35 to 44 years	44.82%	10.10%	2005	898.61	202.58
45 to 54 years	42.94%	12.55%	2070	888.88	259.76
55 to 64 years	51.28%	7.23%	2965	1520.51	214.25
65 to 74 years	56.69%	9.88%	2920	1655.23	288.6
75 years & over	56.51%	13.01%	2290	1294.01	298.01

Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

Following the Provincial methodology, the final calculation (Table 6.4) estimates the number of households across the seven age categories that Salmon Arm would presumably have had - *if housing were more available and affordable* – by subtracting the potential from the actual households. Negative results such as for ages 25 to 34 in Salmon Arm, are assigned zero.

Table 6.4 Estimate of the number of suppressed households, 2021

Age of Household Maintainers	2021 Potential Households		2021 Actual Households		2021 Suppressed Households		
	Owner	Renter	Owner	Renter	Owner	Renter	Total
15 to 24 years	36	94.5	35	90	1	4.5	5.5
25 to 34 years	423.21	328.35	450	330	-26.79	-1.65	0
35 to 44 years	898.61	202.58	770	315	128.61	-112.42	16.19
45 to 54 years	888.88	259.76	895	220	-6.12	39.76	33.65
55 to 64 years	1520.51	214.25	1385	245	135.51	-30.75	104.77
65 to 74 years	1655.23	288.6	1480	320	175.23	-31.4	143.84
75 years & over	1294.01	298.01	1285	285	9.01	13.01	22.02
<b>Total New Units to Meet Suppressed Housing Need - 20 years</b>							<b>325.96</b>

Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

## Suppressed Household Formation Comments/Analysis

The estimate of suppressed households amongst young adults is relatively low, especially in the 25 to 34 age bracket where there are proportionally more households now than in 2006 (the methodology reverts this to zero). This may be in part because there are simply more but smaller households with fewer people and fewer children being born. It may also be because, compared to other parts of the Province, Salmon Arm remains affordable.

Of note, the rate of suppressed household formation peaks for the late middle aged, the 55 to 74 cohort. This is unexpected as these cohorts would presumably have entered the housing market decades ago, when it was more affordable as compared to average household income. They may be residing in unconventional arrangements that are a result of broken families/households or they may not be caught within the Census data gathering methodology.

Both recent and in-stream applications for market housing development will help absorb any potential suppressed housing formation. This includes projects such as the pictured 140 rental suites now under construction and anticipated for occupancy in 2025. Additionally, the small-scale multi-unit housing changes to zoning may prompt households deemed *suppressed* under the Provincial methodology to form.



## 7 ANTICIPATED HOUSEHOLD GROWTH

Anticipated household growth quantifies how many more units are required to accommodate an increasing population over the next 20 years. This is a rudimentary forecast but critical since it comprises the greatest number within the overall calculation - additional to all the other basis of need and improved conditions, such as a higher vacancy rate. To estimate growth more accurately, two projections (a local municipal and a regional scenario) are collected and averaged.

### How is the anticipated increase to meet population growth calculated?

The total number of households for the CSRD and Salmon Arm are collected from the 2021 Census alongside the BC Statistics 20-year projection data. Growth is assumed to be evenly proportionate so the % increase (the *regional growth rate*) at 20 years is calculated by dividing the difference in CSRD households by the number of households from the 2021 Census.

Secondly, the Salmon Arm 2021 Census and the BC Statistics household projection data for the City in 2041 provide an estimate for the City alone. The difference between the current and projected households gives the number of *new* housing units. Finally, the two scenarios are averaged so as to provide a more accurate estimate of the total new units we anticipate are needed to address population increase.

*Table 7.1 New housing units for anticipated population growth*

CSRD Projections	2021	2041	Regional Growth Rate
Number of Households	24,595	33,250	35.19%

Growth Scenarios	Growth Rate	# of Households-2021	# of Households-2041	New Units
Local Household Growth	n/a	8105	10769	2664
CSRD Household Growth	35.19%	8105	10957.16	2852.16
Scenario Average				2758.08
<b>Total # of new units to meet household growth needs - 20 years</b>				<b>2758.08</b>

Source: Statistics Canada Census and BC Stats Custom Information generated via HART (Oct. 2024)

### Anticipated Household Growth Comments/Analysis

Given a high forecasted growth rate, this yields a high number of housing units. Looking back historically (see *Part 12: Community Profile*), these projections are not unreasonable. Also, the median household size of 2.3 persons is slowly but steadily decreasing, yielding more units with less residents therein for our forecast population. Finally, given 30.4% of City population is over 65 and continues to age as more residents move to Salmon Arm to retire, a greater number of smaller households can be anticipated.



## 8 UNITS REQUIRED TO ACHIEVE 3% VACANCY

This part of the Provincial methodology estimates the *rental vacancy rate adjustment*, meaning how many rental units would need to be added to restore the vacancy rate to 3%, a rate last recorded in the City about a decade ago. According to the expert panel on *Housing Supply and Affordability* (BC/Canada) and the Canadian Mortgage and Housing Corporation (CMHC), between 3% and 5% vacancy represents a healthy and well-functioning rental housing market.

During the 2020 HNR, stakeholders and community members stressed that the highly competitive local rental market with extremely low vacancy negatively impacts the following:

- vulnerable populations such as low-income and single parent families;
- youth transitioning out of care, women fleeing domestic abuse, and those with mental health challenges who cannot secure housing with the result of increased homeless rates;
- post-secondary students from outside the City;<sup>6</sup> and importantly
- the ability to recruit and retain workers needing rental housing has become a barrier to economic development and community growth in Salmon Arm.

### How is the rental vacancy rate adjustment calculated?

The calculation determines the number of additional or new rental units required to reach a 3% vacancy rate. For the Interim HNR, this is an overall number, not refined by the type of rental (e.g. number of bedrooms or cost of rent). The number of renter households is simply applied from the 2021 Census against the CMHC primary rental market vacancy rate.<sup>7</sup> Then the local occupied rate is calculated by subtracting the current Salmon Arm vacancy rate of 0.5% from 100% to get 99.5%. For the target 3%, the occupied rate would have to be 97%. The estimate of housing units is the expected total number of rental units - occupied and vacant. This target is subtracted from the existing number to determine the additional units to theoretically achieve 3% vacancy.

*Table 8.1 Additional rental units required to achieve 3% vacancy*

	Vacancy Rate	Occupied Rate	Renter Households	Estimated Number of Units
Target Vacancy Rate	3%	97%	1810	1865.98
CoSA Vacancy Rate	0.50%	99.50%		1819.1
<b>Total New Units to Achieve 3% Vacancy Rate - 20 years</b>				<b>46.88</b>

Source: Statistics Canada Census and CMHC data generated via HART (Oct. 2024)

### Vacancy rate history & context

As shown in Table 8.2, CMHC tracked vacancy rates in a smaller community fluctuate as a new rental development, market or non-market, becomes available for occupancy and with economic cycles. Salmon

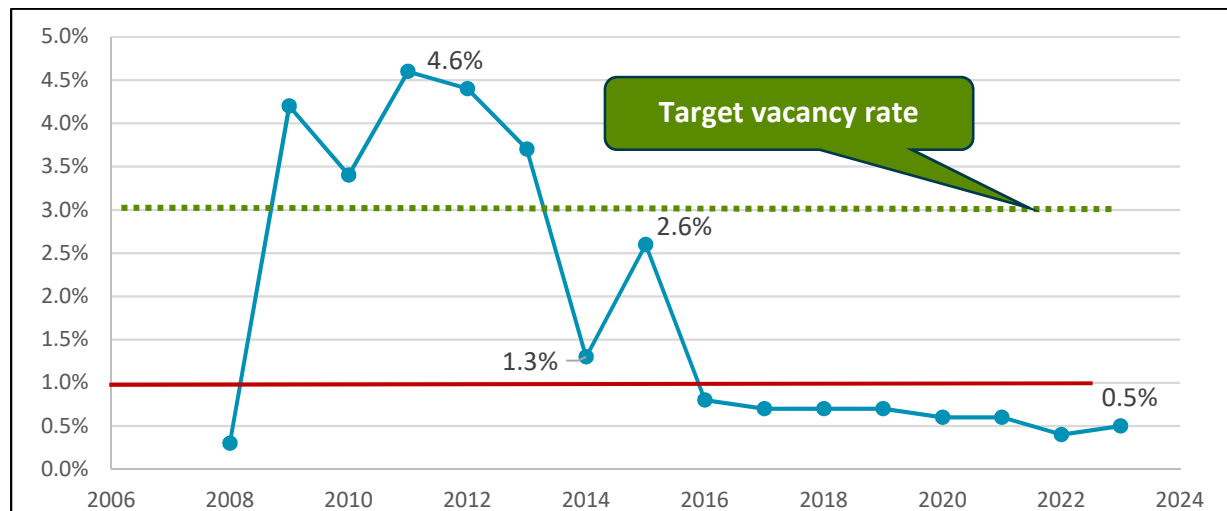
<sup>6</sup> Dormitory student housing under construction at Okanagan College will be complete for occupancy in 2025.

<sup>7</sup> The CMHC primary rental market count includes purpose-built rentals - not all rental units. So private secondary suites, strata sublets, roommate arrangements, or entire rented detached homes are not counted. The number of “renter households” is based on the 2021 Census, over double the CMHC count for the purpose of vacancy rate.



Arm has recorded very low vacancy rates since the peak of 4.6% in 2011. Critically, since 2016, the rate has been under 1% (delineated in red) and remains so in 2024.

Table 8.2 Salmon Arm vacancy rate, 2008 to 2023



Source: CMHC, 2024

### Achieving 3% vacancy Comments/Analysis

According to the Provincial methodology, only 47 additional units are needed to secure a 3% vacancy rate. Likely an underestimate, this numerical calculation ignores current conditions and unmet and latent rental demand in the community; therefore, the real number may be substantially higher. Acknowledging this, 3% vacancy may be achieved on the basis of the following:

- purpose built rental multi-family housing that is current in the development or construction phase will go a long way to securing more units;
- Provincial changes to short term rental regulations to allow *only* principal homes to be let for less than three months (see discussion next page); and
- recent zoning changes to allow small-scale multi-unit housing across all serviced low density residential areas has already resulted in more secondary suites and accessory dwelling units on fee simple parcels.

### What about non-purpose built rentals?

As of October of 2024, the City recorded 859 secondary suites, with 496 of these registered as occupied and paying the additional bylaw utility fees - the remaining presumably being vacant.<sup>8</sup> It is anticipated that this will steadily keep increasing given the zoning changes adopted in June 2024. Combined with estimated non-market units (including households in private rentals receiving a subsidy) and existing primary rental units, this amounts to ~ 1,128 rental units in the City that are tracked in some way, still lower than the 1,810 renter households cited in the 2021 Census. This means there are currently approximately 682 renter households, who rely on secondary market rentals for which no vacancy data is available.

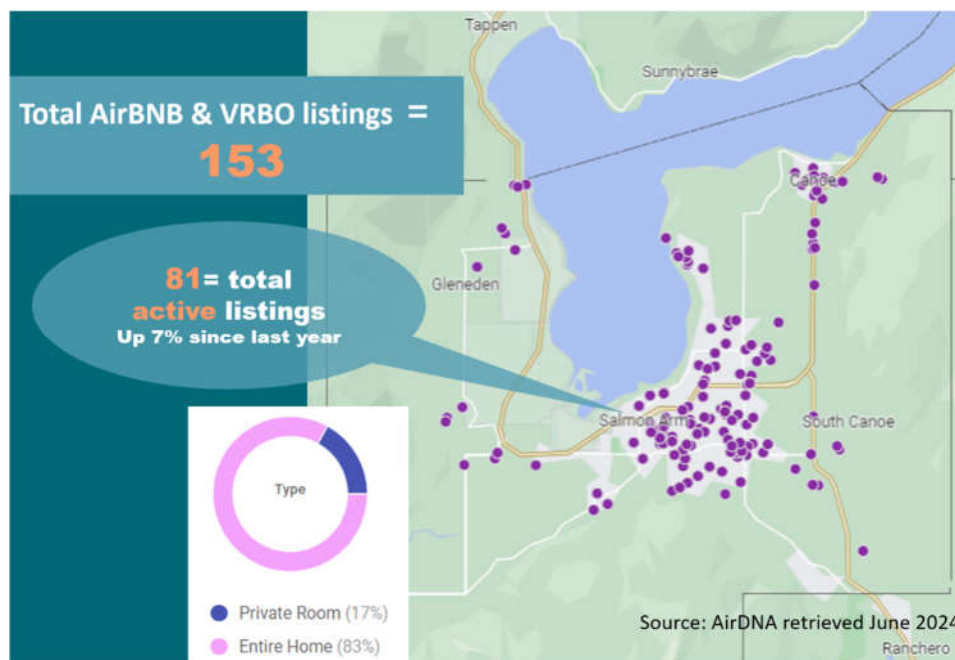
<sup>8</sup> Data that includes conforming and non-conforming suites, provided by City of Salmon officials.



## What is the current Salmon Arm short term rental (STR) context?

Providing a definitive count of the number of local active STR listings is difficult given the number of points on the available online mapping varies based upon search parameters (e.g. dates, duration of stay, places that will accept pets or sporadic operations). STR listings may also be on more than one platform and tend to change based upon the season, with more in summer.

To understand the Salmon Arm context, AirDNA, an online data collection or “scraping” tool was queried in July of this year. According to AirDNA, there are 81 active listings and 153 total listings for AirBnB and VRBO. To qualify, some of these may be historic or only operate sporadically while others may be hosting on alternative platforms and so not included in this count.



Since it is unclear how many STRs operate, it is difficult to say how they impact the vacancy rate, the long term rental market, and affordable housing. We know that the City purpose-built rental vacancy rate has remained below 1% for almost a decade and the STR market was increasing over this time. While converting some STRs to long term rental may not solve the challenge of finding rental housing in Salmon Arm (and some operators may not accept a permanent tenant in any case), even converting half of the active listings could increase the rental stock of available units.

## 9 UNITS REQUIRED TO MEET THE “DEMAND BUFFER”

The last component required for the interim HNR is to estimate the additional demand for housing units, beyond *the minimum required to adequately house current and anticipated Salmon Arm residents*. Referred to as the “demand buffer,” it accounts for housing required to achieve “healthy” local market demand and address the needs of households who require or prefer certain housing attributes based upon location, size or amenities; for example: those seeking homes near employment or schools; families anticipating children looking for larger homes; or seniors downsizing and seeking car-free living. The rationale is to reduce overall pressure in the housing market by anticipating a buffer.

### What is a “demand factor”?

A demand factor is based on the ratio of housing price to housing density as calculated using BC Assessment and geospatial data. A demand factor for every BC municipality is posted on the Ministry website.<sup>9</sup> It varies from over 1.5 for Whistler and 1.6 for Revelstoke to 0.4 for Duncan. The Province has set a demand factor of 0.84 for the City of Salmon Arm.

### How is the “demand buffer” calculated?

To determine the additional buffer, the factor is multiplied by the sum of the previously calculated units:<sup>10</sup>

- to address extreme core housing need;
- to provide for homeless persons;
- to reduce suppressed household formation; and
- to achieve 3% rental vacancy.

The total of these components multiplied by the demand factor of 0.84 determines the City’s 20-year additional local demand.

Table 9.1 Estimate of housing demand buffer

Component	Factored Result
Extreme Core Housing Need	296.4
Persons Experiencing Homelessness	60.1
Suppressed Household Formation	325.96
Rental Vacancy Rate Adjustment	46.88
<b>Total</b>	<b>729.35</b>
<b>Salmon Arm Demand Factor</b>	<b>0.84</b>
<b>Total New Units to Address Demand Buffer - 20 years</b>	<b>611.54</b>

Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

A buffer of 612 units for 20 years is about 30 per annum. This is not significant and can be accommodated given the existing large residential parcel and extensive residential lands within Salmon Arm.

Finally, this amount is added to the previously calculated needs as well as the anticipated or basic growth.

<sup>9</sup> Link to download spreadsheet <https://www2.gov.bc.ca/assets/download/3D921D96D12D45D0897222089D1FAE12>

<sup>10</sup> Under the prescribed methodology, basic or anticipated household growth is not included in this calculation.

## 10 EXTRACTING 5-YEAR HOUSING NEEDS

The final step to complete the required interim data is to break down the 20-year needs to get the 5-year estimate. The total for each of the six components, Parts 4 to 9, are summed and rounded to a whole number. The 5-year need is based on the previous 20-year calculation for each component, acknowledging that some needs are critical hence an urgency to address them sooner. The prescribed Provincial methodology follows:

Extreme core housing need	Given this component is distributed over 20 years, the 20-year result is divided by 4 to calculate the 5-year need.
Housing for homelessness	Recognizing the urgent needs of this population, the estimated need is distributed over 10 years, so the 20-year result is halved to calculate the 5-year need.
Suppressed household formation	This housing need is distributed evenly so the 20-year total is divided by 4 to calculate the 5-year number.
Anticipated household growth	Total housing units for forecast growth is calculated by applying the component methodology, meaning it uses the BC Stats household and population projection for the 5 years after the 2021 Census.
Rental vacancy rate of 3%	This component is distributed over 20 years, so this result is divided by 4 to estimate the 5-year need.
Demand buffer	This component is also distributed over 20 years, so this result is divided by 4 to estimate the 5-year need.

Table 10.1 Estimate of forecasted housing needs for next 5 & 20 years

Component	5 Year Need	20 Year Need
Extreme Core Housing Need	74.1	296.4
Persons Experiencing Homelessness	30.05	60.1
Suppressed Household Formation	81.49	325.96
Anticipated Growth	877.63	2758.08
Rental Vacancy Rate Adjustment	11.72	46.88
Additional Local Demand	152.89	611.54
<b>Total New Units – 5 years</b>	<b>1228</b>	
<b>Total New Units – 20 years</b>		<b>4099</b>

Source: Statistics Canada Census Custom Information generated via HART (Oct. 2024)

Comments and analysis of this forecast can be found in the conclusion on the next page.

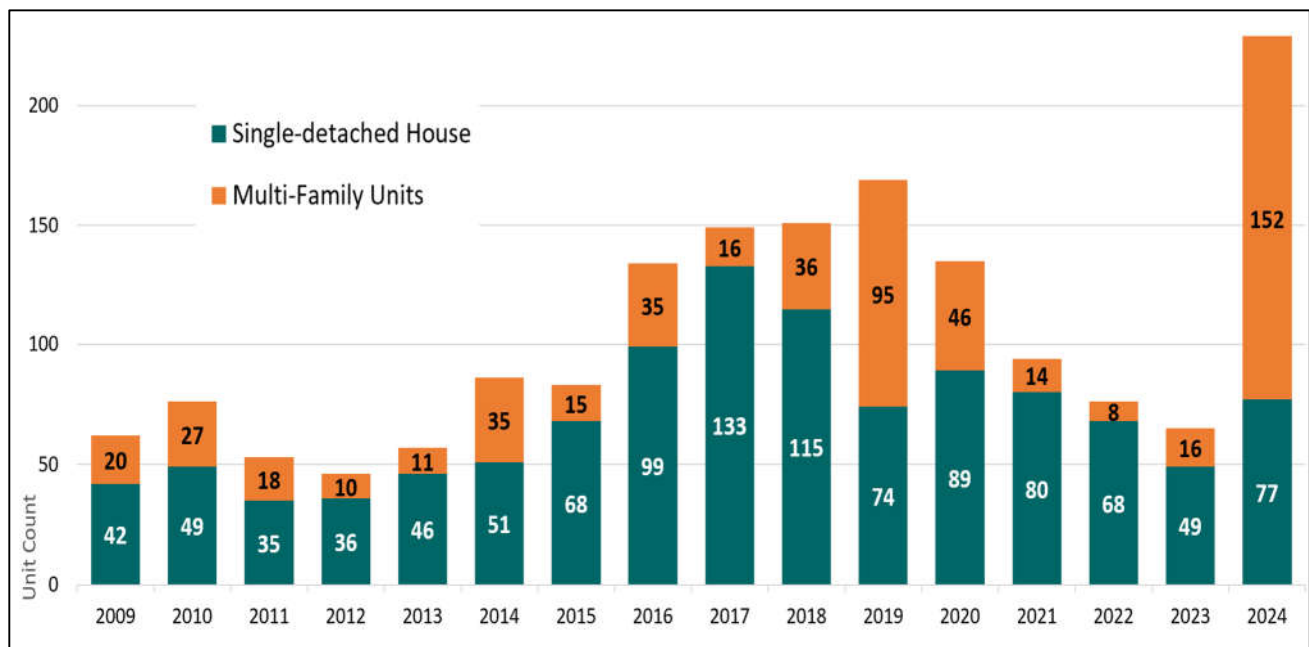
## 11 IN CLOSING & LOOKING AHEAD

The Interim HNR target number of added housing units sets a challenge for Salmon Arm. The 20-year need of 4,100 new units must comprise a part of the policy and big-picture planning within the in-progress OCP. This target is more refined than simply using the BC Statistics PEOPLE projections divided by median household size. It is also higher. It may be an over-estimate, but within that 4,100 units there are subsets or components of need that are likely underestimated, specifically housing for extreme core need, basic core need and to reduce homelessness.

Focusing upon the total need for the next 5 years, the planning target is 1,228 units or about 245 per annum of which no less than 30 need to be non-market units - if the City can incentivize and encourage sufficient multi-family housing starts. This is more than double the average 114 units that have been built in Salmon Arm annually over the past decade. It even exceeds the historic peak of 179 units in 2019 when over half were building permits for multi-family housing (See Table 11.1 below). When a large project is under development, the market often waits to gauge its impact before commencing another new project. Salmon Arm is likely to experience annual ups and downs in housing construction starts.

Still, looking ahead at current trends this is not unreasonable; however, it will require sufficient and adequate resources in the departments that process housing applications. With building permits issued for 229 housing units as of the end of this September, the City is on track to achieve the 245 unit target. Again, given our market is small, annual deviations are inevitable.

Table 11.1 Issued Building Permits for new housing units (by type), 2009 to end of Sept/2024



Source: City of Salmon Arm

At the time of writing of this report, two new multi-family development including 19 units in a four-storey apartment south of the downtown core and six storey development of ~73 units near the recreation centre, are in the planning permitting stage and not yet included in the building permit statistics above.

## Looking ahead: meeting current and future housing needs

The following points outline how the City of Salmon Arm is currently may further steer towards achieving these housing goals:

- More rental development currently in planning or in the construction stage will go a long way to address present and suppressed housing need as well as helping our vacancy rate approach the Provincial target.
- More BC Building Code compliant secondary suites are being constructed, especially in new construction where 56% of new detached homes include a legal suite.<sup>11</sup>.
- The number of existing detached single-family dwellings on large, serviced parcels is a relatively high proportion, 60% according to the 2021 Census, of current and historic housing in Salmon Arm. These large parcels can accommodate accessory detached units or the addition of a secondary suite, both may serve a segment of housing needs, for example: as a mortgage helper for young families or supplemental income for retirees. This kind of infill will not address the 245 unit annual need but will serve a part of it and the demand buffer for particular housing characteristics.



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<sup>11</sup> Source: Oct. 2024 Draft Complete Communities IAR (page 41) from City data.



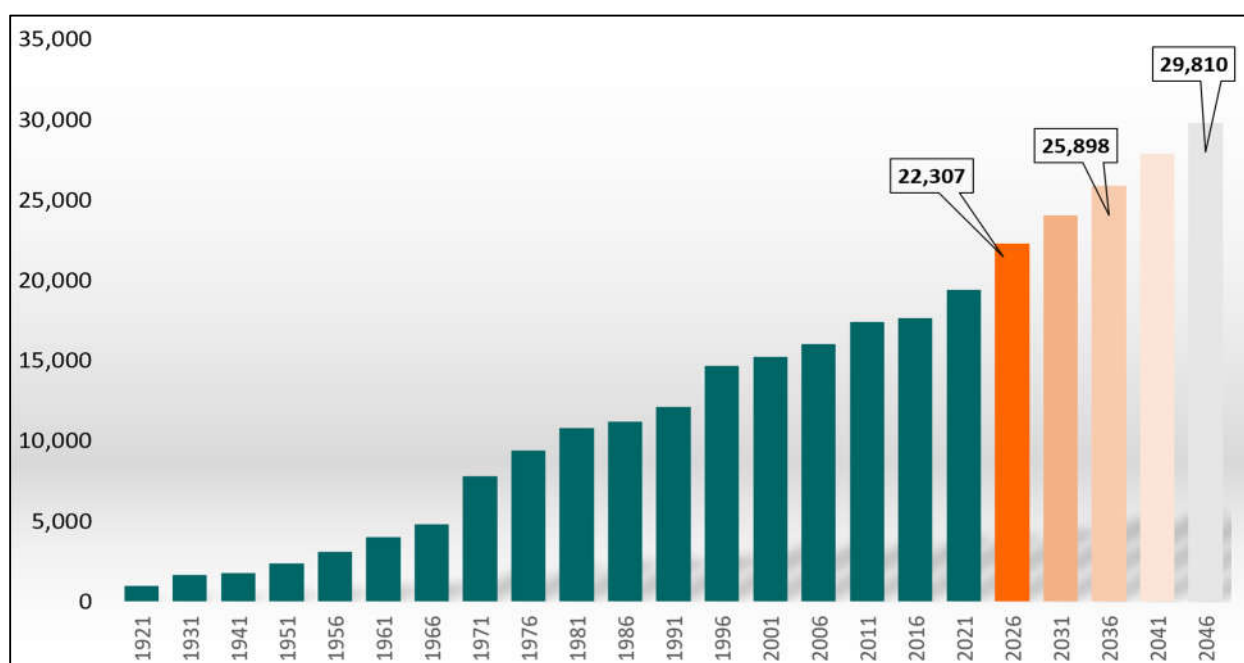
## 12 COMMUNITY & HOUSING PROFILE

The Salmon Arm historic/future population estimates, mobility, demographics, and number of households along with their size and composition is updated below. This provides meaningful context for the preceding HNR. Regional statistics and the complete suite of all required datasets and context, provincially and nationally, is deferred until the 2028 HNR.

### How has City population changed and what is forecast for the next 20 years?

Salmon Arm has been growing more quickly than both the forecasts applied in the 2020 HNR and the CSRD. For the decade of 2006 to 2016, the population saw a growth rate of 9.8%. This jumped to 19,432 for 2021, a 7.5% increase over just 5 years. BC Statistics estimate the 2023 City population to be 20,583, a slight slowing in the growth rate since 2021.

Table 12.1 City of Salmon Arm historic & forecast population



Source: Stats Canada, Census & BC Statistics Population Projections

### Age & Demographic

The median age of the Salmon Arm population continues to increase<sup>12</sup>. The 2021 Census records 51.2 as the median, versus 50.8<sup>13</sup> in 2016 and 45.5 in 2006. Comparing the median age across all BC, 43.0 in 2016 actually reduced slightly to 42.8 in 2021. This is almost 10 years younger than Salmon Arm. In 2021, 30.4% of City residents were 65 and over, significantly more than the 19% in all Canada or 20.3% in all BC.

Despite that Salmon Arm's demographic is aging, the number of residents is increasing. The City may be a destination for retirees who supplement local natural growth and other cohorts who relocate here.

<sup>12</sup> This is opposite of the Provincial forecast of 2019 which anticipated median age is to decrease to 49.5 over the next 5 years.

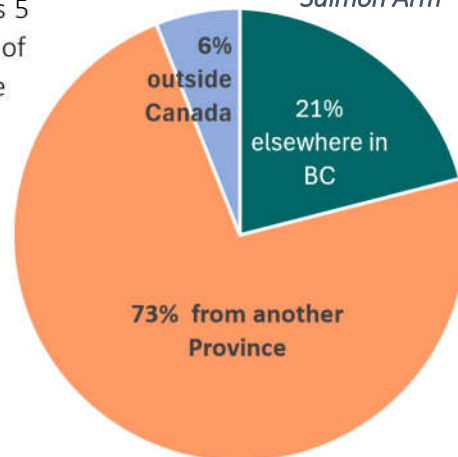
<sup>13</sup> The 2020 HNR cited the City of Salmon Arm median age as 49.3 – according to current Census data, this was *average* age.

### Mobility: where are new residents moving from?

Census reports mobility in both the previous year and the previous 5 years. For Salmon Arm the breakdown is near identical for both of these periods. Of the 7,195 individuals who reported moving in the 5 years before the 2021 Census, 64% or almost 2/3 migrated into Salmon Arm, the others having moved within the City. This is a notable increase from the 2016 Census which reported only 42% moving to the City from elsewhere.

In the 5 years before 2021, the majority or 73% of migration into Salmon Arm was from other parts of Canada (3320 people). This is a key factor that impacts not only population increase; but also the type, price and extent of housing need the City can anticipate.

Table 12.2 Migrants relocating to Salmon Arm



Source: Stats Canada, 2021 Census

### Household Counts, Sizes & Composition

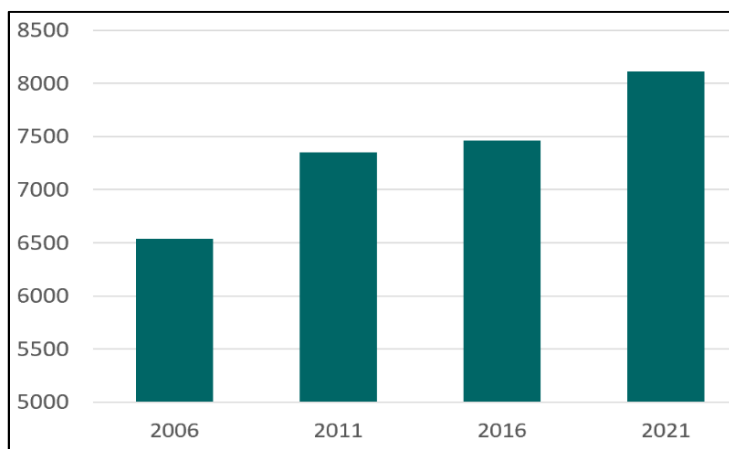
According to the 2021 Census, the average household size in 2021 remained 2.3 people, qualifying the *Salmon Arm Health Service Area* recorded only 2.2 person per household.<sup>14</sup> The forecast in the 2020 HNR was for household size to hold constant to 2024. Unless demographics and mobility trends substantially change, it is unlikely to trend up.

Table 12.3 Average household size, 2006 to 2021

	2006	2011	2016	2021
Average household size Salmon Arm	2.4	2.3	2.3	2.3

Source: Statistics Canada, Census

Table 12.4 Household totals, 2006 to 2021



The total number of households<sup>15</sup> in the City has steadily trended up from 6540 units in 2006, increasing more rapidly, 12.3% between 2006 and 2011 when 7345 households were recorded by the Census. Then again, the most recent Census jump from 7,460 in 2016 to 8110 in 2021, saw an additional 650 (see Table 12.4).

Source: Stats Can, Custom Data for BC Ministry of Municipal Affairs

<sup>14</sup> The Health Service Area includes parts of the CSRD surrounding Salmon Arm.

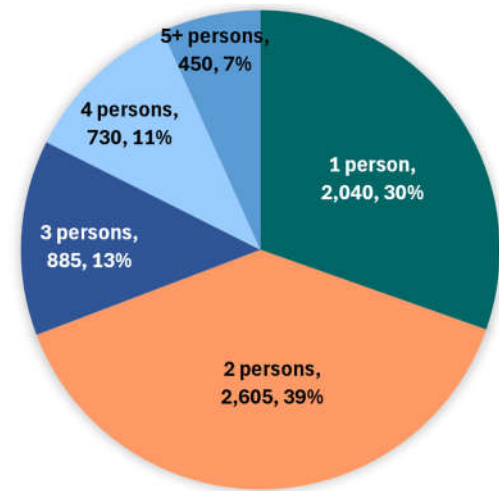
Source: <http://communityhealth.phsa.ca/CHSAHealthProfiles/CHSAHealthReportDemographics/Salmon%20Arm>

<sup>15</sup> The totals cited are from the Provincial HNR methodology, with broader parameters than Census “private” households.

As shown in Table 12.5, the most common Salmon Arm household type remains couples with no children, comprising 39% of all households. This is up from 35% in 2016. The next most common type, at 30%, is persons not in “Census families,” meaning they live alone or with roommates. This has trended down 3% since 2016.

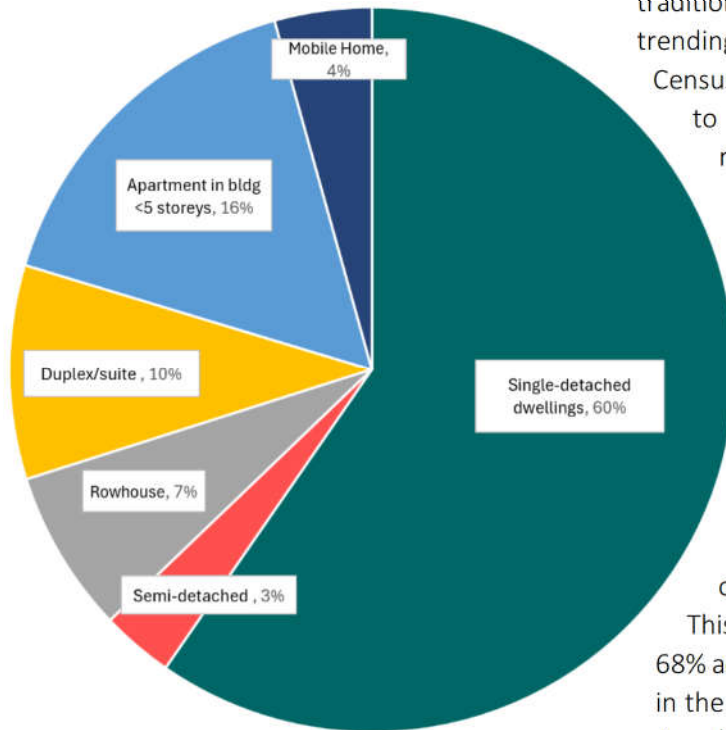
Of couple households (as Census defined) in 2021, 61% had no children. Families or households with children had an average of 1.8 children. The 2021 Census counted 1,325 families, married or common law, with children. Just over half or 51.7% of these were single parent households. Additionally, there are few, only 145, multi-generational households. The “families with children” counts are lower than the 2020 HNR forecasts, suggesting less future demand for large dwellings with more than three bedrooms.

**Table 12.5 Household make-up, 2021**



Source: Statistics Canada, 2021 Census

**Table 12.6 Salmon Arm housing type, 2021**



Source: Statistics Canada, Census 2021

The majority, 60%, of Salmon Arm housing remains traditional single-family detached homes, though this is trending down from 64% in 2016.<sup>16</sup> Since the last Census, this 4% as a portion of all housing, had shifted to low-rise apartments. Mobile homes percent reduced marginally from 5% to 4% while duplex/suites increased from 8% in 2016 to 10% in the 2021 Census profile.

Factoring all duplex, mobile home, detached housing, in 2021 about three quarters was low-density and 23% was multi-family; however, looking at building permit statistics for 2023 and 2024, multi-family is likely to continue to trend up as a % of household type.

In 2021, 77% of households in Salmon Arm were owner-held (strata or fee simple) versus renter.

This is high rate of home ownership compared to 68% across all of BC. As a proportion, this has remained in the high 70% over the previous 20 years in Salmon Arm but it may start to edge down as more rental housing is built and occupied (see Part 11).

<sup>16</sup> The 2021 Census also counted 5 units as “apartment in a building that has 5 or more storeys” and 10 in “other single-attached house” which may be a suite – both too small in value to show on the Table 12.6 pie chart.