



HARRISON HOT SPRINGS

Naturally Refreshed

HARRISON HOT SPRINGS HOUSING NEEDS AND SUPPLY REPORT

NOVEMBER 27, 2019

Prepared by:



<u>COMMUNITY PROFILE</u>	<u>3</u>
1.1 ABOUT HARRISON HOT SPRINGS	3
1.2 POPULATION AND DEMOGRAPHIC CONTEXT	4
1.3 HOUSEHOLDS CONTEXT	6
1.4 ECONOMIC CONTEXT	7
<u>2 CURRENT HOUSING SUPPLY AND NEED</u>	<u>12</u>
2.1 CURRENT HOUSING SUPPLY.....	14
2.2 CURRENT HOUSING NEED SUMMARY	25
<u>3 ANTICIPATED HOUSING NEED AND SUPPLY (5 YEARS).....</u>	<u>26</u>
3.1 POPULATION AND DEMOGRAPHIC PROJECTIONS	27
3.2 FUTURE HOUSING NEED	32
<u>4 ASSUMPTIONS & LIMITATIONS.....</u>	<u>35</u>
<u>5 SOURCES CITED.....</u>	<u>36</u>

Harrison Hot Springs Housing Needs Report

Community Profile

Note: Data and Rounding

Data reported as provided by Statistics Canada. Statistics Canada data rounds to the nearest five in its data sets. This creates different rounding results when data is combined, and cross tabulations are undertaken for analysis. Also, due to methodological changes for the 2011 Census many trend comparisons are only between 2006 and 2016. Also, all Census data for incomes and housing costs are for 2015 (4 years ago), though report as 2016 for the 2016 Census year.

1.1 About Harrison Hot Springs

The Village of Harrison Hot Springs is a small community at the southern end of Harrison Lake, and is a member of the Fraser Valley Regional District. It neighbours with the Sts’ailes First Nation, whose traditional territory includes Harrison Lake.¹ The Village is one of BC’s designated Resort Municipalities, as tourism is its main economy, contributing to the Province’s GDP from tourism.

The current community vision is:

A residential and resort community with an attractive and inviting village core of shops and services. A commitment to maintaining the scenic qualities, the environment, the quality of life and the vibrant and cultural life combined with a high standard of development.

Summary
<p>Population</p> <ul style="list-style-type: none"> The overall population of Harrison Hot Springs is flat or declining, compared to communities in the Fraser Valley Region or British Columbia as a whole, which are growing.
<p>Age Distribution</p> <ul style="list-style-type: none"> The overall median age is 58, and median age of homeowners is 60 compared to the median age of 42 of renters. 36% or 510 residents are 65 years of age or older, with 190 over 75 years of age. The 2019 engagement participants noted there was an increase in pre-school aged children and younger families in Harrison between the Census year and 2019.
<p>Households</p> <ul style="list-style-type: none"> There are 923 dwellings with occupants in 715 private households in the Village of Harrison Hot Springs. Of those, 580 or 81% are owner households and 145 or 19% are renter households. This figure leans slightly more toward ownership than the Fraser Valley Regional District (70%) and province (68%). Only 78% are in use by residents much lower than the Fraser Valley Regional District figure of 93%. The average household size of 2 is lower than the Fraser Valley Regional District average of 2.7.
<p>Unemployment and Labour</p> <ul style="list-style-type: none"> Participation in the workforce by those aged 15 and above is much lower (48.6%) than the Fraser Valley Regional District (68.8%) and the province (63.9%), and has declined from 2006. Participation rates for Harrison renters is much higher than for owners and is closer to the Fraser Valley Regional District and provincial results overall.

<p>Workforce and Industry</p> <ul style="list-style-type: none"> • The workforce living in Harrison is primarily involved in services compared to involvement in trades and primary industry, with a greater shift in this direction since 2006. • Harrison residents work in more service sector services, which is different than others in the Fraser Valley Regional District who are more industry based.
<p>Commuting</p> <ul style="list-style-type: none"> • Only about 25% of the workforce, or 135 Harrison residents, work in Harrison with the remainder commuting elsewhere or working in a mixture of locations due to the nature of their work. • While the proportion of residents commuting for work outside the region has increased, 440 workers from the greater Fraser Valley Regional District (more than half of workers from Kent) indicate that they commute to a fixed place of work in Harrison.
<p>Household income</p> <ul style="list-style-type: none"> • The median household income in Harrison is about 19% lower than the Fraser Valley Regional District household income. • Median household income trended upwards from 2006 to 2016 and owner households' median income of \$67,350 in 2016 was 80% higher than the renters' median income of \$37,851. • Lone parent households and single people in households, report lower incomes than couples and couples with kids.

Renter Demographic Summary	Owner Demographic Summary
<ul style="list-style-type: none"> • 145 or 19% of the 715 households are renter households • Median age of renters is 42 • Average renter household size is 1.8 • 17% of households or 25 have children, 28% are couples without children, the remaining 55% are almost all one person households • Participation and employment rates for renters are 67.4% and 65.2% respectively • Of 145 employed, 41% or 60 work in Harrison Hot Springs • Median household income of \$37,851 • Median income renters are paying 35% of their income on the median rent costs • 58% or 75-80 are spending 30% or more of their before tax income on shelter costs 	<ul style="list-style-type: none"> • 580 or 81% of the 715 households are owner households • Median age of homeowners is 60 • Average owner household size is 2 • 16% of households or 95 have children, 50% are couples without children, the remaining 34% are almost all one person households • Participation and employment rates for owners are 45.1% and 40.4% respectively • Of 430 employed, only 16% or 70 work in Harrison Hot Springs • Median household income of \$67,350 • Median income owners are spending 19% of their median income on the median ownership costs • 20% or 110 are spending 30% or more of their before tax income on shelter costs.

1.2 Population and Demographic Context

1.2.1 Population

According to Statistics Canada, the total population for the Village of Harrison Hot Springs was 1,435 in 2016, which was a 4% decrease from 2011.ⁱⁱ This declining trend differs than the Fraser Valley Regional District increase of 6.6%, and less than the provincial increase of 5.6%. The population trend also shows a declining population from 2006 as shown in Figure 1.

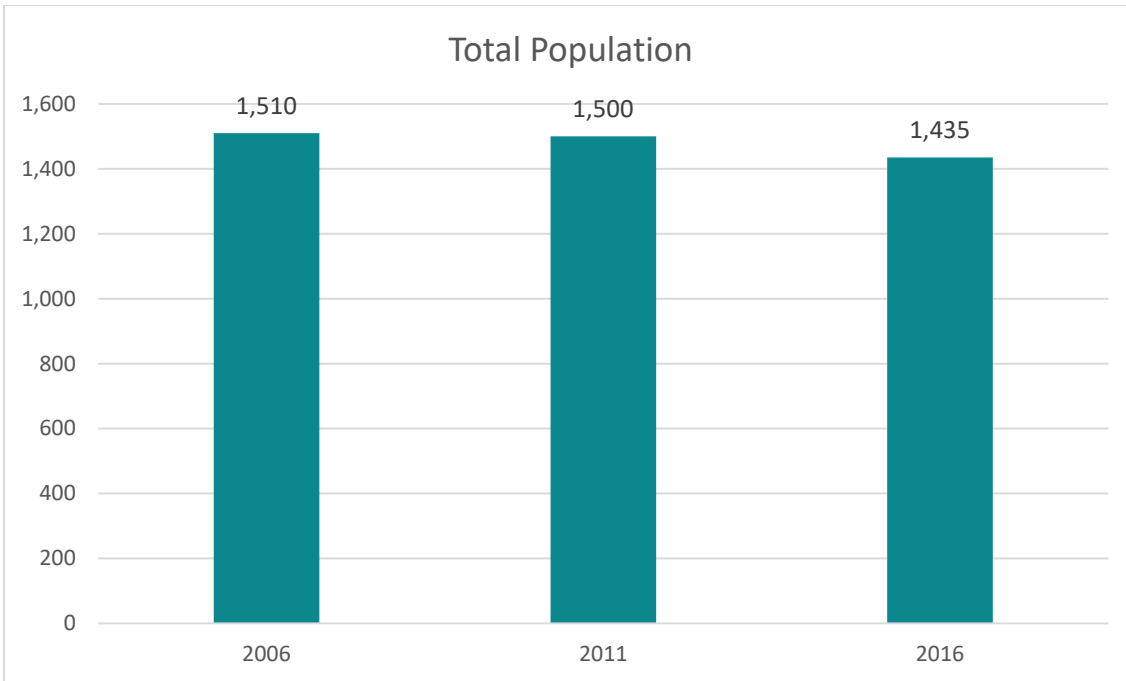


Figure 1: Population 2001-2016.

1.2.2 Age Distribution

The median age of residents in the Village is 58.5, which is older than the median age in the Regional District of 41.2, and provincial median age of 43. This median age increased most dramatically between 2011 and 2016 as shown in Figure 2. In addition, those aged 0-14 years of age make up only 9.9% of the population compared to 18.1% in the Regional District and 15.6% in the province as a whole. Those aged 65 and over make up 35% of the population, which is almost double the proportion in the Regional District of 18% and the province as a whole at 18%. The population is aging due to the number of those 0-14 and 15-64 in age declining to 2016 and the number of those over 65 increasing, as shown in Figure 2. Also, home owners tend to be older than renters at a median of 60.3 years of age compared to 42 years of age in 2016 respectively, which is lower for renters than in 2011 when the median age was 46 years old.

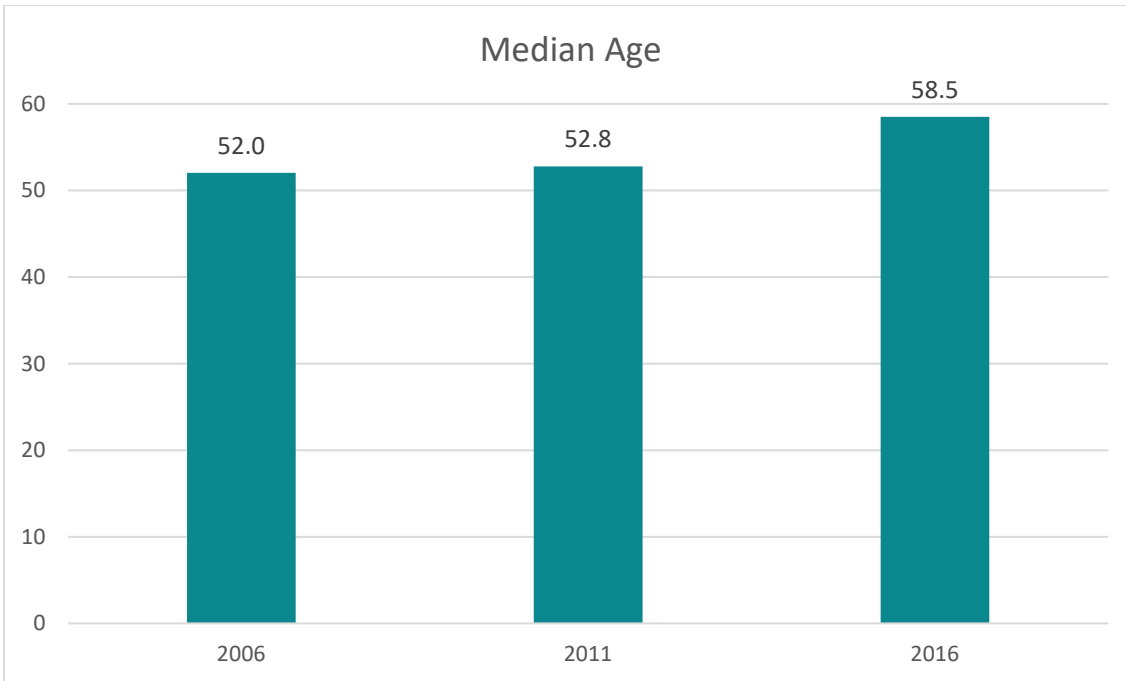


Figure 2 Median Age, 2006-2016

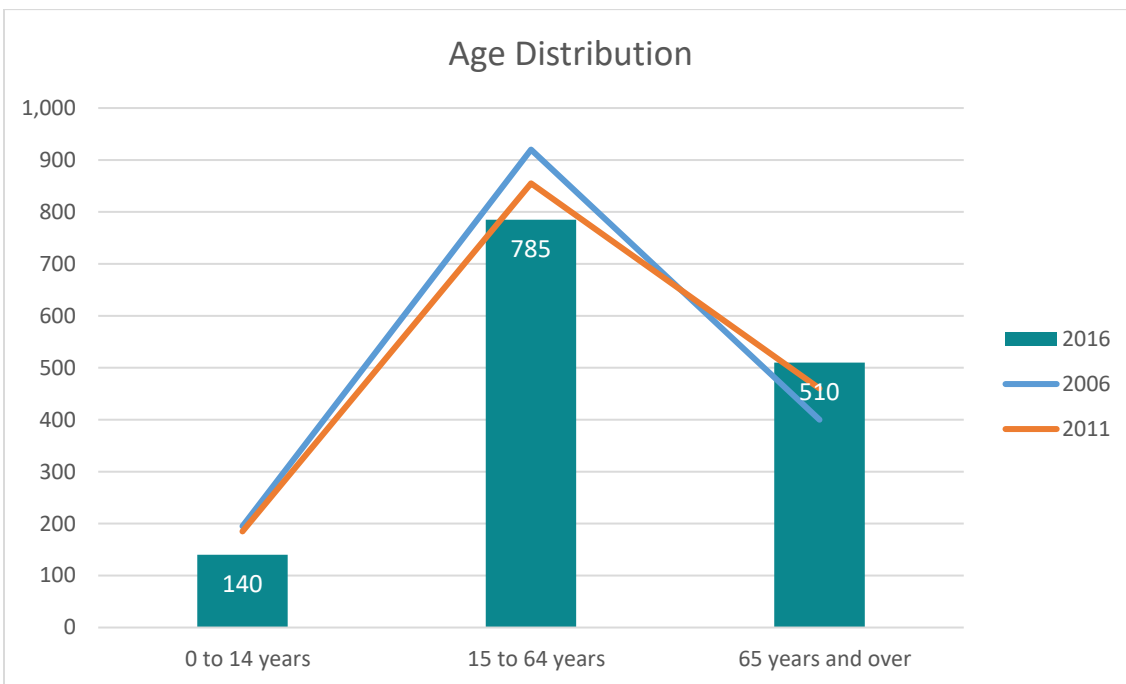


Figure 3 Age Distribution, 2006-2016

1.3 Households Context

There are 715 private households in the Village of Harrison Hot Springs which is about the same as in 2006 at 705. However, the average household size is slightly smaller in 2016 at 2 compared to 2.1 in 2006 and lower than the Fraser Valley Regional District average of 2.7. Only 17% of households have children compared to 38% in the region.

Of the households in 2016, 580 or 81% are owner households and 145 or 19% are renter households. This distribution is about the same as in 2006, and leans toward ownership slightly more than the region (70%) and province (68%). The average household size of owner households at 2 was about 11% or 0.2 persons larger than renter household size of 1.8 in 2016, which is a slightly lower difference between owner household size of 2.2 versus 1.8 for renter households in 2006.

Owner households are mostly census family households (66%) and renter households are mostly one (48%) and two or more unrelated people (10%) households

The distribution of households shifted somewhat to smaller households with 92% with 3 or fewer persons in 2016 compared to 87% with 3 or fewer persons in 2006. Most of this change was due to somewhat smaller owner households. The average number of occupants in renter households was maintained, but there was a shift from households with 5 or more persons and with 2 person to 3 person households.

1.4 Economic Context

1.4.1 Unemployment and participation rate

In 2016, 44.4% (575) of the population 15 years of age and over were employed with 48.6% (630) employed or looking for work, compared to 59.6% and 63.9% respectively for the province. Participation and employment is also lower than in the Regional District, which has an employment rate and a participation rate of 64.3% and 68.8% respectively. The participation rate in Harrison dropped by 5.5% points from 2006. In addition, the employment and participation rates are much higher for renters than owners at 67.4% and 45.1% respectively for participation rates and 65.2% and 40.4% respectively for employment rates.

1.4.2 Number of workers by industry

Of the 575 residents employed, the five largest employment sectors account for 58% of all jobs. The employment sectors for those living in Harrison are more service than industry based, thus varying significantly from the sectors in the region. The only similar sized sector (to the region) relative to the workforce is the retail trade at 9%. See Table 1.

Table 1 Employment by top five sectors, 2016

Village of Harrison Hot Springs				Fraser Valley Regional District		
Sector	Rank	#	%	Sector	Rank	%
Accommodation and food services	1	120	19%	Construction	1	17%
Health care and social assistance	2	80	13%	Manufacturing	2	13%
Construction	3	55	9%	Transportation	3	10%
Retail trade	4	55	9%	Retail Trade	4	9%
Educational services	5	50	8%	Agriculture, forestry	5	7%

Since 2006 there was an overall reduction in the workforce with a greater decline in number and proportion of primary and trades based industries (except construction) and an increase in service, health, recreation and accommodation/food services.

1.4.3 Commuting

Only about 25% or 135 of 575 workers actually work in Harrison at a fixed address and since 2006 workers commuting to a fixed place for work *outside* the immediate Fraser Valley Census Division has increased from 7% to 19% of the workforce. Workers are more mobile with the percentage working at no fixed workplace also increased from 10% (65 workers) in 2006 to 17% (95) in 2016. That said, 440 workers from the greater Fraser Valley Census Division (more than half from Kent) indicate that they commute to a fixed place of work in Harrison.ⁱⁱⁱ Given this dependency on workers from the greater region it might be worth understanding opportunities and needs for housing more of the workforce within Harrison.

Table 2 Commuting flow, Census 2016

Village of Harrison Hot Springs	2006	2016
Commute to a different region of in BC	7%	19%
Commute to a different area with the immediate region	66%	48%
Commute within Harrison Hot Springs	26%	31%
Commuters with a usual place of work	515	415
Total - Labour force population aged 15 years and over	705	630
Percentage commuting to a fixed place of work	73%	66%

1.4.4 Household income

The median household income of \$57,071 in Harrison is about 19% lower than the Fraser Valley region household income.^{iv} Median household incomes trended upwards from 2006 to 2016 and owner households' median income of \$67,350 in 2015 was 80% greater than renters' median income of \$37,851 as shown in Figure 4 and Table 3. This disparity in income between renters and owners is displayed in Figure 6 with the distribution of income across various income categories with almost double the percentage of renters earning below \$35,000.

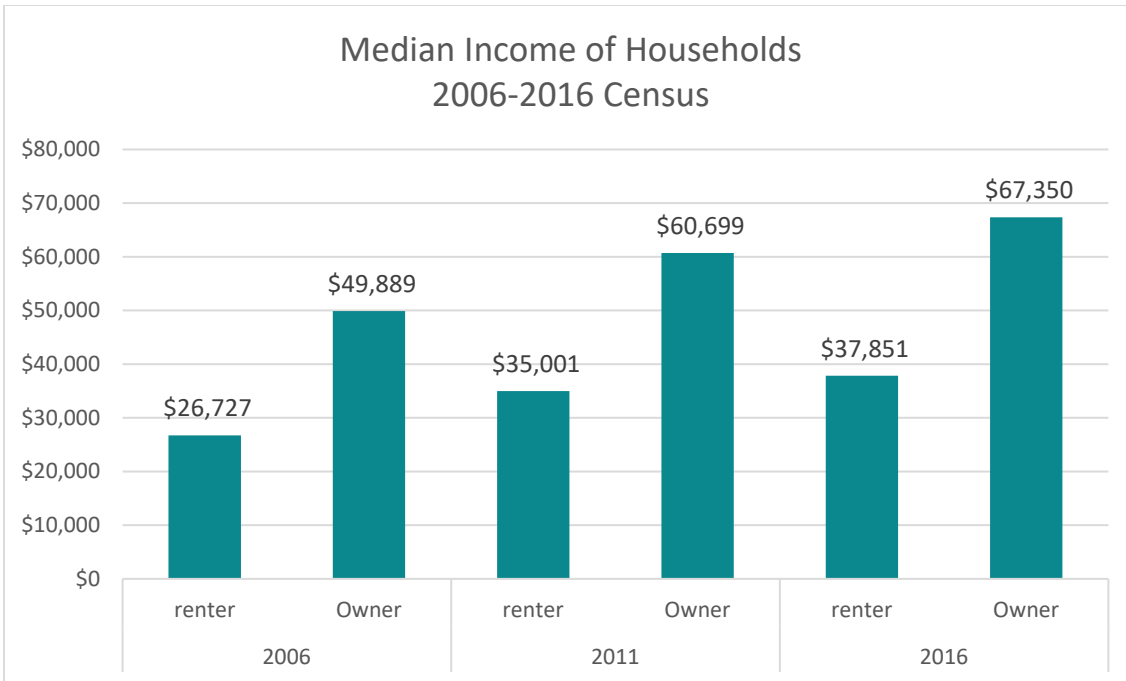


Figure 4 Household Income, renter/ owner adjusted to 2015, 2006-2016 Census

Table 3 Household Income all, adjusted to 2015, 2006-2016 Census

Household Income - All	2006	2011	2016
Median after-tax income	\$29,047	\$52,886	\$51,890
Median total income	\$47,737	\$55,022	\$57,071
Household Income - Owners	2006	2011	2016
Median after-tax income	\$ 31,004	\$ 58,138	\$ 58,637
Median total income	\$ 49,889	\$ 60,699	\$ 67,350
Household Income - Renters	2006	2011	2016
Median after-tax income	\$ 20,847	\$ 31,608	\$ 36,571
Median total income	\$ 26,727	\$ 35,001	\$ 37,851
Household Income - Size	2016		
Median income of one person households	\$ 33,088		
Median income of two-or-more households	\$ 72,363		

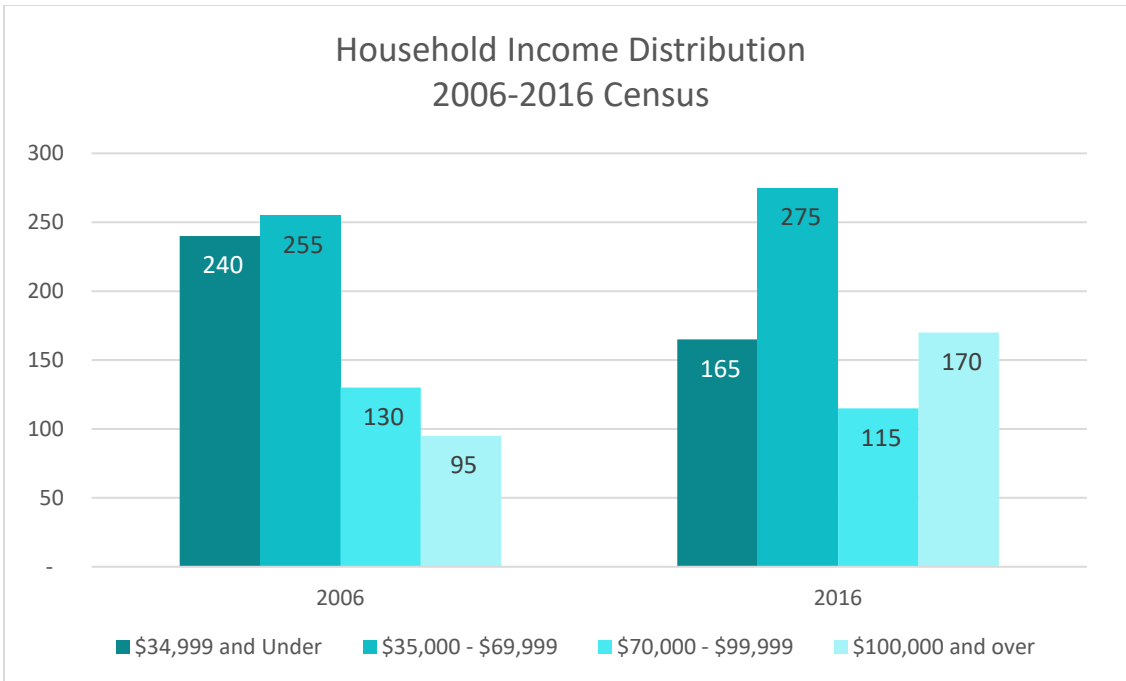


Figure 5 Household Income Distribution 2006 vs. 2016 Census

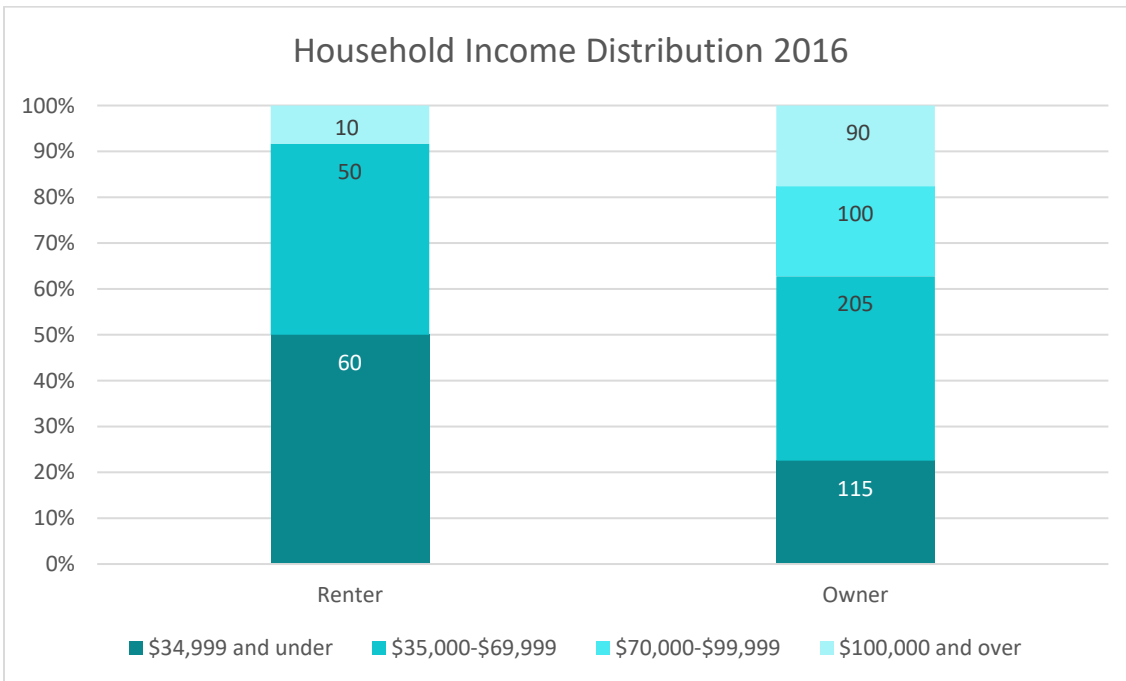


Figure 6 Household income distribution, Renters and Owners 2016 Census

In 2016 the median income of a one person household was \$33,088 and for two or more person households it was \$72,363. At a median income of \$42,880, lone parent households have significantly less income than couples with kids whose median incomes amount to \$106,752 and are similar to the regional incomes. See Table Figure 7.

Median Incomes by Household Type (2016)

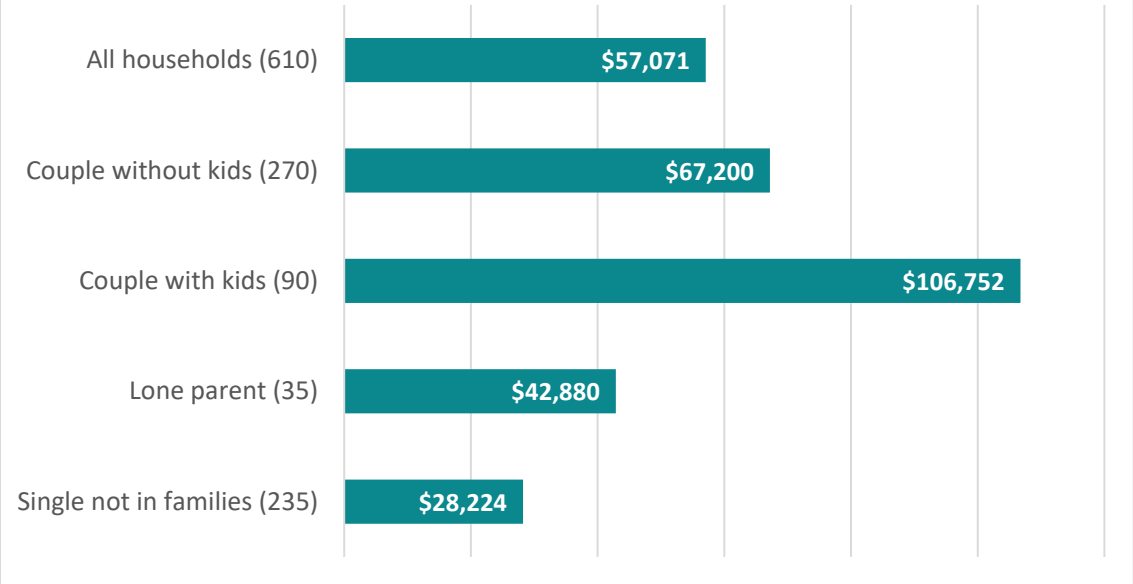


Figure 7 Median Incomes by Household Type, Census 2016



2 Current Housing Supply and Need

Summary	
<p>Housing units</p> <ul style="list-style-type: none"> • A large majority of the dwellings (72%) continue to be detached homes. This compares to the provincial rate of 44%. • The dwellings are relatively new and newer than homes in the region. • Harrison’s rental housing stock is older than the owned dwellings in the community. 	
<p>Housing Costs</p> <ul style="list-style-type: none"> • The most recent rent calculation in October 2018 in the immediate CMHC Chilliwack survey zone for a two bedroom private apartment averages \$1,010, which is a \$110 (11%) increase over the \$900 price from the previous year. • The private apartment vacancy rate for the Chilliwack Housing Survey Region in October 2018 was only 1.7%, which is below a healthy rate of 3.4%. • The median assessed value for a residential home in Harrison Hot Springs in 2019 was \$604,690. This recent value represents an increase of 82% since 2011 when the median assessed value was \$341,823. 	
<p>Housing Affordability</p> <ul style="list-style-type: none"> • Renters are paying a higher percentage of their income (35%) on rent costs compared to owners’ median spend on housing (19% of median income) and compared to other renters in the region or province. • Rent prices are increasing as is the ratio of shelter cost to income, making rental housing somewhat less affordable now compared to 2006. • A near doubling in the assessed value of homes in Harrison over the past three to four years likely means that new homeowners earning a median income are facing greater affordability challenges than existing homeowners who likely paid much less for the property. • From the engagement conducted, residents noted that housing unaffordability and under-housing were key issues. • It was noted that, while housing in Harrison is much more affordable than neighbouring Metro Vancouver, as more working age families move to Harrison to find affordable housing, the housing stock being built is more expensive for families and may not reflect the community’s need. For example, the cost of housing is still too high to attract workers for local Harrison jobs. • There are no dedicated services for homeless residents. • Seniors residing in Harrison Hot Springs currently need a diversity of housing options to accommodate the existing population, especially the 21.2% of seniors who are in core housing need (Fraser Valley Regional District, 2012). 	
<p>What is affordable rental?</p> <ul style="list-style-type: none"> • Rental households in Harrison earning the median household income of \$37,851 are able to afford \$946.30/month in rental costs. • This median income is able to afford a one-bedroom and smaller bachelor rental unit, but the two bedroom and larger units are a stretch. • An owner earning a median income of \$67,350 is able to afford any of the rental units at the median monthly cost. 	<p>What is affordable ownership housing?</p> <ul style="list-style-type: none"> • Owner households in Harrison earning the median household income of \$67,350 are able to afford \$1,684/month in housing costs. • A one-bedroom strata unit is a stretch for the owner household earning the median income and the two and three or more bedrooms strata units are unaffordable. • A renter earning the median of \$37,851 isn’t able to afford any of the ownership units at the median monthly cost.

<p>Who needs more affordable rental housing?</p> <ul style="list-style-type: none"> • As incomes drop below \$30,000 both rental affordability and housing size choice diminish further. • Lone parent households and one person households in Harrison are more at risk of unaffordability as those earning the median income can just afford the rental prices for the appropriate dwellings size.^v • There are up to 50 renter and 70 owner households with incomes that cannot afford the lowest case median rent in the region of \$639/month. • Of the 145 renting households in Harrison, 58% or 75-80 are spending 30% or more of their before tax income on shelter costs. Most of those are one and two person households. • Of the 75-80, 25 are in severe need as they are spending between 50% and 100% of their income on housing. • About 8% or 10 of Harrison’s rental households are inadequately housed due to overcrowding. • 71.4% of those in core housing need^{vi} in Harrison are renters. This percentage of renters is significantly higher than the Fraser Valley Regional District average of 34%. • In Harrison Hot Springs, 21.2% of seniors are in core housing need (Fraser Valley Regional District, 2012). 	<p>Who needs more affordable ownership housing?</p> <ul style="list-style-type: none"> • As incomes drop below \$70,000 both ownership affordability and housing size choice start to become limited. • Lone parent households and one person households in Harrison earning the median income cannot afford strata ownership prices for the appropriate dwellings size. • Couple families without children are stretched for affordability. • Those with children earning the median income can more than afford the appropriate sized median strata dwelling prices.⁶ • 110 out of 145 renter households and between 330 and 380 out of 580 owner households have incomes that cannot afford the current one, two/three bedroom strata dwelling median ownership costs. • Of the 575 owner households in Harrison, 20% or 110 are spending 30% or more of their before tax income on shelter costs. Most of those (90) households are one and two person households. • Of the 110 owner households, 10 are in severe need as they are spending between 50% and 100% of their income on housing • About 35 owner households in the 2016 Census indicated that major repairs were needed.
<p>Current Housing Needs</p> <p>General</p> <ul style="list-style-type: none"> • There are 185 households paying more than 30% of their income on housing. These households require housing at less than their market rates. • It is estimated then that as of 2016, 45 affordable housing units are required for the Village to help house those in the most critical housing situation. Most units need to be one-bedrooms. • Those in current need are mostly single person households, lone parents and or those on a fixed income. 	
<p>Special Groups</p> <ul style="list-style-type: none"> • There are currently no shelters for individuals experiencing homelessness or housing for individuals at risk of homelessness. • Harrison has a lack of dedicated seniors’ housing and age-related services within the Village. • There is a lack of rental housing options for families moving to Harrison. 	
<p>Other housing findings:</p>	

- The current stock of vacation homes and larger single family homes satisfies the current needs.
- The lack of speculation/empty homes tax in Harrison may contribute to the fact that many homes are not occupied year round and are not rented out.
- Need to continue to monitor housing supply to ensure there is an adequate amount of new build for the community without oversaturating market.
- There are no long-term purpose-built rental units in Harrison Hot Springs.
- Current housing statistics and homeless counts may miss provisional accommodated and at-risk populations that need appropriate housing.
- The largest reason for homelessness is affordability but related health and addiction challenges contribute. There is a need to develop the continuum of care within Harrison Hot Springs and increase the number of social programs and social housing units.
- Location of new housing, and availability of transit and services, may contribute to the success of new housing.

2.1 Current Housing Supply

2.1.1 Housing Units

There are 928 dwellings in Harrison Hot Springs. Of the 720 occupied dwellings, the majority are single family homes, providing almost three quarters (72%) of all housing options. In comparison, the provincial rate of single detached dwellings is only 44%. Apartments in buildings with less than five storeys is the second most common dwelling type at 17% of the housing options, and row houses at 7%. To compare, only 38% of the 145 renter households live in single detached homes and 41% live in apartments with fewer than five storeys. That said, there are no long-term purpose built rental units in Harrison Hot Springs. The number of dwellings and breakdown of housing types is essentially unchanged from 2006.^{vii}

With 208 dwellings not occupied, only 78% of dwellings in Harrison Hot Springs are in use by residents. This figure is much lower than the Fraser Valley Regional District figure of 93% and likely indicates a vacation home market given the resort nature of the community. This “out of community” investment may put upward pressure on home prices. Despite the high percentage and number of unoccupied dwellings, vacation rentals are limited to the commercial core and are not allowed in any residential zone. The current stock of vacation homes and larger single family homes satisfies the current needs.

68% of the current dwellings in the community were built from 1991 onward. In general the dwellings are newer than those in the Fraser region as a whole where only 45% of the dwellings were built since 1991. Rented dwellings were mostly built before 1991 (57%).

Table 4 Dwelling Age, Census 2016

Village of Harrison Hot Springs Dwelling Age	2016 #	2016 %	2016 #	2016 %
	All	All	Rented	Rented
1960 or before	35	5%	0	0%
1961 to 1980	155	21%	75	50%
1981 to 1990	45	6%	10	7%
1991 to 2000	300	41%	45	30%
2001 to 2005	125	17%	10	7%
2006 to 2010	45	6%	10	7%
2011 to 2016	20	3%	0	0%

Harrison Hot Springs has seen a total of 51 housing starts so far in 2019. This is nearly double the number of starts completed in 2018. Single family homes were the most common dwelling type started and completed in 2018 and 2019. The construction of 14 semi-detached and 14 row houses in 2019 provide more density than in previous years. There have been no apartment starts or completions in the last couple of years. Harrison’s market housing had a 100% absorption rate in 2019 as all 41 completions were sold.

Table 5 Housing Starts by Dwelling Type

Type	YTD-19	YTD-18
Single	23	28
Semi-Detached	14	0
Row	14	0
Apartment	0	0
All	51	28

Table 6 Housing Completions by Dwelling Type

Type	YTD-19	YTD-18
Single	28	13
Semi-Detached	6	0
Row	7	4
Apartment	0	0
All	41	17

Harrison Hot Springs, however, is also a tourist destination, which means the construction of multifamily units are often created for vacation homes as well as for residents. Harrison Hot Springs currently has a proposed 7 storey multi-use building and a 5 storey apartment building in the development permit process. If these developments comply with the Village’s requirements they could potentially provide more rental options for the community. However, as the current zoning allows for tourist accommodation, the number of units available to residents for rent or sale is undetermined at this point in time.

Harrison Hot Spring’s 2017 Zoning Bylaw states that short-term rentals are only permitted in Commercial zones. However, participants in the 2019 engagement did note that many strata bylaws restrict the number of rent eligible units to 20%. Restrictive rental bylaws have resulted in many units being left vacant.

2.1.2 Secondary suites

Secondary suites are allowed in Harrison within the R2 zoning designation, most of which is comprised of smaller residential lots in the northeast section of the Village, with some larger R2 lots in the central portion of the community. Although allowed, secondary suites are not common in the Village due, in part, to the 14.55 meter flood construction level (FCL). The FCL applies to all residential development, eliminating the option of basement suites. Coach houses are also allowed within R2 zoning, provided the lot is large enough to accommodate the legislated building setbacks and lot coverage provisions, which can be problematic on smaller lots. Since the change to the zoning bylaw in 2018 to allow for coach houses, none have been built. To date, the R2 zoning provisions have done little to increase the rental accommodation stock within the Village.

2.1.3 Holiday Park

Harrison Holiday Park is a co-op ownership campground development with 410 RV lots on more than 40 acres located on Hot Springs Road. While the Holiday Park provides space for RVs in the summer (April 1- October 31), RV owners are required to move and look for other accommodation during the winter months, and many of them leave the community as there are few options available.

2.1.4 Rental Costs

The most recent Census data in 2016 is showing an average monthly rental cost of \$886 for the median size rental dwelling of two rooms. During that same year, the shelter to cost income ratio^{viii} for renters was 35, an increase from 32 in 2006. The most recent rent calculation in October 2018 in the immediate CMHC

Chilliwack survey zone for a two bedroom private apartment averages \$1,010, which is a \$110 (11%) increase over the \$900 price from the previous year.^{ix}

While the Census recorded a monthly cost of home ownership increase from 2006 to 2016 by \$120, the shelter cost to income ratio decreased over the same time frame from 21 to 19. More recent statistics are not available for comparison.

Table 7 Stats Canada, Shelter Costs 2006, 2016, - 2015 constant dollars

Village of Harrison Hot Springs		
All	2006	2016
Average monthly shelter cost	\$939	\$1,048
Average (Shelter-cost-to-income ratio) - STIR less than 100%	0.23	0.22
Renter – 150 Dwellings	2006	2016
Average monthly shelter cost	\$806	\$886
Average (Shelter-cost-to-income ratio)	0.32	0.35
Owner – 570 Dwellings	2006	2016
Average monthly shelter cost	\$968	\$1,088
Average (Shelter-cost-to-income ratio)	0.21	0.19

A cursory search of www.craigslist.com finds a very limited selection of rental units in Harrison Hot Springs. Additionally, the private apartment vacancy rate for the Chilliwack Housing Survey Region (which includes Harrison’s) in October 2018 was only 1.7%, which is very low. There are no purpose built rental units in Harrison Hot Springs so it is anticipated that rental options (especially affordable ones) will remain very limited until dedicated affordable units are constructed.

There are also no shelter beds for beds for those at risk for becoming homeless. (2016 Census, BC Housing 2019)

2.1.5 Ownership Costs

The median assessed value for a residential home in Harrison Hot Springs in 2019 was \$604,690. **This recent value represents an increase of 82% since 2011** when the median assessed value was \$341,823 as shown in Figure 8.

Most dwellings are three plus bedrooms (70%) and only twenty or 2% are considered one bedrooms (as shown in Table 6). The value of the dwelling types varies mainly between the dwelling ownership structure and not the number of rooms in the dwelling. For example a two bedroom detached home/duplex is valued at 48% more than a two bedroom row house/condo yet a three bedroom plus detached home/duplex is valued at only 19% more than the two bedroom detached home/duplex.

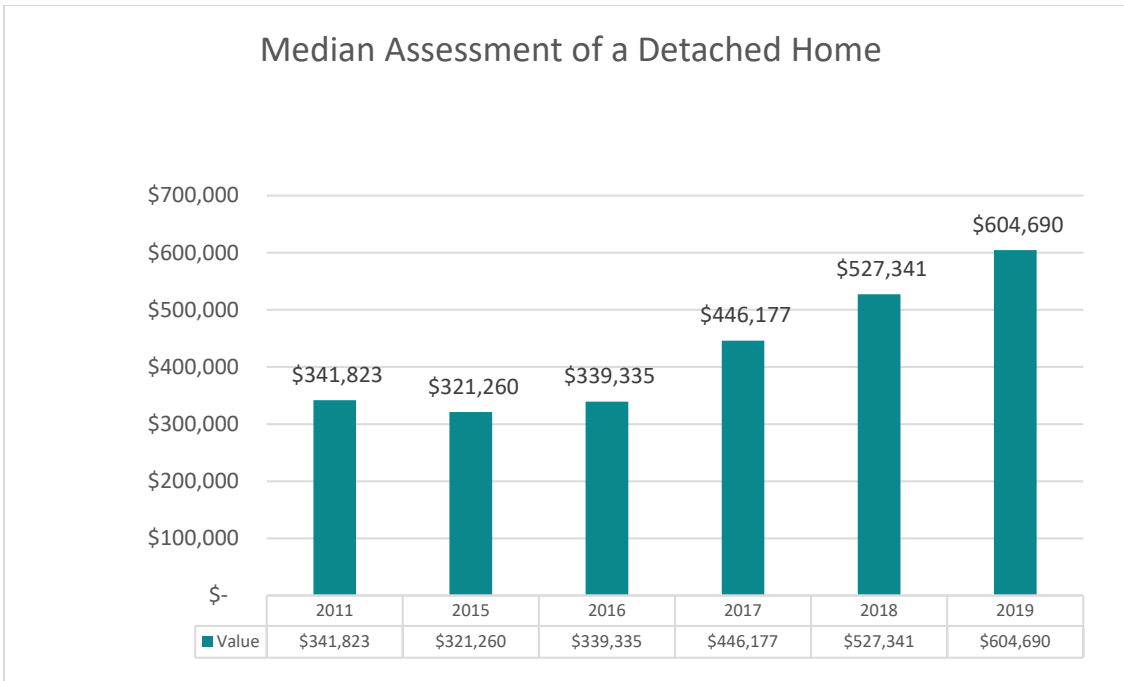


Figure 5 Median Assessment, BC Assessment 2011-2019

Table 8 Average Value, BC Assessment 2019

Property Type	Number of Units	Average Assessed Value
Residential (Detached, Duplex)	621	\$ 606,709
Strata Residential (Condo, Townhouse)	326	\$ 387,020
One bedroom	Number of Units	Average Assessed Value
Residential (Detached, Duplex)	11	\$ 503,082
Strata Residential (Condo, Townhouse)	9	\$ 338,989
Two bedroom	Number of Units	Average Assessed Value
Residential (Detached, Duplex)	122	\$ 529,200
Strata Residential (Condo, Townhouse)	141	\$ 357,140
Three Bedroom+	Number of Units	Average Assessed Value
Residential (Detached, Duplex)	488	\$ 628,423
Strata Residential (Condo, Townhouse)	176	\$ 413,415

2.1.6 Affordable Housing Context

For a family of four that is living at the 2015 Canadian poverty line of \$37,542, renting a mid-priced 2-bedroom apartment costing \$1,300 a month would represent 41% of their income, far above the

affordability target of 30% of household income spent on rent. These numbers are reflected across the province, with one in five BC renters spending more than half their income on shelter.

Though Harrison Hot Springs is removed from the current affordability crisis dominating Vancouver (the second most expensive rental market in Canada), it is not immune to its effects. As homeowners sell at a profit in Vancouver, they seek new markets to purchase and Harrison, a desirable town close to major urban centers, is an attractive location. The median assessed value for a residential home in Harrison Hot Springs in 2019 was \$604,690. This recent value represents an increase of 82% since 2011 when the median assessed value was \$341,823, as shown in Figure 5. This increase in cost of living affects all community residents, but puts additional pressure on families with childcare requirements, seniors, and working poor. While still lower than Vancouver’s living wage (\$20 an hour), the living wage determined for a family of four in the Fraser Valley is \$17.02, \$3.17 above BC’s current minimum wage (Agassiz Harrison Observer, 2014).

From the engagement conducted, residents noted that housing unaffordability and lack of rental housing were key issues. While it was noted that housing in Harrison is much more affordable than neighbouring Metro Vancouver, the cost of housing is still too high to attract workers. In addition to this, there are no dedicated services for homeless residents.

2.1.7 Affordable Rental

Table 7 highlights that households in Harrison earning the median renter household income of \$37,851 are able to afford \$946.30/month in rental costs. The average household size for renters is 1.8 individuals and slightly lower than for owner-households (2.2 individuals), and renters (40%) are more likely to occupy one bedroom homes than owners (4%). The median income renter is able to afford a one-bedroom and smaller bachelor unit, but the two bedroom and larger units are a stretch. An owner earning the median of \$67,350 is able to afford any of the rental units at the median monthly cost.

Table 9: Affordable Rent, Census 2016 and CMHC

<	30%-35%	>	Median Renter Household Income	Affordable Monthly Rent (30% of Income)	Median Rental Prices
Village of Harrison Hot Springs			\$ 37,851	\$946.30	2016 Census (Av.): \$886 2018 CMHC Bachelor: \$639 One-bedroom: \$750 Two-bedroom: \$995 Three-bedroom: \$1,000

Table 8 highlights that the rental affordability junction in Harrison begins around the median renter income and spreads to lower incomes, limiting both affordability and housing choice for these households.

Table 10 Rental rates to income, Census 2016 and CMHC 2018

Rent as a % of income			Monthly Rental Rates				
Legend	<	30%-35%	>	Bach \$ 639	1 BR \$750	2 BR \$995	3 BR \$1,000
Income level	\$20,000			38%	45%	60%	60%
	\$25,000			31%	36%	48%	48%
	\$30,000			26%	30%	40%	40%

	\$35,000	22%	26%	34%	34%
	\$40,000	19%	23%	30%	30%
	\$50,000	15%	18%	24%	24%
	\$60,000	13%	15%	20%	20%
	\$70,000	11%	13%	17%	17%
	\$80,000	10%	11%	15%	15%
	\$90,000	9%	10%	13%	13%
	\$100,000	8%	9%	12%	12%
	\$110,000	7%	8%	11%	11%

Table 9 further highlights that the **lone parent households and one person households in Harrison are more at risk** as those earning the median income are just able to afford the rental prices for the appropriate dwellings size. Couple families with or without children earning the median income can more than afford the appropriate sized dwelling, but those at the bottom of the income generation scale may still have challenges.

Table 11 Affordable Rent, Census 2016 and CMHC

Village of Harrison Hot Springs Household (# of household types)	Median Household Income (All)	Affordable Monthly Rent (30% of Income)	Median Rental Prices
Lone Parent (45)	\$ 42,880	\$1,072	2016 Census (Av.): \$886 Two-bedroom: \$995 Three-bedroom: \$1,000
One person household (240)	\$33,088	\$ 827.20	2018 CMHC Bachelor: \$639 One-bedroom: \$750
Couple families without children (330)	\$67,712	\$1,692.80	2018 CMHC Bachelor: \$639 One-bedroom: \$750
Couple families with children (105)	\$105,216	\$2,630.40	Two-bedroom: \$995 Three-bedroom: \$1,000

In comparing actual household incomes and required incomes (Table 10) **there are up to 50 renter and 70 owner households that cannot afford the lowest case median rent in the region of \$639/month** and there are 75 renter and 140 owner households that cannot afford the two/three bedroom dwelling median rental costs.

Table 12 Income to rent comparison, CMHC Market Rent Scan

Income Category	Annual Household Income Level Required for Rentals (30% of income)	Renter households with incomes < affordable level	Owner households with incomes < affordable level	Monthly Rental Rates	
Market Rental Scan October 2018	Bachelor	\$25,560	50	70	Bachelor \$639
	One-bedroom	\$30,000	50	100	One-bedroom \$750
	Two-bedroom	\$39,800	75	140	Two-bedroom \$995
	Three-bedroom	\$40,000	75	140	Three-bedroom \$1,000

2.1.7.1 Rental Households in Core Housing Need

There is an estimated 35 or 27% of rental households in core housing need and 25 of those are in a severe core housing need.^x These are households that need housing that is below market rates and that is the right size and quality. Most core housing need households are one person households (30-35), but a few (fewer than 10) are two person households.

One of the main measures of the need for affordable housing and core housing needs is the number or proportion of households spending more than 30% of their income on housing and utilities. Of the 145 renting households in Harrison, **58% or 75-80 are spending 30% or more of their before tax income on shelter costs. Most of those are one (45) and two (25) person households and they need housing that is below their market rates.** Of the 75-80, **25 are in severe affordability need as they are spending between 50% and 100% of their income on housing,**^{xi} putting them at risk of homelessness and in need of housing that is significantly below market rates.

Overcrowding can also be an issue for housing and overcrowded conditions may indicate inadequate housing and affordability issues. **About 8% or 10 of Harrison’s rental households are inadequately housed.**

Finally, housing requiring significant repairs also challenges tenants. In Harrison none of the renters in the 2016 Census indicated that major repairs^{xii} were needed.

2.1.8 Affordable Ownership

Note: Strata housing type ownership costs were used for this analysis as these dwellings were generally a more affordable option and assessed at a lower amount than the single family detached homes.

Table 11 highlights that owner households in Harrison earning the median household income of \$67,350 are able to afford \$1,684/month in housing costs. The average household size for owners is 2.2 individuals and slightly more than renter households (1.8 individuals), and owners are more likely to occupy two, and three plus bedroom homes than renters. The cost^{xiii} of a one-bedroom strata unit is a stretch for the owner household earning the median income and the two and three bedroom plus strata units are unaffordable. **A renter earning the median of \$37,851 is not able to afford any of the ownership units at the median monthly cost.**

Table 13: Affordable Ownership, Census 2016 and CMHC

	Median Owner Household Income	Affordable Monthly Costs (30% of Income)	Average Owner Prices
Village of Harrison Hot Springs	\$67,350	\$1,683.75	2016 Census (Av.): \$1088
			One-bedroom: \$1,933
			Two-bedroom: \$2,035
			Three-bedroom: \$2,289

Table 12 and 13 highlight that the owner affordability junction in Harrison begins just above the median owner income and spreads to lower incomes limiting both affordability and housing choice for these households. If the ownership costs of detached dwellings was used, the affordability junction would have been at a higher income level resulting in a greater number of income categories impacted by affordability and choice.

Table 14 Cost as a % of household income

Cost as a % of Household income			Monthly Ownership Rates (Strata)				
Legend			Max Home	Max Monthly Costs	1 BR\$ 1,933	2 BR \$2,035	3 BR+ \$2,289
	Income level					Average Monthly Costs	
\$20,000		<110,000	\$500	116%	122%	137%	
\$25,000		<110,000	\$625	93%	98%	110%	
\$30,000		<110,000	\$750	77%	81%	92%	
\$35,000		<110,000	\$875	66%	70%	78%	
\$40,000		\$130,000	\$1,000	58%	61%	69%	
\$50,000		\$175,000	\$1,250	46%	49%	55%	
\$60,000		\$220,000	\$1,500	39%	41%	46%	
\$70,000		\$265,000	\$1,750	33%	35%	39%	
\$80,000		\$310,000	\$2,000	29%	31%	34%	
\$90,000		\$355,000	\$2,250	26%	27%	31%	
\$100,000		\$395,000	\$2,500	23%	24%	27%	
\$110,000		\$445,000	\$2,750	21%	22%	25%	
\$120,000		\$490,000	\$3,000	19%	20%	23%	
\$130,000		\$540,000	\$3,250	18%	19%	21%	
\$140,000	\$585,000	\$3,500	17%	17%	20%		
\$150,000	\$630,000	\$3,750	15%	16%	18%		

Table 13 highlights that the **lone parent households and one person households in Harrison earning the median income cannot afford strata ownership prices for the appropriate dwellings size**, whereas couple families without children are stretched. Those with children earning the median income can more than afford the appropriate sized median strata dwelling prices.

Table 15 Affordable Ownership, Census 2016 and CMHC

Village of Harrison Hot Springs Household (# of household types)	Median Household Income (All)	Affordable Monthly Housing Costs (30% of Income)	Average Strata Style Home Ownership Monthly Costs
Lone Parent (45)	\$ 42,880	\$1,072	Two-bedroom: \$2,035 Three-bedroom: \$2,289
One person household (240)	\$33,088	\$ 827.20	One-bedroom: \$1,933
Couple families without children (330)	\$67,712	\$1,692.80	One-bedroom: \$1,933
Couple families with children (105)	\$105,216	\$2,630.40	Two-bedroom: \$2,035 Three-bedroom: \$2,289

In comparing actual household incomes and required incomes for home ownership in Table 14 there are up to 110 (75%) renter and 330 (57%) owner households with incomes that cannot afford the median one bedroom strata dwelling in Harrison of \$1,933/month and there are 110 renters and between 330 and 380 owner households with incomes that cannot afford the current two/three bedroom strata dwelling median ownership costs (assuming ability for only a 5 or 10% down payment).

Table 16 Income to strata owner cost comparison, BC Assessment

Income Category	Annual Household Income Level Required for Owned Strata Homes (30% of income)		Renter households with incomes < affordable level for a current home	Owner households with incomes < affordable level for a current home	Monthly Strata Home Ownership Median Costs	
	Bachelor	-	-	-	Bachelor	-
	One-bedroom	\$77,320	110	330	One-bedroom	\$1,933
	Two-bedroom	\$81,400	110	340	Two-bedroom	\$2,035
	Three-bedroom+	\$91,560	110	380	Three-bedroom+	\$2,289

2.1.8.1 Owner households in core housing need

There is an estimated 10 or 2% of owner households in core housing need and all are in a severe core housing need.^{xiv} These are households that need housing that is below market rates and that is the right size and quality. All are one person households.

One of the main measures of the need for affordable housing and of core housing needs is the number or proportion of households spending more than 30% of their income on housing and utilities, etc. **Most of those (90) households are one (55) and two (35) person households and they need housing that is below their market rates.** Of the 110, **10 are in severe need as they are spending between 50% and 100% of their income on housing,**^{xv} putting them at risk of homelessness and in need of housing that is significantly below market rates.

Overcrowding can also be an issue for housing and overcrowded conditions may indicate inadequate housing and affordability issues. Very few of the owner households are experiencing overcrowding.

Finally, housing requiring significant repairs also challenge tenants and in Harrison **about 35 owner households in the 2016 Census indicated that major repairs were needed.**

2.1.9 Special Groups

During the community engagement process, residents noted a lack of seniors' housing, and housing for those with disabilities and those who are homeless, all of which could be classified as special needs housing. While there is overlap between these demographics, seniors' housing and a homeless shelter are addressed separately.

In relation to all these groups, accessibility is a challenge in Harrison Hot Springs due to the flood construction level of 14.45 meters which result in elevated entry levels and the preponderance of entrance way stairs on most single family homes.

2.1.9.1 Special Needs Housing

Though the surrounding Fraser Valley area does have housing support services, including nursing care, group homes and transitional housing, Harrison Hot Springs does not have these housing services. Neighbouring Agassiz has a small stock of special needs housing, some of it subsidized, including retirement housing that provides support for seniors with disabilities (Fraser Health, 2019). However, this stock includes the mobile home park, which is not a long term housing solution. Agassiz also provides some independent living programs.

In 2012, Statistics Canada noted that 14% of the population over 15 reported a disability that limited their activities, and the age where difficulty was exacerbated was 43 years on average (Statistics Canada, 2018). UBC Sauder Centre's Affordable Housing Report noted that 3% of BC households are "served by social and cooperative housing," most of which are run by non-profits (UBC Sauder, 2019). As Harrison Hot Springs' population ages, and its community seeks to provide the means for residents to age in place and remain active in their neighbourhoods, supportive housing for those living with disabilities may factor into the locational decisions of residents. Other, related factors that impact the value of special needs housing are affordability, recognizing that the income of persons with disabilities is often significantly lower than that the general population, and reliance on public transportation; 20% of persons with disabilities regularly use public transportation and a further 8% use special transportation services.

If the Village of Harrison Hot Springs seeks to provide housing for a complete community, it is crucial to place special needs housing close to services that will benefit the residents and allow them to live close to public transportation.

2.1.9.2 Homelessness Needs

There has also been an increase in homelessness across the Fraser Valley. There are four different degrees of homelessness or housing insecurity: unsheltered or living on the streets; emergency sheltered; provisionally accommodated or lacking long term security and reliable housing; and at risk, those who are economically precarious or living in shelter that does not meet health or safety standards.

The Kent-Harrison area has a small homeless population, between 6-20 individuals. As of 2017, there were no emergency shelters for persons at risk of either homelessness or violence, nor was there any recognized transitional housing in the District of Kent (FVRD Housing Inventory, 2017). Three of the greatest reasons given for homelessness in the Fraser Valley were rent being too high (17% of responses), income too low (17%), and lack of suitable housing (12%). Most were chronically homeless (more than 180 days) and suffering from addiction or mental health issues. Many had lived in the community for several years, some over a decade (FVRD, Homeless Survey, 2017, BC Housing, Homeless Count, 2018). Most were long term residents of their community, but barriers to treatment prevented them from securing appropriate housing. Furthermore, Indigenous persons were at a disproportionately high risk of experiencing homelessness. Lack of affordable housing continues to be one of the largest barriers to shelter, and lack of appropriate shelter spaces can force homeless community members to use hospital emergency rooms in times of need, putting additional strain on these services: up to \$2559 per person more than the cost of providing housing. It is cheaper to provide housing for homeless populations, and to ensure that at risk populations do not become homeless, than it is to provide other services such as emergency medical or prison.

There are many reasons for homelessness, including family conflict, addiction, and lack of care/services. A larger survey of the homeless population in the Fraser Valley region noted that "68% of respondents reported addiction; 49% a medical condition; 47% mental illness and 29% disability" (FVRD, 2017). A BC

Government study of poverty noted that in addition to lack of support, financial and medical security, discrimination and stigma may prevent people from being able to access support and opportunity.

2.1.9.3 Seniors' Housing

The neighbouring community of Agassiz has a seniors' living complex that provides 50 one and two-bedroom Independent living suites and 68 long-term care rooms for seniors. A 2015 open house event held in Harrison Hot Springs found that residents were seeking a similar local housing option in Harrison. Participants of the community engagement in 2019 shared a similar sentiment. They voiced a need for independent seniors living as well as assisted living options. Relevant and accessible services are necessary to ensure seniors have the ability to age in place in their community. One participant noted that seniors in the community are more active than they have been in the past. Their lifestyles have changed, and housing options need to be reflective of that.

An Age-Friendly Plan was created for Harrison Hot Springs in 2015, which found that there were limited community programs, and that residents are required to travel to Agassiz to access community programs. However, travel requirements make it challenging for seniors to regularly access these services. Harrison earned Age-friendly recognition from the Province of BC in 2016 but some residents still feel there needs to be better accessibility, safety, and services for seniors.

In Harrison Hot Springs, a total of 21.2% of seniors are in core housing need (Fraser Valley Regional District, 2012). Households are deemed to be in core housing need when, in addition to spending more than 30% of their household income on housing, households cannot afford suitable and adequate housing in their community (CMHC, 2009). 71.4% of those in core housing need in Harrison are renters. This percentage of renters is significantly higher than the Fraser Valley Regional District average of 34%.

Seniors residing in Harrison Hot Springs currently need some more diversity of housing options to accommodate the existing population.

2.1.9.4 Families

Housing affordability analysis indicated that two parent families with children were the least impacted group by housing prices compared to couples without children, singles and lone parents. That being said, the 2019 engagement participants noted there was an increase in pre-school aged children and younger families in Harrison. While 72% of dwellings in Harrison are single family homes, a cursory search on www.craigslist.com finds a very limited inventory of single-family homes for rent, and the rental homes that are available range from \$2200 to \$2500 per month, which is affordable for the family making the median household income. Unaffordable housing prices will continue to have an effect on those families wishing to purchase their own home, and community members are concerned that the continued construction of new high-priced single-family homes will only exacerbate the issue.

According to the BC Government's Poverty Reduction Strategy, children living with a single parent are more than three times more likely to be living in poverty than children with two parents living with them, and that 40% of those in poverty are working. While the housing analysis didn't look into poverty numbers in Harrison, it did reveal that lone parent families with a median income were stretched to afford median rental rates and did not have enough income to cover the median cost of lower cost ownership housing.

2.2 Current Housing Need Summary

2.2.1 General

2.2.1.1 Affordable Need

Since 185 households (75 renter and 110 owner) are spending 30% or more of their before tax income on shelter costs, these represent the affordable need in the Village. Most of those are one (95) and two person (55) households and they need housing that is below the market rates they pay. The 185 total doesn't represent the total number of new units needed, but it does highlight the need for more affordable options in the community and the building type.

2.2.1.2 Critical Need

Within the group of households with an affordable need for housing, there is a current need for those experiencing housing challenges (affordable and/or suitability, and/or repair needs). Within renting households, 35 have core housing needs^{xvi} and of owner households 10 have core housing needs. It is estimated then that as of 2016, 45 housing units are required for the Village. It is hard to gauge what size of units, but most of the challenges are experience by those in one person households with a few in two person households. Apartments or rental suites could help fill this gap.

2.2.1.3 Supply and the Gap

Given the lack of one/two bedroom construction in recent years and the targeted market for anticipated projects there is unlikely to be any affordable rental supply being constructed in the near future.

Table 17 Number of units required currently

Current Critical Housing Need	Rental Units
Core Housing Needs	45
Supply Needed =	45
Anticipated Supply	Estimated at 0
Current Critical Need	45

As housing supply is added the prices will be impacted throughout the housing market yet (depending on migration to the community) it may not be enough improve the cost of housing for those current households with affordability challenges.

Given the small population and slow population growth, there is a need to continue to monitor housing supply to ensure there is an adequate amount of new build for the community and affordability without oversaturating market.

2.2.2 Special Groups

2.2.2.1 Special Needs and Supportive

In 2012, Statistics Canada noted that 14% of the population over 15 reported a disability that limited their activities, and the age where difficulty was exacerbated was 43 years on average (Statistics Canada, 2018). Though the surrounding Fraser Valley area does have housing support services, including nursing care, group homes and transitional housing, Harrison Hot Springs does not have these housing service for those with disabilities or impacted by age.

2.2.2.2 *Seniors*

With an aging population and a total of 21.2% of seniors in core housing need (Fraser Valley Regional District, 2012), seniors residing in Harrison Hot Springs currently need a diversity of housing options as well as age related programming to accommodate the existing population. The neighbouring community of Agassiz has a seniors’ living complex that provides 50 one and two-bedroom Independent living suites and 68 long-term care rooms for seniors. A 2015 open house event held in Harrison Hot Springs found that residents were seeking a similar local housing option. Participants of the 2019 housing engagement shared a similar sentiment.

2.2.2.3 *Families*

Housing affordability analysis indicated that two parent families with children were the least housing cost impacted group of households. However, lone parent families with a median income are stretched to afford median rental rates and do not have enough income to cover the median cost of lower cost ownership housing. For families moving to Harrison it seems there is also a very limited inventory of single-family homes for rent, and the rental homes that are available range from \$2200 to \$2500 per month. Community members are concerned that the continued construction of new high-priced single-family homes will only exacerbate the issue. Some additional rental housing or affordable ownership for families may help to attract more families.

2.2.2.4 *Homelessness*

The Kent-Harrison area has a small homeless population, between 6-20 individuals. As of 2017, there were no emergency shelters for persons at risk of either homelessness or violence, nor was there any recognized transitional housing in the neighbouring District of Kent (FVRD Housing Inventory, 2017). It is cheaper to provide housing for homeless populations, and to ensure that at risk populations do not become homeless, than it is to provide other services such as emergency medical or prison. Therefore access to supportive housing could be helpful in this regard.

3 Anticipated Housing Need and Supply (5 years)

Projection Summary

<p>Population and Demographic Projections</p> <p>Population</p> <ul style="list-style-type: none">• Harrison Hot Springs is anticipated to see slow growth over the next five years from 1,490 to 1,620.• Growth will be due to the increase in population across the Fraser Valley, as the valley’s population grows to accommodate renters and homebuyers pushed out of Vancouver’s market. <p>Age</p> <ul style="list-style-type: none">• The median age is projected to rise from about 60 to 65.5 over the next five years. Harrison has a significantly higher current and anticipated median age than that in the Fraser Valley Regional District. <p>Age distribution</p> <ul style="list-style-type: none">• Those aged 65-84 and 85+ years will make up a larger proportion of the population in the next five years.
--

<p>Households</p> <ul style="list-style-type: none"> • Due to the influx of those 65+, and residents currently aging in place, Harrison Hot Springs is projected to continue to have a lower average household size of 1.9-2.0 persons per household than the surrounding area. <p>Supply</p> <ul style="list-style-type: none"> • In 2019, Harrison Hot Springs saw nearly double the number of housing starts than it did in 2018; the majority of these new developments are single family homes, with some smaller rowhouse and semi-detached new builds. However, no apartments are currently being built.
<p>Future Housing Needs</p> <p>General</p> <ul style="list-style-type: none"> • It is anticipated that in the next five years, the addition of several units of 1-2 bedroom housing will adequately service the community as its demographics shift. There may be a limited need for new 3-bedroom units for families. • There is not an anticipated need for a significant housing stock increase, as the population increase will be slow. Instead there is a need to continue to monitor housing stocks to ensure that market housing needs are being met and the rate of building reflects the population increase. • The 2020 anticipated housing need projection shows an increase in bachelor, 1- and 2-bedroom dwellings to support a wider variety of family and lifestyle needs. • From 2022 onwards, the need for additional bachelor units will decrease; instead an anticipated need for more 1-2 bedroom units is indicated, reflecting a community that currently chooses a majority of detached homes, but may need to transition into smaller accommodations as the community ages. <p>Seniors</p> <ul style="list-style-type: none"> • Though the population is not projected to increase to levels that would require large increases in housing stock, an ageing population and shift towards seniors ageing in place will require more housing units for fixed or low-income seniors. • An ageing population and an average household size of 2.0 demonstrates a potential need for smaller housing typologies in the future as those currently living in detached homes look to downsize. <p>Workforce</p> <ul style="list-style-type: none"> • Given the dependency on workers from the neighbouring community and greater region it might be worth understanding opportunities and needs for housing more of the workforce within Harrison or at least in Kent. • Ensuring the right balance between vacation homes and workforce homes means that part-time vacationers actually have someone to serve them when they are in Harrison. • A mix of accommodation types targeted at the workforce might include purpose built market rental dwellings and potentially more affordable ownership dwellings restricted to employees.

3.1 Population and Demographic Projections

Harrison Hot Springs is anticipated to see slow growth over the next five years. Harrison Hot Springs is seen as an affordable alternative to the rapidly growing and more expensive Metro Vancouver and surrounding areas. It is anticipated that the median age, already older than the surrounding region, will continue to shift towards an ageing population. Therefore, this study anticipates a need for the development of more special

needs housing, including seniors housing and programming, to support the population ageing in place. At present, there is a lack of market rental housing. A lack of smaller rental units and restrictive strata bylaws can make it difficult for lower earning households and younger families to find housing that allows them to live and work in Harrison Hot Springs. Many of the current houses are vacation homes that are empty in the off season. Therefore, this study projects a need for more smaller units, bachelors to 2-bedroom, purpose built rental housing and affordable starter homes.

The median total household income of Harrison Hot Springs is \$57,071, which is significantly lower than the regional median income of \$69,425. Many of the current workers in Harrison Hot Springs are seasonal, and the workers that reside here long term struggle to find reliable, appropriate affordable housing. As tourism is the largest economic driver in Harrison, it is imperative that Harrison finds a balance between the needs of long-term residents and vacation visitors.

In 2019, Harrison Hot Springs saw nearly double the number of housing starts than it did in 2018; the majority of these new developments are single family homes, with some smaller rowhouse and semi-detached new builds. This is a step towards densification and diversification of the housing stock, but at present there are no apartments or smaller units in construction.

3.1.1 Population Size

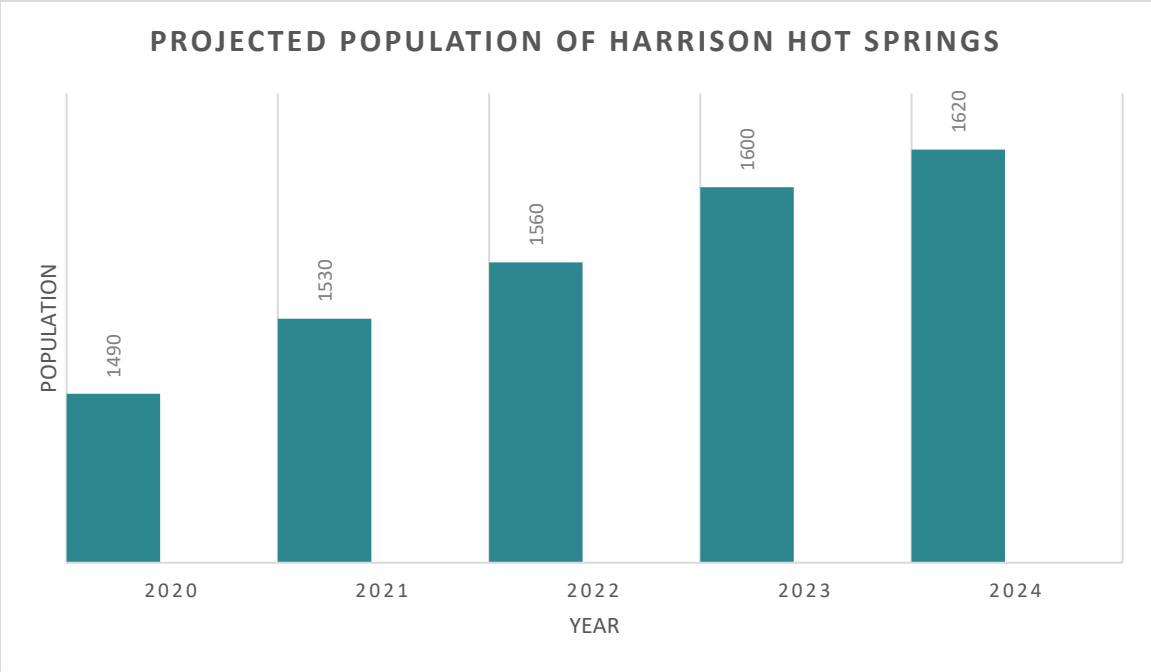


Figure 8 Projected population

Although Statistics Canada records of populations in Harrison Hot Springs has shown a decline over the last ten years, this projection shows a small increase. This is due to the increase in population across the Fraser Valley, as the valley’s population grows to accommodate renters and homebuyers pushed out of Vancouver’s market. Harrison Hot Springs’ population has fluctuated in the past, with a massive increase between 1996 and 2001, before a gentle decline in 2016, and therefore long-term projection of population requires a long-term historical data set.

An increase in development and several projects in various building phases that would provide dense new housing projects will bring a small increase in Harrison Hot Springs population, as shown by data from Harrison Hot Springs combined with population data from the Fraser Valley Regional District and the Harrison-Agassiz Local Health Area. There is not an anticipated need for a significant housing stock increase, as the population increase will be slow. Instead a need to continue to monitor housing stocks is required to ensure that market housing needs are being met and the rate of building reflects the population increase.

3.1.2 Median & Average Age Projections

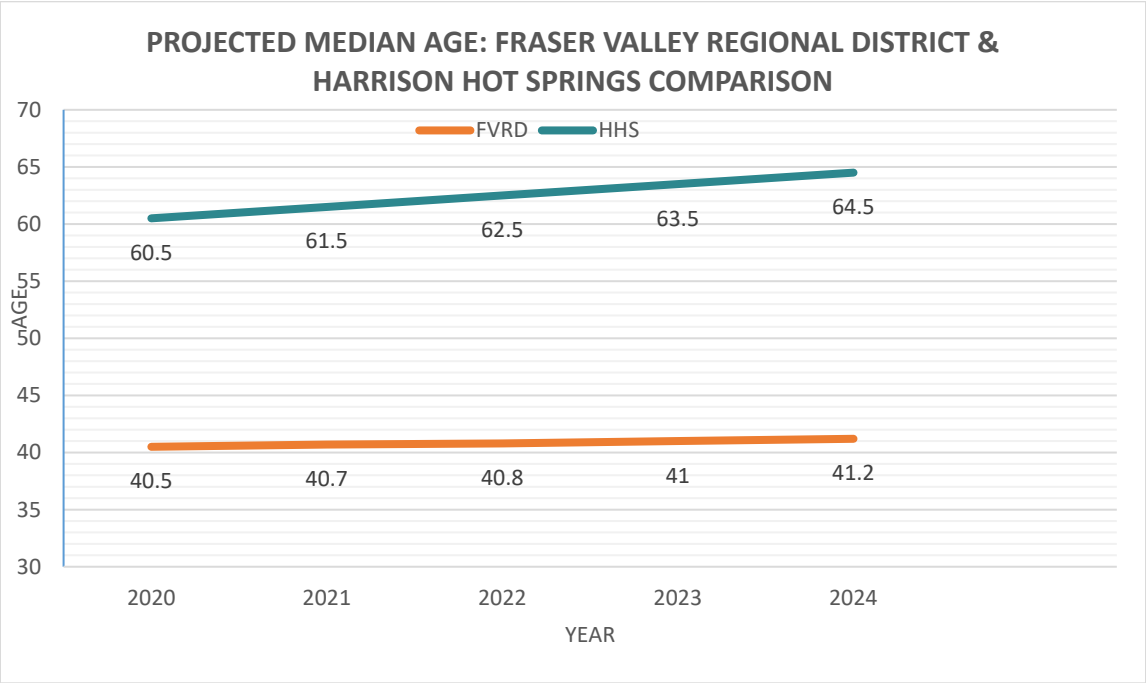


Figure 9: Median age projection

Data from Agassiz-Harrison Local Health Area was combined with BC Stats age distribution projections to calculate the median age in Harrison Hot Springs. The median age is projected to rise five years to 65.5 over the next five years. Harrison has a significantly higher current and anticipated median age than that in the Fraser Valley Regional District. The data from the previous ten years in Harrison Hot Springs and the Regional District both show a steady trend of ageing, and these numbers assume that residents will continue to age in their communities, as well as be joined by seniors and retirees from other communities.

Harrison’s location, close to Vancouver and the fast-growing communities of Chilliwack and Abbotsford, make it an ideal community to age in place while residents are still able to live independently; the relatively more affordable home prices allow homeowners from other communities to purchase property in the area. However, lack of senior specific housing or age-related programming and health services may mean that this population will not be able to remain in their homes or communities should their health or faculties decline.

3.1.3 Anticipated Age Group Distribution

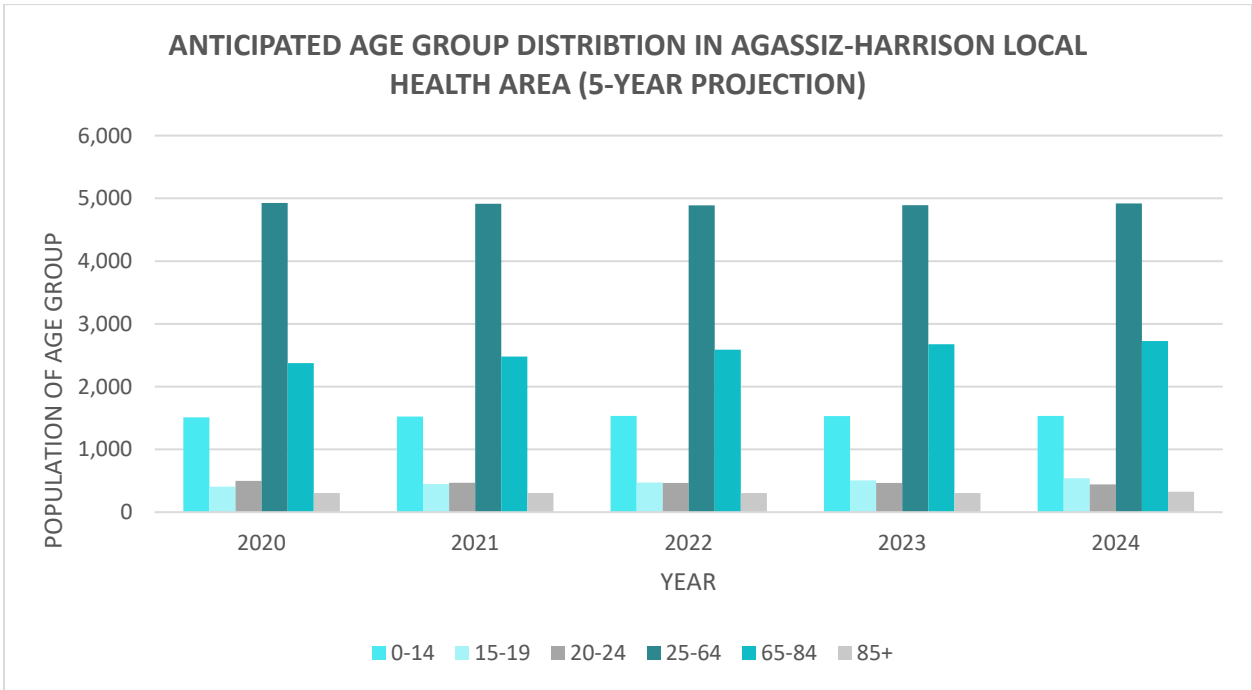


Figure 10: Age distribution projections

Data was extrapolated from the Agassiz-Harrison Local Health Area to create 5-year projections for the Village of Harrison Hot Springs. The projected median age was used to formulate a more accurate representation of the Village. While the data above is modeled on the information provided by statistics Canada, it should be noted that in the above graphs the largest grouping is between ages 25-64, a forty-year group; for comparison, the next largest group, seniors aged 65-84, represents only a twenty-year group. The following chart better illustrates the large portion of the population that seniors currently hold, and will likely continue to hold, over the next five years.

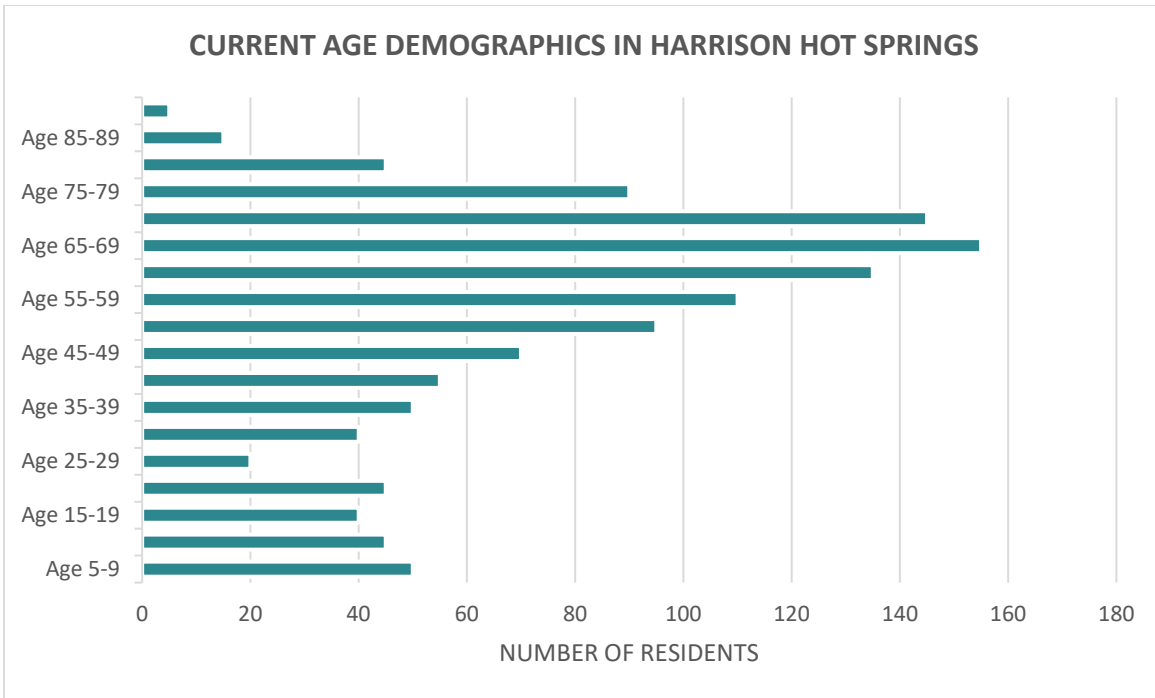


Figure 11: Age demographics

3.1.4 Projected Number of Households

The anticipated number of persons per household is predicted to remain at 2.7 over the next 5 years in the Agassiz-Harrison Local Health Area. However, due to the current lower average household size in Harrison and to the influx of retirees (65+), and residents currently aging in place, Harrison Hot Springs is projected to have a lower average household size of 1.9-2.0 persons per household. These household size projections and ageing population show there may be a future demand for a mix of smaller market housing options.



3.2 Future Housing Need

3.2.1 General

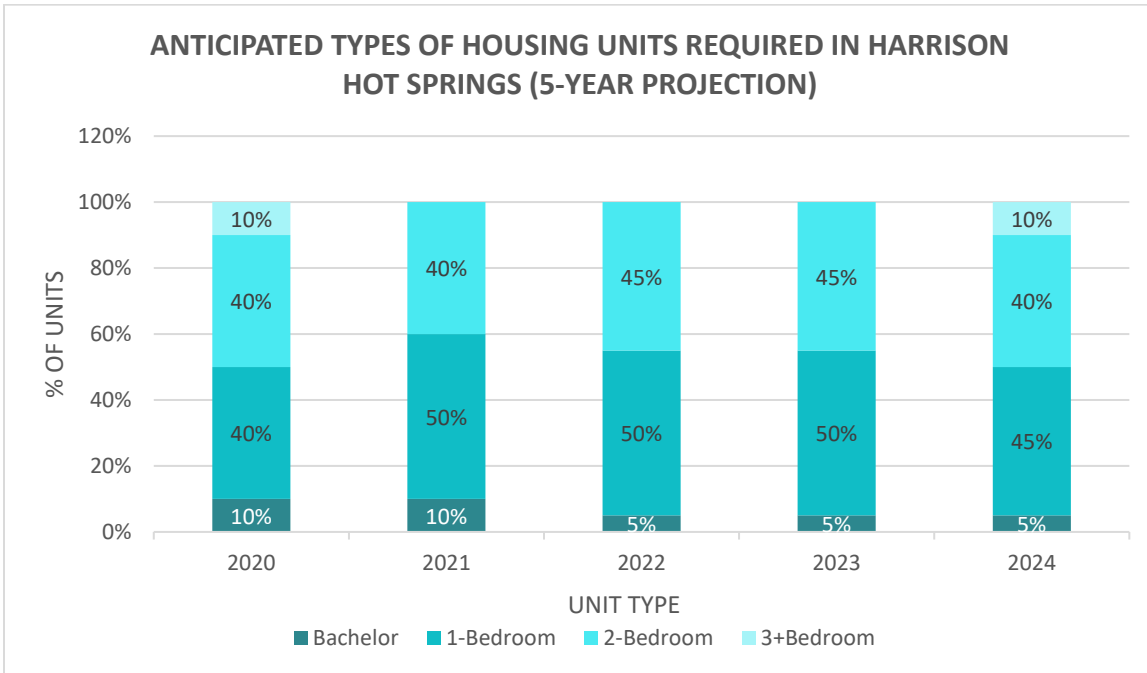


Figure 12 Anticipated housing types needed

A large majority of the current dwellings (72%) are detached homes in Harrison Hot Springs. This compares to the provincial rate of 44%. An ageing population and an average household size of 2.0 demonstrates a potential need for smaller housing typologies in the future as those currently living in detached homes look to downsize.

Though the population is not projected to increase to levels that would require large increases in housing stock, an ageing population and shift towards seniors ageing in place will require more housing units for fixed or low-income seniors. This is particularly important here as, at \$55,680, the median total income of households in Harrison Hot Springs is significantly lower than the Fraser Valley Regional District, which had a median total income of \$69,289.

As outlined in Figure 12, the 2020 Anticipated Housing Need projection shows an increase in bachelor, 1- and 2-bedroom dwellings to support a wider variety of family and lifestyle needs. From 2022 onwards, the need for additional bachelor units will decrease; instead an anticipated need for more 1-2 bedroom units is indicated, reflecting a community that currently chooses a majority of detached homes, but may need to transition into smaller accommodations as the community ages. This projection is based on the ageing population of Harrison and smaller household sizes compared to the surrounding region.

There is an anticipated potential need for a limited number of new 3-bedroom units over the next five years if there is an increase in the number of families. It is anticipated that in the next five years, the addition of several units of 1-2 bedroom housing targeted at the local population will adequately service the community as its demographics shift.

3.2.2 Special Groups

3.2.2.1 Seniors

Previously noted demographics and projections show there may be a future demand for a mix of some smaller market housing options for seniors.

In 2012, the Fraser Valley Regional District projected there would be a “shortage of units for seniors by 2036 if the secondary market rental rate is maintained.” This projection may be seen as quite conservative in 2019. Younger families have recently been relocating to Harrison and commuting to larger city centres for work to help remedy the high cost of living in urban centers. This has resulted in a higher ratio of full-time residents to vacationers in Harrison, and a significant price increase in single family homes and apartment prices in Harrison and the surrounding region over the last 5 years. Waitlists for affordable housing options are high throughout the region. Harrison residents reported condos in the village having a waitlist of one year or more. UBC Sauder’s study of housing affordability noted that 80% of baby boomers in private sector jobs will retire without a pension and will therefore require housing that is affordable on a fixed income (UBC Sauder, 2019).

A diversity of housing options is needed to accommodate the current population of seniors as well as the projected population. Low income seniors, especially those on fixed incomes, will face a shortage of affordable housing options in the near future if affordable and accessible housing options are not created.

3.2.2.2 Workforce

In 2016, 440 workers from the greater Fraser Valley Census Division (more than half from Kent) indicate that they commute to a fixed place of work in Harrison. Given this dependency on workers from the neighbouring community and greater region it might be worth understanding opportunities and needs for housing more of the workforce within Harrison or at least in Kent. Drawing a workforce from the larger region may be mutually beneficial in the short term; however, over time the demand for labour elsewhere may make this arrangement more challenging for Harrison businesses. Workforce housing can help to grow the Harrison population and secure staff for local businesses as the continued desire for vacation homes drives up housing prices. Ensuring the right balance between vacation homes and workforce homes means that part-time vacationers will have someone to serve them when they are in Harrison. A mix of accommodation types targeted at the workforce might include purpose built market rental dwellings and potentially more affordable ownership dwellings restricted to employees.

3.2.2.3 Families

Harrison Hot Springs anticipates and supports the vision to conservatively grow the community and make it attractive to young families. However, the purchase price of new builds continue to rise. Unaffordable housing prices will continue to have an effect on the “missing middle”, which refers to renter households that have incomes between \$30,000 and \$76,000 (BC Rental Housing Coalition, 2015). Community members are concerned that the continued construction of new high-priced single-family homes will only exacerbate the issue. It is anticipated that Harrison will need to see higher density starter homes, including townhouses, to accommodate some families currently residing in the community, as well as those moving to here. The creation of smaller starter homes could have a two-fold effect as it provides an option for the senior population to downsize and continue to age in place.

3.2.3 Total Current and Anticipated Need

Table 18 Number of units required now and for the next five years

Total Housing Need	Type and number
Current Critical Housing Need	Rental Units
Core Housing Needs	45
Supply Needed =	45
Anticipated Supply	Estimated at 0
Current Critical Need	45
Future Housing Need	Units
Total by 2024, several per year or one complex*	35
Anticipated Supply of 1-2 bedrooms	Estimated at 0
Future Need	35
Total dwelling need	80 units

(*A need for a significant housing stock increase is not anticipated, as the population increase will be slow. Instead there is a need to continue to monitor housing stocks to ensure that market housing needs are being met and the rate of building reflects the population increase.)

It is worth repeating that the majority of new stock should be 1-2 bedroom units in order to satisfy the current and anticipated housing need to 2024, and that many of these units could be targeted toward an aging population looking to downsize or access supportive services. There is some, but limited need for larger units.

As housing supply is added, prices will be impacted throughout the housing market, yet (depending on migration to the community) it may not be enough improve the cost of housing for those current households with affordability challenges. Given the small population and slow population growth, there is a need to continue to monitor housing supply to ensure there is an adequate amount of new build for the community and affordability without oversaturating market.

4 Assumptions & Limitations

1. Census data is only available up until 2016 for Harrison Hot Springs Village.
2. Due to statistics gathering processes, there is no direct year by year comparison of Harrison Hot Springs population compared to Local Health Area.
3. Due to limited available population information, comparison communities were used for cross reference purposes (Valemount & Radium).
4. Assumes that population of Harrison Hot Springs Village will increase slightly over the next 5 years based on:
 - a) A significant increase in building permits being issued in 2017 (36) and 2018 (43) compared to previous recent years.
 - b) Harrison Hot Springs is exploring rezoning possibilities to allow for higher density residential buildings.
 - c) BC Stats Projections of 5.8% growth over 5 years (2020-2024) in the Local Health Area of Agassiz-Harrison.
 - d) Stagnant growth in nearby comparable resort towns (Valemount and Radium).
5. The available data does not include information on short term leases, AirBnB or other informal temporary rental accommodations. It also does not account for residents of Agassiz-Harrison that live or work seasonally.
6. Data taken from 2001-2016 shows a relatively stable population. However, 1996- 2001 saw an increase of 33%. Projected models assume that there will be no large disruption in the community.
7. The National Occupancy Standard would put a couple in a one-bedroom unit. It should be noted that one and two person households would be spread across 1- and 2-bedroom units in this projection.
8. Data sources for projections include: CMHC Housing Portal, BCNPHA, Stats Canada, BC Community Health, Fraser Valley Regional District, Harrison Hot Springs OCP and Zoning bylaws, and Government of British Columbia data sources.

5 Sources Cited

5.1 Background, context and current housing need

ⁱ <http://www.stsailes.com/we-are-stsailes>

ⁱⁱ Statistic Canada Census 2016, 2011

ⁱⁱⁱ Source: Statistics Canada, 2016 Census of Population, Commuting Flow - Statistics Canada Catalogue no. 98-400-X2016325.

^{iv} Statistic Canada Census, 2006-2016

^v There are likely households earning less than the median income for their household type who may be in an unaffordable situation.

^{vi} Households are deemed to be in core housing need when, in addition to spending more than 30% of their household income on housing, households cannot afford suitable and adequate housing in their community (CMHC, 2009).

^{vii} Stats Canada Census 2006-2016

^{viii} Proportion of average total income of household which is spent on shelter costs, Stats Canada

^{ix} CMHC Market Survey October 2018, 2017

^x "extreme core housing need" has the same meaning as core housing need except that the household has shelter costs for housing that are more than 50% of before tax income.

^{xi} Stats Canada Census 2016

^{xii} The 'major repairs needed' category includes dwellings needing major repairs such as dwellings with defective plumbing or electrical wiring, and dwellings needing structural repairs to walls, floors or ceilings.

^{xiii} Mortgage rate 3.14 5 year, 25 year amortization, monthly payments, tax/heat/strata\$ 5% or 10% down payment where needed over \$550,000.

^{xiv} "extreme core housing need" has the same meaning as core housing need except that the household has shelter costs for housing that are more than 50% of before tax income.

^{xv} Stats Canada Census 2016

^{xvi} Households are deemed to be in core housing need when, in addition to spending more than 30% of their household income on housing, households cannot afford suitable and adequate housing in their community (CMHC, 2009).

5.2 Projections and anticipated housing need

1. <https://www.agassizharrisonobserver.com/news/living-wage-calculated-at-17-02-for-the-fraser-valley/>
2. <http://bcnpha.ca/wp-content/uploads/2017/04/BC-Affordable-Housing-Plan.pdf>
3. <https://www.sauder.ubc.ca/sites/default/files/2019-02/Sauder%20S3i%20Report%20-%20Investing%20in%20Affordable%20Housing.pdf>
4. <https://www150.statcan.gc.ca/n1/pub/89-654-x/89-654-x2018002-eng.htm>
5. <https://www.sparc.bc.ca/wp-content/uploads/2018/07/B.C.-Seniors-Poverty-Report-Card.pdf>
6. <https://www.fraserhealth.ca/your-community/agassiz/services-in-agassiz#.XcW9XDnKiUk>
7. <https://www.fvrd.ca/assets/Government/Documents/2017%20Kent%20Housing%20Inventory.pdf>
8. <https://www.fvrd.ca/assets/Government/Documents/2017%20Kent%20Housing%20Inventory.pdf>
<https://www.fvrd.ca/assets/Government/Documents/2017%20FVRD%20Homelessness%20Survey%20Report.pdf>
<https://www.fvrd.ca/assets/Government/Documents/2017%20Kent%20Housing%20Inventory.pdf>
9. <https://www.bchousing.org/publications/2018-BC-Homeless-Counts.pdf>
10. <https://www.fvrd.ca/assets/Government/Documents/2017%20Kent%20Housing%20Inventory.pdf>
<https://www.fvrd.ca/assets/Government/Documents/2017%20FVRD%20Homelessness%20Survey%20Report.pdf>

-
11. <https://www.bchousing.org/publications/2018-BC-Homeless-Counts.pdf>
https://www.homelesshub.ca/sites/default/files/attachments/costofhomelessness_paper21092012.pdf
 12. <https://www.fvrd.ca/assets/Government/Documents/2017%20FVRD%20Homelessness%20Survey%20Report.pdf>
 13. <https://www2.gov.bc.ca/assets/gov/british-columbians-our-governments/initiatives-plans-strategies/poverty-reduction-strategy/togetherbc.pdf>
 14. <https://www.bchousing.org/publications/2018-BC-Homeless-Counts.pdf>
 15. <https://www.cmhc-schl.gc.ca/en/data-and-research/data-tables/rental-market>
 16. <https://www03.cmhc-schl.gc.ca/hmip-pimh/en#Profile/1/1/Canada>