

KAMLOOPS Planning for the 21st Century TOMORROW

BACKGROUND NEWSLETTER #3:

HOUSING

Information on the Backgrounder Series

The City has produced a series of background newsletters to provide some basic information and to help address some important questions now facing our community. For instance:

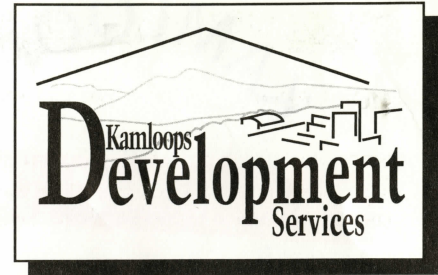
- How do we retain or improve Kamloops' small city quality of life?
- How do we continue to provide services efficiently and economically?
- How do we respond to the emerging traffic problems?
- How do we address environmental impacts and ensure sustainability?
- How do we address regional growth and cost sharing issues?
- How do we resolve social concerns like public safety and affordable housing?

Each Backgrounder is designed to focus on these major challenges, and to stimulate discussion on other related issues.



Farmers Market · St. Paul Street

KAMPLAN 1995



Background: Housing

This is one of five backgrounder reports intended to introduce and to provide information on the 1995 KAMPLAN review.

What is KAMPLAN?

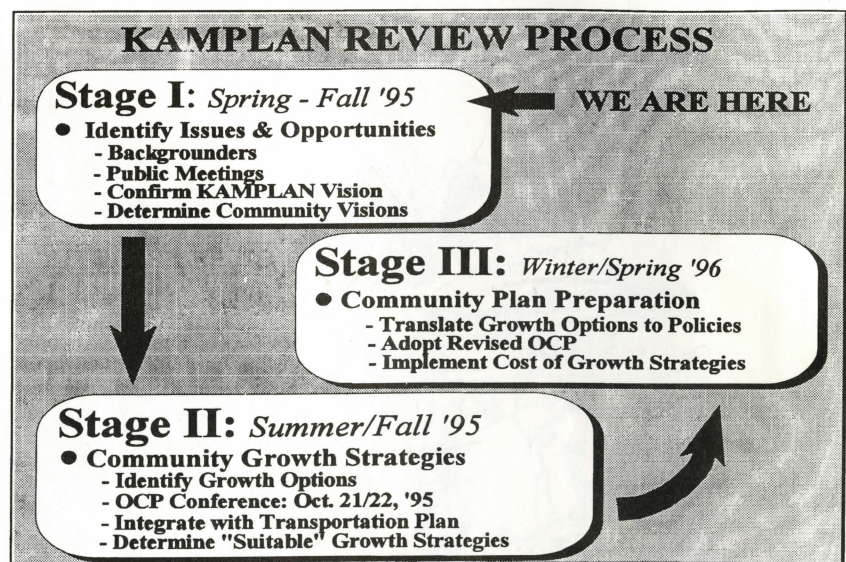
KAMPLAN is the City's Official Community Plan. An Official Community Plan (OCP) is a community's "formal statement of the broad objectives of the local government respecting the form and character of existing and proposed land use and servicing requirements" (Municipal Act). KAMPLAN applies to all lands within the City of Kamloops and currently addresses several topics including:

- setting out in broad terms the location, type and density of future land use.
- providing guidance on municipal servicing needs.
- providing direction on preserving and protecting hazard lands and environmentally sensitive areas.
- promoting the conservation of important heritage features.
- providing guidance on the supply of parkland and open space.

Why is KAMPLAN being changed?

The City is reviewing and considering changing KAMPLAN for several reasons:

- the current version of KAMPLAN is five years old, typically the lifespan of a comprehensive plan of this nature.
- the significant growth and change that have occurred in the city since 1990 has had an impact on our community. Some existing KAMPLAN policies may require alteration.
- as a result of a number of amendments to the *Municipal Act* an OCP can or must address several issues, including: setting goals for affordable housing, rental housing and special needs housing; establishing social needs, social well-being and social development policies as they relate to the community; and, working towards a regional growth strategy.



KAMLOOPS TOMORROW: BE INVOLVED. PROVIDE INPUT!

KAMPLAN 1995 BACKGROUNDER: HOUSING

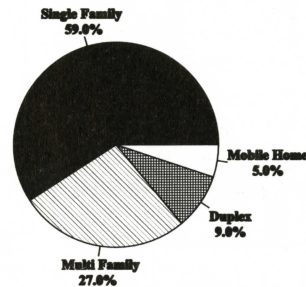
MORE PEOPLE...MORE DWELLING UNITS

Since amalgamation in 1973, Kamloops has grown from about 50,000 people to 75,000. This 50% increase in population is also reflected in the housing stock. Kamloops now has an estimated 28,260 dwelling units. Of these, 73% are low density (primarily single family dwellings), and only 27% are multiple family.

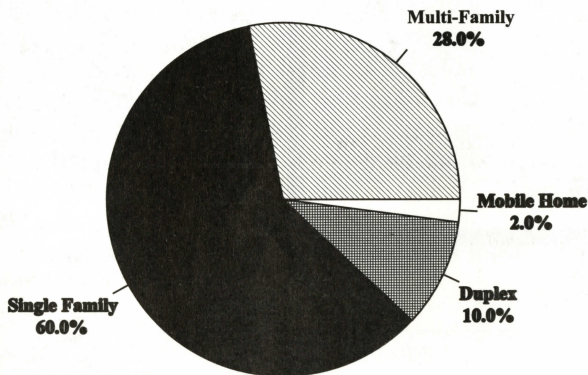
While this mix has remained relatively stable over the long term, the growth experienced over the last several years shows some significant changes.

Over the 18 year period from amalgamation in 1973 to December 1990, a total of 10,223 housing units were constructed in Kamloops (an average of 568 units per year).

City of Kamloops
Housing Mix by Dwelling Type - Dec. '94



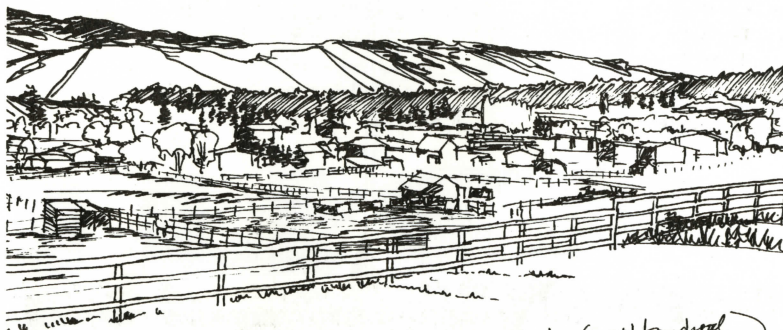
City of Kamloops
New Dwelling Units 1973 - 1990



BACKGROUNDER BULLETIN:

Housing Fact

Over the past four years, from January 1991 to December 1994, nearly 4,000 housing units were built in Kamloops. This is about the same number of units as was constructed during the previous 11 years, from 1979 to 1990.



Barndorff (residential character)

KAMPLAN 1995 BACKGROUNDER: HOUSING

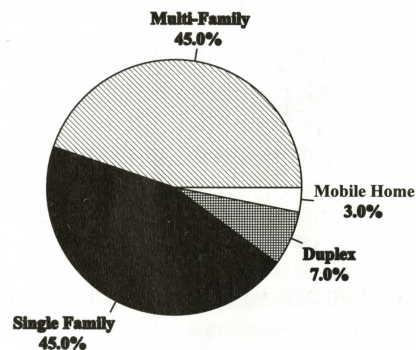
In the last four years (January 1991 to December 1994), a total of 3,776 housing units were built (an average of 944 units a year).

BACKGROUNDER BULLETIN:

Is This a Trend?

Forty-five percent of the housing units constructed over the past four years have been multiple family. Sixty-two percent of these 1,800 units were townhouses or attached row housing. Does this represent the acceptability of new forms of housing, or is it simply an anomaly?

City of Kamloops New Dwelling Units 1991 - 1994



BUILDING PERMITS BY DWELLING TYPE

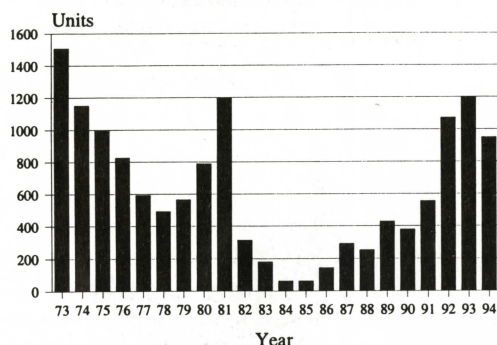
Year	SFD	Mobile	Duplex	Multi	Total
1991	330	24	24	177	555
1992	501	12	59	499	1,071
1993	436	16	95	654	1,201
1994	441	56	66	386	949
Total	1,708	108	244	1,716	3,776

The shift from single family dwellings to multiple family accommodation represents a market response to changing demographics, as well as retirees moving to Kamloops and a doubling of the University College of the Cariboo student population. This trend should continue, although it may be less pronounced as pent up demand from the 1980s likely has been exhausted. Future demand will be generated as much by cost factors as demographics.



KAMPLAN 1995 BACKGROUNDER: HOUSING

City of Kamloops
New Housing Starts 1973 - 1994

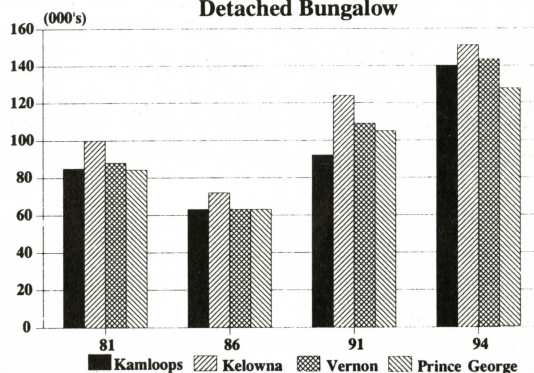


Housing activity clearly reflects the boom and bust economic cycle of the last two decades. Cautious optimism suggests that a more diversified economy, coupled with Kamloops' attractive quality of life, should soften the swings and allow for a period of modest but stable growth over the next ten years.

THE COST OF HOUSING

Home Ownership. Until fairly recently the cost of purchasing a house in Kamloops was low compared to similar communities in the province. More recently, this gap has been closing and house prices have climbed sharply since 1991. In 1991, the average price of a bungalow was about \$90,000 in Kamloops but by 1994 had risen to \$140,000. In the single year between June 1993 and June 1994, the median house price in Kamloops rose from \$155,000 to \$170,000, nearly a 10% increase. The reasonable cost of housing in Kamloops has been a significant factor in attracting people from the lower mainland, other parts of BC, and the remainder of the country. Affordable housing, excellent climate and accessibility by highway have made Kamloops an attractive place to live.

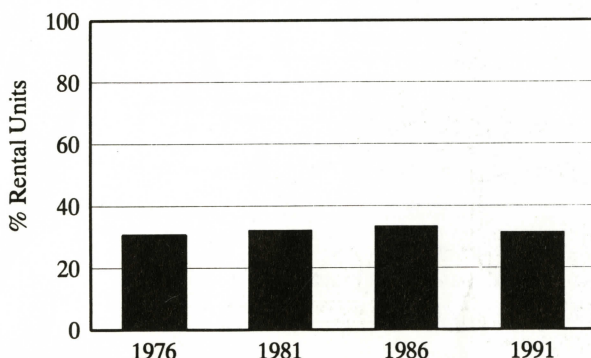
Survey of BC House Prices
Detached Bungalow



Source: Royal LePage

- Will the narrowing of the price gap have much impact on the Kamloops housing market?

City of Kamloops
Rental Housing Units as a % of Total Units

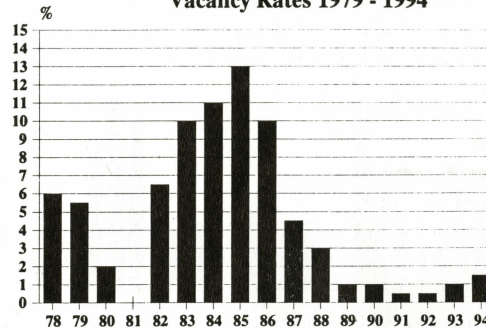


Rental Units. The relatively low cost of housing in Kamloops has allowed the rental/ownership ratio to remain remarkably stable over the past two decades.

KAMPLAN 1995 BACKGROUNDER: HOUSING

The vacancy rate for rental units, however, has fluctuated with the local economy and housing market. From a low of 0% in 1981, the rate jumped to 13% in 1985. Since 1988, the rate has remained low and stable.

City of Kamloops
Vacancy Rates 1979 - 1994



Source: CMHC

BACKGROUNDER BULLETIN:

Tight Rental Market

A vacancy rate of 3% is considered an indicator of a healthy supply/demand balance in the rental housing market. Since 1988, the vacancy rate has been above 2% on only three occasions:

- April 1990 - 2.1%
- April 1994 - 2.6%
- April 1995 - 2.6%

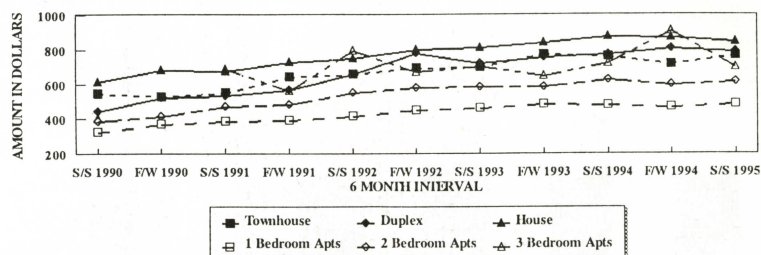
In Kamloops, about 4,000 units are part of the CMHC rental survey, which means that a 2% vacancy rate equals approximately 80 units.

(Survey does not include single family dwellings, duplexes, nor individually owned townhouses. It is estimated that the survey covers about 50% of the actual rental housing stock in a community.)

The strong demand over the last several years has resulted in a steady escalation of prices in existing units and may have led to an increase in the number of illegal suites in single family dwelling units.

A survey of newspaper ads for rental units of all sizes reveals that rents have risen substantially in the last 5 years. Rents for houses, townhouses and one bedroom units have risen over 40%, rents for two bedroom units by over 55% and rents for duplex and three bedroom units have risen by over 70%. These figures indicate that there is substantially increased demand for larger rental units, particularly duplexes and 3 bedroom apartments.

COMPARISON OF RENTAL RATES
OVER FIVE YEARS



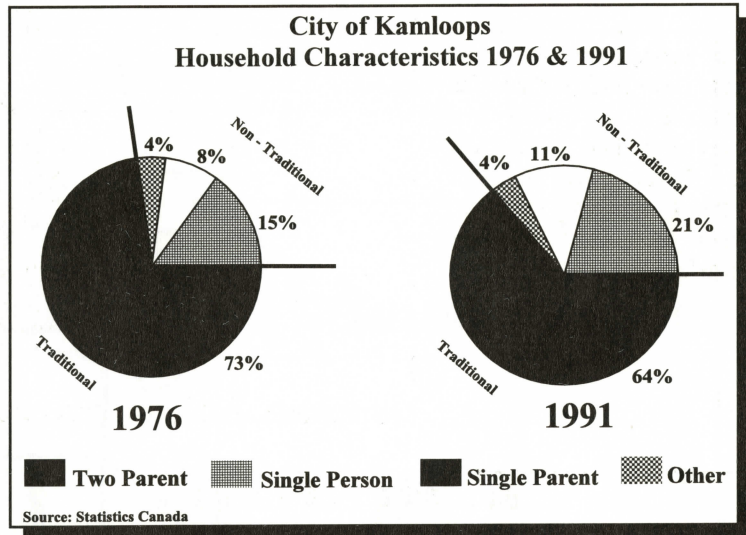
S/S = Spring/Summer - F/W = Fall/Winter
Source: Rental Unit Advertising Survey

KAMPLAN 1995 BACKGROUNDER: HOUSING

CHANGING HOUSEHOLDS...CHANGING HOUSING

The size and makeup of Kamloops households has also been changing. Household size has shrunk steadily from a high of 3.1 persons per household (pph) in 1976, to 2.9 pph in 1981, and 2.7 pph in 1986. Since 1986, it has remained stable at 2.7 pph.

In 1976, 15% of the households in Kamloops were made up of single persons and 10% of single parent families. By 1991, the number of single person households had increased to 21% of the number of households, and single parent households had risen to 14%. Statistics Canada data indicates that the highest percentage of low income households tend to occur in neighbourhoods with the highest proportion of lone parent families who are more likely to require rental accommodation.



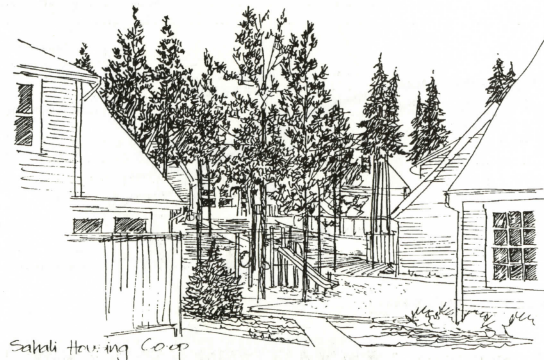
The rapid escalation of rental housing prices, combined with traditionally low vacancy rates, means that certain segments of the population, such as single parent families, may be unable to find suitable housing. Historically, a large proportion of Federal and Provincial housing dollars have gone toward subsidizing the cost of housing for seniors, and a number of successful seniors projects have resulted in better living situations. However, this past emphasis on seniors has left a gap for special needs individuals and low income singles and families.

KAMLOOPS SOCIAL HOUSING INVENTORY - 1994 (Federal/ Provincial Subsidy)

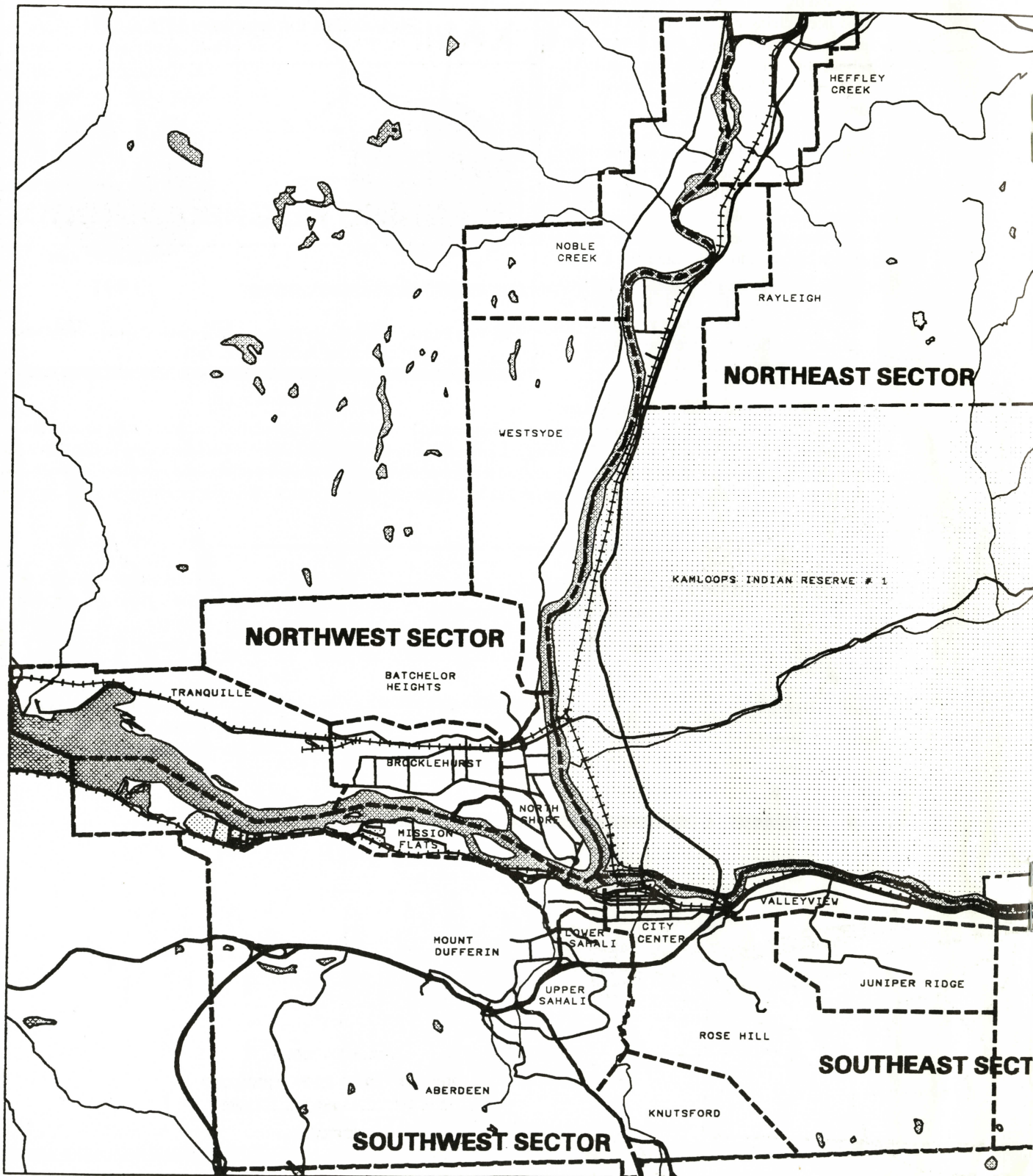
	# of Projects	# of Units	Waiting List
Seniors	10	421	175+
Family (Rental)	3	93	450
Family (Co-op)	1	60	80 fam.
Special Needs	20	159 (beds)	N/A

Source: BCHMC

This is particularly true for the growing number of people in Kamloops dependent on Social Assistance. In 1994, 10,500 people received income assistance, and 1 of every 5 children in the City is dependent on this help.

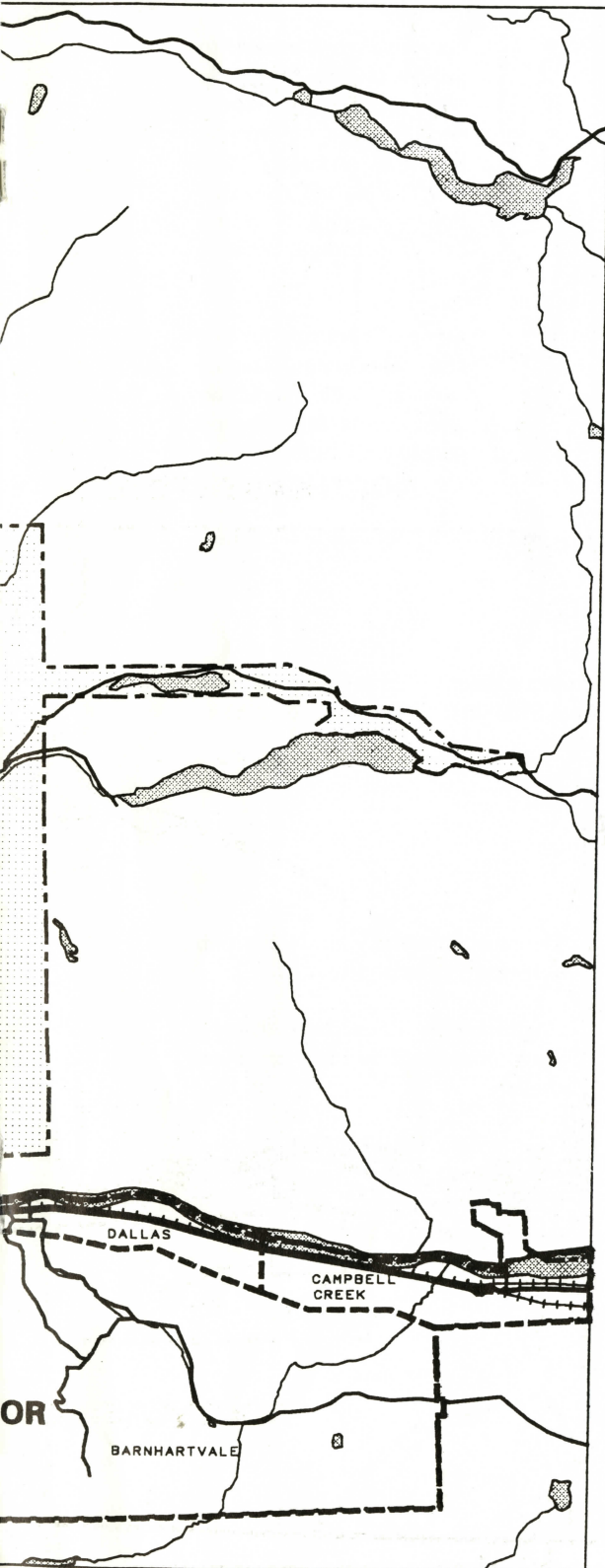


KAMPLAN 1995 BACKGROUNDER: HOUSING



KAMPLAN 1995

**MAP 2
PLANNING NEIGHBOURHOODS**



SCALE 1:120000

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METERS

BACKGROUNDER BULLETIN:

Special Needs Housing Success Story

Kamloops Home Support Services is currently designing a 6 unit development to serve their clients at the corner of Tranquille and Holt. Low income families and persons with disabilities will be able to make a home for themselves in this new project. This development has been facilitated by the City of Kamloops offering "surplus land" to non-profit agencies willing to build multi-unit affordable and special needs housing on a leased basis at 75% of market value.

This site was deemed surplus after it had been acquired for road widening purposes. The leftover parcel was too small for commercial use, had limited access, and was well located in proximity to Brock Shopping Centre and public transportation routes...well suited to residential use.

The Province now has placed new emphasis on:

- homeless/at risk housing to provide stability for people with alcohol and drug dependencies, mental illness, women and children leaving transition houses, inner-city youth and young, single mothers; and
- non-profit housing for low and moderate income earners, with particular attention on families and people with disabilities.

In fact, new legislation makes it mandatory to address the issue of affordable housing and to create policies to help meet community needs. In Kamloops, statistics indicate that this need is increasing.

AFFORDABILITY

The price of housing in Kamloops was distinctly "affordable" in comparison with most other municipalities in B.C. until fairly recently. From 1991 to 1994, the average price of a detached bungalow increased from \$90,000 to \$140,000, or over 55%. The prices of building lots and townhouses/condominiums increased in a similar fashion.

**KAMLOOPS RENTER HOUSEHOLDS SPENDING
GREATER THAN 30% OF INCOME ON SHELTER
BY AGE GROUP**

AGE	TOTAL RENTAL HOUSEHOLDS	% SPENDING > 30% ON SHELTER
< 25	1,230	0.53
25 - 34	2,300	0.39
35 - 44	1,625	0.36
45 - 54	905	0.39
55 - 64	575	0.48
65+	1,075	0.42
TOTAL	7,710	0.41

SOURCE: 1991 STATISTICS CANADA

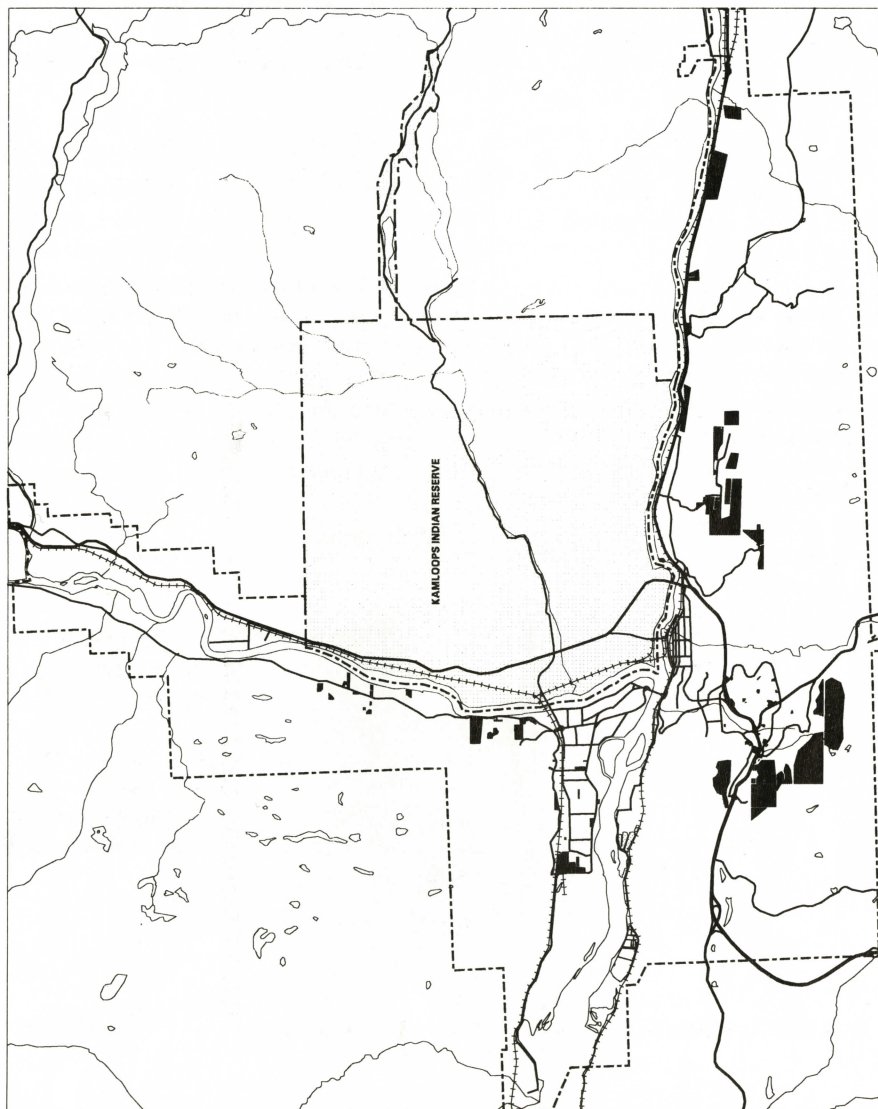
The most commonly used definition of housing affordability is:

Affordability = Less than 30% of gross household income spent on shelter

Census data for 1991 indicate that 41% of all rental households in Kamloops spend more than 30% of their income on shelter.

KAMPLAN 1995

MAP 1
VACANT LAND AND
POTENTIAL
DEVELOPMENT AREAS



SCALE 1:120000
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METERS

BACKGROUNDER BULLETIN:

Illegal Suites

Suites are an affordable alternative for students, seniors and others looking for rental housing. They also provide assistance for heavily mortgaged home owners. Most suites are illegal, however, since single family zoning does not permit suites. In addition, the B.C. Building Code requirements can add up to \$10,000 to the cost of creating a legal suite. It has been estimated that up to 25% of all single family dwellings have suites in them. The B.C. Government is considering legislative changes to encourage the legalization of suites in B.C.

Rising housing costs, coupled with an increasing number of low income households, suggest that affordable housing will continue to be a major issue in Kamloops over the next ten years.

LOCATION, LOCATION, LOCATION

Kamloops is expected to grow by 25,000 persons over the next ten to fifteen years, which means an additional 10,000 housing units need to be built. Since 1986, the major thrust of growth has been on the South Shore, with particular emphasis on the Southwest Sector. Aberdeen and Sahali have accounted for over 50% of all new growth in Kamloops over the last five years.

Current City policy encourages infilling prior to expansion into new development areas. Using up existing serviced vacant land makes economic and efficient use of infrastructure such as water, sewer, roads, parks and schools. Infilling also prevents premature expansion into surrounding agricultural and natural areas. However, if not carried out sensitively, infilling can disrupt established neighbourhoods.

BACKGROUNDER BULLETIN:

Tools for the Development of Affordable Housing

Recent legislation makes it possible for the City of Kamloops to enter into agreements for the provision of special needs and affordable housing with developers. In general, these agreements involve the City allowing the developer to build more units than would normally be permitted in a particular Zone. In exchange, the developer agrees to set aside a number of units in the development for identified purposes. For example, a non-profit organization may be invited to take over 4 or 5 units for people who are physically challenged. Or, a number of units may be set aside as rental units at a pre-agreed rate for low-income households in perpetuity even though all the other units in the development may be offered for sale at market prices.



The West End

As the supply of vacant land is starting to become used up, this "infill policy" leads towards intensification of land use within existing neighbourhoods. NIMBY (Not In My Back Yard) is often the reaction, not surprisingly. The Development Services Department has created an Alternate Dispute Resolution panel to assist in resolving conflicts over development applications.

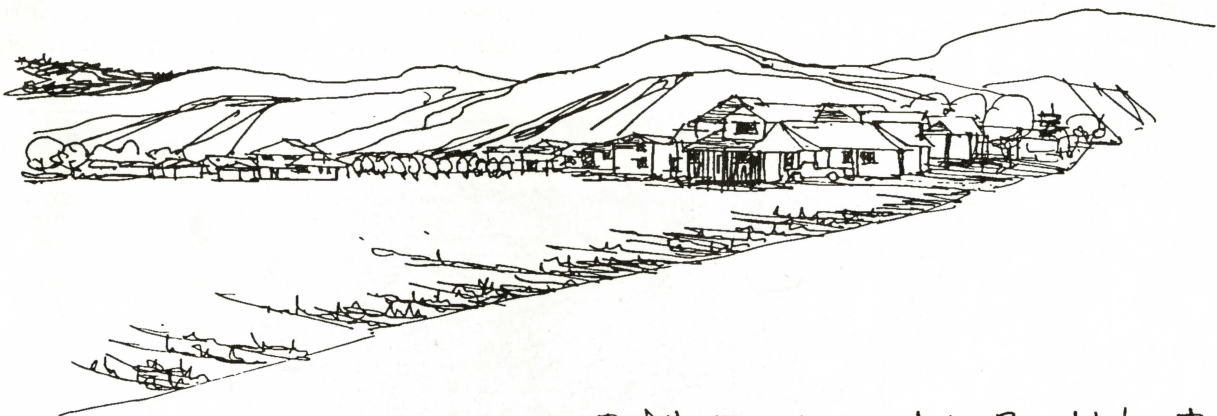
How much new development, and what kind, should be permitted in existing neighbourhoods will be a major issue as land supply tightens in the next ten to fifteen years.

BACKGROUNDER BULLETIN:

Intensification and Diversity

The City of Kamloops has a reputation throughout B.C. for progressive housing policies. One of the goals of the City has been to ensure that a mix of tenure, type and price range exists in all areas in order to properly house all City residents. One innovative approach for accommodating demand for smaller units has been met by promoting intensified land use.

The City of Kamloops encourages new developments to have a ratio of 60% Single Family Dwellings (SFDs) to 40% multi-family units. However, with demand for smaller units increasing and the need for affordable housing more evident, the City may consider a higher ratio of multiple family units. It is important to note, however, that a **mix** of housing types is still required. This policy helps ensure that residents of Kamloops have access to a range of housing that is appropriate to their particular needs.



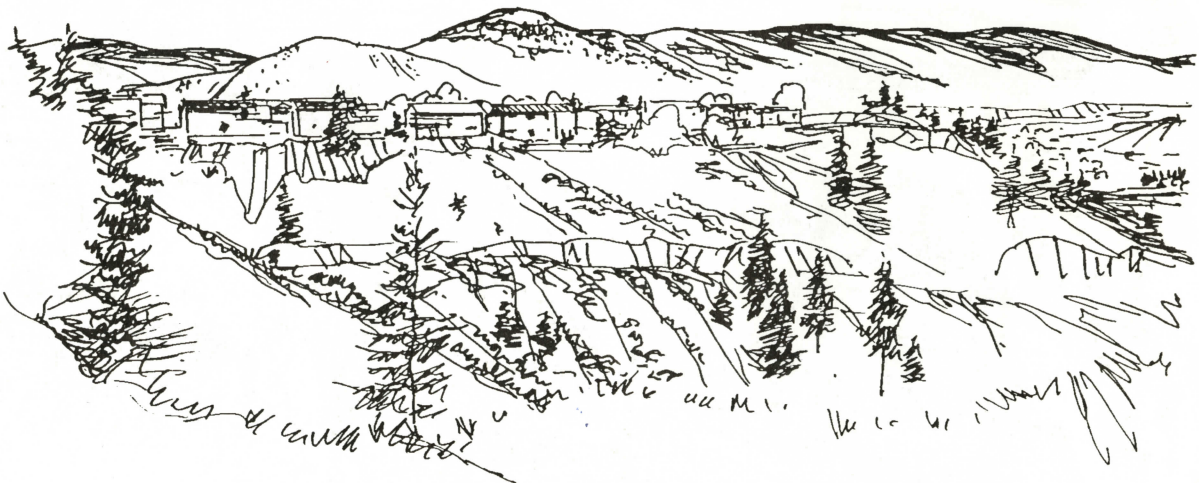
Infill Development in Brackleyhurst

KAMPLAN 1995 BACKGROUNDER: HOUSING

HOUSING...TRENDS & MAJOR ISSUES

Community Trends:

- Population growth will continue at a modest but steady pace, resulting in another 25,000 people living in Kamloops over the next 10 to 15 years.
- The demographic makeup of Kamloops is continuing to change:
 - more single person households,
 - more lone-parent families, and
 - more seniors; more middle-aged.
- Housing prices have increased significantly, both ownership and rental.
- More people are dependent on social assistance.
- The Kamloops economy is changing: more service/tourism jobs, less "industrial".
- More women are participating in the paid labour force.
- Federal and Provincial Government funding for housing assistance is declining.
- Available land supply for housing is decreasing.
- Neighbourhood reaction to new development, particularly multiple family, is increasing.



Development above Peterson Creek ravine

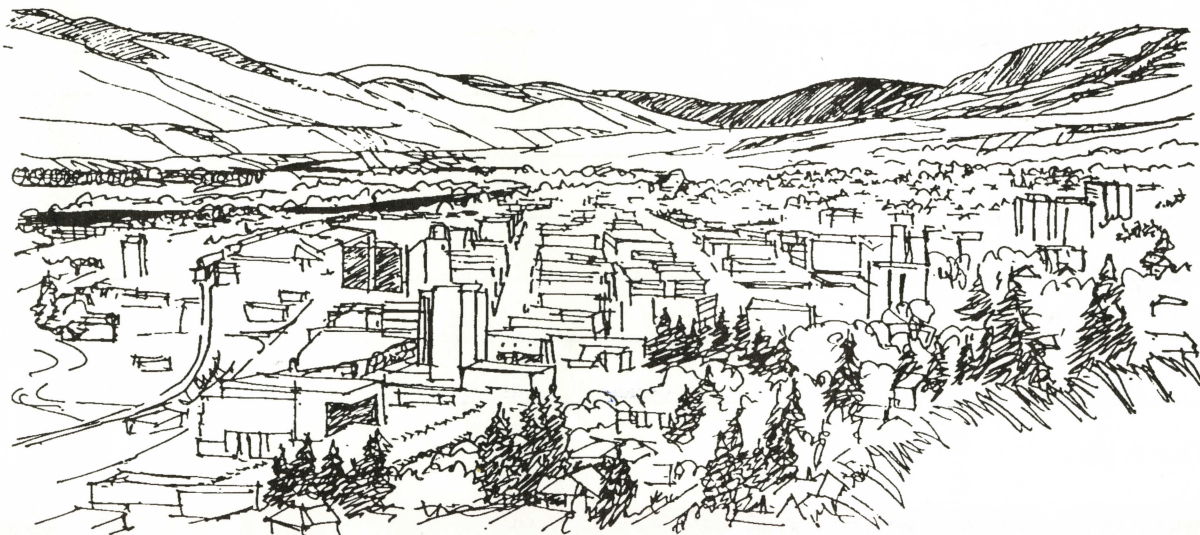
KAMPLAN 1995 BACKGROUNDER: HOUSING

Housing Issues:

- To what extent should the City accept responsibility for social housing?

Should the City:

- Use funds or surplus lands to subsidize social housing projects directly?
- Encourage developers to increase densities in return for providing social housing?
- Let the market and/or senior governments solve the problem?
- The City currently encourages a mixture of housing types and densities in all neighbourhoods to promote diversity and provide a broad range of housing opportunities. **Should the City continue this policy?**
- The City currently encourages higher densities and infill housing.
 - Should the City be preserving single family neighbourhoods?
 - Would this mean forcing multiple family accommodation into neighbourhoods with already high densities?
- Will higher densities reduce quality of life in Kamloops? Will it encourage lower housing prices?
- What does "sensitive integration" mean to you? If multiple family housing requires stricter design control, this may cause higher costs. To what extent are we as a community prepared to trade housing costs for control of development?
- How much density is too much? Should multiple family housing projects be restricted in size?
- What should the City do about illegal suites? How vigorously should the City enforce current by-laws?



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V2C 5N3

KAMPLAN 1995 BACKGROUNDER: HOUSING

The City of Kamloops would like your input into the KAMPLAN process. If you have any comments or concerns on this or any other backgrounder, or if you wish to make a general statement, please provide your comments below and submit them to:

Development Services Department - City of Kamloops
Attention: Greg Toma, Community Planning Manager
7 Victoria Street West
Kamloops BC V2C 1A2 Phone 828-3572 Fax 828-7848

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Thank you.

KAMLOOPS TOMORROW: BE INVOLVED. PROVIDE INPUT.