

Canada Community-Building Fund:
Qualitative Questionnaire for BC Municipalities – Penticton

Link to 2024 Interim Housing Needs Report:

https://www.penticton.ca/sites/default/files/docs/our-community/living-here/2024%20Housing%20Needs%20Report_final.pdf

Questionnaire Responses:

- 1) Please provide a brief history of how housing in the community has been shaped by forces such as employment growth and economic development, transportation, and migration. Please include any long-term housing challenges the community has faced.**

Penticton is the regional hub in the South Okanagan which has experienced steady growth.

Historically, industrial activity shaped housing in the community because Penticton was a hub along the Kettle Valley Railway and an important shipping port for Okanagan Lake before the highway network improved in the middle of the-20th century. In the post war years, growth expanded based on Penticton's desirability of climate, large industrial lands and being on the Hwy 97 corridor.

The City is also a popular tourism destination, particularly in the summer months, and second homes and vacation rentals have been popular for decades and created a sub-industry for housing of a temporary nature.

Since the 1990's, the City has been a major retirement destination, with a growing over-65 population - expected to reach 38% of the population by 2046. As the population ages, the importance heightens of supporting workers and families to maintain the local economy.

On average, household incomes are lower in Penticton than in many parts of BC because of lower paying jobs, seasonality of employment, and a large retiree population who live on fixed incomes..

New housing is mostly in multifamily forms today (approximately 85% of new homes) due to the lack of developable land in the City. This shift to multifamily forms of housing represents a significant shift in Penticton, where the built stock has historically been single family housing. Most opportunity sites are within the existing built-up area, leading to many duplex, townhouse, and low-rise apartment developments accounting for local housing supply.

2) Please detail the existing municipal housing policy and regulatory context, including approved housing strategies, action plans and policies within Official Community Plans (OCPs).

Penticton's current Official Community Plan was adopted in 2019, replacing the previous 2002 OCP. The City convened a Housing Task Force in 2023 which met regularly over the course of the year to review the Official Community Plan from a housing lens, responding to the pressures on housing availability and affordability in the community.

The City completed a Housing Needs Report in 2023 ([link](#)), prior to the Provincial methodology, to inform the Housing Task Force recommendations. The Housing Task Force presented 18 recommendations to Council to support housing needs in the community, which were endorsed by Council in December 2023. These recommendations involve, among other initiatives: focusing growth in the built-up area of the city, reducing and in some cases eliminating parking requirements, streamlining approvals, increasing allowable densities along major corridors, and the creation of a specific social housing plan to meet non-market needs.

In June 2024, the Official Community Plan and Zoning Bylaw were updated to implement those recommendations and Provincial policy initiatives (small-scale multi-unit housing and transit-oriented area). The OCP amendment was focussed on updating the OCP housing policies and land use designations, including mapping, to support greater density, more mixed-use developments, and reduced parking requirements.

The City has recently completed the following Housing Needs Reports:

- [2023 Housing Needs Assessment](#), commissioned to inform the Housing Task Force recommendations (prior to Provincial method)
- [2024 Interim Housing Needs Report](#), following the Provincial method.
- 2025: Social Housing Needs Report, commissioned to supplement the data in the two other reports while providing valuable insight on non-market housing needs.

The City's 2025 Social Housing Needs Report was commissioned to specifically understand the non-market housing needs in the City. That report outlined that roughly 9% of all units in Penticton are non-market (~1,500) and that 71% of those non-market units serve seniors. Further, ~1,750 new non-market units are projected to be needed by 2046 to account for demand, more than doubling the current supply.

The City's Social Housing and Infrastructure Plan is the action-focused strategy towards meeting the social housing needs in Penticton. That Plan is being completed in summer 2025 and was developed in collaboration with the local community housing and social services sector and referencing the Social Housing Needs Report. The Plan matches non-profit partnerships with opportunity sites for social housing development with complementary services and prioritizes projects for appropriate funding streams.

Opportunity sites include City-owned land as well as sites owned by non-profit or government organizations.

3) How have population changes in your community impacted your housing market?

The City has grown much faster in recent years (average 1.86% per year) than projected in the 2019 Official Community Plan, which projected more modest and steady growth based on the 2016 Census data (average 0.65% per year).

With an increasing share of remote and hybrid workers in response to the pandemic, and continued popularity as a retirement destination, the City's housing costs have escalated dramatically since 2019 in part driven by this additional demand. Supply has increased during the same time, with 2,066 new units issued building permits since 2019, an average of 344 per year.

Housing costs are increasingly disproportionate with average household incomes in Penticton, which generally has average lower household incomes than the rest of BC. This has driven the City response to support more non-market housing in Penticton.

4) How have employment and labour conditions (e.g., prevalence of precarious employment, temporary or seasonal workforces, reliance on less predictable sectors such as natural resources, agriculture, tourism, etc.) in your community impacted housing supply and demand?

Local industries are struggling with recruitment and retention due in part to housing availability and affordability. This includes healthcare, the industrial sector and accommodation and food and beverage. Key interviews were conducted through the City's 2023 Housing Needs Assessment (prior to Provincial methodology) highlighting these issues. Local industry groups, the Penticton Industrial Development Association, Okanagan College, and Penticton Regional Hospital all shared these concerns through interviews.

A larger seasonal employment sector (i.e. hospitality, agriculture, etc.) in Penticton increases housing pressures at the same time many suites are used for vacation rentals instead of long-term rentals.

5) Please describe the housing needs and challenges of priority populations in your community, specifically for the 13 groups identified by CMHC: women and their children fleeing domestic violence; women-led households (especially single mothers); seniors 65+; young adults aged 18-29; Indigenous peoples; people with physical health or mobility challenges; people with developmental disabilities; people dealing with mental health and addiction issues; veterans; 2SLGBTQIA+; racialized groups; recent immigrants (including refugees); and people experiencing homelessness.

The recently completed Social Housing Needs Report provides valuable data on current inventory and projected needs for these priority populations. This data forms the basis of the City's Social Housing and Infrastructure Plan – the City's strategy to act on the identified needs.

The Social Housing Needs Report projects more households in core housing need among all priority populations, with the increases shown below:

Family Group	Increase in Core Housing Need by 2046
Households with disabilities	+76%
Racialized	+71%
Single mother	+69%
Indigenous	+63%
Youth	+51%
Women-led	+41%
Newcomers	+24%
Seniors	+5%

These increases are demonstrated in percentage increases versus true number increases to reinforce that needs are growing disproportionately among different groups, and to keep a focus on serving all priority populations instead of only focussing on those with the greatest overall numbers. Intersectionality of people among these groups is important to keep in mind, that individuals can fall within more than one group. Each of these groups have a risk of falling into homelessness.

A significant challenge across all priority populations highlighted in the Social Housing Needs Report was the lack of available supportive and social housing in the community to bridge the gap between emergency housing and market housing. The gap to market housing is growing and more supportive and social housing is needed to enhance housing availability and affordability and prevent homelessness upstream. Building more shelters will not provide the long-term stability and security that having a permanent home provides; therefore, the Social Housing Needs Report advocates for a focus on permanent housing solutions to mitigate an expanded need for homeless shelter spaces.

- 6) How has your community engaged with priority populations? Please provide an overview of the methodology and assumptions used to conduct engagement with priority groups. Please provide a description of who was engaged, the type of engagement that took place, and the nature of the engagement (e.g. interviews, consultations). If a private individual has been engaged, please anonymize and remove any identifying features from the narrative.**

The City has a Memorandum of Understanding with United Way BC as the backbone organization behind the '100 More Homes Penticton' collective of local non-profits and

service providers. This collective works towards housing and service needs for Penticton's priority and vulnerable populations, including groups working with youth, newcomers, women fleeing violence, and other populations. The 100 More Homes collective has multiple 'focus tables', at which the City participates, including the Youth Action Table, Lived/Living Experience Table, and Housing Action Table. These forums allow for specific voices and ideas to come forward related to various needs.

Assumptions include issues being raised in these forums and then rising to the City's awareness. Many groups may be hesitant to share sensitive information with government agencies, leading to knowledge gaps in understanding needs of certain populations. There may be further hesitations among the Indigenous population particularly about data sovereignty and past misuse of data by colonial governments, leading to underreporting of needs. As with any demographic projection exercise, the best available data is utilized understanding some of these limitations.

Leveraging the connections with local non-profits and service providers who are closest with these communities allows the City to understand needs on a more granular scale.

The City's public engagement program is designed to hear from a cross-section of the population, and the annual citizen survey provides a statistically accurate representative sample of community. Engagement activities are thoughtfully arranged to provide multiple day, time, and location options to make it as easy as possible for residents to attend and share their feedback on different initiatives.

7) Please describe local factors that are believed to contribute to homelessness in your community (e.g., the closing of a mental health facility, high numbers of refugee claimants, etc.).

Below-average household incomes that have not kept pace with historic increases in housing costs have increased housing precarity and directly led to homelessness in the community. Further creating downstream impacts is the relative affordability of Penticton in comparison to the Lower Mainland in particular. That mixed with the high quality of life in Penticton have exacerbated housing costs, creating competition for scarce housing resources between existing lower income residents and higher wealth individuals leaving the Lower Mainland.

As a tourist destination for many decades, the City has many older motels from the 1950's-1960's which have evolved into low-income monthly rental properties (i.e. single-room occupancy units). These are viable development sites and as they redevelop the vulnerable residents are impacted. Since 2017, 5 motel sites have been redeveloped or are approved for redevelopment, affecting 143 units.

A share of rentals on the secondary rental market (i.e. carriage houses and secondary suites) are rented for an 8-10 month term in the 'off-season' with residents needing to move

out as they switch to vacation rental suites in the 'summer season'. The City did significant engagement with vacation rental operators in 2023 and found many operators are hesitant to switch their vacation rental to a long-term rental due to concerns with having a 'bad tenant' and the difficulty to evict them, if necessary. These factors increase the precarity for residents living in these units for part of the year and needing to find accommodation in peak tourist season.

As a regional hub in the South Okanagan-Similkameen, with a concentration of social services and housing opportunities, it is understood some homeless residents from surrounding smaller communities may come to Penticton. There has been significant social housing investment in the City in recent years, with 95 new units for low and very low income residents built since 2020 (shelter, transitional and supportive housing).

8) Please identify temporary and emergency relief resources available for individuals experiencing homelessness in your community (e.g., number of shelter beds, resource centres, transitional beds available). If possible, please indicate whether capacity levels are commensurate with need.

43 permanent shelter beds are available in Penticton, with 30 transitional housing beds available on the same site. Emergency women's shelters provide 20 beds. Currently, 40 temporary winter shelter beds are operational which has been extended into May 2024 through to-up operational funding.

Even with over 100 emergency beds, Penticton is still experiencing encampments as residents shelter outdoors. Penticton has a number of social service resources, including the Penticton Access Centre, which provides service connections but does not provide housing directly, and Oonkanane Friendship Centre, providing outreach and resources for urban Indigenous residents. Penticton continues to explore other temporary and emergency housing options, including Heart & Hearth through the BC Government.

9) Some groups, including students, those in congregate housing, and temporary foreign workers, may be excluded from publicly available core housing need data sources. Communities are encouraged to use this section to describe the housing needs of these respective populations to ensure that all groups are represented in their HNR.

The 'No Where to Go' youth homelessness study was completed in 2022 for Penticton, providing important information around youth in homelessness and those at-risk. The report estimated approximately 135-140 youth aged 12-24 are homeless or precariously housed at any given time in Penticton, with only two dedicated emergency beds for female-identifying youth.

Okanagan College has a Penticton campus which previously had no student housing available. In 2025, construction began on a new 100-bed on-campus residence to support

students. This residence will help alleviate some of the pressure on local rental housing by providing an option dedicated for Okanagan College students.

The City has records of non-market congregate housing facilities and coordinates closely with those housing operators to understand the needs of those residents through forums including 100 More Homes Penticton.

While difficult to account with quantitative data, it is understood the City's population is higher than reported in StatsCan data due to the influx of temporary workers in the community in the summer season particularly, and to fill positions on a rotational business (i.e. travel nurses). Outside the summer season, many vacation rentals are used by workers for 8-10 months of the year.

10) How have average rents changed over time in your community? What factors (economic, social, national, local, etc.) have influenced these changes?

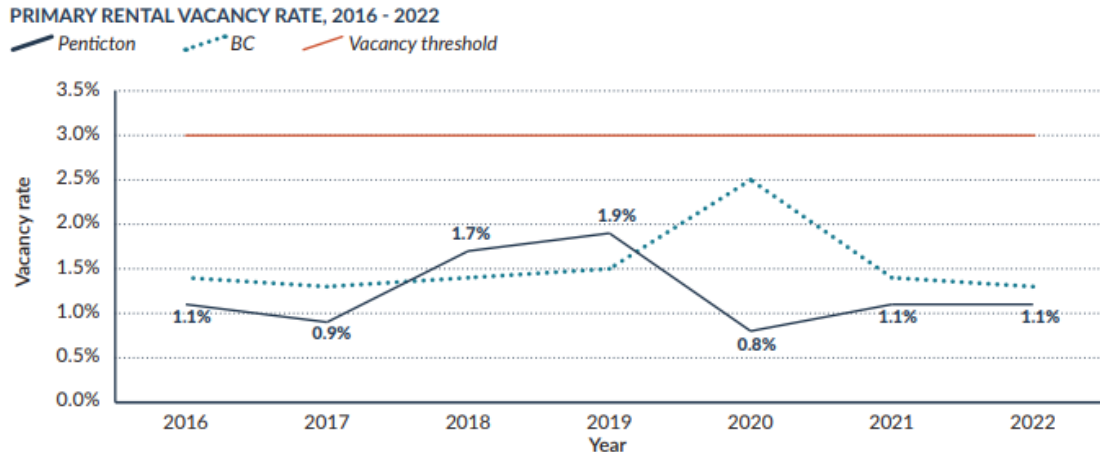
Average rents have increased substantially since the pandemic. Factors include the trend of people seeking smaller urban centres for lifestyle reasons, continued popularity as a retirement community, and increase in the number of new purpose-built rental units.

As new purpose-built rental buildings are completed, their rents are often higher than those of existing older supply, which does not directly assist the affordability issues. We are seeing a trend that new rental housing is creating upward pressure on existing (older) rental housing, which is following the market up. Because there is such a low vacancy rate (under 2%), the older stock is able to raise rents when residents move out, impacting affordability.

Even with significant new rental housing, the rental vacancy rate remains below 3%-5% 'healthy' threshold and approximately 12% of renter households are in extreme core housing need.

11) How have vacancy rates changed over time? What factors have influenced this change?

Vacancy rates have fluctuated slightly over the last few years, however never above 2% since at least 2015:



This is a result of new units being constructed, but not at a pace to meet the demands of more people moving to the community. It is understood that available vacancy rate data does not take into account secondary market rentals (i.e. secondary suites, carriage houses, etc.) which if that data were available may result in changes to the vacancy rate. Instead, it's assumed that similar vacancy rates exist for those dwellings as for larger scale rental units (i.e. purpose-built rental apartments). Increasing costs for ownership housing make it less affordable for many households, leading to more demand for rental housing as down-payments and mortgage approvals may be difficult to obtain.

12) How have trends in core housing need changed over time between both tenant and owner-occupied households?

Core housing need as captured by StatsCan data shows a reduction in 2021. This is in part the result of pandemic financial relief (CERB) which artificially enhanced many household incomes at the time the census data was recorded. In 2021, many more renter households (~44%) are in core housing need than homeowner households (~15%). This reflects the financial capacity of renters versus homeowners, as rents are close to mortgage payments however many renter households cannot save for a downpayment. The high cost of rent means many renter households are spending a substantial portion of their household income on housing, limiting their ability to save money to purchase a home.

13) In the last five years, how many affordable units for low and very low-income households have been built, and how many have been lost? If data is not available, please describe how the loss of affordable housing units may have impacted your community.

95 new affordable units for low and very low-income households have been built in Penticton since 2020. The City has lost 55 such units over the same period, primarily old motel units which were used as long-term residences. As a result, 40 net new affordable units for low and very low income households have been built (average of 10 net new units per year). There are currently 28 more social housing units under construction with occupancy expected in 2026 prioritizing Indigenous residents. While the supply is

increasing, the 2024 Interim Housing Needs Report indicates a need for 57 non-market units per year to meet affordability needs of those experiencing/at-risk of homelessness or in extreme core housing need.

14) Please describe available affordable and community housing options and needs/gaps currently in your community. Examples can include:

Refer also to attached inventory list of existing non-market units in Penticton (table below).

a) Are any of these affordable housing units accessible or specifically designed for seniors, including long-term care and assisted living?

Yes – according to the Social Housing Needs Report inventory, currently 1,086 of 1,529 (71%) non-market units serve seniors in Penticton. This includes low-income seniors housing, long-term care and assisted living units.

b) Does your municipality provide rent supplements or other assistance programs that deepen affordability for households?

No - the City of Penticton does not provide rent supplements. The City does offer pre-development grant funding to non-profit housing providers who are beginning work towards capital grant applications to build more non-market housing in the City through a pilot funding program.

c) Is your community in need of supportive housing units with wrap-around supports, such as for those with disabilities?

Yes – the Social Housing Needs Report completed in 2025 advocates for a homelessness prevention approach. As part of this, 239 new supportive housing units are needed by 2046, approximately 14% of all new non-market units needed over the next 20 plus years. These units will serve residents with more complex needs, including those with disabilities and those with mental health and/or substance use disorders.

Property Name	Number of Units	Type (from Housing Continuum)	Rationale for Grouping under New Categories
Snpa?Xtəntn ("Healing House")	54	Housing with Support Services	Provides housing with integrated support services for people with specific needs. Particularly geared towards recovery-focused services for Indigenous people.
Reed's Corner	20	Housing with Support Services	Accessible units with assumed support services for people with disabilities.
Bruce Court Apartments	10	Housing with Support Services	Accessible units with support services for people with disabilities.
Kiwanis Lodge	20	Social Housing	Affordable housing managed by a community organization.
Kiwanis Village	40	Social Housing	Affordable community housing without extensive support services .
Legion Village	20	Social Housing	Affordable housing for seniors, managed by a community group.
680 Wade - Affordable Housing	14	Affordable Rental Housing	Offers below-market housing for low-income individuals and families.
Fairhaven	41	Housing with Support Services	Affordable housing for individuals and families without support services .
Parkdale Lodge	53	Affordable Rental Housing	Provides affordable housing, including accessible units, without support.
Skaha Assembly (approx. 10 years)	600	Affordable Rental Housing	Upcoming affordable housing project for low-income residents.
Galt Ave - Affordable Housing	50	Affordable Rental Housing	Affordable housing for low-income families.
Eckhardt - Workforce Housing	50	Affordable Rental Housing	Designed for moderate-income workers.
Women's Transitional Housing	Unknown	Addressing Homelessness	Temporary housing with support services for women transitioning from crisis.
Compass Centre	43	Addressing Homelessness	Short-term emergency shelter for people experiencing homelessness.
Compass House	30	Addressing Homelessness	Provides short-term transitional shelter for people in crisis or experiencing homelessness.
Hughes House	Unknown	Addressing Homelessness	Temporary housing with support for women fleeing violence.

Property Name	Number of Units	Type (from Housing Continuum)	Rationale for Grouping under New Categories
Okanagan Nation Emergency Transition House	Unknown	Addressing Homelessness	Safe housing for families and individuals fleeing violence.
Discovery House	4	Housing with Support Services	Provides integrated recovery services for people overcoming addiction.
Discovery House - Winnipeg St	13	Housing with Support Services	Supportive housing with recovery services.
Johnson House	4	Housing with Support Services	Supportive housing for youth with integrated services.
Nanaimo House	6	Housing with Support Services	Supportive housing for youth or people with recovery needs.
New Approach Treatment Centre For Drugs and Alcohol	Private Pay Only	Housing with Support Services	Private-pay recovery centre with housing services for people recovering from addiction.
Chestnut Place	30	Social Housing	Affordable housing for seniors and people with disabilities.
Concorde Assisted Living Residence	23	Social Housing	Affordable housing for seniors, provided by a community organization.
Village By the Station	35	Social Housing	Community-managed affordable housing for seniors.
Braemore Lodge	16	Housing with Support Services	Psychosocial rehabilitation for people with mental health conditions.
Haven Hill Retirement Centre	112	Social Housing	Affordable housing for seniors, managed by a community organization.
The Hamlets at Penticton	75	Social Housing	Affordable senior housing, subsidized for low-income residents.
Trinity Care Centre	75	Social Housing	Long-term care housing for seniors, managed by a community organization.
Westview Place	102	Social Housing	Long-term care housing for seniors, managed by a community group.
Eckhardt Home	Unknown	Social Housing	Long-term care housing for seniors or people with disabilities.
Good Samaritan Canada Village by the Station	Unknown	Social Housing	Affordable senior housing provided by a community group.
Moog and Friends Hospice House	Unknown	Other	Hospice care, not fitting the traditional housing continuum categories.
Bruce House	Unknown	Social Housing	Long-term care housing provided by a community group.
Murray House	Unknown	Social Housing	Long-term care housing provided by a community organization.
Bethesda Penticton Home	Unknown	Social Housing	Confidential long-term care housing, managed by a community organization.

15) This final section aims to determine how your community anticipates using the results and findings captured in the HNR to inform long-term planning, as well as concrete actions that can address identified needs. Please use the following questions to describe how those linkages will be made.

- a) How will this HNR inform your OCP, housing policies and/or actions going forward? For example, if the HNR identifies specific needs in your community across the housing spectrum – such as housing needed for priority populations, units for large households in denser form factors, more diverse structural types such as missing middle housing, or more affordable and higher-density housing near transit – how could actions and changes in policy and planning help address those needs?**

The City will review and update OCP policies and projections based on the HNR results. Many existing policies already align with the direction of the 2024 Interim HNR, 2023 HNR, and Social Housing Needs Report, but future projections and a shift to more proactive planning and less spot rezonings will be reflected in the next OCP update, particularly through the future land use designations map. The Interim Housing Needs Report will form the basis of analysis later this year to ensure Penticton has policies in place to accommodate the projected 20-year housing need.

- b) How will data collected through the HNR help direct those plans and policies as they aim to improve housing locally and regionally, and how will this intersect with major development patterns, growth management strategies, as well as master plans and capital plans that guide infrastructure investments?**

The City will continue directing growth into the existing built-up area through a focus on infill and intensification. Recently, the City reduced the number of new growth areas in Greenland developments while increasing density in key neighbourhoods, along major corridors, and near bus exchanges. Housing Needs Report data reflects the latest population projections for Penticton. The OCP is the guiding document for infrastructure master plans, which will be reviewed and updated to account for future growth. HNR data will guide a push for more non-market housing in the City to meet housing affordability needs, with an average 57 new non-market units needed per year to meet affordability needs.

- c) Based on the findings of this HNR, and particularly the projected housing needs, please describe any infrastructure gaps that may potentially limit the ability of your community to support forecasted growth unless they are addressed, or that could facilitate more complete and resilient communities. This can relate to any type of enabling infrastructure needed for housing, including fixed and non-fixed assets, as well as social, community or natural infrastructure. Communities are encouraged to illustrate how infrastructure gaps impact their housing systems and growth.**

Examples of types of enabling infrastructure may include:

- 1. Public Transit**
- 2. Water/Wastewater Systems**

- 3. Roads and Bridges**
- 4. Schools, Parks, Community or Recreational Centres**
- 5. Broadband Service and Access**
- 6. Climate Risks/Impacts**

Penticton faces major infrastructure challenges to accommodate over 6,000 more homes by 2046. The most significant single project is upgrading the City's Wastewater Treatment Plan to accommodate the increased population. The City is pursuing the Canada Housing Infrastructure Fund (CHIF) for this project.

Development Cost Charges are increasingly insufficient to keep up with infrastructure costs and additional funding streams will be critical to keep up with infrastructure projects to support growth. DCCs are already cited by the development community as too high in Penticton and Council has been reluctant to increase them with concerns of negatively impacting new residential development.

One example of deficient infrastructure impacting housing supply is a street with three approved housing projects with a nearly 100-year-old water main that requires upgrading, and the costs are too high for the developers to wish to proceed with their projects inclusive of the offsite works at this time.

With policy direction promoting active transportation, the City's sidewalk, bike lane, and transit infrastructure requires significant investments to enable easy flow for residents between home, work, and third spaces. Investments in the transit network will help encourage residents to use the system and realize the true potential of recently designated transit-oriented areas having greater density and lower parking requirements.

The Social Housing & Infrastructure Plan was developed collaboratively with community partners and outlines a range of social infrastructure needs to consider in new developments as the City grows and demands for services increase. For example, daycare is a major need in Penticton and as more working families move to the area the existing shortage of spaces will be exacerbated without investments in childcare. Incorporating this social infrastructure in a housing project supports livability for residents.

Park and recreation facilities will experience additional strain as the City has a limited land base to expand park/recreation facilities or improve facilities with limited budgets. These projects are necessary for a healthy and livable community as population grows and the city densifies. Increasing population in a small area puts more needs on public open space when private open space is more limited compared to low density forms of new development.