



# Pemberton Affordable Housing Strategy Background Report

Prepared for the Village of Pemberton | June 2009



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## EXECUTIVE SUMMARY

Affordable housing considerations have been an important aspect of the Village of Pemberton policies and plans for the past several years. Facing continued pressures on rental housing and rising real estate prices, the Village initiated the development of an Affordable Housing Strategy in the Spring of 2009 and commissioned CitySpaces Consulting to assist with this work. This initiative is intended to create a policy and planning framework through which the Village can effectively respond to its affordable housing issues.

This background report provides an outline of the policy, planning and regulatory framework for affordable housing in Pemberton; an analysis of available data to produce indicators of housing affordability; and an identification of preliminary issues and considerations based on key-informant interviews. Key research findings are as follows:

### *Key Population Groups*

Four population groups have been identified as being in housing need and in need of special consideration through the Affordable Housing Strategy:

- Low income households seeking rental or ownership housing suited to their needs;
- Young families looking to move up the property ladder or into ground-oriented housing suitable to family living;
- Seniors seeking housing to accommodate “aging in place”; and
- Seasonal workers looking primarily for secure and affordable short-term housing.

### *Key Housing Indicators*

- Pemberton is one of the fastest growing communities in BC, with a population that has roughly tripled since 1996. Many of the newcomers are young families and individuals working in Whistler, resulting in a younger population overall compared to the rest of the province, along with high rates of labour force participation.
- Pemberton’s housing stock has tripled since 1996, with 70% of building starts in multi-family units and the remainder in single detached units. New construction activity is reported to have slowed down somewhat in the past two years.
- In Pemberton, low cost market housing is limited to secondary suites in detached houses. There are no purpose-built rental apartment buildings in the Village. In terms of non-market housing, the Lions Villa seniors housing is the only project in the Village. A small number of households receive rental assistance funds through the BC Rental Assistance program for families and SAFER<sup>1</sup> program for seniors.
- Between 2003 and 2008, single detached home prices increased 20% reaching a peak median price of \$530,000 in 2008. During the same five year period, townhouse prices increased 18% reaching a peak median price of \$320,000 in 2008 and, notably, apartment prices increased 70% reaching a peak median price of \$270,000 in 2008.
- According to the classified listings from 2008-2009, rents in Pemberton range from as low as \$551 for a shared unit to \$1,891 for a house or townhouse that has three



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<sup>1</sup> The Shelter Aid for Elderly Renters (SAFER) program provides monthly cash payments to subsidize rents for BC seniors (age 60 or over) with low to moderate incomes and who are renting their homes.

bedrooms or more. A typical 1-bedroom unit rents for \$922 and a 2-bedroom unit rents for \$1,341. Between 2002 and 2008, rents increased by as much as 20%, according to the rental classified listings.

- For the typical Pemberton household, rental units remain relatively affordable. Married couples earning the median household income of \$68,500 could afford \$1,700 for rent, single parent families could afford up to \$1,050 per month and one person households could afford up to \$900 for rent. Rental housing may, however, be difficult to find.
- With regard to purchasing a home, a married couple family earning the median-income could afford a home priced at approximately \$297,000 with a 10% down payment. Single parent families could afford a home priced at approximately \$156,000 and one person households a unit priced at \$124,000. Overall, options for home ownership are limited for all households. First-time home buyers are generally limited to condominium apartments and those looking to move up the property ladder may not be able to do so because of limited choice in the market.

### *Key Factors and Considerations*

- Housing issues span geopolitical boundaries and housing in Pemberton need to be considered in a regional context encompassing SLRD Area C and Mount Currie.
- Recent studies have focused on the provision of seniors housing in the community in response to the desire to have seniors “age in place”. BC Housing has recently committed to constructing an additional eighteen new modular units for seniors and persons with disabilities as part of the Provincial Seniors’ Rental Housing Initiative.
- A number of challenges directly affecting housing in Pemberton have been reported:
  - Demand for recreational and retirement housing by non-residents and Whistler commuters has resulted in house prices that exceed local affordability levels;
  - Limited supply of rental housing has resulted in low vacancies and concerns around quality and safety of the stock of secondary suites in private market homes;
  - Pemberton is home to a mix of multi-unit and single detached dwellings. With a large share of the population in the young family stage, many residents have reported there is limited choice within the ground-oriented dwelling stock;
  - Physical constraints to development such as building on the floodplain, land within the Agricultural Land Reserve (ALR), topographic conditions, and lack of servicing are reported to have resulted in complex approval processes and above average costs;
  - Housing in Pemberton is closely tied to the housing situation in Whistler. As employee housing projects in Whistler (Rainbow, Athletes Village) reach completion, a decline in demand is anticipated to occur in Pemberton. Conversely, improved accessibility due to Sea-to-Sky highway improvements between Whistler and the lower mainland could positively impact housing demand in the Pemberton area and beyond; and
  - The opportunity to benefit from short-term rentals to tourists during the 2010 Olympic and Paralympic Games is expected to displace long-term renters and exert pressure on the rental market during the winter months preceding and following the Games.



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## INTRODUCTION

Pemberton has experienced significant growth and change in recent years. The community's natural setting, abundance of outdoor amenities and recreation opportunities, proximity to Whistler, friendly, small-town character and lower cost housing, in comparison, have attracted many people, employees and young families to Pemberton. In response to new demand for housing, several multi-family housing and mixed use projects have been constructed close to the Village Centre, with development beginning to emerge more slowly in other areas, such as the Benchlands.

In recent years, however, land values have escalated, presenting challenges for local residents in terms of housing affordability and attainability.

*"Over the long-term, real estate values in the Village of Pemberton have been consistently rising, and affordable housing has become a prevalent issue for the municipality"<sup>2</sup>.*

In order to address both the current and future housing needs of the community, the Village of Pemberton has embarked on the development of an Affordable Housing Strategy. This background report provides a summary of the contextual information, including statistical and qualitative research findings, to describe Pemberton's current housing situation and appropriately guide the development of a strategy. More specifically, this report provides:

- An outline of the policy, planning and regulatory framework for affordable housing in Pemberton;
- An analysis of current demographic and development related data to produce key indicators of housing affordability in Pemberton; and
- An identification of preliminary issues and considerations related to housing affordability based on key-informant interviews.

It is recognized that, although this research is being conducted at the request of the Village of Pemberton, housing issues are both local and regional in nature, crossing the jurisdictional boundaries of the Village of Pemberton, the Squamish-Lillooet Regional District and Lil'Wat First Nation. As such, the research focuses not only on the Village of Pemberton but on the Pemberton area in general.



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<sup>2</sup> Benchlands Neighbourhood Concept Plan. 2007.

# A FRAMEWORK FOR AFFORDABLE HOUSING

## DEFINITIONS

The definition of affordable housing remains a moving target. According to CMHC, affordable housing is housing that costs no more than 30% of a household’s gross income. In addition to affordability, issues related to suitability and quality of the housing stock are identified as being integral to planning for affordable housing. For Pemberton, the following affordable housing vision and definition of housing affordability have emerged:

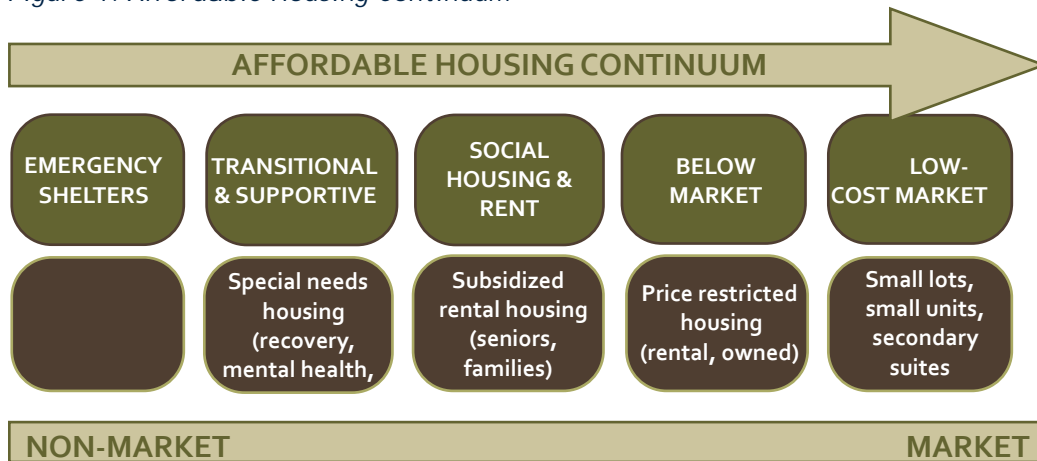
*Vision: Our affordable strategy seeks to create a mix of rental and ownership housing options that meet the needs of Pemberton residents.*

*Definition: Housing affordability refers to a household's ability to pay for housing at a reasonable percentage of household income. In Canada, this is typically 30% of gross income.*

## THE AFFORDABLE HOUSING CONTINUUM

The affordable housing continuum, illustrated in Figure 1, represents the spectrum of affordable housing types. At the far left of the continuum, is emergency shelter for people who are homeless or at risk of homelessness. At the far right of the continuum, are affordable rental and home ownership options for households with low to moderate incomes. The continuum shows a shift from non-market housing to housing that is government subsidized, to affordable housing that is provided in the private market. As one moves along the continuum, reliance upon government support decreases and independence increases.

Figure 1: Affordable Housing Continuum



Source: CitySpaces Consulting Ltd. 2009

Lower cost market housing in Pemberton is limited to rental housing in the form of secondary suites. Social housing is limited to the Pemberton Lions Villa, an eight-unit complex for seniors. However, the province has recently committed funding for an 18-unit seniors complex with funding from BC Housing as part of the new Seniors’ Rental Housing Initiative. Ten households in Pemberton receive rental supplements through the Rental Assistance Program for families (7 households) and the SAFER program for seniors (3 households).<sup>3</sup>

<sup>3</sup> The Shelter Aid for Elderly Renters (SAFER) program provides monthly cash payments to subsidize rents for BC seniors (age 60 or over) with low to moderate incomes and who are renting their homes.



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## LEGISLATIVE CONTEXT IN BRITISH COLUMBIA

Since the federal government withdrew funding for new social and cooperative housing in 1992, provincial and municipal governments have become more involved in identifying and addressing housing needs. In British Columbia, BC Housing has played an increasingly important role in providing housing to vulnerable populations including low-income individuals and families, homeless and populations at-risk of homelessness.

A municipality's powers in relation to housing are derived from the Community Charter and the Local Government Act (LGA). The Charter (2004) gives BC municipalities the authority to legislate in a number of broadly-stated spheres of jurisdiction and provides:

- more flexibility to identify and provide service that Council considers necessary or desirable, such as housing;
- clear authority to regulate, prohibit and impose requirements;
- ability to waive or reduce fees when land or improvements are held by a charitable or non-profit corporation;
- authority to establish a tax exemption program for an area designated as a revitalization area.

In 1993, the BC Government amended the *Municipal Act* (now, the *Local Government Act*) to require municipalities to include policies related to affordable, rental and special needs housing in their Official Community Plans. The LGA contains a number of additional provisions related to housing:

- Provides flexibility to allow higher density (bonus zoning ) in return for the provision of community amenities, including affordable and special needs housing.
- Enables a local government to enter into a housing agreement with a landowner regarding the occupancy of the housing units in terms of tenure, classes of person, administration of the units, rents and lease, sale or share price. The housing agreement is registered on title and is binding on future owners.
- Provides authority to waive or reduce a Development Cost Charge (DCC) for not-for-profit rental housing.
- Allows for variation of DCCs according to different sizes or different numbers of lots or units in a development.
- Stipulates that the BC Building Code applies to all municipalities, of which Part 9.36 reflects on Secondary Suites.

## THE POLICY AND PLANNING CONTEXT IN PEMBERTON

There are a number of policies, plans and regulations which comprise the current framework for housing development in Pemberton. In particular, affordable housing is flagged as a key planning issue in several documents. Key documents are noted here:

### *Squamish-Lillooet Regional District Regional Growth Strategy (Draft 2008)*

The Squamish Lillooet Regional District (SLRD) supports a range of quality affordable housing and housing types, targeting households of low and moderate income earning less than 80% of



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the median income. It includes policy statements regarding stakeholder collaboration, advocating for a range of housing types and housing affordability, and promoting consistency of affordable housing policies across the region.

Strategic directions include:

- Establish a regional affordable housing strategy encouraging regional housing trust funds, partnerships with non-profit organizations and exchange of experiences via an affordable housing committee
- Adopt policies and regulations to support live-work, mixed-use neighbourhoods, and residential intensification (secondary suites, flex-housing, infill and small lot development)
- Encourage affordable housing self-help initiatives (e.g. community housing land trusts)
- Adopt financial tools (e.g. cash-in-lieu of social housing contributions, waiving DCCs, property tax exemptions, and land grants)
- Adopt price, resale, rent geared-to-income controls and other options to increase supply of affordable housing and create housing that is perpetually affordable
- Encourage cooperation with community services groups and developers to supply low-cost housing options for seniors

### *The Official Community Plan (OCP)*

Pemberton's Official Community Plan (OCP) adopted in 1999 establishes a number of policies and priorities in terms of housing:

- Encourage developers of Crown benchlands to include a range of multi-family residential housing opportunities; target of 25% multi-family housing
- Consider use of Comprehensive Development (CD) zones to accommodate multi-family housing; support increased densities for affordable housing with tangible community benefit
- Encourage housing for seniors and seniors housing located close to community amenities or Village centre
- Encourage residential uses within mixed-use buildings downtown
- Encourage group home facilities in residential areas
- Require careful review of development proposals for land within potential natural hazard area.

### *Squamish-Lillooet Regional District Area C Official Community Plan (Draft)*

The Village of Pemberton is adjacent to the Squamish-Lillooet Regional District (SLRD) Area C. While not within the Village of Pemberton's jurisdiction, the SLRD Area C OCP warrants consideration. Land use planning policies affecting Area C have implications for growth and development in the Village of Pemberton.

- The Area C OCP speaks to supporting principles of smart growth including: directing urban development towards existing communities; building compact, mixed-use



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neighbourhoods; creating walkable communities; promoting a variety of low impact transportation options; and advocating for a range of affordable housing options.

- Policies affecting rural residential areas allow for secondary suites and cluster housing development.
- Policies specific to affordable housing include: distributing affordable housing throughout the plan area; maintaining existing mobile home parks and considering new mobile home parks subject to conditions; compensation for net loss of affordable housing units as a result of rezoning through relocation allowance or assistance, replacement of affordable housing on-site, or other approaches; consideration for 10-15 % inclusionary zoning; financial contributions to an affordable housing fund; and density bonuses for the provision of affordable housing.
- The SLRD Area C OCP also makes notable reference to the possible future development of 400 ha of land south of Mosquito Lake with the potential for densities equivalent to the Pemberton Benchlands area (5.25 units per hectare) which could be allocated in several ways to include a broad range of housing types from some acreage type lots to apartments<sup>4</sup>.

### *Strategic Plans (2005-2009)*

Pemberton Council has addressed housing issues through its annual strategic planning processes:

- Supporting affordable housing is identified as one action to facilitate social sustainability. This action involves concentrating development into nodes which enhance walkability and providing a variety of housing options to ensure diversity.
- Developing an affordable housing policy *"to ensure a diverse range of options, provide developer incentives to value resident affordability, and explore the role of secondary suites, modular homes, townhomes and hostel."*
- Exploring the feasibility of developing a secondary suites policy regarding new and existing suites, and an affordable housing strategy *"that addresses the community's needs and challenges (seniors and staff housing)"*.
- Supporting a multi-generational community and the ability for residents to "age in place" working in partnership with the Seniors Society, Lions Club and Mount Currie Band in addition to continuing *"to support and facilitate the process for development of the Lions land into seniors housing"*.

### *Benchlands Neighbourhood Concept Plan*

The 2007 Benchlands Neighbourhood Concept Plan (NCP) establishes a land use and servicing framework for the future development of the hillside adjacent to Pemberton's village centre. The NCP proposes a mixed use, hillside residential neighbourhood consisting of ground-oriented single family and multi-family housing units. Phase 1 includes 503 dwelling units including 189 secondary suites within large and medium single family homes. The OCP requires 25% of new housing in the Benchlands to be multi-family housing.



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<sup>4</sup> Squamish-Lillooet Regional District Area C Official Community Plan. Draft, 2008.

The plan is based on the assumption that Pemberton's demographic profile points to a need for affordable and flexible housing for young families that they will be able to grow in to over time. The plan also assumes that secondary suites will be desirable as mortgage helpers and to help provide lower cost rental housing in the community.

*"Surveyed public opinion during the public consultation process has stated that affordable single family housing options are desirable, and that secondary suites are a necessary component of future growth in the Village. The Benchlands NCP aims to meet this demand by designating a broad range of single family lot sizes, multi-family townhomes, and the provision for accommodating secondary suites in larger single family homes"<sup>5</sup>.*



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<sup>5</sup> Benchlands Neighbourhood Concept Plan. 2007.

## INDICATORS OF THE HOUSING MARKET IN PEMBERTON

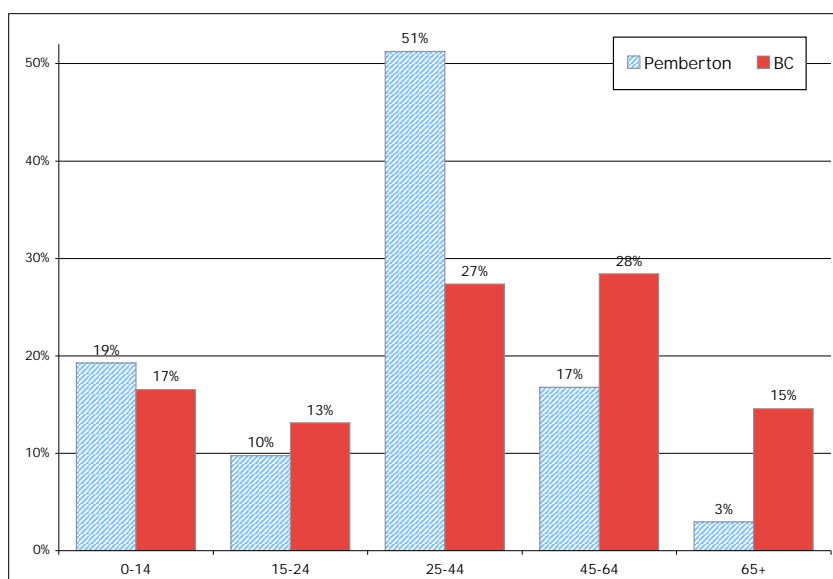
A number of demographic, socio-economic, housing, and income-related data help to inform our understanding of Pemberton's housing market.

### DEMOGRAPHIC INDICATORS

#### Population Profile

One of the fastest growing municipalities in BC, the Village of Pemberton grew at a rate of 6% per year between 2001 and 2006 compared to a provincial growth rate of 1% per year. Compared to the previous census period, however, Pemberton experienced a slowdown in its pace of growth – 34% between 2001 and 2006 compared to 94% between 1996 and 2001.

Figure 1: Population by Age, Pemberton and BC, 2006



Source: Statistics Canada, Census

- Generally, Pemberton has a younger population than the rest of the province. The median age in 2006 was 33 years of age compared to 40 years of age in BC.
- In 2006, more than half the population (51%) was between 25 and 44 years of age, compared to only 27% of the provincial population. Conversely, only 17% of Pemberton residents were between the ages of 45 and 64, and no more than 3% were seniors over the age of 65. While the share of the population over 45 has risen during the last census period, they make up a smaller share of the population in Pemberton (20%) than the rest of BC (43%). This distribution illustrates the extent that Pemberton's population consists of working families with children. (Figure 1)
- Between 1996 and 2001, there was a large increase among the 25 to 44 year old age group (118%) as well as children under 14 years of age (84%). In the more recent census period, 2001 to 2006, the most substantial changes were occurring among the older 45+ age groups.



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## SOCIO-ECONOMIC INDICATORS

Pemberton's economy, although historically rooted in agriculture and forestry, is today strongly tied to tourism and Whistler Resort, in particular. Approximately 21% of Whistler employees (2200) reside outside in Whistler, primarily in Squamish or Pemberton<sup>6</sup>. Although Whistler has a well-established employee housing program, many people choose Pemberton as a lower cost alternative for both renting and owning a home. Whistler employees may also seek home ownership in Pemberton due to the absence of housing restrictions<sup>7</sup>.

### *Labour Force*

The 2006 Census indicates a high level of labour force participation (the percentage of adult residents 15 years and older who are either working or actively seeking work), 89% in Pemberton compared to 66% BC-wide. This is not surprising, given the large share of the population of working age.

- Over a quarter of the labour force is employed in sales and service sector jobs (26%), while 21% work in management and 18.5% work in trades, transport and equipment operation (primarily construction jobs).
- Between 1996 and 2006, unemployment rates fell from 9.6% in 1996 to 4.8% in 2001, to 3.5% in 2006. Comparitively, the unemployment rate for BC in 2006 was 6.0%.

## HOUSING INDICATORS

### *Housing Stock*

In 2009, Pemberton was estimated to have over 1,000 occupied dwelling units, triple the housing stock in 1996. The vast majority of housing was ground oriented (87%) including single detached, duplexes, townhouses and mobile homes. The remaining 13% were in apartment condominiums. As part of the ground oriented stock, 5% of the dwelling units were in mobile homes and 9% were estimated to include secondary suites<sup>8</sup>.

Secondary suites (accessory suites) are permitted in new and existing single detached homes on residential and ALR designated land. Suites are not currently permitted on lots smaller than 1.2 hectares or beneath the Floodplain Control Level (FCL). However, many suites have been constructed illegally in basements upon the floodplain by owners taking advantage of existing space.

Although many are illegal, suites are recognized as an important source of rental housing within Pemberton. The Village of Pemberton has gone through a process of registering suites in order to charge homeowners the appropriate utility charges.



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<sup>6</sup> Whistler Housing Authority Employer Housing Needs Assessment. 2008.

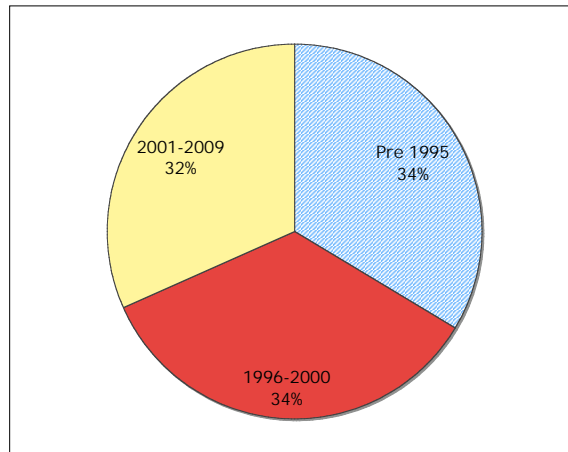
<sup>7</sup> Whistler Housing Authority (WHA) administers a pool of affordable ownership and rental housing. Some WHA units are occupancy restricted, and are required to be occupied by either a Whistler employee or retiree. Other units are both resale and occupancy restricted, and must be occupied by a Whistler employee or retiree while the resale price of the unit is controlled by the WHA.

<sup>8</sup> Village of Pemberton building permit statistics.

### Age of Housing Stock

Statistics Canada data on the period of construction of occupied private dwellings illustrates that Pemberton is a relatively young community. Of all dwelling units in the Village of Pemberton, roughly one third were built before 1995, one third were built between 1996 and 2000, and the remaining third were constructed since 2001.

Figure 2: Period of Construction



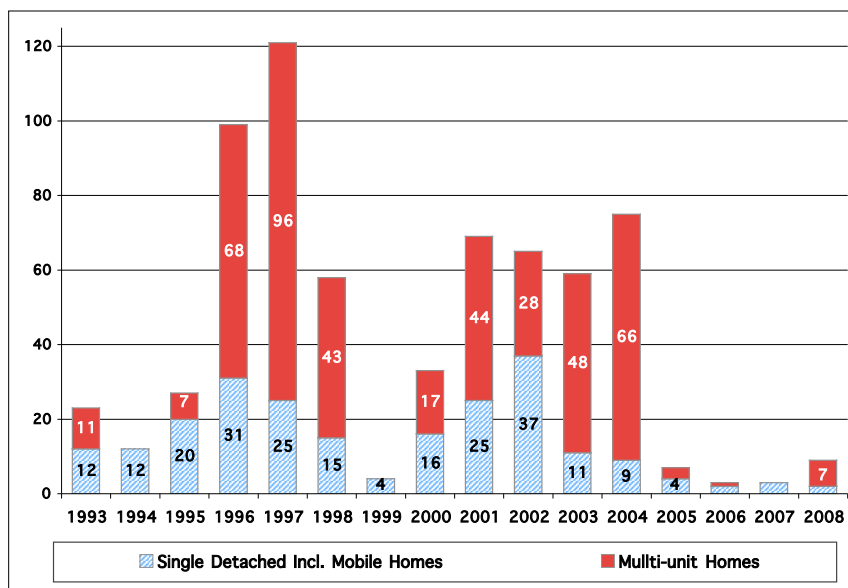
Source: Statistics Canada, Census - Updated with Building Permit Statistics

### Development Activity

Annual building permits suggest an increase in construction activity in the Village of Pemberton between 2001 and 2004. During this time, 74% of building permits were for multi-unit housing and 26% were for new single detached or mobile home construction.



Figure 3: Residential Building Permits, New Construction (1993-2008)



Source: Village of Pemberton Building Permit Statistics

Since 2004, real estate and development activity has experienced a slowdown, corresponding with trends in the Whistler market. Nonetheless, there are a number of major residential development projects to note:

- Pemberton Benchlands – a development of 600 to 700 units of small lot, single detached homes and townhouses included in the Benchlands Neighbourhood Concept Plan. Phasing for this project is expected to be over a 15 year period.
- The Plateau – mixed single detached and multifamily development and a number of vacant lots that have yet to come on the market.
- BCR Properties/Signal Hill Homes – rezoning application in process for 281 units during the first phase and approximately 170 units in the second phase.

Additionally, a number of mixed-use projects are in the development pipeline including:

- Arbutus Walk - commercial/multi-family residential development including 5 live-work units.
- Harrow and Portage - commercial and multi-family residential development including 43 housing units.
- Portage Station - The Landings - Commercial/live-work/multi-family development including 7 live-work units and 37 housing units.
- Gateway 1 - Commercial/Multi-family/hotel development including 27 units.
- Gateway 2 - Commercial/Multi-family development.
- Frontier Street - Commercial/Multi-family development including 41 units.
- Expedition Station - Commercial Live-work/Residential including 17 units.

Overall, 1,203 to 1,303 housing units are anticipated through projects in the development pipeline<sup>9</sup>. Notably, a 2007 study by Stantec estimated that an additional 3,071 dwellings would be required in the Pemberton-Mt. Currie area to accommodate anticipated population growth over a 20-year period<sup>10</sup>.

### *Real Estate Prices (1998 - 2008)*

Available real estate data from 1998 to 2008, indicate that real estate prices increased steadily over the ten-year period. Notably, there has been a significant increase in residential real estate prices over the past four to eight years. Figure 4 shows changes in median real estate prices based on resale house prices in the Whistler Listing System. These figures do not include private sales (by owner) or pre-sales (new projects) typically listed with a real estate company.



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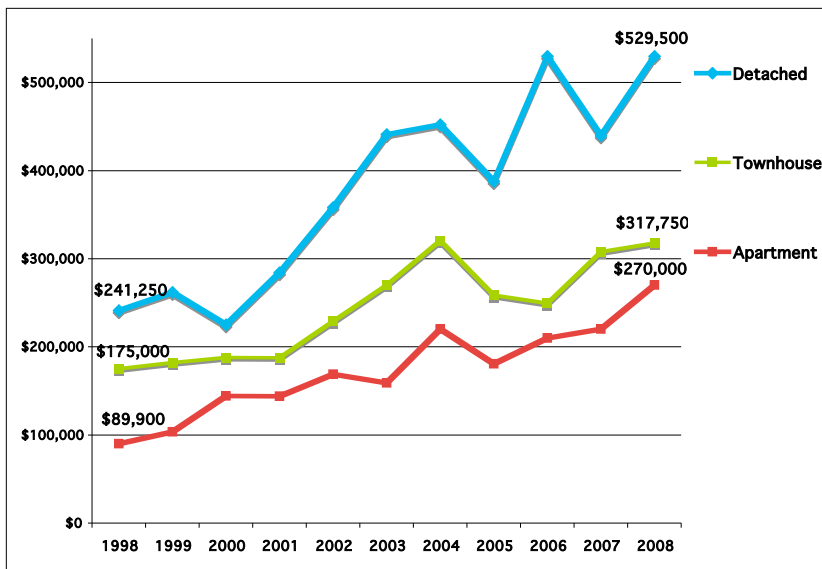
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<sup>9</sup> Snapshot 2009: A Community Status report to inform Pemberton's future land use and growth policies. Village of Pemberton Development Services Department, May 2009.

<sup>10</sup> Pemberton and Area Sub-regional Land Use Planning Study. Prepared for the Squamish-Lillooet Regional District, Village of Pemberton and LII'Wat Nation. Stantec Consulting Ltd. 2007.

Figure 4: Median Real Estate Prices (1998-2008)



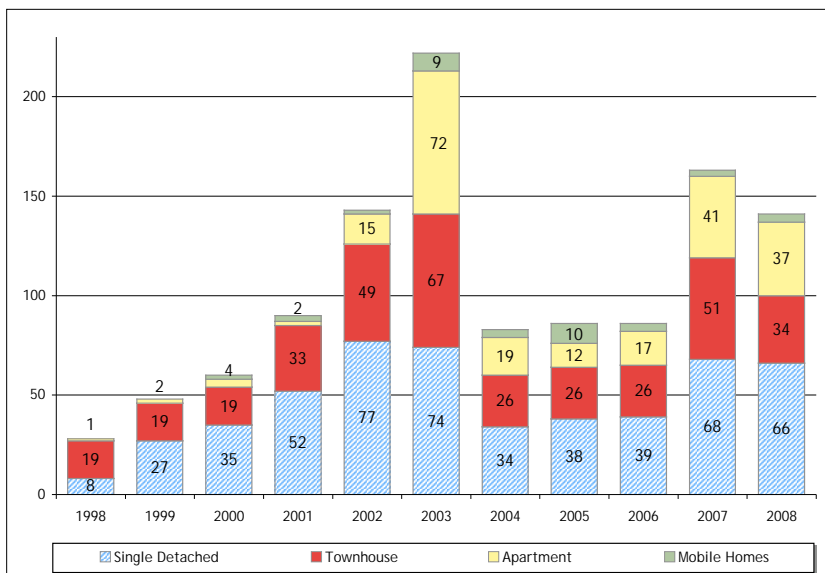
Source: Whistler Real Estate Company

Between 2003 and 2008, single detached home prices increased 20% reaching a peak median price of \$530,000 in 2008. During the same five year period, townhouse prices increased 18% reaching a peak median price of \$320,000 in 2008 and, notably, apartment prices increased 70% reaching a peak median price of \$270,000 in 2008.

### Real Estate Sales (1998 - 2008)

Since 1998, the number of real estate sales in the Whistler Listing System has gradually increased each year, reaching a peak in resale transactions in 2003 with 224 sales. Sales dropped between 2004 and 2006, with roughly 85 transactions per year, but have since recovered to an average of 153 sales per year in 2007 and 2008. (Figure 5).

Figure 5: Real Estate Sales (1998-2008)



Source: Whistler Real Estate Company



While the resale market is split between single detached homes and condominiums (both apartments and townhouse units), the majority of new projects that have come on the market in the past few years have been multi-family attached dwellings.

### Tenure

Similar to many BC communities, Pemberton is primarily a community of home owners – 65% of households currently own their home. However, the proportion of home owners in the community has been declining. Between 1996 and 2006, the proportion of owned dwellings has declined from 73% to 65%. During the same period, the share of households who rent their residence has increased from 28% to 35%.

### Rental Rates

As rental market data for Pemberton is not compiled through Canada Mortgage and Housing Corporation’s rental survey, rental listings within *The Pique* classified advertisements were used to determine estimated average rents for typical rental unit types. The figures in Table 1 do not account for units rented by word-of-mouth or alternate advertisements.

*Table 1: Estimated Average Rents (2002-2009)*

Average Rent \$	2002	2003	2004	2005	2006	2007	2008	2009
Shared	\$437	\$458	\$467	\$475	\$428	\$481	\$523	\$551
1 Bedroom	\$702	\$707	\$689	\$691	\$634	\$600	\$811	\$922
2 Bedroom	\$944	\$955	\$952	\$856	\$838	\$848	\$1,126	\$1,341
3+ Bedroom	\$1,591	\$1,563	\$1,467	\$1,271	\$1,141	\$1,469	\$1,891	\$1,682
Units Listed	99	111	189	272	132	85	76	53

*Source: The Pique Classifieds - Rental Listings in the February and September issues, 2002-2009*

- According to the classified listings from 2008-2009, rents in Pemberton range from as low as \$551 for a shared unit to \$1,891 for a house or townhouse that has three bedrooms or more. A typical 1-bedroom unit rents for \$922 and a 2-bedroom unit rents for \$1,341. Between 2002 and 2008, rents increased by as much as 20%, according to the rental classified listings.
- The rental market in Pemberton has been closely connected to Whistler’s tourism economy and has historically offered Whistler employees a relatively more affordable alternative. As such, the decline in tourists to Whistler in 2005 and 2006 would have resulted in an increase in Pemberton’s rental supply (and rental price decrease). Similarly, the spike in Pemberton rental prices seen in 2008 and 2009 is likely related to pre-Olympic construction activity in Whistler.



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## HOUSING AFFORDABILITY INDICATORS

### Income to Housing Costs

In order to determine whether or not housing is affordable, housing costs are compared to household income. Affordable housing is typically considered to be housing that costs less

than 30% of a household's gross income. However, 32% of a household's gross income is used by lending institutions, corresponding to gross debt service ratio, for the purposes of approving mortgages.

Using estimated household income figures for 2008, Table 2 presents the maximum purchase price and maximum rents for different types of households earning the median household income in Pemberton.

*Table 2: Estimated Maximum Housing Costs (2008)*

Household/Family Type	Median Income	Available Income for Rent (30%)	Maximum Purchase Price (5% down)	Maximum Purchase Price (10% down)
Married Couple Families	\$68,500	\$1,710	\$281,000	\$297,000
Single Parent Families	\$42,250	\$1,060	\$148,000	\$156,000
One person household	\$36,300	\$910	\$118,000	\$124,000

*Source: CitySpaces Calculations based on 2006 Federal Census and adjusted to 2008 using Provincial wage earnings. Mortgage calculations determined using ING-posted rates for five-year fixed term at 4.49% (June 2009) 25 year amortization and \$350 monthly costs for property taxes, maintenance fees and utilities.*

- With regard to rental housing, according to the calculations in Table 2, married couples earning the median household income of \$68,500 could afford approximately \$1,700 for rent, single parent families could afford \$1,050 per month and one person households could afford up to \$900 for rent. This assumes households are spending a maximum of 30% of their income on rent.
- With regard to purchasing a home, according to the calculations in Table 2, a married couple family earning the median-income would be able to afford a home priced at approximately \$297,000 with a 10% down payment. Single parent families would be able to afford a home priced at approximately \$156,000 and one person households a home priced at \$124,000.
- For the typical Pemberton household, rental units remain relatively affordable (Table 1). However, key informant interviews indicate that affordable rental housing can be difficult to find.
- On the home ownership side, many households would not be able to purchase a home in Pemberton without surpassing the affordability threshold established by lending institutions. Single detached houses and many townhouses would be unattainable without a more substantial down payment or other special circumstances and starter homes for first time buyers would likely be limited to condominium apartments.
- Apartment units valued at \$270,000, based on 2008 resale prices, are most "attainable" for median income earning married couple families. Some married couple families could afford a typical townhouse unit with a larger down payment or potentially a lower-priced townhouse unit with 10% down payment. Singles and single parent families appear to be priced out of the homeownership market in Pemberton.



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# PRELIMINARY ISSUES AND CONSIDERATIONS RELATED TO HOUSING AFFORDABILITY

## HOUSING CHALLENGES

Discussions with Village of Pemberton and SLRD staff, members of Village of Pemberton Council, local developers and employers, and residents suggest that there are challenges in Pemberton related to both rental and ownership housing.

### *Cost of housing*

The cost of housing has repeatedly been cited as the greatest housing challenge in Pemberton. The ability to pay for housing, as already described, determines whether or not housing is affordable. From the census data, we know that a large proportion of Pemberton residents are employed in service sector jobs and, although median incomes do make rental housing affordable, there is far less choice in the home ownership market.

### *Rental Housing Availability*

Key informants noted that it can be difficult to find rental housing in Pemberton, especially during the ski season. This applies to both workers looking for short term seasonal accommodation and workers in need of longer term housing arrangements. There is competition for space primarily with workers who are unable to find accommodation in Whistler. Some renters have been forced to leave Pemberton because housing was unavailable. There is also some concern that the 2010 Olympic Games will negatively affect the availability of rental housing to longer-term workers as owners convert their long-term rentals to short-term accommodation from now until after the Games have concluded in Spring 2010.

### *Ownership Housing Options*

Key informants noted that it is difficult to get into the ownership housing market in Pemberton and, also, that there are a lack of housing options for people seeking to move up the property ladder. Reasons cited included the high cost, limited supply and poor quality of housing.

A number of key informants suggested that it would be very difficult to obtain ground-oriented housing, particularly single-detached housing, with typical household incomes. Young families, in particular, wanting to move from multi-family housing into ground-oriented housing with private yards find that this type of housing product is difficult to obtain while maintaining affordability. Similarly, those seeking housing options to accommodate aging in place noted that such options are limited. Some suggested a need for a good variety of unit types and sizes to meet the varying needs of different household types.

### *Physical Constraints*

There are numerous physical constraints which present limitations to development in Pemberton. These include the prevalence of land within the floodplain, the agricultural land reserve, steep slopes, slope aspect (sun/shade), and soil and bedrock conditions. The limited supply of appropriately zoned and/or serviced land was also a common challenge cited by key informants.



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### *Development Costs*

There are a number of costs associated with development in Pemberton -- these include costs typically involved with development (i.e. land purchase, servicing, and regulatory review) and also costs that are uniquely associated with development in Pemberton. These include primarily costs associated with preparing sites for construction. There is an additional expense with construction upon the floodplain where sites on the floodplain need to be filled or built to the flood construction level. Development in an area with significant bedrock, such as the Benchlands, may require rock blasting, which can also be very costly. Developers spoke to the high cost of land, high cost of off-site servicing, need for geotechnical studies, stringent landscaping and lighting requirements, community amenity contributions and a cumbersome development review process as being factors contributing to high development costs and the final cost of housing.

### *Economic Challenges*

A number of key informants referenced Pemberton's role as a bedroom community for Whistler as being a challenge both in terms of competing for housing with Whistler workers and also because Pemberton lacks its own significant economic generator or employment base. There was also the suggestion that employee hiring and retention for professional jobs can be difficult in Pemberton due to the cost of housing. Conversely, a lack of good paying local jobs and job security (permanent jobs with benefits) were also noted as challenges to finding stable and affordable housing in Pemberton.

### *Other Considerations*

The research has brought to light a number of other considerations that are relevant to the development of an Affordable Housing Strategy for Pemberton.

- Although land values have risen in Pemberton, those values remain lower than land values in Whistler. As such, Pemberton continues to be seen as an attractive and more affordable alternative to Whistler.
- Pemberton's housing market is closely interconnected with that of the markets in Squamish and Whistler. While higher real estate prices and rents in Whistler have increased demand for more accessible alternatives in Pemberton, increasing development and product choice in Squamish have also increased the appeal of that community to residents in the region, potentially slowing down the growth in Pemberton.
- Sea-to-Sky highway improvements increase accessibility to communities within the corridor, shortening the time it takes to travel to and from the lower mainland. This may result in increasing pressure on Pemberton as a destination for second-home owners and may also stimulate economic development within Pemberton.
- The lack of public transportation in the Pemberton Valley has been identified as a challenge related to housing. People come to Pemberton to access local services and entertainment but may be unable to return home, and rendered "temporarily homeless", due to limited transportation options.
- Discussions with Sea-to-Sky Community Services suggests that the Sea-to-Sky Corridor is home to a significant and growing homeless population. The number of homeless who



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may be living in the Pemberton area is unknown. However, anecdotally, there are people living in the area in tents or other substandard shelter.

- Although not directly a housing challenge, a number of key informants referred to a lack of community cohesion resulting from Pemberton being comprised of a mixture of long term residents and a transient population.
- In 2008, the Pemberton Lions Activity Society contracted a study, with funding through BC Housing, to determine seniors' housing needs and create a seniors housing vision for Pemberton. Through a seniors housing survey and community forums, the study confirmed the demand for seniors housing in Pemberton. Roughly half the survey respondents (51) expressed a need for independent living units and the other half (53) expressed a need for assisted living units, both now and in the future. Some of the desired characteristics of this housing include housing on one level, shared indoor and outdoor amenities, one or two bedroom units, and housing that is close to transit and services.

## TARGET POPULATION GROUPS

An analysis of relevant data sources and information collected through key-informant interviews indicates that there are four key demographic groups that merit specific attention through the development of an Affordable Housing Strategy.

### *Low income households*

Pemberton's low income households are a population group challenged with being able to find secure, long-term housing that is both affordable and appropriate to their needs. The research reflects a common perception that rental housing is often difficult to obtain and that rental housing prices are high in relation to household incomes. Households within this demographic primarily include those on fixed incomes or those working in the service sector of the economy.

### *Young Families*

Young families seeking to move up the property ladder are finding that their options are limited. Growing families, for instance, seeking to move from multi-family housing to more ground-oriented and detached housing forms with secure, private yards are challenged to find suitable homes which meet their lifestyle needs yet fit within their budgets.

### *Seniors*

While seniors remain a relatively small proportion of the population, the limited stock of seniors' housing has been reported to be one of the prominent concerns of Pemberton residents. There is a growing trend toward planning for seniors to "age in place". There have been a number of discussions in the community regarding how to accommodate an aging seniors' population and the importance of providing a range of market and non-market housing options. Some of Pemberton's seniors have assets and reasonable incomes, but are challenged by the lack of options that allow them to downsize to one-level ground-oriented living.



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### *Seasonal Workers*

Seasonal workers are another group that are challenged with finding secure, affordable housing. Seasonal workers are a vital component of the regional economy -- contributing to the tourism economy based primarily in Whistler and also, to a lesser extent, farming activities in the Pemberton Valley.

### *Others*

An often overlooked group in smaller communities is the homeless. There is no empirical data to substantiate the number of homeless people living in the Pemberton area. However, we know anecdotally that there are people living in tents or other types of substandard shelter in the Pemberton area. It has also been suggested that there is frequently a “temporary homeless” population – where individuals arriving in the community can’t get home due to the lack of regional transit service or because short-stay housing isn’t available.

## CONCLUSION

A review of relevant plans, policies and documents and discussions with key informants confirms that Pemberton faces a number of housing challenges that warrant further consideration. These include: the cost of both rental and ownership housing; limited rental housing availability; limited choice in home ownership options; and physical constraints to development including the floodplain, agriculturally zoned land, topographic conditions, and lack of servicing. Further to this, it is evident that Pemberton is tied strongly to the Whistler economy. Its role as a bedroom community for Whistler presents a challenge in terms of competition in the market contributing to the cost of both rental and ownership housing.

An examination of both rental rates and home prices, in relation to area incomes, indicates that housing affordability is a concern across the population. For the typical Pemberton household, rental rates appear to be relatively affordable but the research suggests that adequate and affordable rental accommodation is difficult to obtain. On the ownership side, married couple families have some choice in the market, while singles and single person households are virtually priced out. First-time home buyers are generally limited to condominium apartments and townhouses, while those looking to move up the property ladder may not be able to do so because of limited choice in the market.

The Village of Pemberton has begun to examine housing affordability issues and taken measures to address these issues through development -- primarily within the Benchlands area (although uptake in the Benchlands has been slow). In addition, Pemberton has a considerable number of secondary suites. Despite the fact that only some of the units have been permitted (by building permit), secondary suites represent an important stock of affordable rental housing within the community in addition to serving as mortgage helpers. A limited amount of affordable seniors housing has been constructed to date, with eighteen additional units coming on stream. Based on population projections and anticipated development, a housing shortage is expected over the next 15 to 20 years.

An Affordable Housing Strategy is needed to address Pemberton’s immediate and long-term housing challenges. Specific groups needing attention include: low income households seeking rental or ownership housing; young families looking to move up the property ladder or into ground-oriented housing; seniors wanting to “age in place”; and seasonal workers looking for secure and affordable short-term housing.



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