

RURAL BRITISH COLUMBIA

Aging Populations and Changing Housing Requirements

A REPORT OF THE SOUTHERN INTERIOR BEETLE ACTION COALITION
July 2015



Photo courtesy of the Boundary Country Regional Chamber of Commerce



Advancing Rural Development

EXECUTIVE SUMMARY

Another day older.....

For rural communities in the southern interior this is not only a fact – but has some serious implications for our smaller rural communities.

Over the past three decades most of rural BC has developed an ‘older’ demographic profile than urban centres. Since 1985, the loss of jobs in the traditional resource sectors, out-migration of youth and younger workers, as well as the aging of those who remain has contributed to many rural communities presently having a much higher percentage of their population in the 56+ age group.

These changes in the economic and demographic nature of rural communities then influences housing needs and demands as well as increasing need for services for seniors. These economic, demographic and real estate trends create several implications for rural communities:

1. Many small towns and villages in the southern interior region are facing sluggish real estate markets with little new housing development. The housing stock in these towns and villages typically remains single detached family homes.
2. All rural communities will continue to age. Rural research literature confirms that younger residents migrate from their communities to secure employment and career opportunities. Older residents prefer to stay.*
3. Rural communities ought to understand the implications of these demographic changes. Natural increase and net migration are insufficient to maintain populations. In a sample** of 9 southern interior communities since 1991, 4 lost population; 5 had virtually no growth (less than one half percent per year), except Keremeos which grew by a little less than 1 percent.
4. The economic and demographic changes in rural communities also have significant housing and senior services implications. To maintain their populations, rural communities face two challenges: provision of the housing and services required by aging seniors; and, how to attract younger people to their communities.
5. Finally, many rural communities have to rely on non-profit interveners to address housing needs that currently are not being met by market developers.

* *Mountain Pine Beetle Socio-Economic Impact Assessment* (2009) Southern Interior Beetle Action Coalition (SIBAC). *Reversing the Tide* (2008) SIBAC. *Beyond Free-fall, Halting Rural Poverty* (2008) Standing Senate Committee on Agriculture and Forestry, Government of Canada. *The Rural BC Project* (2012) published by the Omineca Beetle Action Coalition. *Seniors Needs Projects* (in 7 northern BC rural communities) Community Development Institute (2004-2007) University of Northern BC.

** The sample included Clearwater, Chase, Enderby, Logan Lake, Lumby, Keremeos, Princeton, Midway/Greenwood, and Sicamous.

Recognizing these trends and issues, the Southern Interior Beetle Action Coalition (SIBAC) commissioned research to identify and consolidate information on major resources and tools that could assist rural leaders with measures to provide the local housing required by an aging population.

SIBAC also has funded the compilation of a *Research Compendium* to this Report that provides case study profiles and references from the literature about rural demographics and housing. The material focuses on British Columbia and it has been organized under the same themes that are used in this report. The *Research Compendium* can be accessed at www.sibacs.com/rural-development-projects/

SIBAC hopes that this report and the companion *Research Compendium* will prove useful to rural leaders grappling with these demographic and housing issues.

TABLE OF CONTENTS

I.) Introduction	Page 4
II.) Evolving Rural Demographics and the Implications for Rural Communities	Page 5
III.) Understanding Housing Demand, Needs, Tenure and Title	Page 11
IV.) Intermediaries, Organizations that can Support Development of Rural Market and Non-Market (Non-Profit) Housing	Page 12
V.) A Few Examples of Innovative Seniors Housing and Other Projects in Small Rural Communities	Page 16
VI.) Summary	Page 22
VII.) Appendices	Page 23
Appendix 1 - Income by Source for Rural SIBAC Region	
Appendix 2 - % Change in Median Sale Price 1986-2009	
Appendix 3 - % of Households Claiming Seniors Home Owner's Grant 2009	
VIII.) Research Compendium Table of Contents	Page 26

List of Figures

Page 6 – Historical Rate of Population Change in Rural BC 1986-2013
Page 9 – Southern Interior Local Health Areas with the Lowest % of Age 56+ in 1986
Page 10 – Southern Interior Local Health Areas with the Highest % of Age 56+ in 1986

I. INTRODUCTION

Historical and recent population and economic growth rates vary considerably across BC and amongst southern interior communities.

As a result, there is an increasing dichotomy in the demographic profile among many smaller rural communities in BC and larger urban communities. In a nutshell, rural BC is becoming increasingly “older” than urban BC.

In combination – population growth, economic growth and demographics –influence housing markets and construction. While many urban and resort communities struggle with growth pressures and affordable housing issues –smaller rural communities often face quite stagnant real estate markets with little new housing development. These towns and villages tend to have an older housing stock that is dominated primarily by single family detached homes.

Over the past three decades, considerable research and policy development efforts have gone into securing tools and incentives to stimulate the provision of affordable housing in urban and resort communities. Some rural BC communities – especially those in the Okanagan Valley –have long been attractive to retirees and enjoy an active housing market providing a full range of housing options tailored to market demands.

However, for those towns and villages that are economically stagnant and/or shrinking – there is scant research and information available on how to maximize the use of their existing housing stock to retain population. These communities want to provide the housing and support services that an increasingly aging population requires to remain in the community. In the course of this research, representatives from small communities frequently have noted that the sale of a home can take a long time, often a year or more.

To address this lack of information and need for resources, the Southern Interior Beetle Action Coalition (SIBAC) designed and funded a research project to compile the information contained in this report and the accompanying Research Compendium. The goal of SIBAC was to identify tools, resources and case study examples that would:

- (1) help small rural communities develop initiatives to make more effective use of their existing housing stock;
- (2) help small rural communities identify potential strategies for population recruitment; and,
- (3) help small rural communities develop initiatives that enable seniors to remain in their communities as long as possible.

The remainder of this report is organized into five major sections:

- Section II summarizes the evolving demographic nature of southern interior rural communities.
- Section III provides brief definitions and descriptions of key housing and real estate terminology used in this report and the Research Compendium.

- Section IV provides a brief introduction to the types of major rural housing intermediaries active in the southern interior.
- Section V provides a few summary descriptions of innovative seniors' housing projects in small rural communities in the southern interior.
- Section VI provides an introduction to the extensive Research Compendium that has been put together as a companion document to this report.

II. EVOLVING RURAL DEMOGRAPHICS AND THE IMPLICATIONS FOR RURAL COMMUNITIES

A significant change has been underway in rural BC for the past three decades.

Not only has population growth in many rural areas of BC been much slower than urban areas - the actual demographic make-up of many of these communities has changed dramatically. These demographic changes have significant implications particularly for smaller rural communities which wish to retain or grow their populations.

Population and Demographic Changes

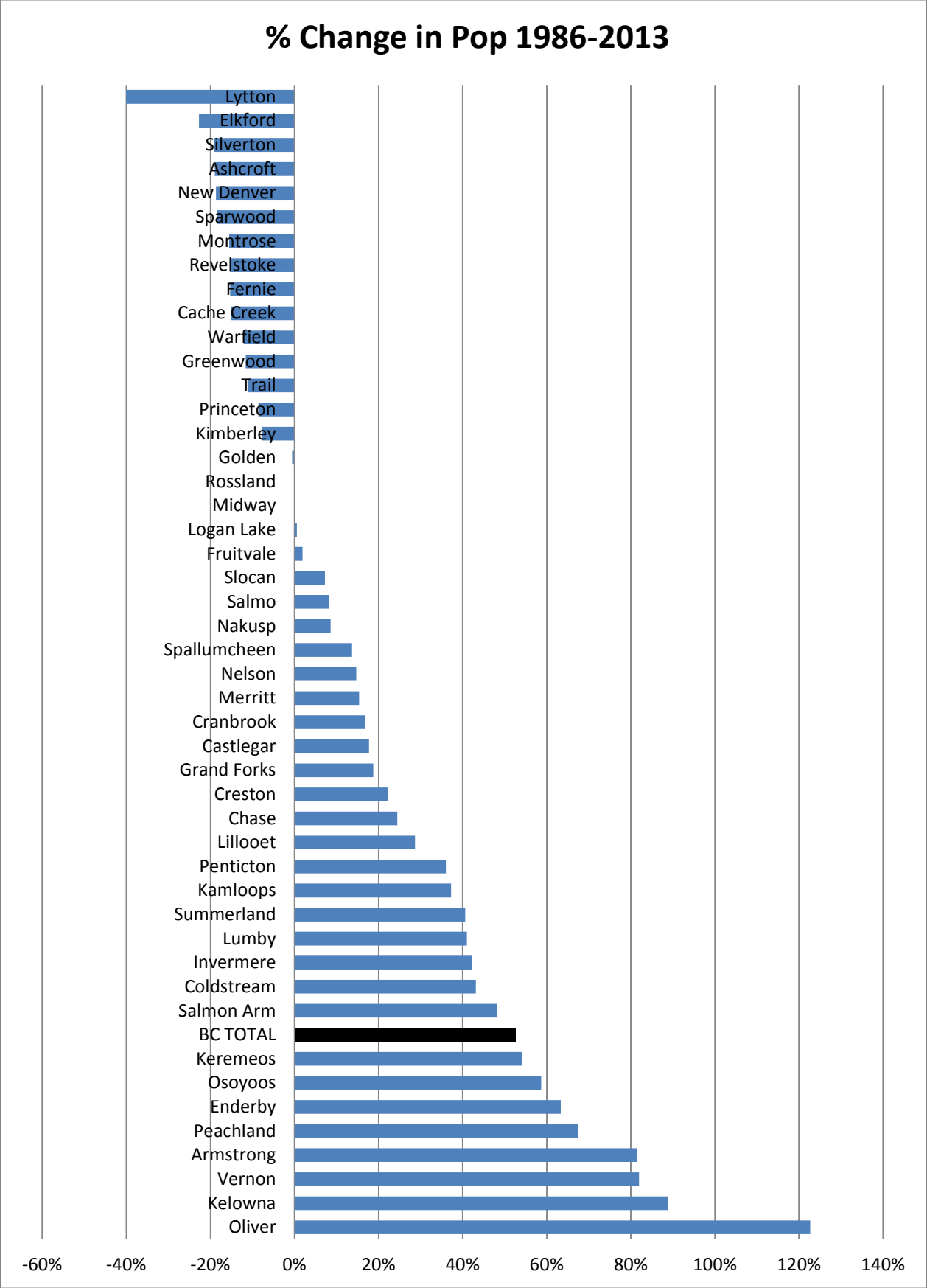
As shown in Figure 1 the rate of population growth varies considerably among southern interior communities. Communities in the Okanagan valley have typically grown at a rate faster than the provincial average while most other southern interior communities have grown at a much slower rate – and 16 southern interior communities have actually lost population since 1986. Perhaps even more significant than just population numbers however, is the changing demographic composition of southern interior communities.

Planning for rural prosperity begins with the premise that the unique attributes of culture, heritage, human resources as well as settlement and natural assets are as important as the economic sector. These enduring qualities of place and community require a long-term outlook if they are to be optimized for the well-being rural regions and their residents.
The Rural BC Project, 2012

From the late 1960s to the early 1980s almost all rural regions and rural communities in BC experienced significant population and economic growth with the expansion of BC's resource sector. The well-paying jobs of the natural resource sector attracted an influx of population both from other parts of BC and international immigrants. Rural BC communities were typically "younger" communities with a higher proportion of their population being working-age families with young children (that is in the 0 to 19 and 20 to 55 age groups).

From the late 1980s on, however, economic and population growth have differed dramatically among rural communities in BC. For a variety of reasons, the natural resources sector no longer provides the same number of jobs it historically has. While some rural communities have continued to experience economic and population growth through retirees moving in and expansion of their tourism sector – many others are either stagnant in terms of population growth

Figure 1 - Historical Rate of Population Change in Rural BC



or, have actually lost population. With fewer employment prospects in rural communities, younger members of the community leave; often to never return. BC's newest immigrants generally prefer to locate in urban rather than rural communities.

Not surprisingly these population and demographic changes have also been accompanied by significant changes in the primary sources of community income. As shown in Appendix 1, the rural portion of the southern interior has seen the greatest increase in pension income and the greatest loss of employment income between 1986 and 2009.

The result is a very significant shift in the demographic composition of many rural communities in BC.

As shown in Figures 2 and 3 (pages 8 and 9) the demographic profile of southern interior communities has changed radically since 1986.

For example, as shown in Figure 2, the five “youngest” Local Health Areas (LHAs) in the southern interior in 1986 – Fernie, Golden, Revelstoke, North Thompson and Merritt – all had significantly lower percentages of their population in the 56 + age group and higher percentages in the 0 to 19 and 20 to 55 age groups – when compared to the province as a whole. Typically, these communities would be categorized as “resource dependent” communities.

However, by 2013 all five of these LHAs have experienced a dramatic increase in the percentage of their population that is over 56 in age. Indeed two of the LHAs – North Thompson and Merritt - actually now have a higher percentage of their population in the 56+ age group than the provincial average.

For the five “oldest” demographic profile LHAs in the southern interior in 1986, the trend has persisted and strengthened; and now an even greater percentage of their total population is in the 56 + age grouping. Today in these five LHAs, at least 41% of the total population is 56 or older.

Indeed, of the 28 Local Health Areas in the southern interior only 3 – Fernie, Golden and Revelstoke – currently remain below the provincial average in the 56+ age grouping.

According to BC Stats population forecasts to 2030, this significant trend of an “older” rural BC will intensify. By 2030, all but three of the Local Health Areas in the southern interior will have a higher than provincial average in the 55+ age group.

FIGURE 2: 5 SOUTHERN INTERIOR LOCAL HEALTH AREAS WITH THE *LOWEST* % OF AGE 56 + IN 1986

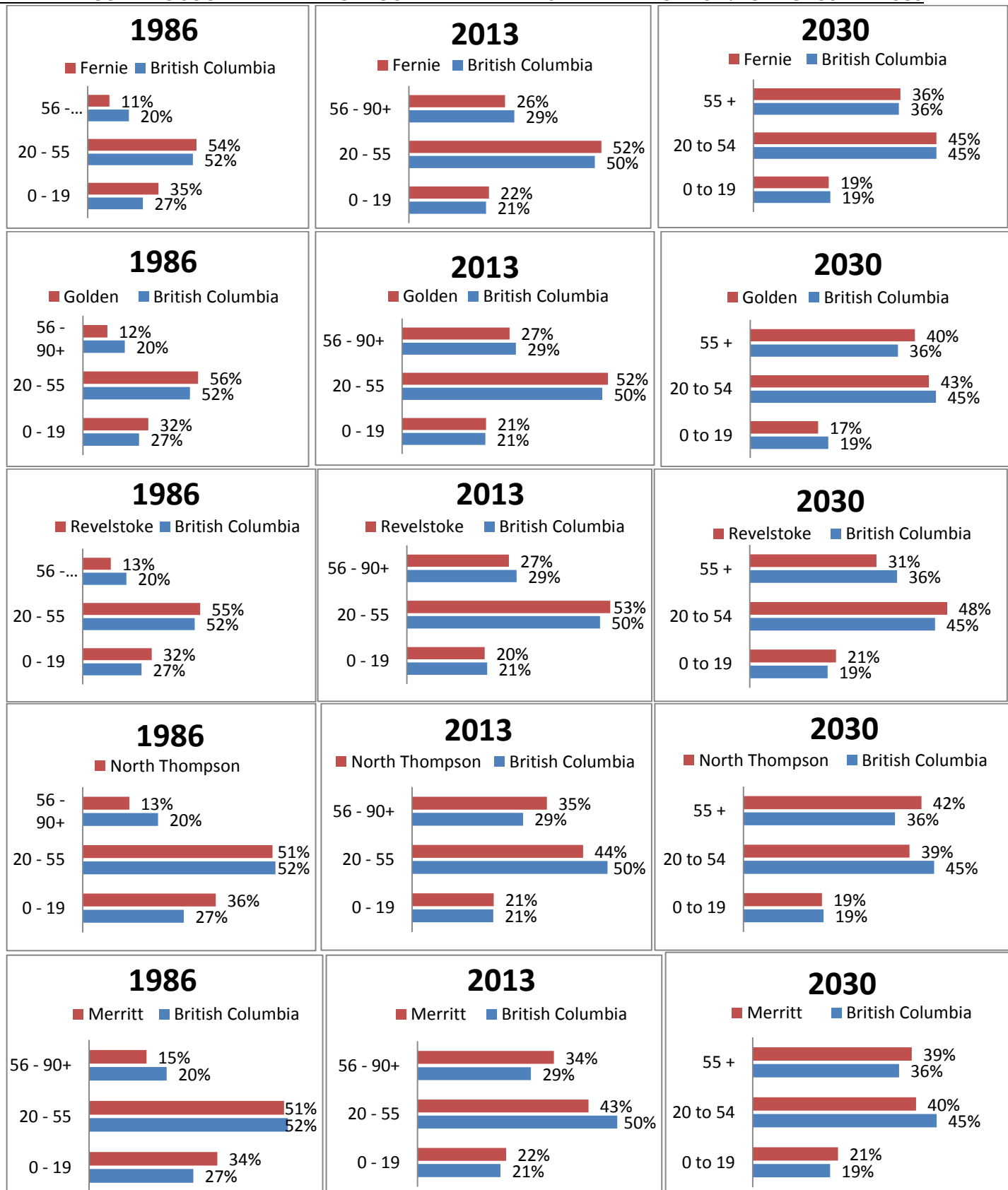
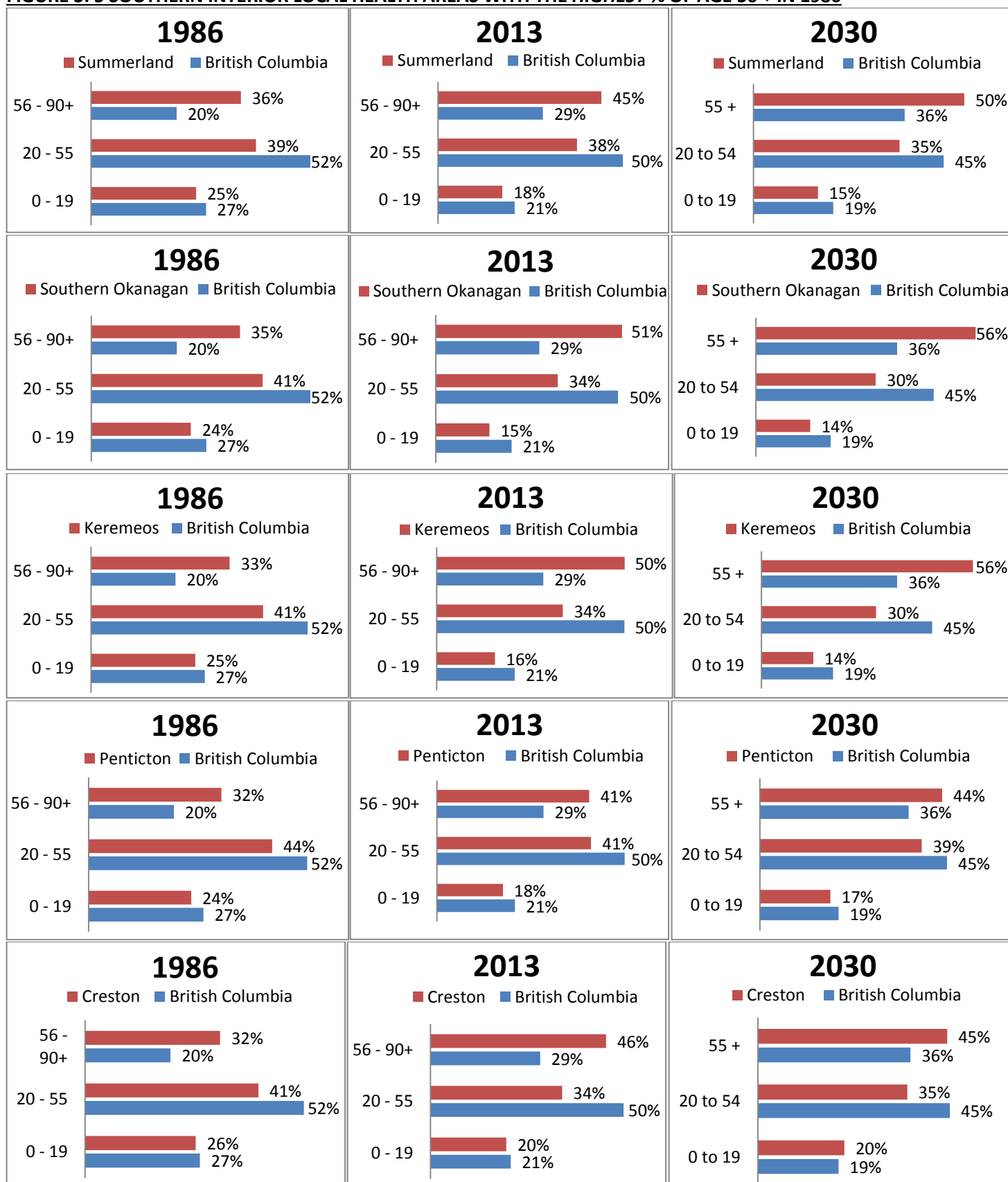


FIGURE 3: 5 SOUTHERN INTERIOR LOCAL HEALTH AREAS WITH THE *HIGHEST* % OF AGE 56 + IN 1986



By 2030 it is projected that 56% of the populations in the Southern Okanagan and Keremeos LHAs will be over 56 in age compared to the provincial average of 36%.

For decades several southern interior communities – particularly those in the Okanagan valley – have attracted retirees from other parts of BC and other provinces. However, the critical point to recognize is that ALL southern interior communities are developing a demographic profile that is “older” than urban area profiles – including those not necessarily perceived as retirement meccas.

It is also important to note that some older rural residents who may have intended to move after retirement, may now find relocation more difficult. As shown in Appendix 2, the changes in median house prices over the past few decades have varied considerably among communities in the province. These differences in prices often reflect the differences in economic health and population growth in the communities. As result, many smaller, more resource dependent, rural communities face stagnant real estate markets. These changes in property values mean it may be much more difficult for a retiree to sell their house - in say Lytton - to buy a similar house in Penticton.

Implications for Rural Communities

These demographic, population and economic changes in smaller rural communities suggest significant implications, including:

- A growing need for the services that older seniors may desire or require to have a good quality of life;
- A change in preferences for housing stock in rural communities (i.e. less demand for single family homes and more demand for lower maintenance properties and eventually supportive housing options); and
- A potential continuation of the “softening” of demand for single family homes in some smaller rural communities making it harder for some seniors to be able to access the equity of their major investment – their home.

For communities experiencing population and economic growth, the private sector likely will provide the housing and other services that the older residents desire/need and they will have the ability to sell their homes to take advantage of these options.

However, seniors living in smaller, economically depressed rural communities may face challenges to liquidating their property equity. Some will not be able to acquire the funds they require to obtain housing that suits their changing needs. In addition support services to help seniors age-in-place may be scarce.

Finally, while urban and some amenity-rich rural communities continue to struggle with a lack of affordable dwellings – housing in other rural communities sits vacant or under-utilized.

Finding potential solutions to the issues noted above for smaller, more economically challenged rural communities was the driver for the background research for this Report and the Research Compendium. It is hoped that this material will provide a useful resource to rural residents and leaders looking for new and innovative strategies to better use the existing rural housing stock, maintain rural populations and provide services to a rapidly aging rural population.

III. UNDERSTANDING HOUSING DEMAND, NEEDS, TENURE AND TITLE

Not all readers of this document may be familiar with the variety of real estate terms used in this report and the Research Compendium. Therefore some definitions and discussions of the major terms and forms of real estate and land development are provided in this section.

The Concepts of Market and Non-Market Housing Development

This report primarily focuses on housing needs rather than housing demand. Households that can afford to purchase property (new or resale) create demand. Market developers and contractors build and modify real estate assets to satisfy this market (buyers) demand. Their work is part of the larger real estate industry that includes design, sales, lending, analysis and other services. The housing market, as a sector of the industry, refers to the buildings and dwellings that serve communities and household demand. Developers and builders rely on buyers having access to the capital and income required to make purchases and pay rents. When acquiring dwellings, buyers consider their preferences and ability to pay for what they want.

Housing need refers to the requirement for specific accommodation and services to enjoy the housing. There are numerous reasons for housing needs to arise and remain unaddressed by market developers and builders. In reality, most communities do not have processes to ensure that housing demand or housing needs are satisfied. It is assumed that the real estate industry takes care of the housing market.

However, households unable to participate in the real estate market typically have no service providers to call upon. For this reason, intermediaries acting as non-market developers or proponents may be formed to address unmet housing needs. These organizations include government agencies, First Nations, housing societies, cooperatives, intentional communities (forms of co-housing, community housing land trusts, and others). Almost always, they are non-profit organizations. Section IV provides more information on the major types of intermediaries active in the southern interior.

Housing Tenure: Ownership and Leasehold

Ownership of real property means having title to freehold interests. Freehold property interests can be purchased; they are created through the kinds of subdivision of land that are permitted under BC law (http://www.th.gov.bc.ca/DA/L2_sub_types.asp). Freehold subdivision affords property owners the greatest amount of control over their land and buildings. These interests are subject to government powers (taxation, rights of way, building codes, zoning, etc.) and charges on title (mortgages, covenants, easements, liens, etc.).

Ownership of strata property interests is a modified kind of freehold. Strata owners can do what they like with their parcel (bare land strata subdivision) or unit (building strata subdivision) subject to strata council rules and charges on title. However, the common property of the strata corporation is enjoyed by all owners and managed (looked after and paid for) by all owners through the strata corporation (based on rules and replacement requirements).

Leasehold property tenure provides the lessee rights to enjoy a property for a specific period of time. In the case of very long-term leases (sixty years or more) the tenure can offer property benefits similar to freehold or strata ownership depending on the type of subdivision. There is a market for sales and purchases of long-term leaseholds. Life-leases are a particular type of long-term leasehold. Development of non-profit housing using long-term leasehold of the land can lower the cost of the housing units.

Rental of housing or property is a month by month contractual agreement to allow occupation and enjoyment of the property by the renter.

These property rights are enshrined in law. The *Land Title Act*, *Property Law Act*, and the *Strata Property Act* cover most aspects of freehold ownership; however other legislation such as the *Real Estate Development and Marketing Act*, applies depending on the type of subdivision which allowed the creation of the property interests in question. Residential rental interests are covered under the *Residential Tenancy Act*.

Housing cooperatives are another form of housing tenure and subdivision made possible under the *Cooperatives Association ACT* (BC). The *Real Estate Development and Marketing Act* also applies to cooperative interests in property. Members of a housing cooperative collectively own the company (co-op). The co-op then either owns or leases the property where the housing stands. Members do not own a share of the housing or land; rather, they pay a fee to the co-op to use the services (housing) that it provides.

About Common Housing Terminology.

Everyday references to forms of housing differ from descriptions used in regulations and legislation. In rural areas the most common form of housing is the single family detached dwelling, which includes buildings and land. This is freehold ownership as described above. An owner (or owners) may occupy the property or rent it to another occupier.

“Duplexes”, “multiple-unit”, “condominiums” and apartments are housing forms. The title to such developments may be freehold or strata titled. Owners may occupy the housing or rent it to another occupier. The most common forms of non-profit rental housing are multiple-unit buildings owned by a non-profit society, First Nation, or BC Housing. Local governments also may own housing, although that is uncommon in rural areas.

Local government regulations (zoning and policy) determine the location and final form of property development. (Readers may refer to the Research Compendium, Part One - Housing Tenure – Freehold and Leasehold- to obtain further information about legislation and regulation covering real estate interests. Go to www.sibacs.com).

IV. INTERMEDIARIES - ORGANIZATIONS THAT CAN SUPPORT DEVELOPMENT OF RURAL MARKET AND NON-MARKET (NON-PROFIT) HOUSING

Many agencies and organizations in BC play a role in assisting with the creation of non-profit housing. Canada Mortgage and Housing (CMHC) and BC Housing (BCH) support non-profit housing endeavours throughout the province. The Ministry of Health invests in non-market housing and services for persons with health needs. Other smaller regional and local intermediaries support housing development in their respective regions and local communities.

This section of the report simply provides a summary overview of the major intermediary organizations active in the southern interior.

National & Provincial Housing Agencies - As the largest housing intermediaries in BC, CMHC and BCH have mandates to support both market and non-market housing. To advance non-profit housing development, CMHC (<http://www.cmhc.ca/en/corp/about/whwedo/index.cfm>) supports research, education, mortgage insurance and grants of capital funding (currently the *Investment in Affordable Housing* initiative) as well as

mortgage loans for qualified projects. CMHC also provides start-up grants for non-profit housing organizations to determine housing needs and a development plan to meet those needs.

BC Housing (<http://www.bchousing.org/>) offers many resources to support non-market housing development and operations in BC. BC Housing cooperates with the federal government to deliver funding under various program initiatives for non-market housing. The BCH website offers numerous resources and tools regarding non-profit development opportunities, construction standards and procurement, operating housing, and many other topics. BCH has five regional offices whose staff will consult with local intermediaries about development of housing projects.

Both CMHC and BCH work with non-market housing intermediaries of all sizes throughout the province.

BC Ministry of Health –Interior Region

(<https://www.interiorhealth.ca/YourCare/HousingHealth/Pages/default.aspx>)

Development of residential care (long-term care) facilities and their operation is a ministry responsibility. Recognizing the importance of helping the elderly, especially frail seniors remain in their residences as they age, the Ministry's *Service Plan 2013* strategies include "expanding non-medical home support to help seniors stay at home longer and strengthening protections from abuse and neglect." As part of this strategy, the ministry also funds home support and adult day care services.

The ministry also works jointly with BCH and local intermediaries to help fund development and operation of assisted living facilities. These multiple-unit residential developments include common social areas, personal care support, and emergency response alarms. Typically BC Housing contracts with a local intermediary to manage the rental housing. The Ministry of Health then refers qualifying seniors. Residents can also apply for rent supplements through the SAFER program.



Seniors' housing Comox Valley

Local Governments - Regional districts and municipalities may employ a variety of measures to influence both market and non-market housing and development activities. Official community plans and zoning locate and to some degree shape most real estate development and construction. When property owners and developers bring forward proposals, local government departments react, guided by official plans and zoning. Some project locations may invite exchange between the parties about design, mix of uses, and other characteristics. Where development permit zoning and policy guidelines apply, local governments can negotiate with the proponent

Rural British Columbia: Aging Populations and Changing Housing Requirements - SIBAC July 2015

about the appropriate housing mix and require that some portion of the development serve specific target households (low-income, seniors, etc.). However, this approach is less common in smaller rural communities.

Local governments may do more than respond to proposals brought to the development approval desk. They may take action to analyze housing needs. For example, the Towns of Oliver and Osoyoos in 2009 jointly commissioned a briefing paper about housing models and approaches for the South Okanagan. The research encouraged both local governments to commission housing strategies (Oliver 2009 and Osoyoos 2010).

Briefing Paper: Housing Models and Approaches in the South Okanagan (2009)
<https://oliver.civicweb.net/document/31529/%7BDDCB4690-1AED-414A-9484-261FA27B7A44%7DAffordable%20Housing%20Briefing%20Paper.pdf?handle=1D80BE715E2842299DDF6732F3F03DE0>.

Both strategies required the municipalities to adopt active policy – stating objectives or strategic directions that would be pursued. Both strategies include the possible use of municipally owned land, financial powers, as well as legislative tools to implement housing strategies.

Goals of Oliver Housing Strategy

- Increase the year-round supply of market rental housing.
- Increase affordable housing ownership for singles and families.
- Facilitate development of suitable, affordable housing options for short-stay workers.
- Support provision of transitional and supportive housing for residents who have the least choice in the housing market.

Goals of Osoyoos Housing Strategy

- Initiate on-going dialogue with local builders and developers.
- Facilitate development of suitable, affordable housing options for short-stay workers.
- Use the Town's Richter Property to supply near- market rental and ownership properties. Collaborate with market builders and developers.
- Use municipal financial powers to facilitate development.

First Nations Governments and Housing Societies

Housing developed by First Nations includes on-reserve and off-reserve dwellings. The discussion here primarily concerns off-reserve housing. Since 2005 BC Housing has turned over ownership of a number of off-reserve properties (about 3800 units of all kinds) to the Aboriginal Housing Management Association. These transfers usually did not affect management of the housing which remained with the organizations that, in most cases, originally developed the rental housing. Ownership provides the societies financing options and increased ability to develop housing (real estate) portfolios.

Examples of First Nations Housing societies operating off reserve in the interior region include:

- Aqanttanam Housing Society in Cranbrook (1992) owns and manages 59 units primarily for families.
- Conayt Housing in Merrit (1997) owns and manages 42 units for families in the Nicola Valley.
- Okanagan Métis and Aboriginal Housing Society (1989) has developed and manages 70 townhome units and 9 single family dwellings in Kelowna and West Kelowna. All are rental properties.

- Vernon Native Housing Society – 1989 (VNH) has built 103 units of housing for families living in Vernon (and area). The housing includes single family detached homes, duplexes and multi-unit apartment-style homes. Currently VNH is developing a property to provide for one bedroom rental apartments for elders.

Westbank First Nation (WFN), as most First Nations do, develops on-reserve housing that can be purchased by its members. WFN also manages a non-profit portfolio of on-reserve housing. Qualifying families have an opportunity to rent-to-own. As families successfully become owners, WFN develops additional homes for this program.

The Penticton Indian Band (PIB) actively develops on-reserve housing for band members. The PIB has had a rent-to-own program for band-members, although now most families use conventional mortgage financing to purchase on-reserve housing. Currently, the Penticton Indian Band Development Corporation is developing the Skaha Hills community - a residential, golf course and vineyard theme market project offering 99 year leaseholds for the housing.

Other Intermediaries Active in Seniors Housing in the Southern Interior

There are a variety of other organizations that also act as intermediaries in facilitating the provision of seniors housing.

Columbia Basin Trust



Columbia Basin Trust (CBT) is a large non-government intermediary offering funding and investment programs that include rural housing development. Its services are restricted to the Columbia Basin area. The Trust has helped communities plan affordable housing projects and it provides capital grants to projects. It also shares information on affordable housing issues through conferences and community forums.

For a number of years, the Trust has invested directly in development of market housing for seniors through its private placement investment program. The CBT Real Estate Investment Corporation participates in joint ventures with Golden Life Management and Golden Life Construction. The Trust owns the land and improvements and leases the property to Golden Life Management, which operates the seniors' housing services. CBT reports that it has invested in more than 800 units of independent and assisted living housing for seniors. These dwellings include equity, rental and

subsidized (provincial subsidy attached to the household) rental accommodation.

The Society of Hope is a non-profit based in Kelowna BC (<http://www.societyofhope.org/>) that operates 487 rental homes on 15 sites in the Central Okanagan region. The dwellings serve two-parent, single-parent and seniors households. Currently the society is developing 50 units of affordable seniors' housing and 20 townhomes for families with low to moderate incomes in Kelowna.

The society operates about 300 units under lease agreements (usually long-term) with BC Housing; and it owns 187 units. This substantial real estate portfolio (owned properties), provides a growing equity pool that can be leveraged to help support future housing development.

Examples of smaller intermediaries: Many BC communities, including smaller rural communities, have the services of housing intermediaries. These organizations seem to fall into three characteristic roles.

- Organizations that serve a region and projects for diverse households.
- Organizations committed to one type of housing need, usually in one municipality.
- The housing intermediary with strong individual and board leadership.

Here are examples of the three types.

The Vernon & District Community Land Trust (VDCLT) works with collaborators (City of Vernon Affordable Housing Committee, Social Planning Council of the North Okanagan and others) to secure solutions to regional housing needs. VDCLT led development of Under One Roof, a six-plex for families with children with disabilities. The trust owns two of the six units. The Trust also owns the Ukrainian Village which provides 75 rental units for seniors. In 2011, the Trust took over ownership from the society that developed the project and managed it for years, but lost capacity to continue as a housing intermediary. VDCLT obtained funding, including a mortgage, from BC Housing to carry out neglected maintenance. As well, a number of residents were qualified to receive Shelter Aid For Elderly Renters (SAFER) support, thus improving their security and income from the property.

Parkdale Place Housing Society in Summerland is an example of a community specific housing intermediary. The Society presently owns and operates three sites: Parkdale Lodge, a 53-unit independent seniors subsidised apartment building in downtown Summerland; Angus Place, an affordable 83-unit supportive living apartment building and Parkdale Manor, a “reasonably priced upscale 22-unit supportive living apartment building.”

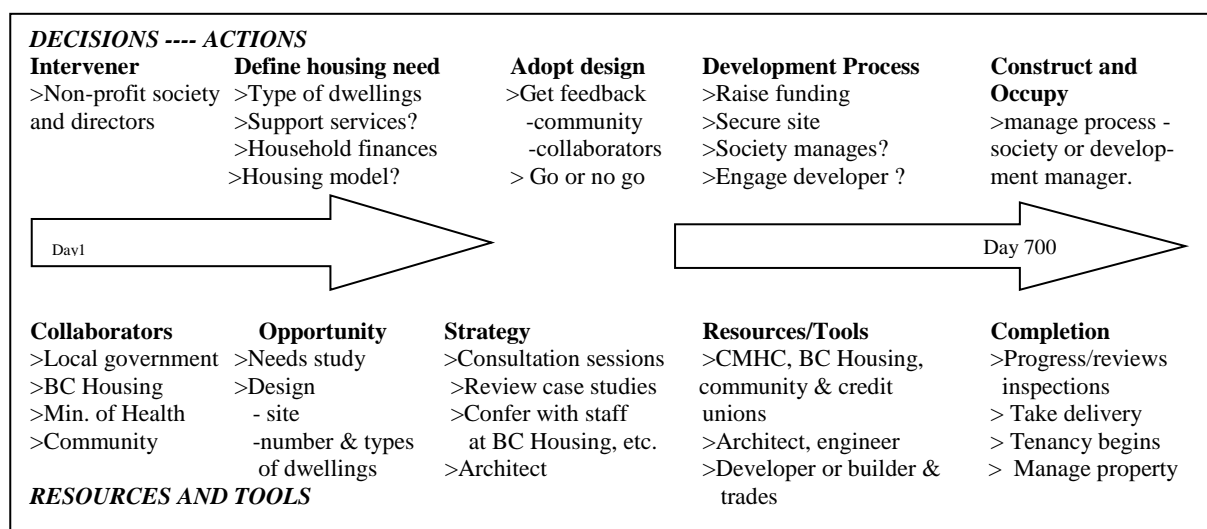
Without dynamic leadership, non-market housing solutions would not occur. For example, the Nechako View Senior Citizen Home Society in Vanderhoof has, since 1959 built 33 units of subsidized rental housing for seniors. Periodic projects have been multi-plex construction financed through fund-raising and donated materials, services and labour. (<http://www.northerndevelopment.bc.ca/explore-our-region/success-stories/vanderhoofs-seniors-housing-project-exceeds-societys-goals/>.)

Similarly the Lower Similkameen Community Services Society in Keremeos is an intermediary that has been involved since 1976 in providing services for seniors, including housing. Currently the society manages 56 units in three projects. (<http://tpwebhost.com/lscss/>.)

V. A FEW EXAMPLES OF INNOVATIVE SENIORS HOUSING AND OTHER PROJECTS IN SMALL RURAL COMMUNITIES

Perhaps leadership is the basic step leading to innovation when communities identify the need for non-market housing for their seniors and other households. When a local non-profit society (intermediary) that can lead development already exists, the steps to defining the need (opportunity), securing resources, and carrying out development can move forward steadily under the guidance of the directors of the society. If no housing society or intermediary already exists, such an intermediary will have to be found or created.

The basic non-market development process involves the following general steps:



Several examples of non-profit (non-market) housing serving seniors and other households are outlined below. The examples illustrate leadership and types of innovation.

A. Non-market Housing Serving the Needs of Seniors

- Parkview Manor, Midway, BC (2002): an example of a local/regional strategy. The West Boundary Senior Housing Society (WBSHS) developed the facility (20 units) which provides supportive and independent living apartments with housekeeping and other services. Parkview operates meals on wheels and area seniors can come in for a meal.

WBSHS has a 60-year lease with BC Housing and manages Parkview and its programs. At the end of the lease term WBSHS has the option to purchase the property. The Village of Midway helped to finance the project by obtaining a grant of Crown land and donating it for the building site (value \$100,000).

- ED Buck Manor, Clearwater, BC (2012): Evergreen Acres Senior Citizens Home Society (EASCHS). For 35 years the society has operated housing for seniors (16 rental units). With a large property and the society leadership as assets, EASCHS was in a position to answer a proposal call from BC Housing under the recent Canada – BC Affordable Housing Agreement. The result, Ed Buck Manor, is modular construction and provides 10 units for seniors and persons with disabilities. EASCHS provided the development site (Value \$24,000) and the District of Clearwater waived \$6500 of water and sewer connection fees. The total project cost was \$.15 million and EASCHS manages the housing under a 60-year lease agreement with BC Housing.

B. Intentional Communities (Cohousing, Life-Lease, Cooperative Housing Corporations, Community Housing Land Trusts as well as Abbeyfield and Habitat for Humanity)

Intentional communities are developed by groups of like-minded persons who form a corporation for specific purposes. These communities often combine housing with social, economic and philosophical objectives. Depending on the type of subdivision and community goals involved, residents may have or may not have ownership of (title to) real property. In all cases where title is held by each household, there will be restrictions in the form of contractual (or trust) documents and/or covenants on the title. The covenants are in favour of all owners together through a corporation (strata, incorporated business, or society). The intentional communities

that offer rental or leasehold tenure are typically cooperatives or co-housing. Habitat for Humanity provides a form of “rent-to-own.” These differences are noted in the following descriptions of intentional communities.

B-1 - Cohousing Cohousing development begins with a group of persons who want to establish and probably live in a housing community (urban) or hamlet (rural) with shared philosophy, social spaces and other amenities. Based on promising market research (often personal contacts and interviews), the founding group of investors form a development corporation and create a design concept. This is presented to prospective future buyers and modified to meet the shared vision. The development group purchases a property and seeks the permits to develop it as a building or bare-land strata.

Cohousing properties may not cost less than similar properties that are not part of an intentional community. Many cohousing developments serve family households or any age group. Readers can review BC examples at <http://www.cohousing.ca/detailed.htm#BC>. The Birchwood cohousing project in Telkwa, BC is a well-documented case currently in development.

Organization	Telkwa Cohousing (Telkwa, B.C.)
Project	Birchwood Cohousing; 18 to 20 homes for seniors and other households.
Housing Need	Main focus is seniors’ households desiring the supportive social environment of co-housing and wanting to leave relatively remote rural locations.
Intermediaries (Resources)	Birchwood Cohousing (the development corporation) Village of Telkwa
Solution	A cohousing development. See the following article for the history of the development of this project: http://canadianseniorcohousing.com/?page_id=602 .)
Tools	Feasibility Study. Housing Strategy to attract and engage investors in the development corporation and, later members of the cohousing group who will buy strata homes when developed. A development plan and design to satisfy the Village of Telkwa and to secure the required rezoning. Meets objectives of <i>Village of Telkwa Affordable Housing Needs Assessment and Action Plan</i> (2011) http://www.telkwa.com/images/uploads/pdfs-docs/Telkwa_Housing_Needs_Assessment_2and_Action_Plan2011.pdf .
Type of Housing	Attached, bare-land strata units and common facility on 8-acre site.
Population of Area	Village population 1377; surrounding rural areas of 5000 or more.
Ownership	Fee-simple title to bare land strata homes and a share of common property.

B – 2 Life Lease Housing “A life lease is a legal agreement that permits purchasers to occupy a home for life (or until they are no longer capable of living there) in exchange for a lump sum payment and subsequent monthly payments to cover the ongoing project management fees and maintenance and operating expenses (and in some cases rent, depending on the size of the initial payment.” (CMHC: “An Examination of Life Lease Housing Issues” 2007).

Life lease tenure is a modified form of equity ownership. The lessee purchases a contract for housing and, possibly services. Some of these costs are prepaid in the form of a lump sum. The purchaser’s interests in the form of a contract may or may not be registered on the property title of the society or corporation which owns the housing and is providing the life lease. When the lessee leaves the residence, the society/corporation

has the right to reacquire it and payback the lump sum (on an adjusted basis) to the resident or her/his estate. The charge on title, if any, is removed making the residence available for another lessee.

Some examples of life-lease housing are summarized below.

Organization	Mission Association for Seniors Housing (MASH)
Project	Cedar Valley Manor – Mission, BC
Housing Need / Demand	Life lease tenure: for persons who want housing with no obligation to look after maintenance and other property needs. There is a monthly fee for property services. This is a modified equity form of housing ownership.
Intermediaries	MASH Terra Lumina Life Lease – consultants/developers
Solution	See housing need / demand
Tools	Feasibility study, marketing strategy to attract buyers of leaseholds.
Type of Housing	Apartment Style, leasehold tenure of thirty years. Upon termination of the lease (at death or by choice), the leaseholder or estate gets back the initial capital investment less 5%. MASH retains equity growth, if any, to fund its own growth and cost of operations.
Ownership	MASH owns the property

Examples of other life-lease projects in rural BC regions include:

- Catherine Gardens at Schubert Centre in Vernon. This is a Terra Lumina Life Lease supported development. <https://www.catherinegardens.ca/life-lease/>.
- Mountainside Village, Fruitvale, BC. This market seniors housing facility is operated by Golden Life Management: head office in Cranbrook. <http://goldenlifemanagement.ca/index.php/villages/mountain-side-village/contact-7>.
- Heron Grove, Vernon BC. This campus of care facility (includes assisted living and complex care) is operated by the Good Samaritan Society. The third housing component is 15 apartments with life-lease tenure. <https://www.gss.org/locations/british-columbia/vernon/>.

Other examples are included in the cooperatives section below.

Finally, it should be noted that no specific legislation regulates life lease housing. For this reason, the terms of life-lease contracts vary including how the prepaid leasehold is managed/invested and paid out at the time the leaseholder dies or decides to vacate the dwelling. In contrast, cooperative housing is governed by specific legislation as noted below.

B - 3 Cooperative Housing Corporations

Since about 1970, the federal government has provided funding to assist the development of affordable housing carried out by non-profit housing cooperatives. The Co-operative Housing Federation of BC (CHFBC) reports that “there are more than 261 non-profit housing co-ops comprising more than 14,500 units in British Columbia. (<http://www.chf.bc.ca/what-co-op-housing>). Federal funding in the form of start-up loans/grants as well as low-cost mortgages helped make co-op housing less costly than similar market units. However; federal funding for development and subsidy of cooperatives has been reduced; as a consequence, future development of cooperative housing will become financially more challenging.

Traditional housing cooperatives offer leasehold tenure to co-op members (persons who have purchased a share(s) in the cooperative. “Members own the cooperative and the cooperative provides the service they need.”

Rural British Columbia: Aging Populations and Changing Housing Requirements - SIBAC July 2015

(CHFBC: <http://www.chf.bc.ca/what-co-op-housing>.) The title of the property is in the name of the cooperative. Usually, charges in the form of covenants registered on title ensure that the investment by government and the public to build this affordable housing remains a community benefit.

Two non-traditional BC cooperatives were identified in the research. These cooperatives provided their members long-term leasehold tenure. One of these, the Kootenay Columbia Seniors Housing Cooperative, is described below. Its members are able to purchase a long-term lease and build a residence on a lot developed by the cooperative.

Here are two examples of cooperative housing for seniors:

- Bowen Island Seniors' Housing cooperative – 1982. (<http://bishc.org>.) This cooperative is a traditional association offering 18 units of attached housing. The co-op owns the property and buildings. Members purchase a share and pay monthly rental for their residence. Shares are refundable when a resident ceases to be a member.
- Kootenay Columbia Seniors Housing Cooperative (KCSHS) – founded 2002; Grandview Heights Development (2005 start-up), Castlegar, BC. (<http://bccacoop/member/kootenay-columbia-seniors-housing-cooperative>.) This cooperative used a non-traditional approach to provide housing for seniors in the Central Kootenay region.

The KCSHS raised funds to purchase the rural development site and carried out the infrastructure development required to create a bare-land strata and offer lots for sale for custom development. Initial tenure was leasehold through life-lease agreements and 34 units were occupied by 2009. The cooperative also sold lots to market developers to raise capital.

The Grandview heights project deserves attention for several reasons:

- > It is an example of seniors joining together to pursue an entrepreneurial non-profit strategy to provide housing options for regional seniors.
- > It illustrates use of bare-land subdivision in phased development.
- > It is one of two cooperatives serving BC rural regions that use strata development to offer life-lease tenure.
- > It illustrates a number of financial frustrations related to lack of support from expected sources.
- > This development was forced into bankruptcy in 2014 due to inability of the KCSHS to repay personal loans (5-year terms) due at maturity. Two lenders would not accept extensions for payment and forced bankruptcy proceedings.

The early stages of this case are described in detail in *Affordable Housing Initiative: Sustainable Management of Housing by Not-for-profit and Co-operative Organizations in Response to Decreasing Government Funding Programs – Final Research Report Prepared for BALTA* (2010). Note that the project has been stalled by financial difficulties (2014).

http://www.sauder.ubc.ca/Faculty/Research_Centres/ISIS/Resources/~media/9FEB8200DFCD40DFB11FEC255FDE5F9F.ashx).

B - 4 Community Housing Land Trusts (CHLTs)

CHLTs offer limited equity ownership of specific property rights. The CHLT owns the land and develops housing that members may occupy through a long-term lease. Some CHLTs make land available to members for leasehold (long-term) development of their residence. Trusts may purchase existing housing and make dwellings available to target households under various terms of owning property leasehold rights. Variations of these basic strategies occur.

CHLTs have operated in BC only since the early 1990s. CMHC reviewed and reported on the work of CHLTs in 2005: *Critical Success Factors for Community Land Trusts in Canada – 2005*.

(http://publications.gc.ca/collections/collection_2011/schl-cmhc/nh18-1-2/NH18-1-2-123-2005-eng.pdf)

Three examples of community housing land trusts follow.

- **Galiano Land and Community Housing Trust (GLCHT)**, Galiano Green initiative (<http://galianogreen.org/?whatis>.) “*Galiano Green is an affordable housing project designed to remove the obstacle of high land prices to make it possible for singles, couples and families of low to moderate income to get a good start in life by building their own home in the Galiano Community.*”

GLCHT has secured funding (largely from community loans) to purchase the 10-acre site for 20 homes. The organization is working to get approvals from the Islands Trust and Capital regional District for infrastructure works and the proposed affordability criteria. At present, the plan will allow members to build their own residence or have some or all of it constructed for them. Tenure will be leasehold; the GLCHT may build a few dwellings and rent them to low income households.

- **Vernon & District Community Land Trust (VDCLT)**. The work of the trust demonstrates its leadership and the importance of partnerships. (<http://www.communitylandtrust.ca/>).

The trust’s first project, Under One Roof, was planned in 2007/2008 (completed 2009) in partnership with Kindale Development Association which provides housing and management services for persons with disabilities. The project houses six families. BC Housing and the City of Vernon supported the project. Funding came also from the community and the Real Estate Foundation.

- **Denman Community land Trust Association (DCLTA)**. In 2008 a group of Denman Island residents established the Trust to provide affordable housing for Island residents at a time when real estate prices were rising rapidly. (<http://www.denmanaffordablehousing.org/DCLTA/Welcome.htm>). DCLTA is modeled on the Lopez Community Land Trust (<http://www.lopezclt.org/about/>).

Since 2010, when an Island resident signed a letter of intent to donate a site for affordable seniors housing, the Trust has been working on the plan, financing, and approvals to build the “Ridge Project.” The Trust’s website provides a detailed record of the steps taken to develop this site for seniors’ housing.

VI. SUMMARY

The brief overview research completed for this report clearly provides a strong indication of the general demographic and housing trends facing rural communities in the southern interior.

However, there would be significant benefit in being able to drill down deeper into key statistics not only for southern interior communities – but all smaller rural communities in BC. But this would require additional financial resources to purchase and analyze specific data sets.

Unfortunately most publically available data sets in BC and Canada have differing geographical boundaries for specific statistics. For example, the smallest geographic region for which one can get population projections in BC is the Local Health Area unit, but this does match up with easily available data on income levels and sources of income and housing statistics and housing sales information. To have a consistent geographical unit of analysis requires the purchase of specific data sets that was beyond the scope of this project.

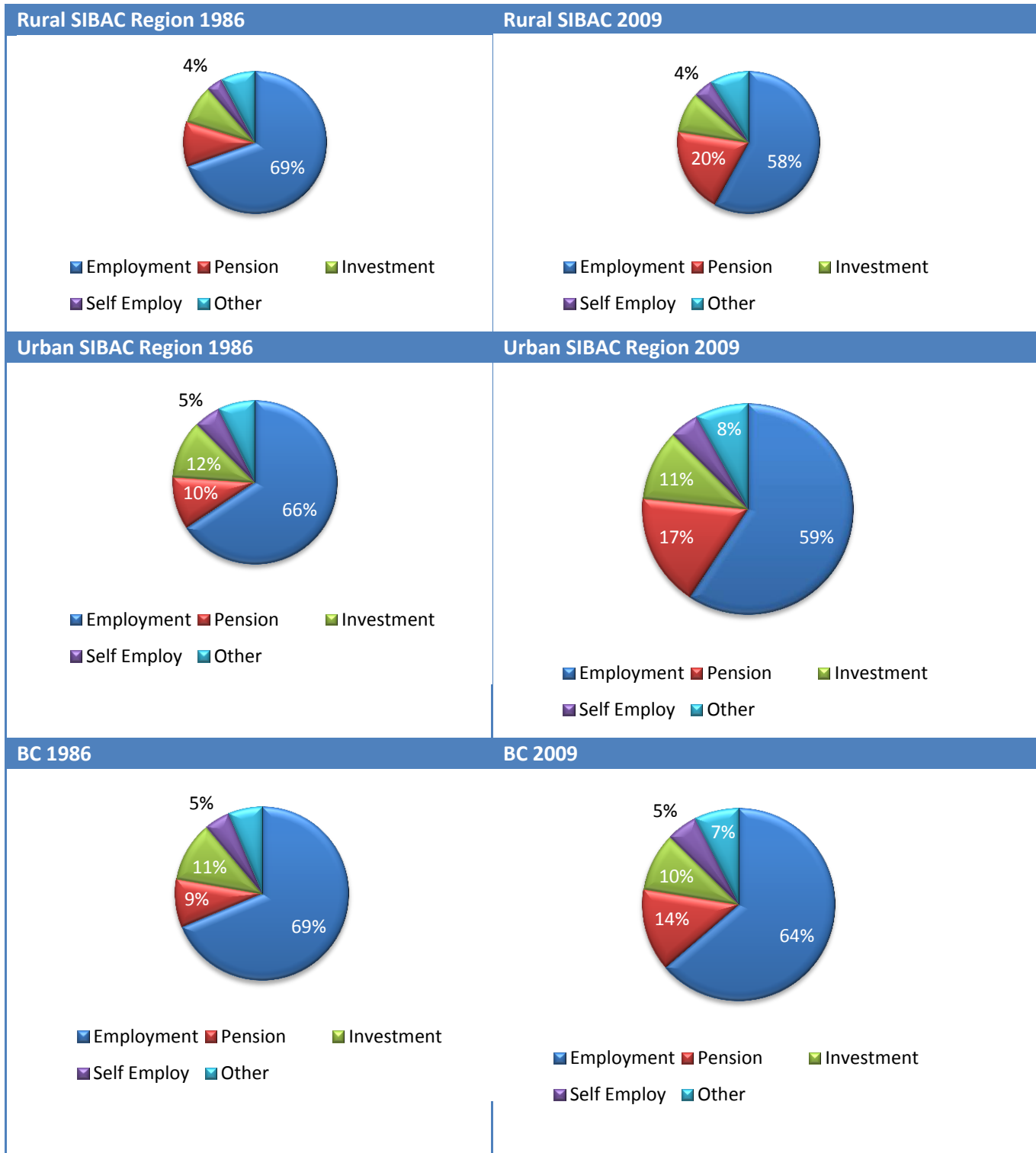
Further statistical analysis that would be helpful, however, in understanding the specific challenges of individual rural communities includes:

- 1.) Analysis of the historical and current trend lines of total income and sources of income by community;
- 2.) Analysis of historical and current structure of the housing inventory (type, age, housing starts, etc.) by individual community;
- 3.) Analysis of the historical and current statistics on the nature of the housing market (assessment values, average sales prices, number of sales, days on the market, foreclosures, etc.) by individual community;
- 4.) Analysis of the historical and current statistics in terms of the nature of in and out-migration (age, moving from-to,) by individual community;
- 5.) Geographical analysis and comparison of construction of new seniors housing compared to demographics (age 70 plus) by individual community.

Hopefully further work like this can be completed in the near future.

VII. APPENDICES

Appendix 1: Income By Source For Rural SIBAC Region

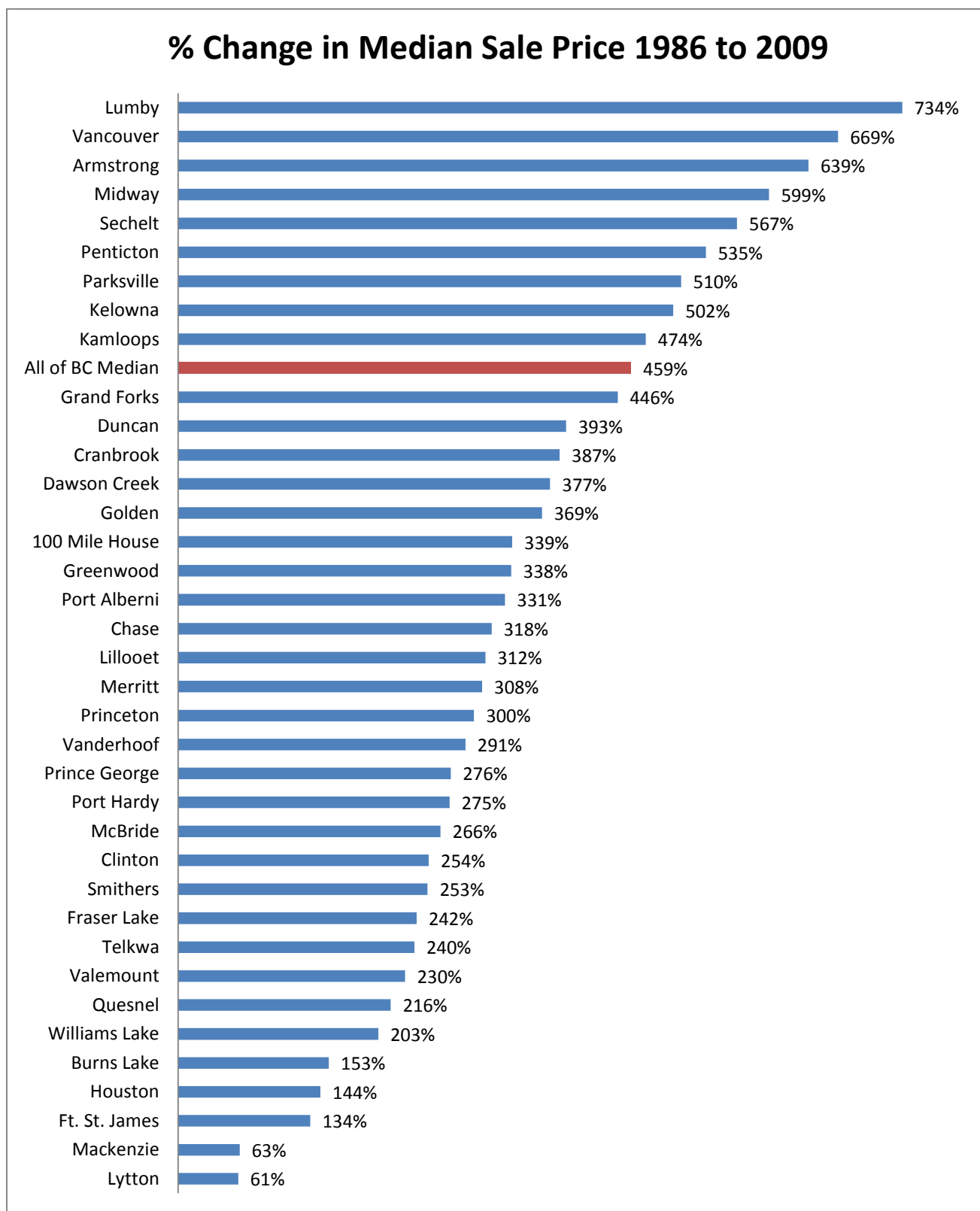


Source: BC Stats. nd; 2012

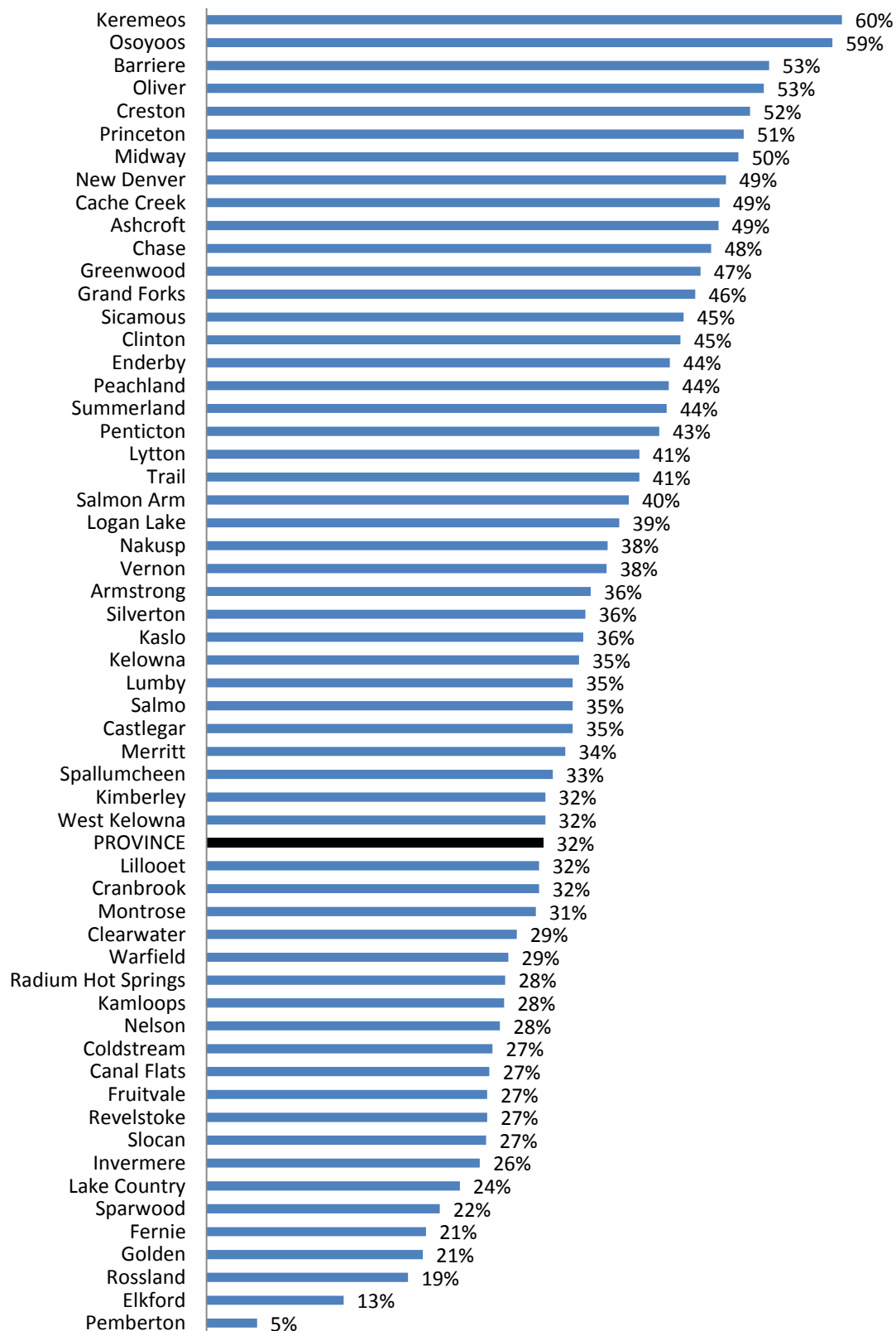
Urban SIBAC = Kamloops, Kelowna, Vernon and Penticton. **Rural SIBAC** = Total SIBAC population Less Urban SIBAC.

Rural British Columbia: Aging Populations and Changing Housing Requirements - SIBAC July 2015

APPENDIX 2: % CHANGE IN HOUSING SALE PRICES 1986 TO 2009



APPENDIX 3: % of Households Claiming Seniors Home Owners Grant - 2009



VIII. RESEARCH COMPENDIUM – TABLE OF CONTENTS

Readers may wish to refer to the Research Compendium, which is a companion document to this report. The Compendium focuses on rural housing solutions with considerable coverage of seniors' housing projects and services delivered by organizations in BC. The purpose of the Research Compendium is to point readers to valuable on-line resources and tools on specific non-market housing topics. Readers can access the Research Compendium at www.sibacs.com/rural-development-projects/

The Research Compendium is organized under the following headings.

- Part One: Housing Tenure – Freehold and Leasehold

- Part Two: Housing for Seniors
 - 1. Introduction
 - 2. Independent living projects
 - 3. Seniors housing with services: supportive housing and assisted living
(involves the Ministry of Health)
 - 4. Research about seniors housing

- Part Three: First Nations Housing

- Part Four: Intentional Communities
 - 1. Introduction
 - 2. Co-housing
 - 2. Life-lease tenure
 - 3. Cooperative housing
 - 4. Community housing land trusts

- Part Five: Examples of Innovative Housing Solutions

- Part Six The Roles of Housing Intermediaries

- Part Seven: General Housing Research
 - > Housing needs studies
 - > Housing strategies
 - > Research for projects outside of BC