

# *Statistical Background Report*

*Okanagan Similkameen Regional District*



## **Community Land Trusts & Rural Development Project**



**This project is made possible with funding from the Real Estate Foundation of British Columbia**



## **NOTE TO READER**

This report was written by Gordon Borgstrom, SIBAC's Executive Director and provides an overview of selected socio-economic statistics and trends for the Okanagan-Similkameen Regional District of the southern interior. The report was prepared to collate and analyze key statistical data relevant to population, demographic, income and housing values and trends – and their implications for housing needs in the region now and in the future.

This report is one of several documents created as part of the Community Land Trusts & Rural Development Project created and managed by SIBAC in partnership with the Real Estate Foundation of BC. Additional reports and documents created as part of this project will be made available on SIBAC's BC Rural Centre website [www.bcruralcentre.org](http://www.bcruralcentre.org)

SIBAC gratefully acknowledges the financial support of the Real Estate Foundation of BC as a funding partner in this project.

*SIBAC is a non-profit rural development organization. SIBAC's founding members are the nine Regional Districts and six Tribal Councils in the southern interior and the CFDC of Central Interior First Nations. Committed to advancing rural development in the province, SIBAC focusses its activities on three major areas (i) providing a southern interior rural perspective into government consultation processes (ii) encouraging the development of new rural development policies and programs and (iii) developing and leading strategic rural development projects. [www.sibacs.com](http://www.sibacs.com) and [www.bcruralcentre.org](http://www.bcruralcentre.org)*

*The Real Estate Foundation is a philanthropic organization that helps advance sustainable land use in British Columbia. They provide grants to non-profit organizations working to improve BC communities through responsible and informed land use, conservation and real estate practices. [www.refbc.com](http://www.refbc.com)*

## INTRODUCTION

This report examines the communities and unincorporated areas of the Okanagan Similkameen Regional District.

The report was prepared to collate and analyze key statistical data relevant to population, demographic, income and housing values and trends – and their implications for housing needs in the region now - and into the future.

To create this report a variety of statistical data sets were used that unfortunately all have different geographical boundaries. Therefore, some data is only available for incorporated communities while other data is available for a variety of regional geographies.

Due to the traditional under-representation of First Nations in the Census data and other statistical surveys, data for individual First Nations' reserves in the region are not displayed. However, it should be recognized by the reader that First Nations have some of the youngest and fastest growing components of the rural population in the southern interior.

## POPULATION

As demonstrated by the Graph in Appendix 1, there have been significant differences in the rates of population growth across the southern interior. Generally however, communities in the Okanagan valley have grown significantly faster than communities in the Kootenay and Boundary regions over the past three decades.

Within the Okanagan Similkameen Regional District area, from 1986 to 2014 the highest rates of population growth occurred in Oliver while Princeton saw an actual decline in population:

<b>Community</b>	<b>% Population Change from 1986 to 2014</b>	<b>1986 Population</b>	<b>2014 Population</b>
Oliver	123%	2,028	4,516
Osoyoos	59%	3,047	4,834
Keremeos	54%	864	1,331
<b>BC Provincial Average</b>	<b>53%</b>	<b>3,003,621</b>	<b>4,581,978</b>
Summerland	41%	7,994	11,239
Penticton	36%	24,376	33,160
Princeton	-9%	3,008	2,749

Population projections in BC are only produced for Local Health Area geographies by BC Stats. As shown in Appendix 2, BC Stats expects only one Local Health Area (LHA) in the southern interior – the Central Okanagan LHA – to exceed provincial average growth rates.

It is important to note that BC Stats forecasts predict a continued population decline in several areas of the southern interior – primarily in the Kootenays and Boundary regions.

Within the five LHAs in the Okanagan Similkameen Regional District area, BC Stats forecasts that the greatest growth will be in the Penticton LHA and that the Princeton LHA will continue to lose population.

<b>Local Health Area</b>	<b>% Projected Population Change from 2017 to 2030</b>	<b>2017 Population Projection</b>	<b>2030 Population Projection</b>
<b>BC Provincial Average</b>	<b>16%</b>	4,807,320	5,577,106
Penticton LHA	12%	43,777	49,000
Keremeos LHA	11%	5,292	5,899
Summerland LHA	7%	11,805	12,586
Southern Okanagan LHA	3%	18,654	19,170
Princeton LHA	-7%	4,496	4,197

## DEMOGRAPHICS

The southern Okanagan has been a popular retirement area for many years, so the region has had an ‘older’ demographic profile than the provincial average for the past few decades.

However, due to population projections and the projected continuation of youth and new immigrants preferring to live in the lower mainland and capital regional areas – the continued ‘aging’ of the five Local Health Areas in the Okanagan Similkameen Regional District is quite dramatic as evidenced by the data in the table below:

<b>Local Health Area</b>	<b>% of Total 2015 Population Over 70</b>	<b>% of Total 2030 Projected Population Over 70</b>	<b>% of Total 2040 Projected Population Over 70</b>	<b>Projected Number of Individuals Over 70 in 2040</b>
<b>BC Provincial Average</b>	<b>11.7%</b>	<b>17.6%</b>	<b>19.5%</b>	<b>1,182,234</b>
Penticton LHA	19.9%	25.4%	25.7%	13,445
Keremeos LHA	23.2%	33.5%	34.7%	2,134
Summerland LHA	20.7%	30.8%	31.8%	4,096
Southern Okanagan LHA	26%	37.1%	36.5%	6,896
Princeton LHA	22.3%	38.7%	38%	1,440

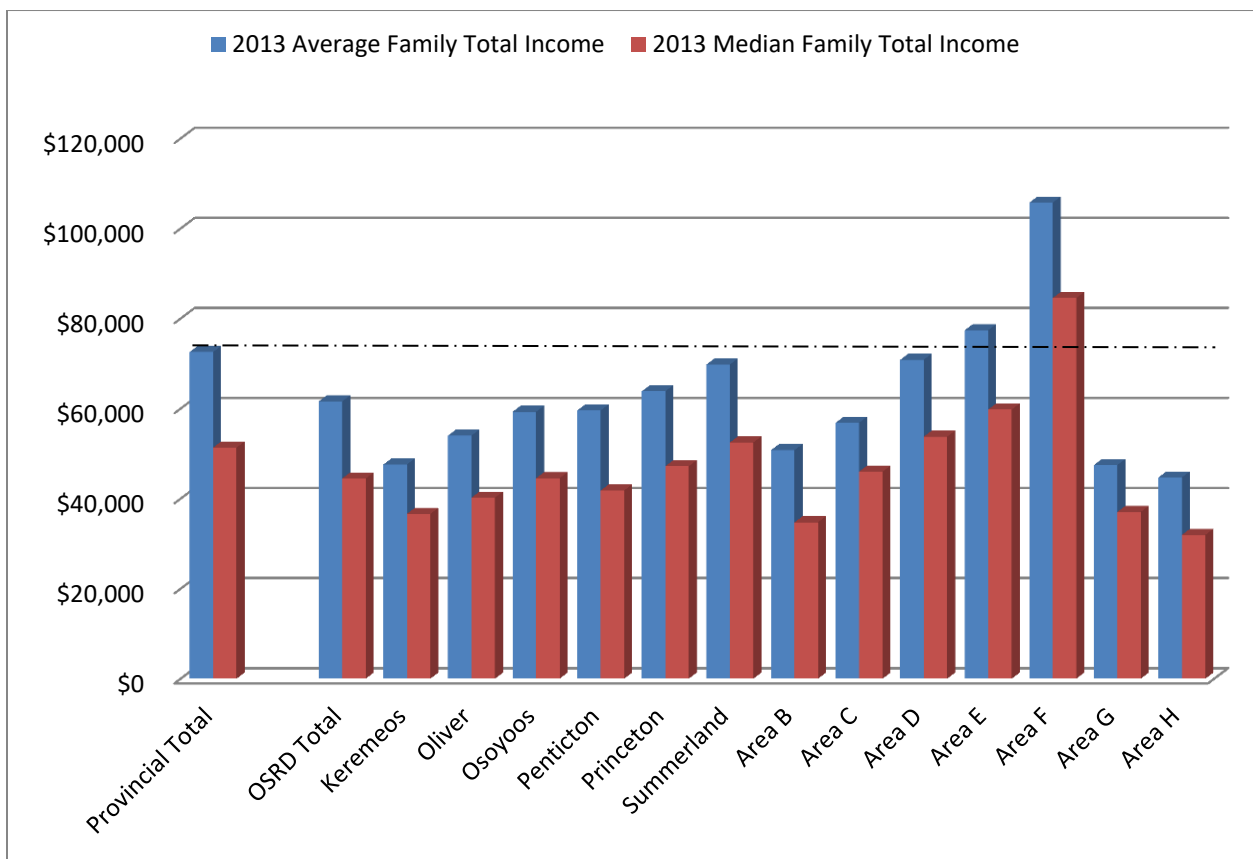
Appendix 3 provides detailed graphs showing the significant demographic changes for these five LHAs from 1986 to 2040.

Perhaps the most important factor is the very significant numbers of individuals in the over 70 age categories. It is over the age of 70 that there is typically an increase in the need for additional home and health care supports. By 2030 it is projected that all of the region’s Local Health Areas – with the exception of the Penticton LHA - will have at least 30% of their populations in the over 70 year old categories.

## INCOME LEVELS

To be able to analyze detailed levels of family and individual incomes, SIBAC purchased a special run of Canada Revenue Agency Taxfiler data from Census Canada. The most recent year available was for the 2013 taxation year. Since SIBAC was purchasing a special run of data it was possible to get data down to the various Regional District electoral areas. Appendix 4 provides a summary overview of the taxfiler data.

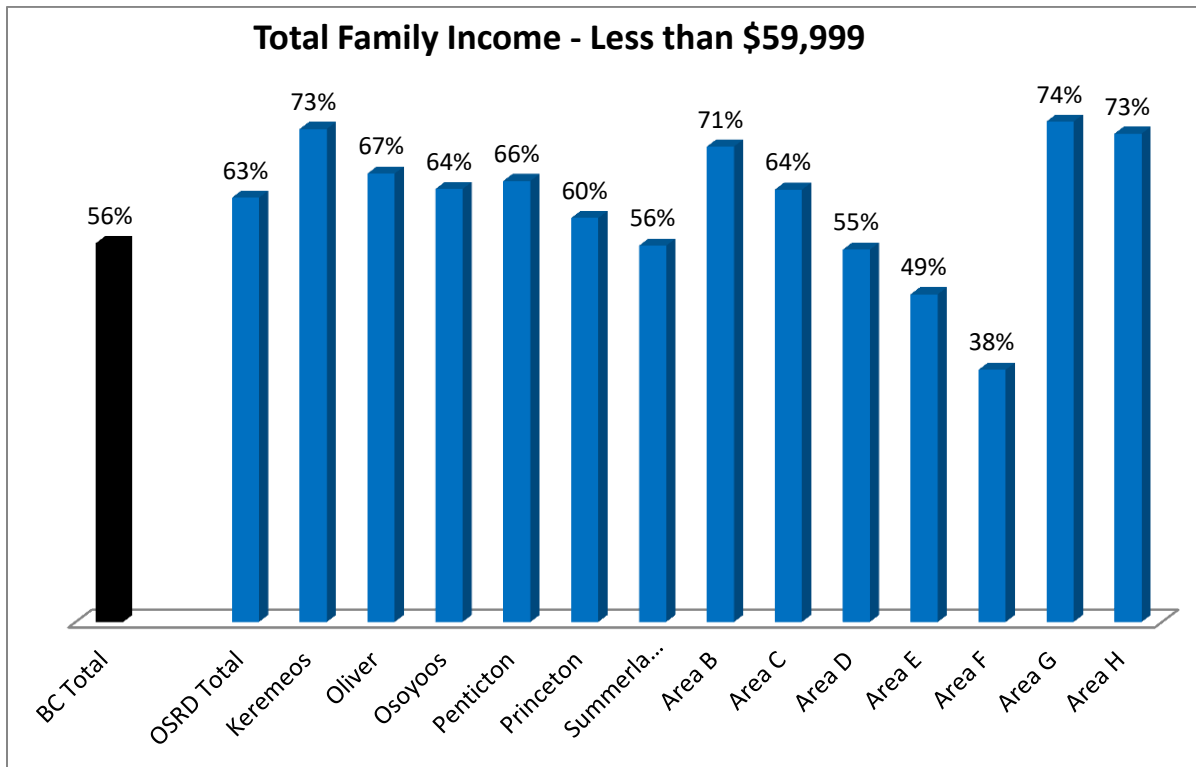
As demonstrated by the following graph and table, there is a very wide range of average and median incomes across the Okanagan Similkameen Regional District. Only Area F of the Regional District has average and median incomes that are both above the provincial average. Several other areas of the regional district – most notably Keremeos, Area B, Area G and Area H - are significantly below provincial averages.

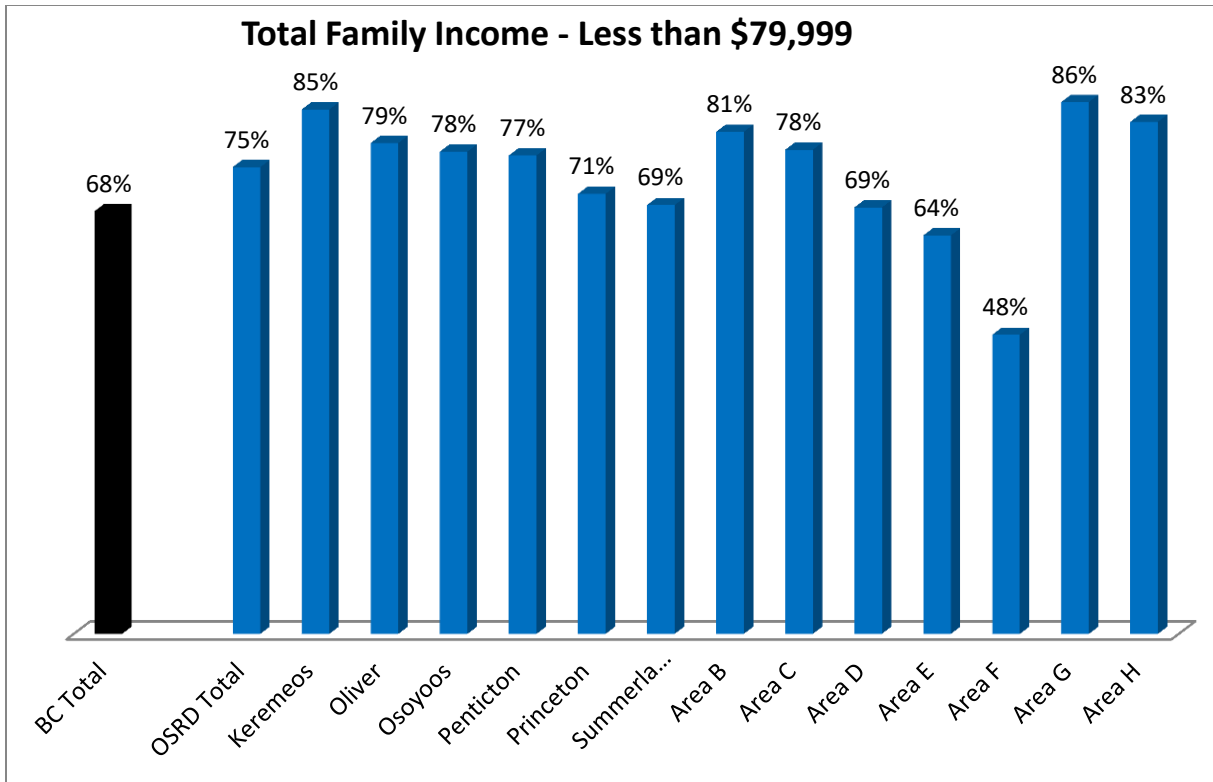


	2013 Average Family Total Income	2013 Median Family Total Income
<b>Provincial Total</b>	<b>\$72,550</b>	<b>\$51,320</b>
OSRD Total	\$61,580	\$44,470
Keremeos	\$47,560	\$36,590
Oliver	\$53,990	\$40,200
Osoyoos	\$59,270	\$44,520
Penticton	\$59,570	\$41,800
Princeton	\$63,830	\$47,170
Summerland	\$69,770	\$52,460
Area B	\$50,760	\$34,730
Area C	\$56,840	\$45,990
Area D	\$70,820	\$53,740
Area E	\$77,390	\$59,770
Area F	\$105,730	\$84,540
Area G	\$47,440	\$37,030
Area H	\$44,690	\$31,920

Appendix 5 provides a table showing the percentages of families by their total household income.

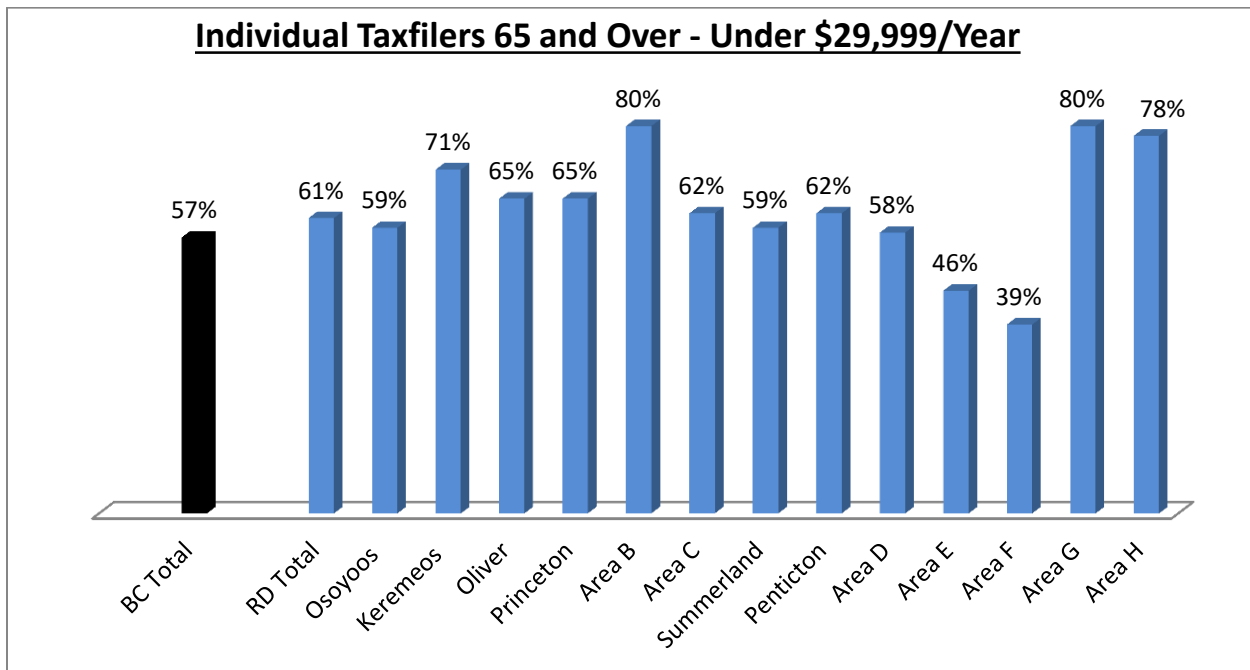
Again, as shown by the graphs below, families in most of the subregions of the Okanagan Similkameen Regional District are living on less than the provincial average and on less than \$59,999 and \$79,999 annually. As shown in Appendix 5, Keremeos, Area B and Area H have percentages of families living on less than \$29,999 annual income that is almost double the provincial average.

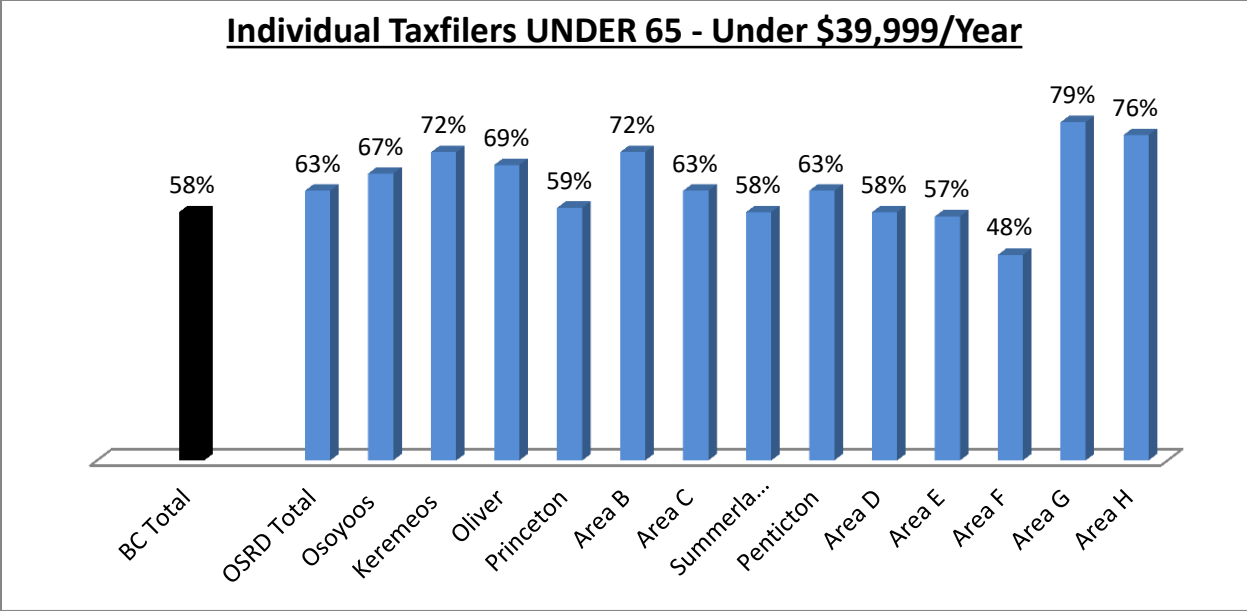




As shown by the graphs in Appendix 6, most areas of the Okanagan Similkameen Regional District are also below the provincial average when considering individual income levels.

For example, the graphs below demonstrate that a significant percentage of the region's seniors live on individual incomes of less than \$29,999 annually; and for those under 65 years of age a significant percentage (60-79%) have annual individual incomes of less than \$39,999 annually.





## HOUSING & HOUSING VALUES

As shown in the table below, due to the high number of seniors living in the region a high percentage of homeowners qualify for the Seniors Home Owners Grant (HOG). In Keremeos and Osoyoos over 64% of homeowners are eligible for the Seniors Homeowner Grant. Indeed, as shown in Appendix 7, the region has some of the highest percentages of Seniors HOGs in the southern interior.

	Total # of Properties	# of Claimants 65 and over	%
<b>Provincial Total</b>	<b>960,028</b>	<b>319,336</b>	<b>33.3%</b>
Keremeos	521	350	67.2%
Oliver	1,642	955	58.2%
Osoyoos	1,751	1,124	64.2%
Penticton	9,474	4,491	47.4%
Princeton	869	448	51.6%
Summerland	3,727	1,711	45.9%

Average selling prices for single family housing has increased significantly across the region as shown by sales figures from the Southern Okanagan Real Estate Board:

	2000 Average Selling Price	2015 Average Selling Price	% Change
Summerland	\$180,269	\$459,651	155%
Penticton	\$155,454	\$433,038	179%
Kaleden/Okanagan Falls	\$196,500	\$469,408	139%
Oliver	\$144,219	\$320,967	123%
Osoyoos	\$165,115	\$377,421	129%
Keremeos	\$88,768	\$237,008	167%
Princeton	\$105,860	\$246,325	133%



## IMPLICATIONS FOR HOUSING

These various trends and changes in population, demographics, income levels and housing values have significant implications for housing – for both younger families and seniors.

### Younger Families

In BC, there has been extensive coverage of the need for increased affordable housing in the greater Vancouver and Victoria regions. While six or seven years ago, the focus was primarily on housing for homeless and government assistance individuals – most recently the discussion has expanded to include the inability of middle income earners and families to be able to purchase homes in these markets.

While the media focus has been primarily on the rapidly increasing house values of the lower mainland, the reality is that housing affordability has become an issue in many interior communities as well.

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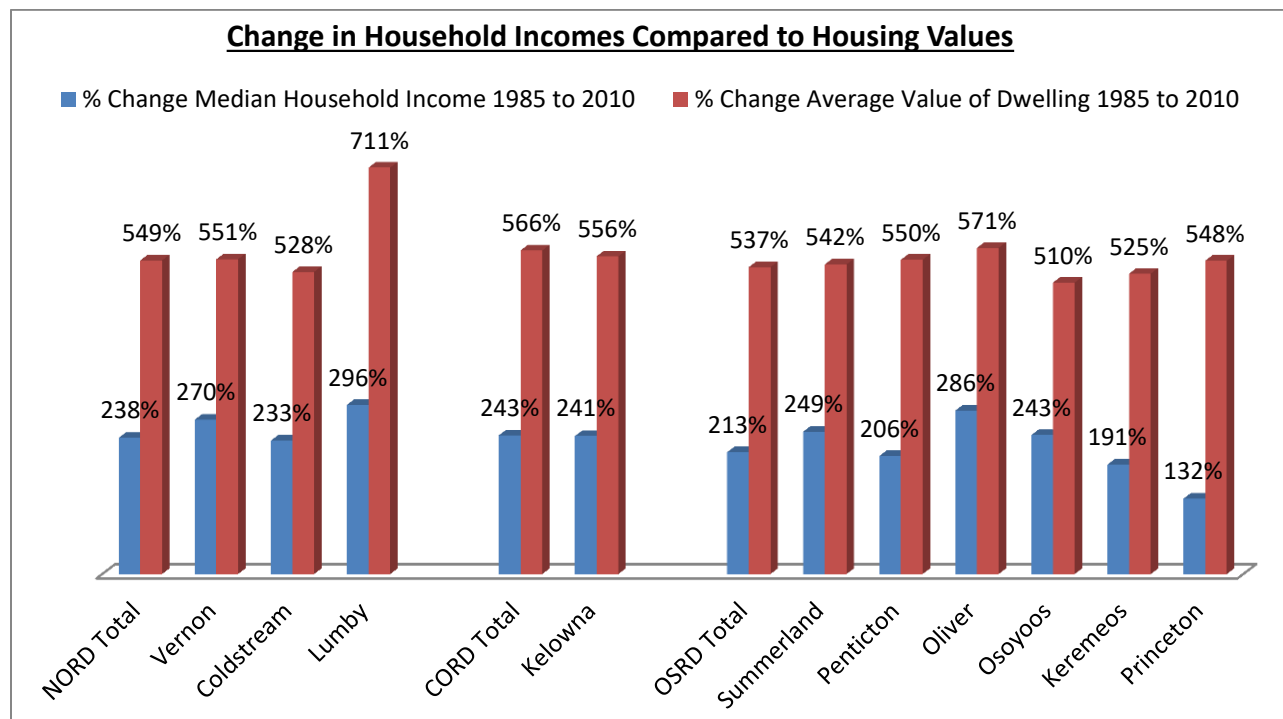
***“The price of housing in in Oliver & area is heavily influenced by people who are not dependent on the local economy – retirees and recreational owners. As a consequence, new and resale homes are priced beyond the purchasing ability of most working families.”***

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Oliver Final Affordable Housing Strategy, CitySpaces Consulting November 2009

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What isn't perhaps fully understood is that increases in house prices have far out-paced increases in household incomes over the past several decades. In most cases, increases in housing prices are almost double the rate of increase in household income. As demonstrated by the data in the following graph, house prices across the Okanagan Similkameen have increased by 510 to 711% while household income has only risen by 132 to 296% over the past 25 years.



As a result, at least one recent report in the region has identified affordable housing for younger working individuals and families as a priority.

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***“Prospective first-time homebuyers with \$60,000 or less annual income have very little opportunity to purchase in Oliver. During the scoping period, there was widespread sentiment that efforts should be taken to facilitate homeownership for this group, making it one of the top priorities for the housing strategy.”***

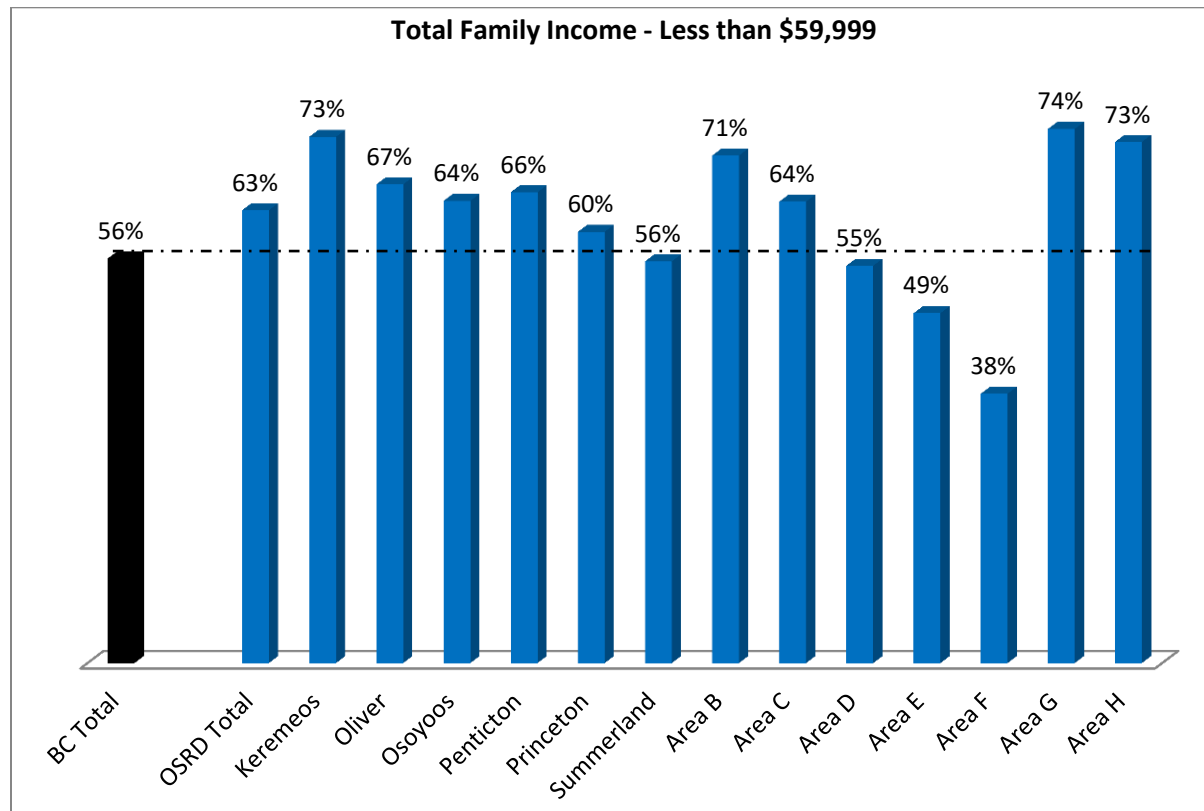
Oliver Final Affordable Housing Strategy, CitySpaces Consulting, November 2009.

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At an annual income of \$60,000, these are families and individuals that most would not normally consider as “low income” but rather moderate income earners. The cost of a single family home in several Okanagan and Similkameen valley communities is simply beyond moderate income earners.

For example, in Penticton in 2013 the average sale price of a single family home was \$374,676 and the average annual household income was \$59,570. Therefore, even with a \$75,000 cash down payment and minimal other debt, a family with an annual income of \$59,570 would only qualify for UP to a \$209,335 traditional 25 year mortgage – a shortfall of \$90,341 (24%) from the average single family home selling price.

Most communities in the Okanagan Similkameen region have acknowledged that there is a housing affordability issue for younger workers and families as a majority of families make less than \$59,999 annually.



## Seniors

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***“Seniors want to age as independently as possible in their own homes and in their local communities. Canada Mortgage and Housing Corporation (CMHC) research shows that 85% of Canadians over 55 years old plan to remain in their present home for as long as possible, even if there are changes to their health.....A recent report from the Office of the Seniors Advocate (Bridging the Gaps, 2015) confirms that up to 86% of B.C. seniors felt that, with a combination of home support and home adaptations, they could remain at home if their care needs increased. However, 36% of these same seniors with household incomes less than \$30,000 reported they believe they will have to move in the future because they will no longer be able to afford their current arrangements.***

***In addition to affordability, there are issues related to the availability of housing. In communities such as the Lower Mainland and major urban centres on Vancouver Island or in the Interior, the main focus is on the cost of housing. However, as you move out to more rural parts of British Columbia, finding housing that is appropriate and available is a challenge irrespective of the costs.”***

***“Seniors’ Housing in B.C. - Affordable • Appropriate • Available”*** BC Seniors Advocate Office  
May 2015.

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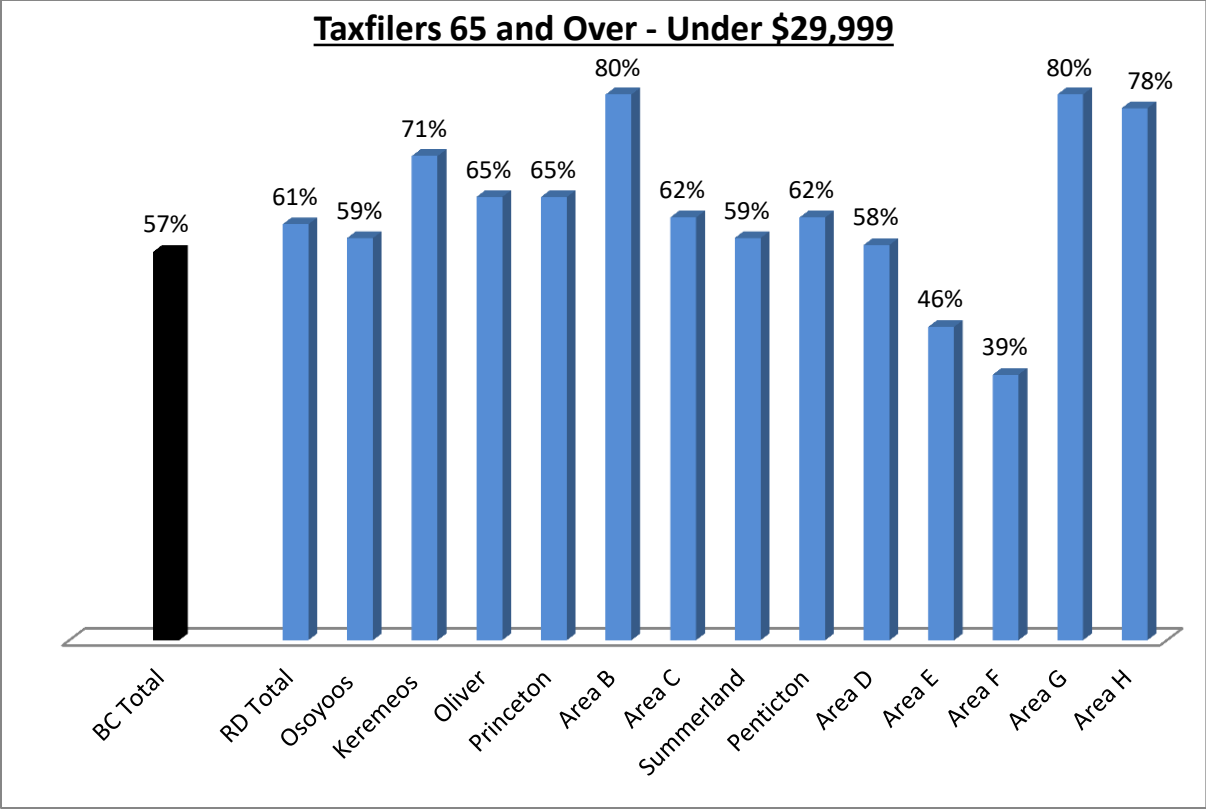
As noted in the Demographics section, the Okanagan & Similkameen valleys are a popular retirement location and have a significantly older demographic profile than the rest of BC. Unless there is a sudden and significant reversal in the out-migration of youth and young families this “aging” of the demographic profile is expected to continue. Indeed, as noted earlier it is projected that most communities in the two valleys will see over 30% of their populations in the 70 years and older age categories within 14 years.

The majority of the housing inventory in the Okanagan Similkameen Regional District is single family houses. As also noted earlier, a significant proportion (46% to 67%) of homeowners in communities within the region, are already eligible for the Seniors Home Owners Grant - and these percentages will continue to increase.

Several housing and “Age Friendly” studies have been completed for the region. All of these reports have noted that there will be an increased and significant demand for more “senior appropriate” housing and assisted-living units.

The BC Seniors Advocate Office estimates that the average cost for home maintenance and taxes for seniors in BC is approximately \$12,000/year even though half of BC seniors are living on \$24,000 or less annually. Thus the significant concern of many BC seniors about their ability to afford a major repair bill (furnace or roof replacement) and whether this will force them from their family home.

As shown in the graph below, the 2013 taxfiler data bought by SIBAC is consistent with the BC Seniors Advocate Office’s research on median incomes for seniors – with the majority of the region’s seniors having individual annual incomes of less than \$29,999.



In communities with vibrant housing markets, lower income senior homeowners might be able to arrange “reverse mortgages” or other financial arrangements to raise cash if required for house repairs or home care supports but this might not be as easy for seniors in smaller communities and unincorporated areas. As noted by the BC Seniors Advocate Office, even if a senior wants and can sell their single family home – they will need appropriate housing to move into.

When considering the very high number of single family homes in the Regional District that are occupied by seniors it does beg the question – what will the housing market be like in 20 to 30 years when large numbers of baby boomers begin to pass away? Without a continual influx of new retirees or younger people there could be a large number of vacant homes in many rural communities in 20 to 30 years.

## A POTENTIAL NEED & ROLE FOR COMMUNITY LAND TRUSTS?

The Regional District of Okanagan Similkameen, like all regions of BC, will require a range of housing models and options to serve the diverse needs of the population.

However, as demonstrated by this and previous reports, there is increasing concern regarding housing affordability for young working individuals and families in the Okanagan Similkameen Regional District. There is also increasing concern that if the housing affordability issue is not addressed, it will have increasing economic and employment impacts as the region struggles to attract and maintain the service and health care workers the region's industries and population need.

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***“The current demand for workers and the lack of accessible housing in the region has exacerbated the housing need. Accessible housing is more than a social issue: it is one of economic necessity and sustainability”***

South Okanagan Regional Growth Strategy, RGS Toolkit, No Date, Page 20

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The Community Land Trust (CLT) model is in many ways well suited to serve a target population of working, moderate income earners.

The CLT model can accommodate what is termed the “shared equity” model – whereby the CLT homeowner can build-up personal equity over time (through their mortgage payments) but within a legal contract that keeps the CLT home affordable in perpetuity. This shared equity model has several advantages including increased pride and incentive in home maintenance and upkeep; and an ability to finance significant portions of the housing construction costs through individual homeowner mortgages.

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***“A majority of survey respondents (74%) felt that young adults & families with young children are moving away because housing costs are too high.”... “Near market options should not be affordable only to the first occupant/owner but should be maintained as affordable for future occupants.”***

Oliver Final Affordable Housing Strategy, CitySpaces Consulting, November 2009.

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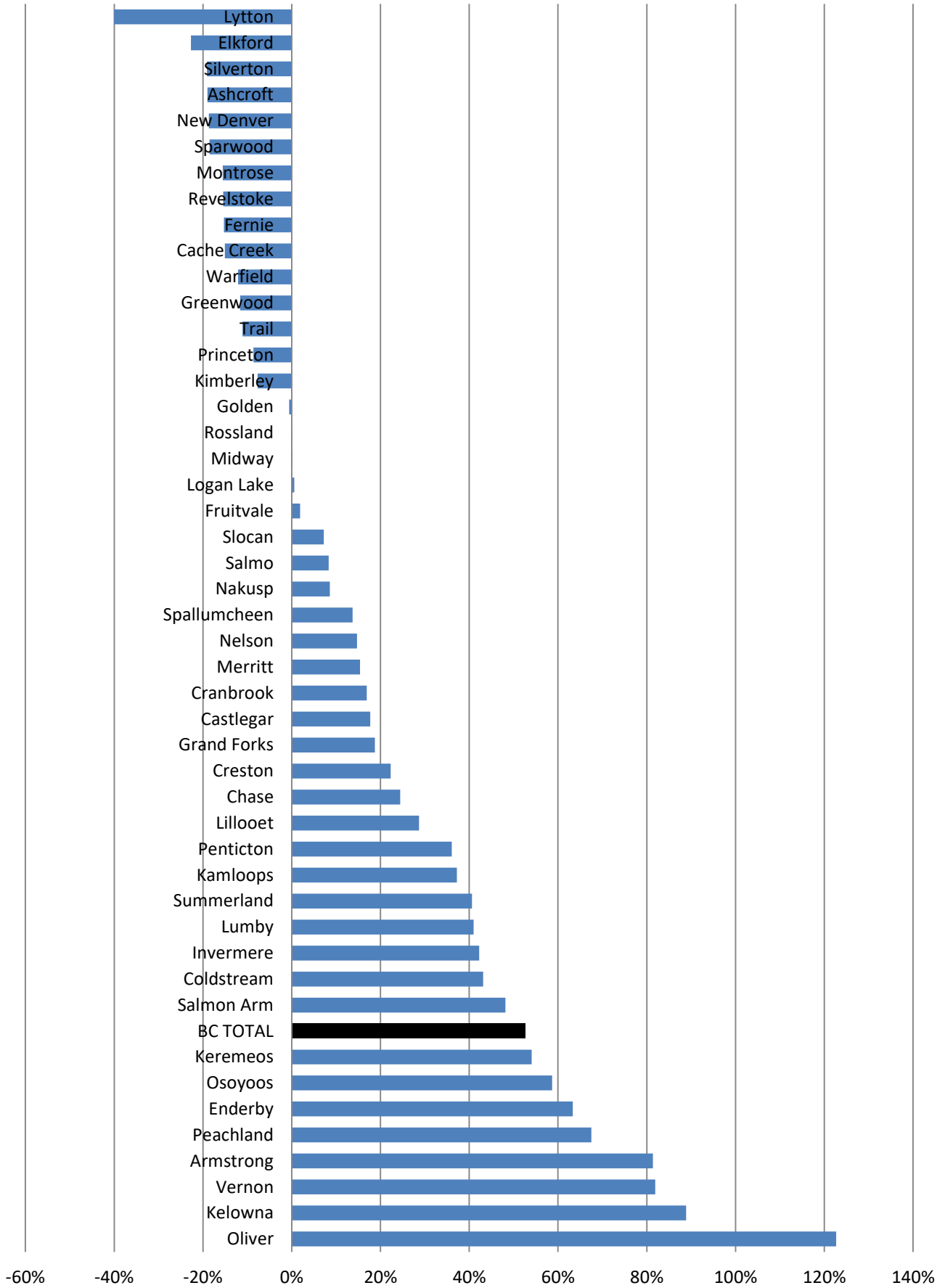
There are now over 200 community land and housing trusts in the United States with many – like the three CLTs on the San Juan Islands of Washington State – focussed on providing affordable housing for working individuals and families. For more information on the San Juan CLTs please see a project companion report titled *“Creating Community: Providing Affordable Housing on the San Juan Islands”* that is available on the SIBAC website.

Obviously housing CLTs are only one potential model to facilitate the provision of affordable housing - and various models will be needed to address the variety of housing needs in rural BC.

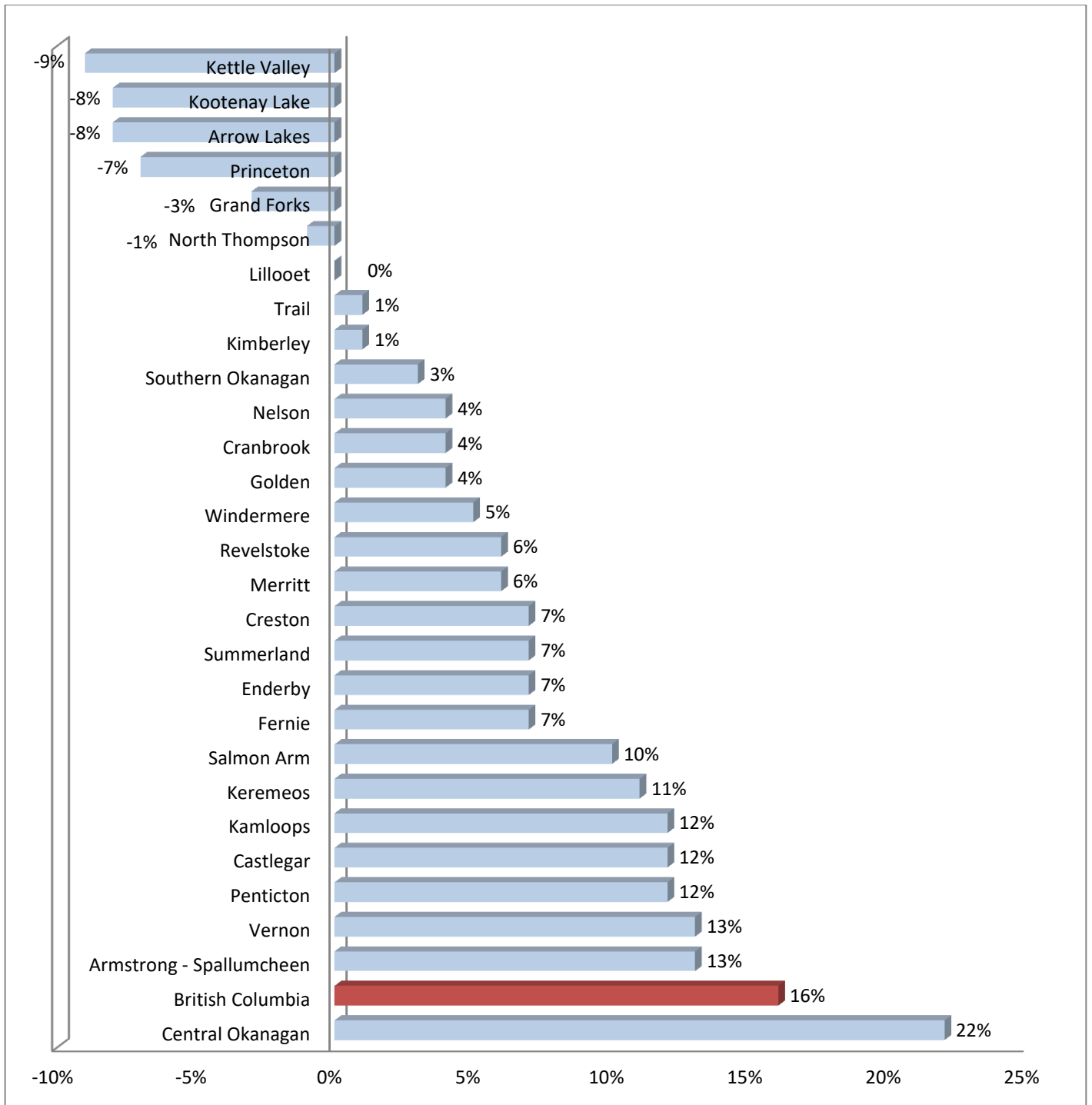
However, CLTs can offer a model that can assist in facilitating the provision of affordable housing in several ways:

- 1.) A CLT model can help facilitate the donation of private lands and houses to public control;
- 2.) The CLT model can be useful in the provision of affordable housing by removing the cost of land from housing construction costs;
- 3.) The CLT model can be an effective model to provide housing for moderate income earners. In the U.S., housing CLT homebuyers often can cover up to 75% of the housing construction costs through personal individual mortgages;
- 4.) Where a housing CLT offers a home purchase option it can help middle income home buyers build personal equity. In some cases, this may help some CLT homeowners to ultimately transition into the traditional housing market;
- 5.) A regional CLT organization might be a model that helps provide additional required housing development capacity to very small rural communities; and
- 6.) In the rural BC context perhaps a CLT organizational model could help bridge and transition over time rural single family home ownership from seniors to younger families.

### Appendix 1 - % Change in Population 1986-2014

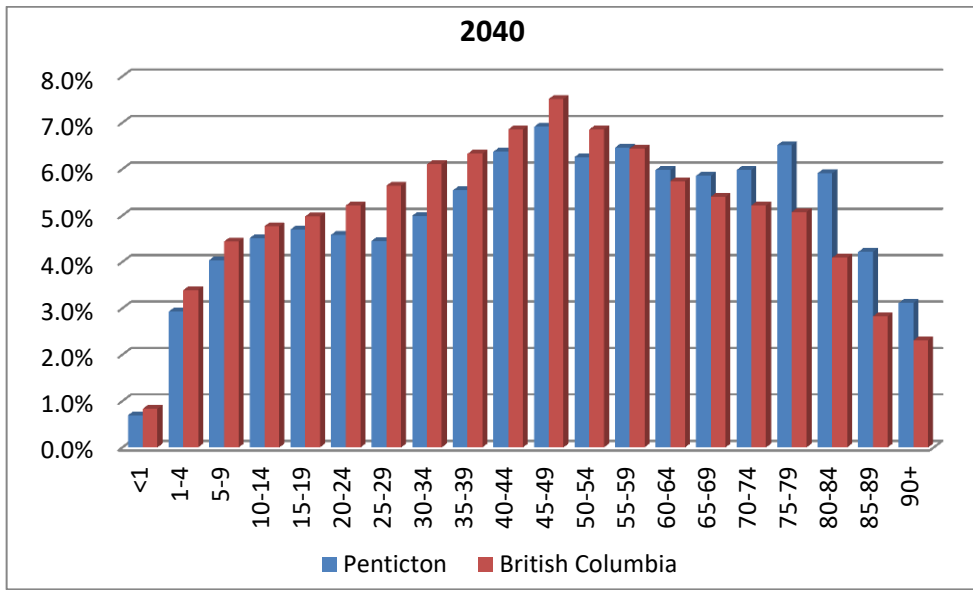
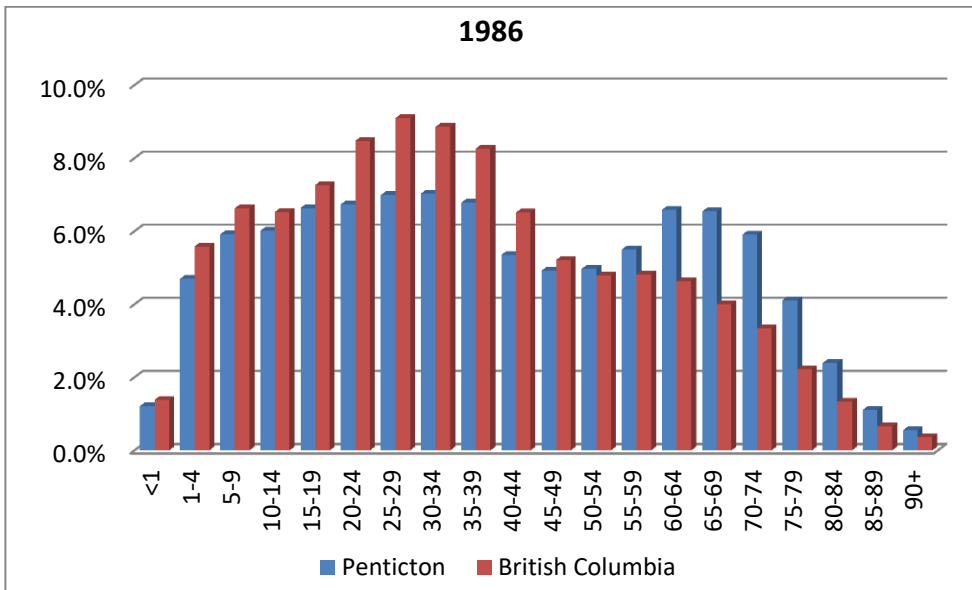
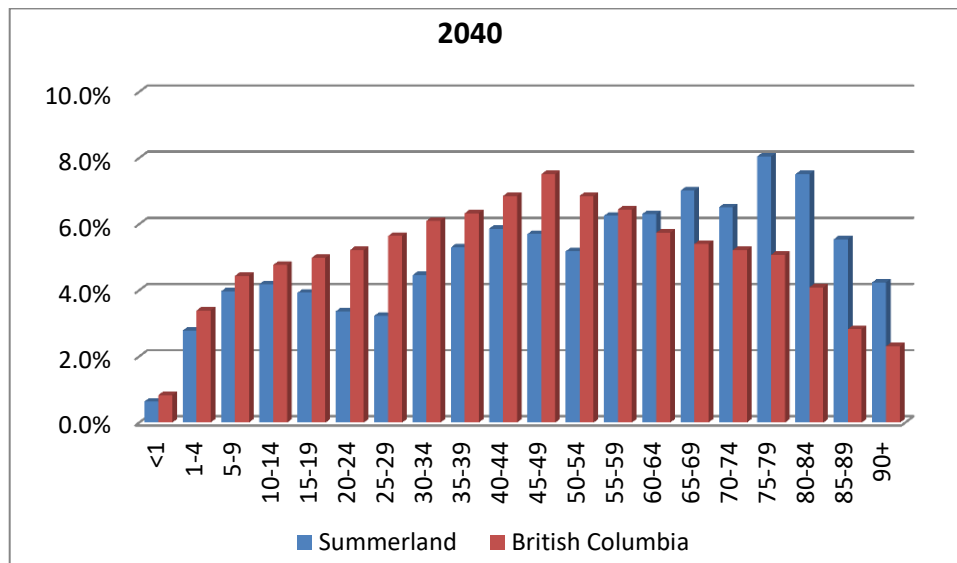
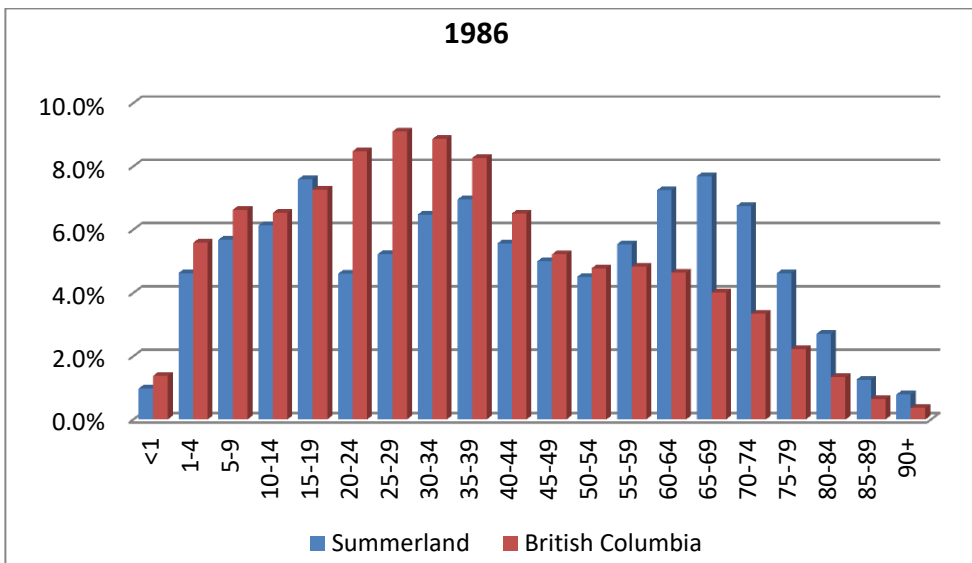


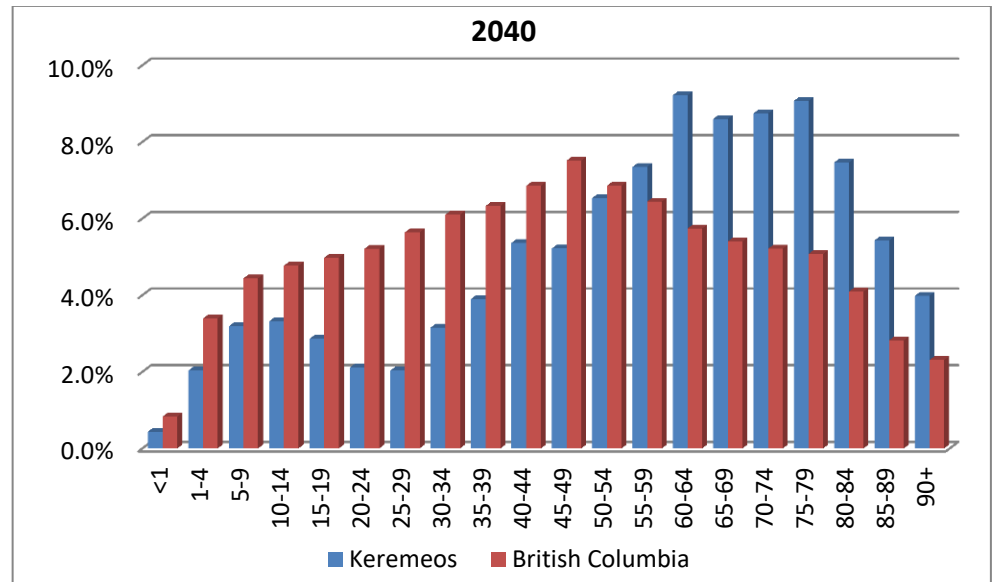
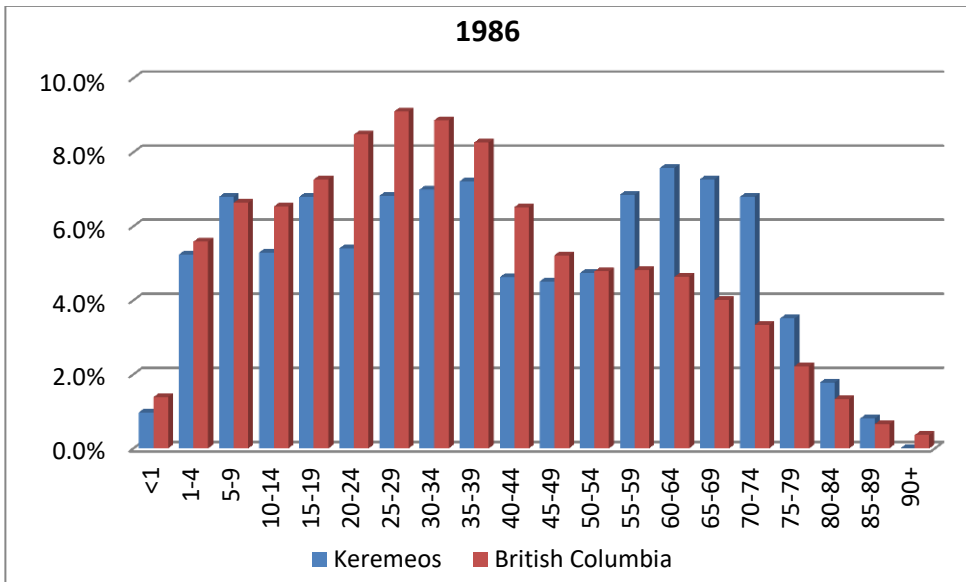
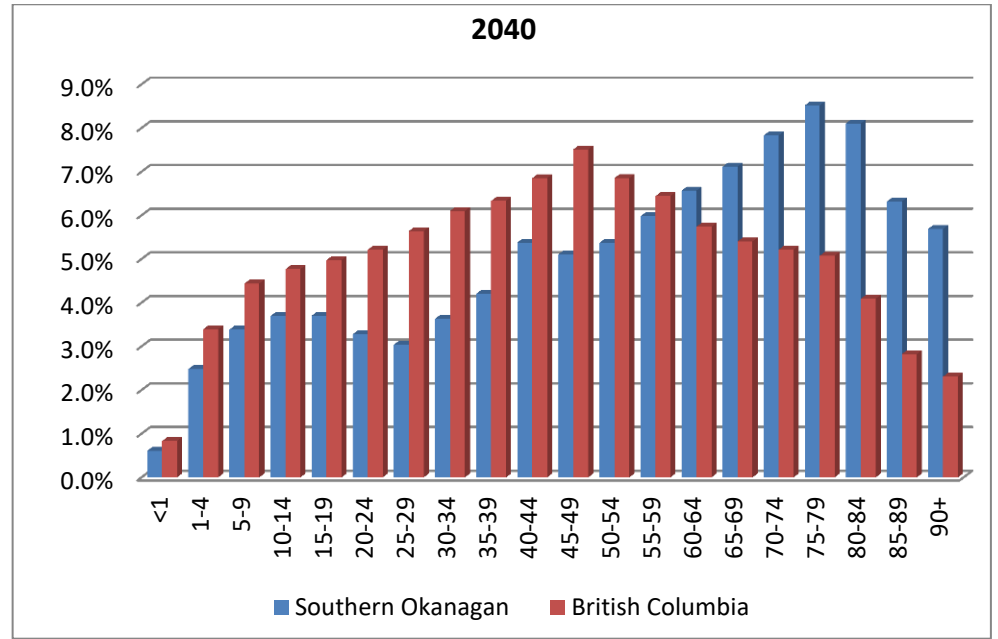
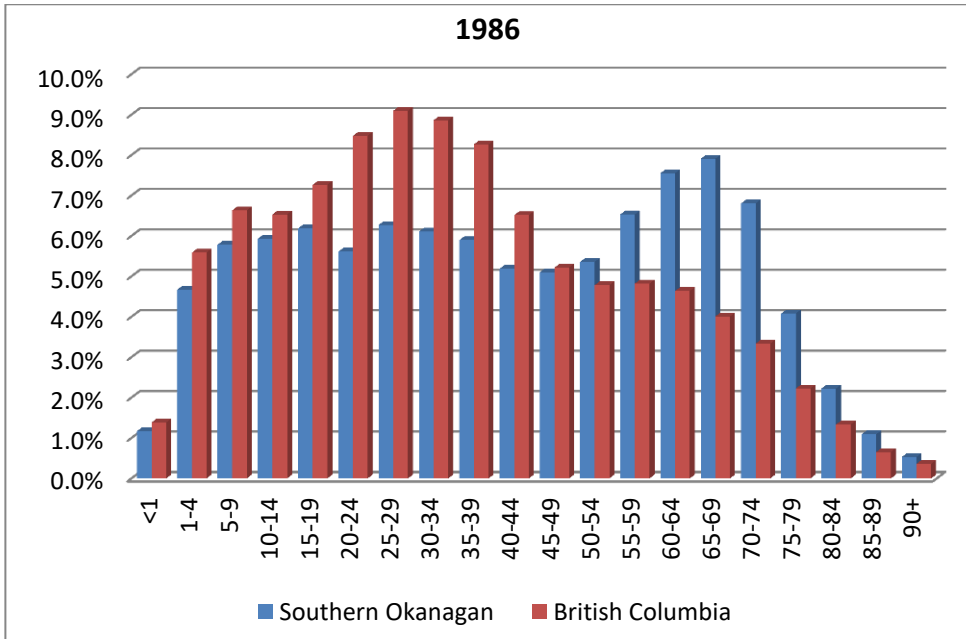
## Appendix 2 – Population Growth Projections by Local Health Area 2017 - 2030

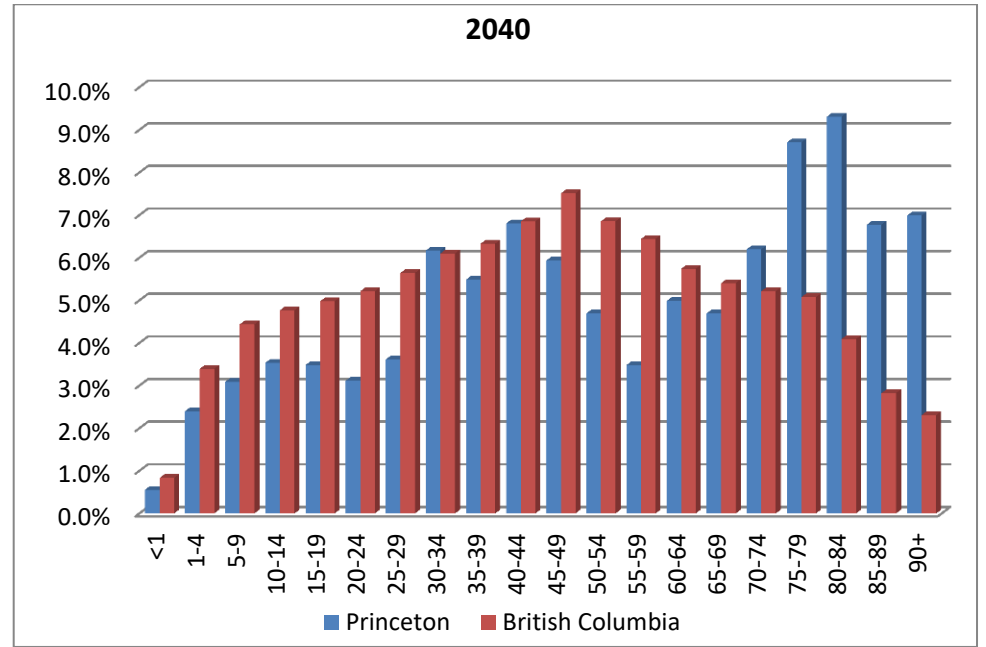
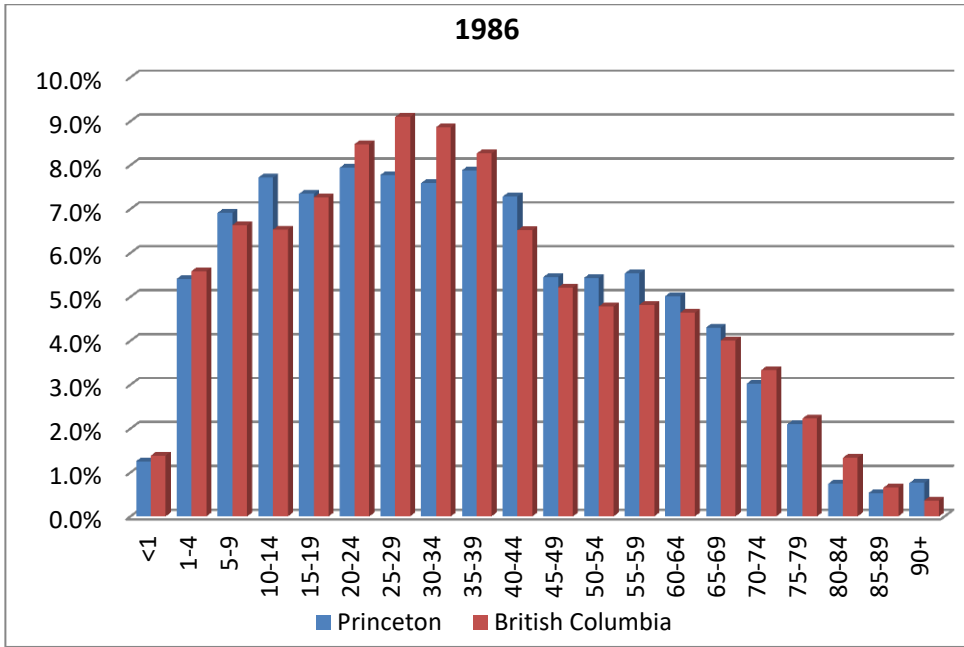




### Appendix 3 Demographic Changes in the 5 LHAs in Okanagan Similkameen Regional District







## Appendix 4 – Taxfiler Data

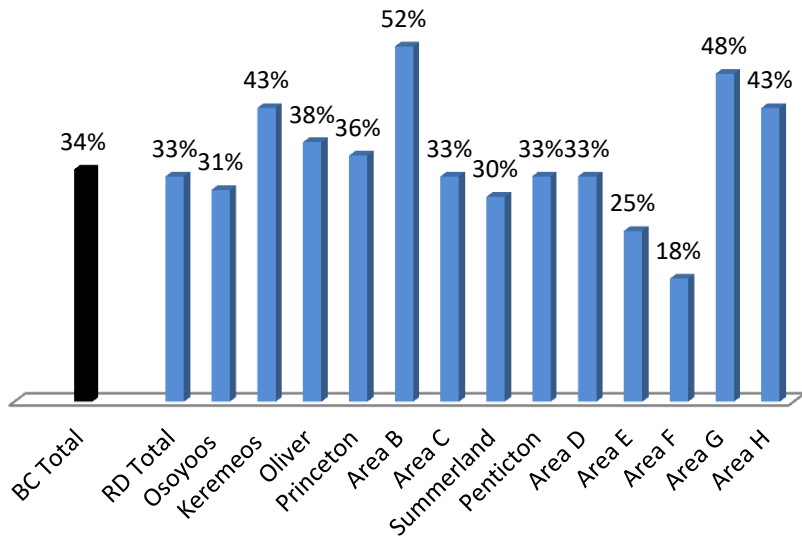
Area	Total Number of Families (including single households)	Total Number of Taxfilers & Dependents	Number of Taxfilers 65 and OVER	% of Taxfilers Over 65 Yrs	Number of Individuals 65 and Over with Old Age Security Payments	Number of Individuals 65 and Over with Net Federal Supplement (G.I.S.)	% of Individuals with OAS also collecting the Net Federal Supplement (G.I.S.)
<b>Provincial Total</b>	<b>2,072,170</b>	<b>4,377,850</b>	<b>746,130</b>		<b>700,150</b>	<b>238,970</b>	<b>34%</b>
OSRD Total	41,810	81,820	23,120	28.3%	22,560	8,030	36%
Keremeos	1,420	2,770	980	35.4%	960	450	47%
Oliver	3,200	6,520	1,680	25.8%	1,630	720	44%
Osoyoos	3,660	6,970	2,470	35.4%	2,390	740	31%
Penticton	18,270	34,660	8,980	25.9%	8,790	3,170	36%
Princeton	2,200	4,240	1,170	27.6%	1,150	510	44%
Summerland	5,600	11,640	3,090	26.5%	3,020	930	31%
Area B	580	1,210	260	21.5%	250	150	60%
Area C	870	1,660	630	38%	630	210	33%
Area D	2,900	5,920	1,640	27.7%	1,600	490	31%
Area E	840	1,770	430	24.3%	420	100	24%
Area F	560	1,380	280	20.3%	270	50	19%
Area G	350	660	250	37.9%	240	150	63%
Area H	400	710	230	32.4%	220	130	59%

## Appendix 5

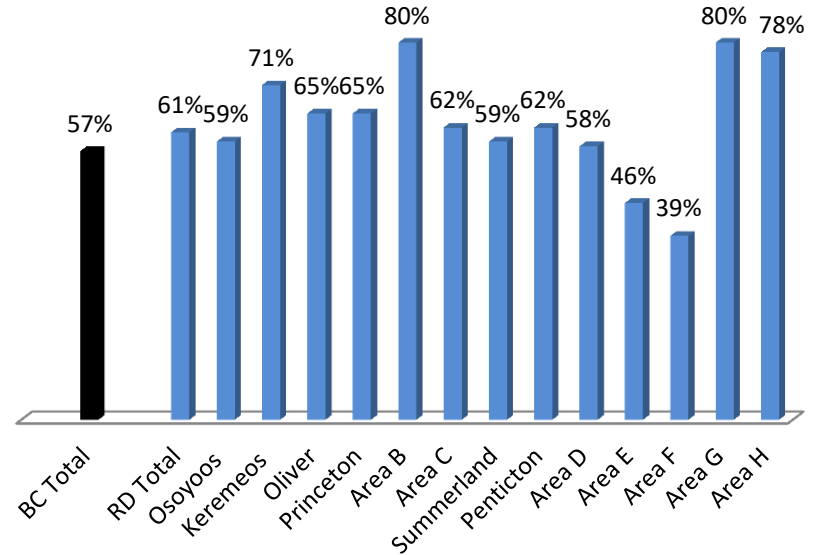
Area	% of Families with Income less than \$29,999	% of Families with Income less than \$49,999	% of Families with Income less than \$59,999	% of Families with Income less than \$79,999	% of Families with Income less than \$119,999
<b>Provincial Total</b>	<b>19%</b>	<b>49%</b>	<b>56%</b>	<b>68%</b>	<b>84%</b>
OSRD Total	33%	55%	63%	75%	89%
Keremeos	39%	66%	73%	85%	95%
Oliver	37%	59%	67%	79%	92%
Osoyoos	32%	56%	64%	78%	91%
Penticton	35%	58%	66%	77%	90%
Princeton	32%	53%	60%	71%	87%
Summerland	27%	48%	56%	69%	85%
Area B	43%	65%	71%	81%	93%
Area C	28%	55%	64%	78%	92%
Area D	26%	47%	55%	69%	86%
Area E	23%	40%	49%	64%	82%
Area F	16%	32%	38%	48%	68%
Area G	37%	66%	74%	86%	94%
Area H	45%	68%	73%	83%	95%

## Appendix 6 – Individual Income Levels – 65 Years and Older

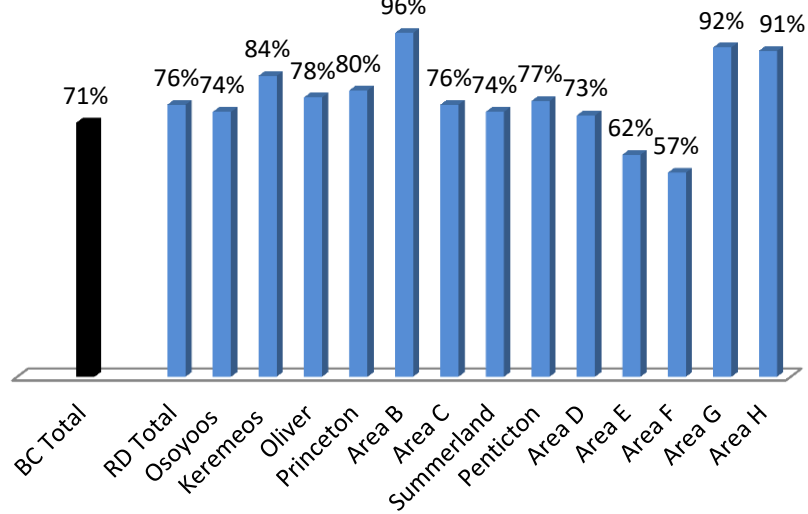
**Taxfilers 65 and Over - Under \$19,999/year**



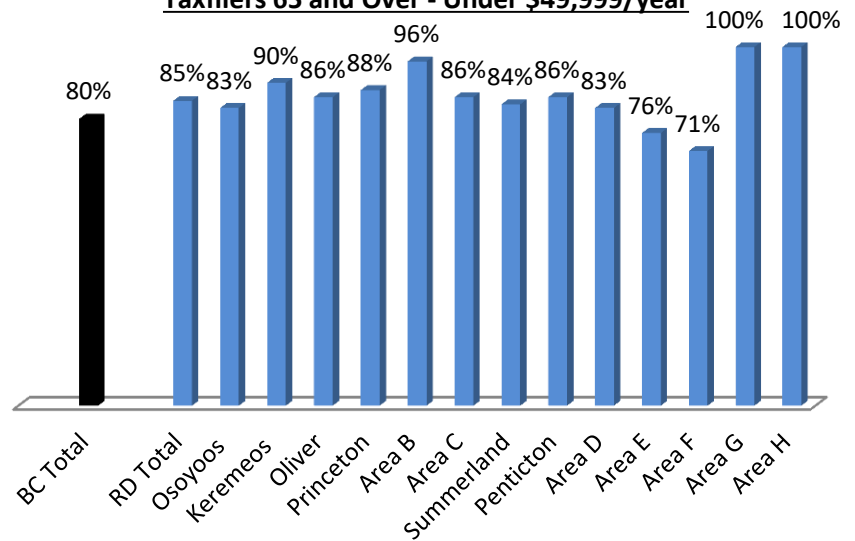
**Taxfilers 65 and Over - Under \$29,999/year**



**Taxfilers 65 and Over - Under \$39,999/year**

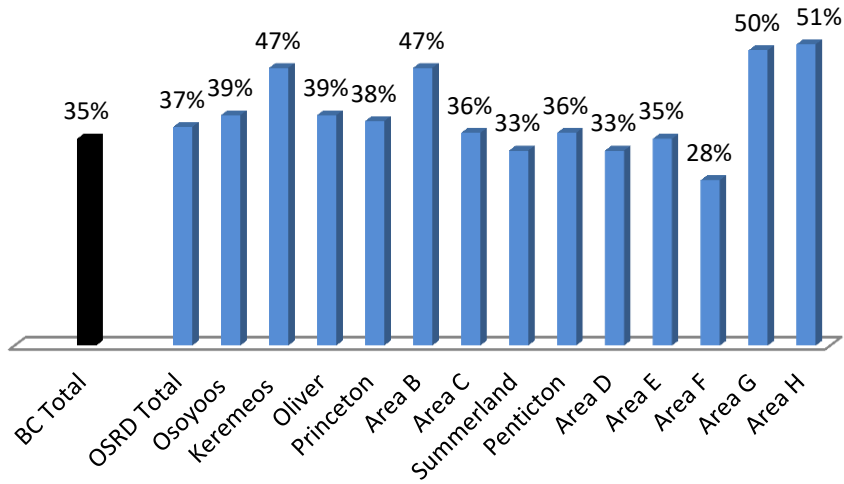


**Taxfilers 65 and Over - Under \$49,999/year**

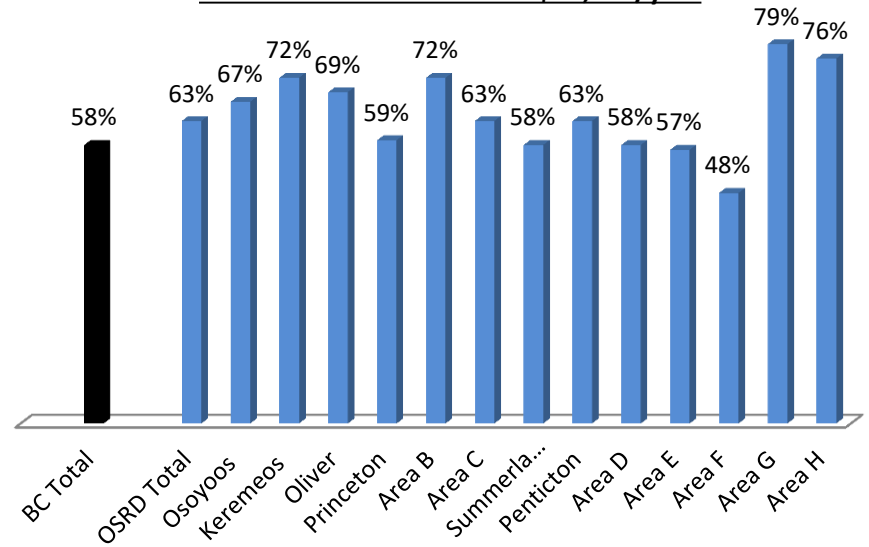


## Appendix 6 – Individual Income Levels – UNDER 65 Years of Age

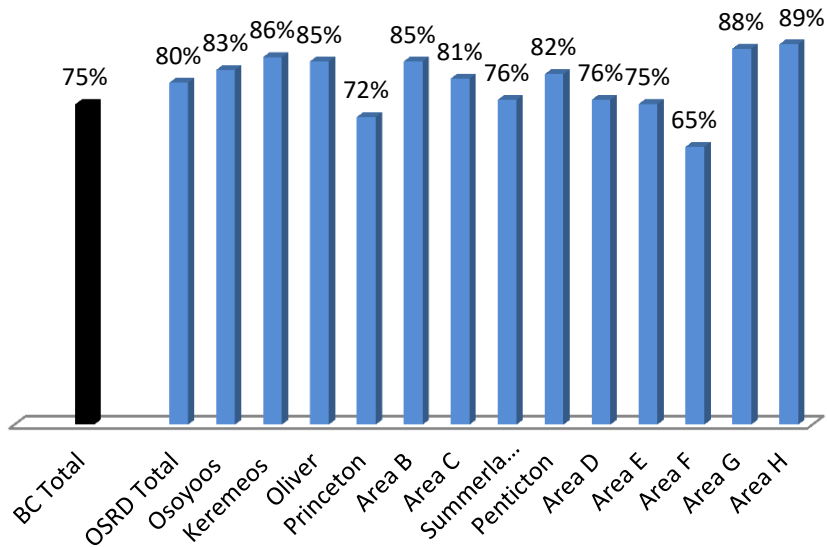
**Taxfilers UNDER 65 - Under \$19,999/year**



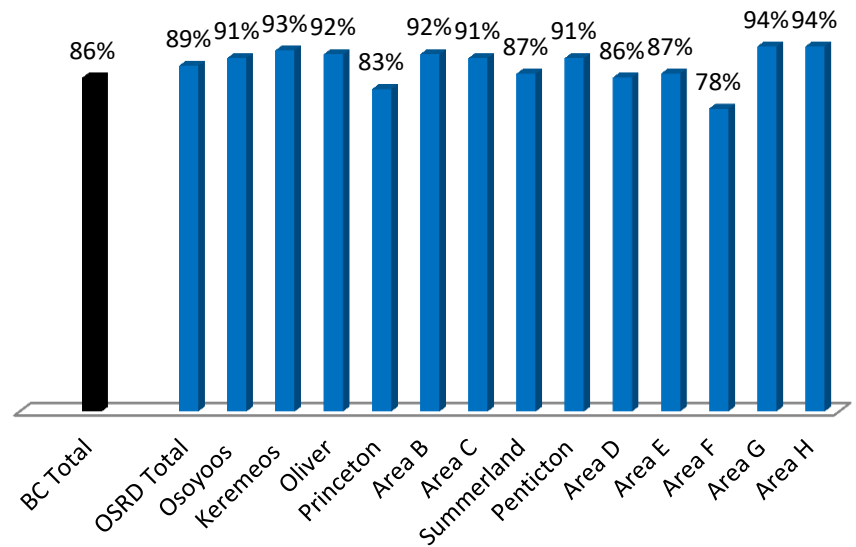
**Taxfilers UNDER 65 - Under \$39,999/year**

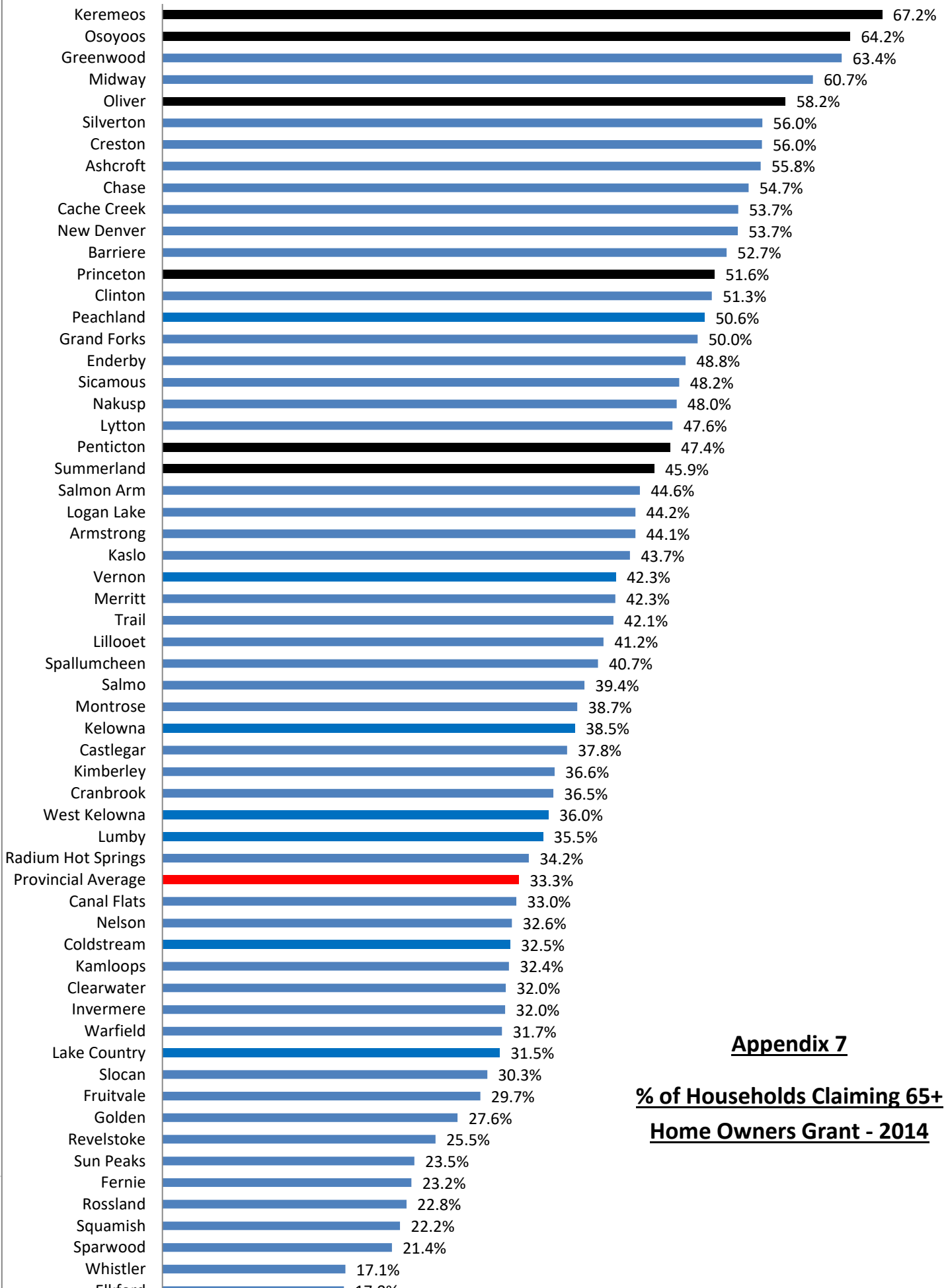


**Taxfilers UNDER 65 - Under \$59,999/year**



**Taxfilers UNDER 65 - Under \$79,999/year**





**Appendix 7**

**% of Households Claiming 65+  
Home Owners Grant - 2014**