

CITY OF FERNIE

Housing Needs Report 2020

February 2021



City of Fernie
PO Box 190, 501 – 3rd Avenue,
Fernie BC, V0B 1M0



Photo by Matt Clarke, CCby

Contents

EXECUTIVE SUMMARY	4
PROJECT OVERVIEW	9
Quantitative Data - Sources and Limitations	10
CONSULTATION	11
Indigenous Outreach	11
Community Consultation	11
CITY OF FERNIE AND HOUSING	15
City of Fernie - Housing Plans and Policies	17
KEY FINDINGS	20
Housing Units Required	21
Core Housing Needs	22
Key Areas of Local Need	24
Population and Households	26
Housing	30
Economy	34
APPENDIX 1:	
HOUSING NEEDS REPORTS – SUMMARY FORM	37



Executive Summary

This Housing Needs Report describes current and future housing needs for the City of Fernie. It is meant to provide decision makers, City staff, community members, service providers, businesses, and housing developers the information necessary to better understand their current and future housing needs, and to help identify existing and projected gaps in housing supply.

The report is intended to meet the provincial legislative requirements for housing needs reports and is to be updated every five years.

Project work included engagement and consultation with agencies that work with vulnerable populations and offer housing support programs in Fernie. These discussions provided valuable insights into local and regional housing issues and trends, filled gaps left from quantitative data collection around extreme core housing needs and homelessness, and helped ground-truth other findings uncovered by the policy review and quantitative data analysis.

A wide spectrum of stakeholders was contacted, including the Interior Health Authority, Fernie Family Housing Society, Elk Valley Family Society, Fernie Citizens Housing Society, and others, such as major employers (Fernie Alpine Resort, North Coal, Teck Resources) and local real estate agents and property managers.

Units required

Basic housing demand is the number of dwellings required to house the anticipated household growth. It does not account for the seasonal population influx. Based on regional household growth rates, the City of Fernie would need to have built around 113 additional units since the last census (i.e., 2016) to meet basic housing demand. To meet anticipated demand to 2026, a further 74 units could be required.

Overall, to meet basic housing demand to 2026, an additional 187 units with nearly 550 additional bedrooms could be required. Broken down into tenure type, this housing demand represents an additional 54 rental and 132 owner housing units. The proportion of renter households is anticipated to increase in this forecast. There is a growing demand for rental housing, as well as housing suitable for families (2- to 3-bedroom units).

Housing Units Required Current and Anticipated

Current housing units required are the number of additional housing units needed to house the projected increase in households that is estimated to have occurred from 2016 to 2021. It is important to note that this projection is based on regional household growth rates, not actual growth. Anticipated housing units are the number of additional housing units needed to house the projected increase in households from 2021 to 2026 based on the regional household growth rate.

Unit Type	Timeframe	Total Households	Owner Households	Renter Households
1 bedroom	Current	10	7	3
	Anticipated	7	5	2
2 bedrooms	Current	31	22	9
	Anticipated	20	14	6
3 bedrooms	Current	37	26	10
	Anticipated	24	17	7
4+ bedrooms	Current	35	25	10
	Anticipated	23	16	7
Total Units	Current	113	80	32
	Anticipated	74	52	22

Note: According to the 2016 census, there were no 0-bedroom (bachelor) units in Fernie.

It is important to note that the projections are based on a statistical approach recommended by the Province to calculate the minimum number of dwellings required for the City of Fernie to house residents. As such, they do not consider actual growth since 2016, nor take demographics and other contextual information into account.

From 2016 to 2019, Fernie exceeded the 2021 target of 113 units, with a net housing gain of approximately 157 housing units; yet, community consultation highlighted that some of residents' housing needs remain unmet. Though the data shows that the City has enough dwellings to house residents, community consultation highlighted key areas of housing need (see Key Areas of Local Need on page 7). Some residents in Fernie need more housing support than simply the provision of dwellings.

Households in core housing need

Core housing need is a combined measure of housing appropriateness (condition and size) and ability to pay for adequate housing. In 2016, an estimated 10% of households in Fernie were in core housing need. Renter households in Fernie are far more likely to be in a state of core housing need than owner households. In 2016, 170 renter households (28% of total renters) in Fernie were in core housing need, as compared to 55 owner households (3% of total owners).

Extreme core housing need measures households who need to spend 50% or more of their total income to obtain acceptable housing. Overall, there were an estimated 80 households (4% of total households) in extreme core housing need in 2016. Fernie renter households are also more likely to be in extreme core housing need than owner households with 40 renter households (7% of total renters) in extreme core housing need, as compared to 40 owner households (2% of total owners).

To eliminate core housing need in Fernie, affordable and appropriate housing options will need to be made available for these households. This must occur in addition to the above requirements for meeting basic demand. Eliminating core housing need for these 234 households may be achieved through a combination of new builds, rental subsidies, dwelling repairs, and dwelling expansions. While recent development represents progress towards reducing core housing need, more could be done over the next five years to provide affordable and appropriate housing in Fernie.

Core Housing Need (2016)

A household is said to be in 'core housing need' if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards). Those in extreme core housing need pay 50% or more of their income on housing.

Level of Need		Total Households (n=2215)	Owner Households (n=1615)	Renter Households (n=600)
Core Housing Need	#	225	55	170
	%	10%	3%	28%
Extreme Core Housing Need	#	80	40	40
	%	4%	2%	7%

Note: Core housing need assesses households living in private residences. It doesn't include farms, reserves or owner- or renter-households with incomes less than 0 and shelter-cost-to-income ratios of 100% or more.

Areas of local need



- **Affordable housing:** Stakeholders discussed an acute shortage of affordable housing. It was noted that Fernie is a “sellers’ market,” and home purchases are unattainable for many local residents, especially first-time buyers. Since 2006, the average sale price of a single-family dwelling in Fernie has increased by over \$285,500, according to BC Assessment data. There is a considerable gap between the income needed to buy the median house in Fernie, and the actual median income of renter households. While home ownership is within reach for many households in Fernie, these households will tend to be owners and have considerably higher incomes than the median. This finding is consistent with the 2017 Housing Needs and Gap Assessment Report which highlighted affordable housing as a critical issue single parent families and single people with low and fixed incomes. The 2017 report also found that as house prices rise, home ownership has become unattainable for many moderate-income working people.



- **Rental housing:** The proportion of renter households in Fernie is steadily increasing; however, since 2003 there have been no new purpose-built rental buildings. Stakeholders highlighted an acute shortage of rental availability for all types and sizes of homes, which is consistent with findings from the 2017 Housing Needs and Gap Assessment report which found that there were limited housing options available for renters. Renter households are more likely to be in core housing need. Rental rates have increased prohibitively for many temporary seasonal workers, resulting in many living in over-housed situations.



- **Special needs housing:** There are very few housing options for people with disabilities. There are also limited wheelchair accessible rental units, and limited independent living options for people with disabilities. It has been more than 10 years since a substantial number of new institutional care units were registered.



- **Housing for seniors:** Currently, Fernie’s population is young relative to other jurisdictions, but it is aging. The 65 to 85 age cohort is expected to experience the most growth over the next five years. There are supportive housing providers and independent living units for seniors however, stakeholders have noted increasingly long waitlists for available units. Further, there is a shortage of wheelchair accessible rentals available for seniors on a fixed income. This finding is consistent with survey results from the 2017 Housing Needs and Gap Assessment report which identified seniors as the third ranked group having greatest housing need.



- **Housing for families:** As originally reported in the 2017 Housing Needs and Gap Assessment report, there is a demonstrated shortage of suitable and affordable housing options for single parent families, young families, and low- and moderate-income families. Stakeholders confirmed a lack of suitable, available housing for families in the 3-bedroom and 4-bedroom range. While household size has been decreasing in Fernie, as it has across the Province, and the population as a whole is aging and may, in time, downsize to smaller units (assuming they are available), family housing remains a current issue that will likely persist beyond the short term.



- **Shelters for individuals experiencing homelessness and housing for individuals at risk of homelessness:** Throughout engagement with stakeholders, it was reported that homelessness is an invisible issue in Fernie and there is a lack of housing supports for those at risk of and experiencing homelessness. There are no emergency shelters available in Fernie other than emergency temporary housing available for women and children experiencing

violence. This finding is consistent with the 2017 Housing Needs and Gap Assessment report which indicated a need for emergency shelter options for men who are either episodically or chronically homeless.



- **Preparedness for seasonal population spikes:** The population that Fernie serves is dynamic throughout the year. At certain times of the year, such as over winter or summer holidays, Fernie experiences seasonal spikes in population and may serve a population that is as much as 30% larger (over 1,500 more people) than the year-round population. Additionally, Fernie houses several hundred temporary seasonal workers, such as the 800 winter employees at Fernie Alpine Resort (around 25% of the 2016 working population). Fernie Alpine Resort does not provide staff housing at the mountain or support housing in Fernie. Larger employers in the region have also not provided temporary housing programs or facilities in the city. Fernie may need to work with larger employers to better address and accommodate seasonal and temporary staff.

It is important to note that Fernie Family Housing Society (FFHS) is currently building a new 49-unit development consisting of 35 apartments and 14 townhomes next to Tom Uphill Manor and École Isabella Dicken Elementary School. FFHS received funding from BC Housing and Columbia Basin Trust for the project, which aims to provide mixed affordable housing for families, singles, seniors, and people with disabilities. This new development will help address some of the key areas of local need identified in this section.





Project Overview

In April 2019, provincial legislative requirements took effect that require all local governments in British Columbia (BC) to collect data and analyze trends on approximately 50 distinct kinds of data related to housing and local economic and demographics conditions. These housing needs reports are to follow provincial reporting guidelines and include historical data, current data, and/or projections in order to assess current and anticipated housing needs.

The City of Fernie received funding from the Union of BC Municipalities to undertake this report in the summer of 2020. After a competitive request for proposal, a vendor was selected in August and project work began in September.

This Housing Needs Report describes current and future housing needs for Fernie. It is meant to provide decision makers, City staff, community members, service providers, businesses, and housing developers the information necessary to better understand their current and future housing needs, and to help identify existing and projected gaps in housing supply. The report is intended to meet the provincial legislative requirements for housing needs reports and is to be updated every five years.

This report is organized following the Ministry of Municipal Affairs and Housing guidance document, “Guide to Requirements for Housing Needs Reports” and provides a summary of:

-  The number of housing units required to meet current housing and anticipated housing needs for at least the next five years, by housing type.
-  The number and percentage of households in core housing need and extreme core housing need.

This report also provides statements about key areas of local need in addition to summary tables, figures, and estimates that illustrate key information for the following areas:



Population

- Population and Households, 2006 – 2026
- Population Growth Rate, 1996 – 2026
- Median Age (Local, Regional District, BC), 2006 – 2026
- Seniors 65+ (Local, Regional District, BC)



Housing

- Owner and Renter Households, 2016
- Number of Units by Size, 2006 – 2016
- Registered new units by type, 2003 – 2019
- Average Household Size, 2006 – 2026
- Average Housing Values, 2007 – 2020
- Market and Subsidized Housing (Local, Regional District), 2016



Economy

- Household Median Income (Owner and Renter), 2006 – 2016
- Median Income (Local, Regional District, BC), 2006 – 2016
- Major Local Industries (Sectors), 2006 – 2016

A separate standardized Housing Needs Reports – Summary Form that the Province requires for all housing needs reports is provided in the Appendix.

Quantitative Data - Sources and Limitations

It should be noted that several data used in this report are compiled from the long-form census and may not match data found in other sources such as the City's Official Community Plan. For the purpose of completing housing needs assessments, Statistics Canada provided custom census reports, which were made available on the BC Stats Data Catalogue. These reports are based on long-form (sample-based data) census questionnaires, which are collected only for a 25% sample of the population in private households and then weighted to represent the total population. This can cause discrepancies between the custom census reports and other census data, such as census Community Profiles, which are based on short form (total population) questionnaires.

In 2011, the long-form census known as the National Household Survey (NHS) was voluntary, which led to low response rates and resulted in poor data quality. For Fernie, the non-response rate was 46.0%. Though 2011 NHS data are used throughout this report, it is important to note that there may be data quality issues. In some cases, data such as population or household counts varies significantly between the NHS and the census Community Profiles.

The census uses random rounding to 0 or 5, and some totals may not sum correctly, and some percentages may not reach 100.0%.

The growth projections are currently based on Provincial growth projections for the Regional District of East Kootenay (RDEK), as growth projection data is not available at a municipal level. The Province recommends downscaling regional growth rates to calculate municipal population growth projections. Additional growth projections were provided by the recent August 2020 Integrated Infrastructure Capital Plan which uses a 1.1% and 1.7% growth rate for infrastructure planning and modelling purposes. The higher rates reflect Fernie's considerable "shadow population," or non-permanent residents with vacation properties and second residences. City of Fernie analysis indicates that approximately 30% of all housing units are occupied seasonally.

Rental building calculations are based on assessed/sale values from BC Assessment. BC Assessment does include stratified rentals, but the dataset may not capture all stratified townhouse rentals in Fernie.

Non-market housing data, including emergency shelter and housing for the homeless, assisted living, social housing, and rent assistance, were provided by BC Housing. BC Housing only tracks units where they have a financial relationship. There may be other subsidized housing units in the community.

Also note that this report does not account for changes to the administrative boundaries of local municipalities and electoral areas.



Consultation

Indigenous Outreach

The City of Fernie is located on the unceded, traditional, and ancestral territory of the Ktunaxa Nation. In 2016, 6% of permanent residents in Fernie were Indigenous. To develop a more complete picture of housing needs in the area, the City of Fernie sought to engage and inform Ktunaxa Nation and the Tobacco Plains Indian Band, the closest Ktunaxa Nation community to Fernie. The consultant sent email requests to discuss housing needs early in the engagement in mid-October and sent follow up emails later in October. Neither were able to participate in the Housing Needs project.

Community Consultation

Project work included engagement and consultation with agencies that work with vulnerable populations and offer housing support programs in Fernie. These discussions provided valuable insights into local and regional housing issues and trends, filled gaps left from quantitative data collection around extreme core housing needs and homelessness, and helped ground-truth other findings uncovered by the policy review and quantitative data analysis.

A wide spectrum of stakeholders was contacted, including the Interior Health Authority, Fernie Family Housing Society, Elk Valley Family Society, Fernie Citizens Housing Society, and others, such as major employers (Fernie Alpine Resort, North Coal, Teck Resources) and local real estate agents and property managers.

From these conversations, several areas of concern were heard repeatedly.

There is a shortage of housing of all types.

The most common concern throughout these discussions was a lack of available housing, demonstrated by the limited availability of both rental housing and homes for purchase.

Despite exceeding the estimated additional units required to meet basic housing demand, the City of Fernie has limited rental availability, including single rooms in shared rentals, apartments, and houses. Respondents reported long waitlists,

“There’s such a limit now, but it’s almost too limited now. Ski hill properties used to sit on the market for 100 days, and now they’re selling in a day.”

– Fernie Real Estate Agent

very few postings of rentals on social media and forum sites, and rental housing providers overwhelmed with postings from those in search of suitable housing. Property managers rarely need to publicly post rentals, as turnover rates are low, and when homes do become available, they are quickly filled through word of mouth. When there are new postings for rentals, property managers commented that they receive multiple eligible requests within a day.

Property managers noted an acute shortage of rentals suitable for families (2-3 bedrooms), and a shortage of wheelchair accessible rentals. While respondents acknowledged that there are housing developments in progress, it was clear that with already long waitlists and low turnover rates, there is a need for much more supply.

Real estate agents noted an increasing shortage in homes below \$500,000, with these homes often receiving multiple offers in a day, and sometimes cash offers with no subject conditions (e.g., home inspection, financing). Homes between \$500,000 and \$700,000 that may have previously sat on the market for 100 days are now receiving multiple offers in one day.

The “shadow population” continues to put pressure on housing availability for local residents.

As a major recreation destination, Fernie has a significant number of non-resident property owners. These temporary residents are referred to colloquially as the “shadow population.” Analysis by the City of Fernie, including modelling carried out for the August 2020 Integrated Infrastructure Capital Plan, indicates that approximately 30% of all housing units are occupied seasonally. According to AirDNA (an analytics platform that provides global short-term rental data for properties listed on the Airbnb and VRBO vacation rental platforms), as of November 2020, there are 157 active vacation rental listings (VRBO and Airbnb) for entire homes in Fernie ranging from studio units to 5-bedroom houses. Further, the shadow population market is helping drive the new housing market to create product for this segment and puts further pressure on sales of existing housing as noted in the previous finding.

There are limited affordable rental housing and ownership housing opportunities.

Housing affordability was the biggest concern for nearly all respondents.

A significant concern for housing and support providers was the lack of suitable housing available for vulnerable populations, including seniors, people with disabilities, low-income residents, and single parents.

Property managers noted a lack of rental availability for low to moderate income families and single parents, and acknowledged a shortage in suitable, affordable housing for families. Real estate agents discussed the difficulties first-time home buyers are experiencing to find suitable and affordable housing within a highly competitive Fernie market, especially for homes under \$500,000.

Employers commented on their workers’ inability to find suitable housing that they could afford to purchase or to rent both temporarily (for a season) and long-term.

“What I’m definitely finding and what we’ve been seeing for the last seven years is it’s a seller’s market. We’re seeing a lot of demand and dwindling supply, meaning the prices are spiking to the point where a lot of locals with reasonable family incomes are being priced out of the market.”

– Fernie Real Estate Agent

Waitlists for seniors housing and housing for those on rental assistance are steadily increasing.

While there are existing residences for seniors, housing support providers noted increasing demand for entry into these homes. One provider illustrated this with their current 52-person waitlist for occupancy in their facility, which has increased in recent years from a 10 to 15-person waitlist.

Further, respondents noted that there is very little supply of affordable, wheelchair accessible rentals for seniors and disabled residents who could otherwise live independently. As well, residents on fixed incomes (e.g., pensions, disability assistance) are struggling to find rentals in a competitive market.

Homelessness is an invisible issue.

While most respondents noted that there were very few “visible” homeless residents in Fernie, many noted that there are likely “invisible” homeless populations who do not have suitable housing but are sleeping on couches, renting motels week to week, and in temporary conditions. In addition, many acknowledged that it is possible to live in a vehicle or camp in the summer, and therefore people might just move on when those options are no longer tenable. A growing concern is the number of residents living in unsuitable or precarious housing situations.

Respondents noted that there is a shortage of supportive housing for vulnerable populations, particularly noting that there is no supportive gender diverse housing for LGBTQ2+ community members¹, a lack of wheelchair accessible housing, and no emergency housing shelter for men.

“We always end up with people that come to work but there’s nowhere to live so they just work as long as they can without a home. We don’t have a homeless shelter of any kind here; a lot of people just move on when they can’t bare it anymore.”

– Fernie Housing Support Provider

¹ LGBTQ2+ people are more likely to face housing unaffordability, unstable housing situations, and homelessness than non-LGBTQ2+ people. Without the proper services, LGBTQ2+ adults and youth may face stigma and discrimination when seeking supportive housing, ranging from staff who are ill-equipped to serve LGBTQ2+ people, to harassment and violence from other residents. Sex-segregated facilities that house people according to their sex assigned at birth are a particular barrier for transgender community members, which may lead to them choosing to remain unsheltered.

Abramovich, A. (2016). Preventing, reducing and ending LGBTQ2S youth homelessness: The need for targeted strategies. *Social Inclusion*, 4(4), 86-96.

Ecker, J., Aubry, T., & Sylvestre, J. (2019). A review of the literature on LGBTQ adults who experience homelessness. *Journal of homosexuality*, 66(3), 297-323.

Romero, A. P., Goldberg, S. K., & Vasquez, L. A. (2020). LGBT people and housing affordability, discrimination, and homelessness.



Visible homelessness includes those unsheltered as well as those who are sheltered and staying in homeless shelters and transition houses.

Hidden Homelessness includes those without a regular address of their own where they have security of tenure. This includes those temporarily staying with friends, living in vehicles, parks, or abandoned buildings.

Due to low vacancy rates and incomes not keeping pace with rising housing costs there is a significant increase in the number of people at risk of losing their housing, described as **At Risk of Homelessness**.

Figure based on: 2018 Report on Homelessness Counts in BC, Dec 2018, prepared by Homelessness Services Association of BC, Urban Matters and the BC Bon-Profit Housing Association

FIGURE: Levels of Homelessness



Employer projections for job growth in the region will increase pressure on housing supply.

Three major employers in the region discussed their expectation to increase staffing levels in the coming months and years due to compliance with COVID-19 regulations, and future operational plans. Both employers acknowledged concerns with the lack of availability for housing for their existing staff and a growing concern for availability for their projected staff. It is possible that some of the workforce seeking housing in Fernie are not able to find secure housing and have to live in temporary situations, such as staying with friends, on couches, or in vehicles, contributing to hidden homelessness in the city.

- North Coal is a new mine operation in development located east of Sparwood. Currently, temporary construction crews are typically housed in hotels for the duration of their work (approx. 8-12 weeks). North Coal is projecting their operational workforce will increase by 300 by 2024, with an additional 500 in temporary (18-24 months) construction crews. As with other mine operations in the area, it is likely that some of the workforce may seek housing in Fernie if suitable housing options (rental and ownership) are available.
- Fernie Alpine Resort has a workforce of approximately 800 in the winter and 200 in the summer, with an anticipated increase in staffing requirements in order to comply with COVID-19 regulations. Typically, their workforce lives on the mountain and throughout Fernie, with many renting rooms in homes. There are currently no dedicated staff accommodations.
- Teck Resources has a workforce of approximately 4400 employees throughout the Elk Valley, just over 700 call Fernie home. This workforce size has been consistent over the past ten years and is expected to remain relatively constant in the future. However, new employees struggle to find suitable housing in Fernie, despite relatively high salaries.

Given that outreach and consultation occurred during the COVID-19 pandemic, housing providers and stakeholders were also asked about the impacts of the pandemic on housing in the region. Answers to the question of how or if COVID-19 has affected people in terms of housing varied. Most noted that they have seen little to no change as a result of the pandemic. However, some raised concerns that the end of the Canada Emergency Response Benefit (CERB) payments in September would result in some challenges for renters or homeowners struggling to make monthly payments. As well, respondents noted the difficulty some have faced renting single rooms in a home with COVID-19 precautions in place.



City of Fernie and Housing

Many local governments across the Province are witnessing declining affordability and limited supply of affordable housing. These challenges are no different in the City of Fernie. As a local government, Fernie can help support the provision and expansion of affordable housing across the continuum of housing through a range policies, regulations, partnerships, and advocacy and education, many of which are already in use. The Local Government Act (LGA) provides several means to aid local governments in addressing affordable housing, including at a policy level:

- Require an Official Community Plan (OCP) to contain policies addressing the approximate location, amount, type, and density of residential development required to meet anticipated housing needs over a period of at least 5 years - Section 473(1)(a), LGA;
- Require the OCP to include housing policies respecting affordable housing, rental housing, and special needs housing - Section 473(2), LGA;
- May include OCP policies relating to social needs, social wellbeing, and social development - Section 474 (1)(a), LGA;
- Ability to promote medium density, ground oriented housing as a way to address affordability in urban and town centres; and,
- Ability to direct and encourage where different types of residential housing can occur.

At a regulatory level, through zoning, local governments may:

- Create policy around inclusionary zoning which requires that a certain proportion of new development consists of affordable units - Section 482, LGA;
- Provide density bonus program which allows a higher level of density on a class of sites in exchange for amenities or affordable housing - Section 482, LGA;

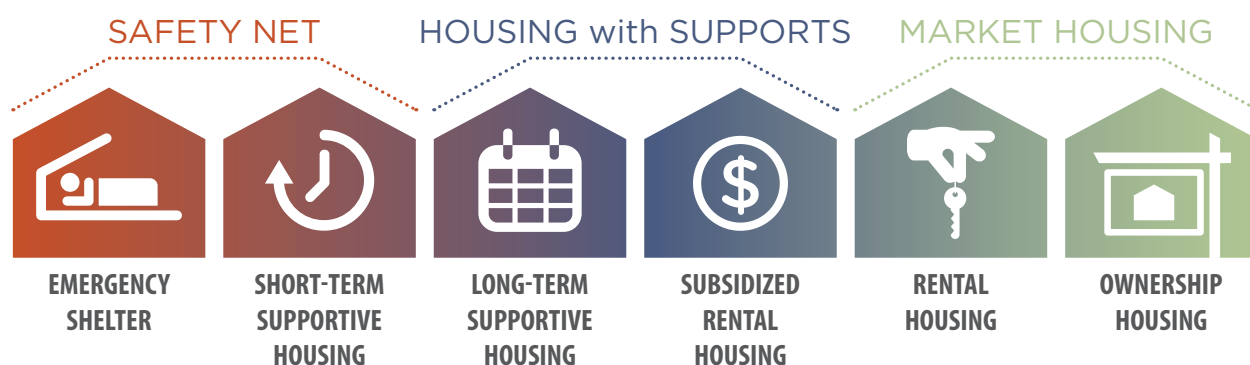
- Limit the form of tenure to residential rental tenure within a zone where multi-family residential is permitted - Section 481.1, LGA;
- Provide comprehensive development zoning for specific sites to allow flexibility in negotiating amenities and or affordable housing;
- Offer small lot zoning which allows for more affordable single-family units; and,
- Enter into Housing agreements (registered in the Land Titles Office) for securing affordable and special needs housing - Section 483, LGA.

Other measures for local governments to support a range of affordable housing can include:

- Reducing or waiving development cost charges, building permit fees, or property taxes for buildings owned or held by a charitable, philanthropic, or other non-profit corporation - Section 224/226, Community Charter and Part 14, Division 19, LGA;
- Reducing parking requirements, amenity space requirements, and excluding parking from floor area calculations to reduce construction costs;
- Reducing development cost charges for smaller, more affordable new units;
- Creating housing reserve funds for enhancing affordable housing - Section 188, Community Charter;
- Donating land or leasing land at or below market value for developing affordable market and non-market housing in the region;
- Developing strong community partnerships with non-profit organizations and the development community; and,
- Providing support for non-profit groups seeking funding from senior levels of government.

The figure illustrates the spectrum or continuum of housing support that a local government like Fernie can support, from emergency shelters through to owned housing. The housing continuum is made up of a range of market and non-market housing options. A healthy housing system has a variety of options to support the diversity of residents' needs as they may change over the course of a person's life. This report uses qualitative and quantitative data to understand housing needs and gaps in Fernie across the continuum.

FIGURE: The spectrum of housing



There are a number of organizations in Fernie providing support along this spectrum.

Subsidized rentals are available through Elk Valley Family Society which has, independent living units for seniors and people with disabilities as well as subsidized affordable housing units rented at 85-95% market rate.

Long-term supportive housing is available for seniors and people with disabilities through the Fernie Citizens Housing Society which have multiple homes throughout Fernie.

Fernie Women's Resource Centre provides temporary shelter for women and children fleeing violence through a Safe Homes program.

City of Fernie - Housing Plans and Policies

The Following is an overview of existing policies, plans, and strategies relevant to housing.



Affordable Housing Needs and Gap Assessment (2017): This document was prepared for the City of Fernie as part of a 2017 Affordable Housing Strategy. Similar key findings to the current Housing Report included:

- Single parent families identified as having the most difficulty in finding suitable, adequate, affordable housing;
- Limited housing options for renters;
- Home ownership is not attainable for moderate income working people;
- Lack of affordable housing to support employee recruitment and retention; and
- Single people with low or fixed incomes have difficulty finding suitable, affordable housing.



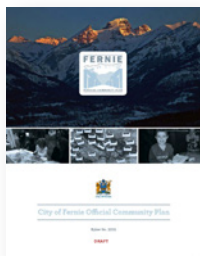
Affordable Housing Strategy Update (2017): This report was prepared for the City of Fernie to update a previous (2007) Affordable Housing Strategy. The resulting strategy outlined key roles for the City of Fernie in implementation including:

- Setting policy, with the addition of a Factory-build Housing Policy;
- Establishing regulations around types of housing, parking permits, fees reductions, and development cost charges;
- Using resources such as City-owned properties, land banking, an affordable housing reserve fund, and tax exemptions;
- Forming partnerships including collaboration with the non-profit and business communities, Columbia Basin Trust, and the federal and provincial governments; and,
- Demonstrating leadership by researching the need for an emergency shelter and initiating the prospect of setting up a rent bank.



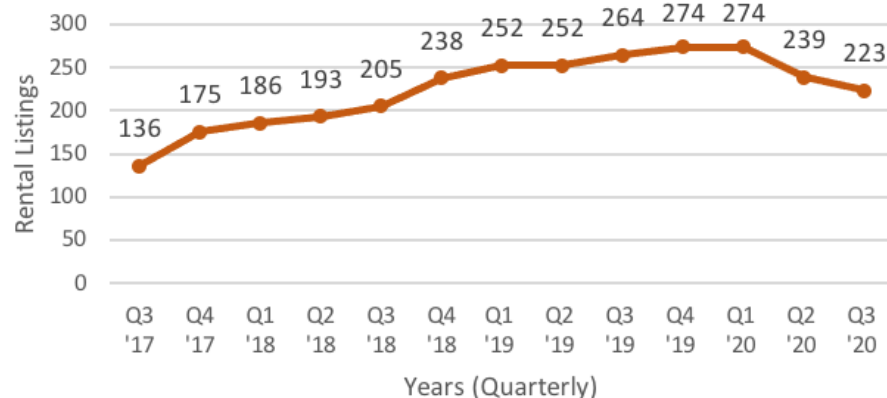
► **FIGURE:** Since 2017, the number of short-term rental listings on Airbnb and VRBO has increased. The majority of units are two to three bedrooms, concentrated in downtown, West Fernie, and Riverside, and with an average occupancy rate of over 60%. The relative decline of listings during Q2 and Q3 in 2020 could be attributed to COVID-19.

(Source: AirDNA, 2020)



Short Term Rental Regulatory Framework (2017): In 2017 Council adopted Bylaw No. 2324, Zoning Bylaw No. 1750, Amendment Bylaw #188, 2017, and Bylaw No. 2325, Short-Term Rental Regulation Consequential Amendments Bylaw. Prior to these amendments, short-term rentals were illegal in the City of Fernie. With the changes, residents are now able to apply for a business license to operate a legal short-term rental in their principal dwelling. Short-term rentals are not allowed in secondary homes, secondary suites, garden suites, and garage suites.

ACTIVE SHORT-TERM RENTAL LISTINGS IN FERNIE, 2017-2020



City of Fernie Official Community Plan (2014): Fernie's OCP includes a policy chapter on housing with specific policies for Housing, Housing Affordability, Housing Diversity, Multi-Family Housing, Secondary Suites, Seniors Housing, Staff Housing, and Part-Time Rentals. The OCP includes a number of supportive policies for increasing the diversity and affordability of housing in Fernie. Some of these include:

- Updating the Zoning Bylaw to address short-term rentals (which was achieved with the 2017 Short Term Rental Regulatory Framework);
- Consideration of zoning that would allow for hostel development for temporary and seasonal employees;
- Requiring multi-family rezoning requests to create 15% affordable housing units;
- Providing development incentives and fee reductions to redevelop poor quality housing, with an emphasis on housing owned by seniors;
- Waiving rezoning application fees for affordable developments;
- Waiving or reducing the application and notifications fees and all DCC fees for developments targeted towards seniors; and,
- Permitting secondary suites or lock-off units within townhouses, row houses, and apartments.

Additional policy measures to address housing affordability included:

- Identifying City-owned residential lands that are suitable to lease to non-profit housing societies or affordable housing development and rent controlled rental suites; and,
- Continuing to acquire land as opportunities become available, and banking this land for the use of affordable and special needs housing in the future.

The OCP also outlined the potential to work with regional employers to develop staff housing, with partners to develop seniors housing, and opportunities to encourage multi-family and affordable housing developments throughout the City.



Forever Fernie - Integrated Community Sustainability Plan (2011): This document is an overarching policy document that integrates existing plans and policies and gives direction to future initiatives. An accessible, appropriate, and attainable housing strategy is outlined as part of the Plan, as well as indicators for success. These include ensuring a range of housing options throughout the City, increasing mixed-use developments, housing options for all housing needs, convenient locations, and partnerships to address needs of the seasonal workforce.

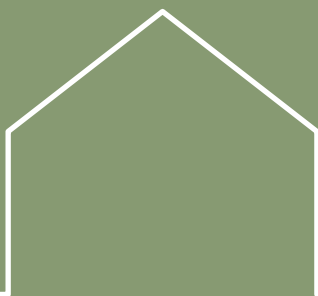


City of Fernie Official Community Plan (2002): Housing has long been a priority for the City of Fernie. Fernie's rescinded 2002 OCP outlined the need to account for the "shadow population" in growth projections. The OCP highlighted that since the extensive development of Fernie Alpine Resort, 5-year statistics indicated a ratio of 3:1 for dwellings built to accommodate shadow population growth versus dwellings built to accommodate permanent population growth.



Key Findings

This section is organized to provide information on core housing needs and key areas of local need. These topics are the focus of the provincial housing needs reports program and intended to strengthen the ability of local governments like Fernie understand what kinds of housing are most needed in their community, and help inform local plans, policies, and development decisions.





Housing Units Required

Basic housing demand is the number of dwellings required to house the anticipated household growth. It does not account for the seasonal population influx. Current units needed were calculated based on the household growth rate from 2016 to 2021. Anticipated units needed were calculated based on the projected household growth rate from 2021 to 2026. As the proportion of renter households is anticipated to increase, additional renter and owner households were estimated by multiplying the total additional units by the proportion of renters, which increased by 1% each year (28% from 2016-21 and 29% from 2021-26). Required owner household units were then determined by taking the difference of the total and renter households.

To meet current basic housing demand, the City of Fernie would have needed to build around 113 additional units since the last census. Approximately 80 of these would be required to house owner households and 30 would house renter households. To meet anticipated demand from 2021 to 2026, a further 74 units could be required. Approximately 50 would be for owner households and 20 for renters.

Overall, to meet basic housing demand from the 2016 census to 2026, an additional 187 units with nearly 550 additional bedrooms could be required. Broken down into tenure type, this is an additional 54 rental and 132 owner housing units. The proportion of renter households is anticipated to increase. There is a growing demand for rental housing, as well as housing suitable for families (2-3 bedrooms).

Housing Units Required Current and Anticipated

Current housing units required are the number of additional housing units needed to house the projected increase in households from 2016 to 2021. It is important to note that this projection is based on regional household growth rates and that actual growth is not taken into account. Anticipated housing units are the number of additional housing units needed to house the projected increase in households from 2021 to 2026 based on the regional household growth rate.

Unit Type	Timeframe	Total Households	Owner Households	Renter Households
1 bedroom	Current	10	7	3
	<i>Anticipated</i>	<i>7</i>	<i>5</i>	<i>2</i>
2 bedrooms	Current	31	22	9
	<i>Anticipated</i>	<i>20</i>	<i>14</i>	<i>6</i>
3 bedrooms	Current	37	26	10
	<i>Anticipated</i>	<i>24</i>	<i>17</i>	<i>7</i>
4+ bedrooms	Current	35	25	10
	<i>Anticipated</i>	<i>23</i>	<i>16</i>	<i>7</i>
Total Units	Current	113	80	32
	<i>Anticipated</i>	<i>74</i>	<i>52</i>	<i>22</i>

Note: According to the 2016 census, there were no 0-bedroom (bachelor) units in Fernie.

It is important to note that the projections are based on a statistical approach recommended by the Province to calculate the minimum number of dwellings required for the City of Fernie to house residents. As such, they do not consider actual growth since 2016, nor take demographics and other contextual information into account. To provide adequate housing for seniors and families, improve overall affordability, and maintain a healthy local economy, additional units – particularly rental and affordable housing – will be needed.

From 2016 to 2019, Fernie exceeded the 2021 target of 113 units, with a net housing gain of approximately 157 housing units; yet community consultation highlighted that some of residents' housing needs remain unmet. Though the data shows that the City has enough dwellings to house residents, community consultation highlighted key areas of housing need (see Key Areas of Local Need on page 24). Some residents in Fernie need more housing support than simply the provision of dwellings.

Over the next 5 years, Fernie *may* need a minimum of 74 additional units to meet basic housing demand generated by population growth, 52 for owner households and 22 for renters. Over 25% should be affordable dwellings, of which:

- A minimum of 3 units should be for owner households,
- A minimum of 17 units should be for renter households,
- At least 4 should be specifically for seniors; and
- At least 3 should be dedicated to low-income families.

Some of the additional units should also be made as options for people with disabilities, including rental units with or independent living options.

In order to account for the shadow population, the minimum additional units required over the next five may increase by 30% to 95 total units.

This range of around 74 to 95 additional units over the next five years does not encompass all housing needs in the City of Fernie. It does not specifically address existing core housing need, were as many as 90 households could be in extreme core housing need by 2026. Anticipating a large influx of employees in the coming years, North Coal is not included but would generate significant housing considerations should the project proceed. This target does not include housing for temporary workers or shelters for people experiencing or at risk of homelessness. It also does not consider potential new housing that could be developed in nearby communities (e.g., Sparwood, Elkford, Cranbrook, RDEK) and the impacts they would likely have on Fernie housing needs.



Core Housing Needs

Core housing need is a combined measure of housing appropriateness (condition and size) and ability to pay for adequate housing. In 2016, an estimated 10% of all households in Fernie were in core housing need. Renter households in Fernie are far more likely to be in a state of core housing need than owner households. In 2016, 170 renter households (28% of total renters) in Fernie were in core housing need, as compared to 55 owner households (3% of total owners).

Extreme core housing need measures households who need to spend 50% or more of their total income to obtain acceptable housing. Overall, there are an estimated 80 households (4% of total households) in extreme core housing

need. Fernie renter households are more likely to be in extreme core housing need than owner households. Approximately 40 renter households (7% of total renters) are in extreme core housing need, as compared to 40 owner households (2% of total owners).

Core Housing Need (2016)

A household is said to be in 'core housing need' if its housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards). Those in extreme core housing need pay 50% or more of their income on housing.

Level of Need		Total Households (n=2215)	Owner Households (n=1615)	Renter Households (n=600)
Core Housing Need	#	225	55	170
	%	10%	3%	28%
Extreme Core Housing Need	#	80	40	40
	%	4%	2%	7%

Note: Core housing need assesses households living in private residences. It doesn't include farms, reserves or owner- or renter-households with incomes less than 0 and shelter-cost-to-income ratios of 100% or more.

By 2026, a total of 244 households are projected to be in core housing need. This includes around an additional 15 renter households and 2 owner households. Nearly 90 households could be in extreme core housing need.

To eliminate core housing need in Fernie, affordable and appropriate housing options will need to be made available for these households. This must occur in addition to the above requirements for meeting basic demand. Eliminating core housing need may be achieved through a combination of new builds, rental subsidies, dwelling repairs, and dwelling expansions. While recent development represents progress towards reducing core housing need, more could be done over the next five years to provide affordable and appropriate housing in Fernie.

Projected Core Housing Need (2026)

Level of Need		Total Households (n=2400)	Owner Households (n=1704)	Renter Households (n=696)
Core Housing Need	#	244	60	184
	%	10%	4%	26%

Note: Core housing need projections are based on regional household growth projections and do not take actual growth since 2016, demographics or other contextual information into account.



Key Areas of Local Need

Affordable housing: Stakeholders discussed an acute shortage of affordable housing. It was noted that Fernie is a “sellers’ market,” and home purchases are unattainable for many local residents, especially first-time buyers. Since 2006, the average sale price of a single-family dwelling in Fernie has increased by over \$285,500, according to BC Assessment data. There is a considerable gap between the income needed to buy the median house in Fernie, and the actual median income of renter households. While home ownership is within reach for many households in Fernie, these households will tend to be owners and have considerably higher incomes than the median. This finding is consistent with the 2017 Housing Needs and Gap Assessment Report which highlighted affordable housing as a critical issue single parent families and single people with low and fixed incomes. The 2017 report also found that as house prices rise, home ownership has become unattainable for many moderate-income working people.



Rental housing: The proportion of renter households in Fernie is steadily increasing; however, since 2003 there have been no new purpose-built rental buildings. Stakeholders highlighted an acute shortage of rental availability for all types and sizes of homes, which is consistent with findings from the 2017 Housing Needs and Gap Assessment report which found that there were limited housing options available for renters. Renter households are more likely to be in core housing need. Rental rates have increased prohibitively for many temporary seasonal workers, resulting in many living in over-housed situations.



Special needs housing: There are very few housing options for people with disabilities. There are also limited wheelchair accessible rental units, and limited independent living options for people with disabilities. It has been more than 10 years since a substantial number of new institutional care units were registered.



Housing for seniors: Currently, Fernie’s population is young relative to other jurisdictions, but it is aging. The 65 to 85 age cohort is expected to experience the most growth over the next five years. There are supportive housing providers and independent living units for seniors however, stakeholders have noted increasingly long waitlists for available units. Further, there is a shortage of wheelchair accessible rentals available for seniors on a fixed income. This finding is consistent with survey results from the 2017 Housing Needs and Gap Assessment report which identified seniors as the third ranked group having greatest housing need.



Housing for families: As originally reported in the 2017 Housing Needs and Gap Assessment report, there is a demonstrated shortage of suitable and affordable housing options for single parent families, young families, and low- and moderate-income families. Stakeholders confirmed a lack of suitable, available housing for families in the 3-bedroom and 4-bedroom range. While household size has been decreasing in Fernie, as it has across the Province, and the population as a whole is aging and may, in time, downsize to smaller units (assuming they are available), family housing remains a current issue that will likely persist beyond the short term.



Shelters for individuals experiencing homelessness and housing for individuals at risk of homelessness: Throughout engagement with stakeholders, it was reported that homelessness is an invisible issue in Fernie and there is a lack of housing supports for those at risk of and experiencing homelessness. There are no emergency shelters available in Fernie other than emergency temporary housing available for women and children experiencing violence. This finding is consistent with the 2017 Housing Needs and Gap Assessment report which indicated a need for emergency shelter options for men who are either episodically or chronically homeless.



Preparedness for seasonal population spikes: The population that Fernie serves is dynamic throughout the year. At certain times of the year, such as over winter or summer holidays, Fernie experiences seasonal spikes in population and may serve a population that is as much as 30% larger (over 1,500 more people) than the year-round population. Additionally, Fernie houses several hundred temporary seasonal workers, such as the 800 winter employees at Fernie Alpine Resort (around 25% of the 2016 working population). Fernie Alpine Resort does not provide staff housing at the mountain or supports housing in Fernie. Larger employers in the region have also not supported temporary housing programs or facilities in the city. Fernie may need to work with larger employers to better address and accommodate seasonal and temporary staff.

Here it is important to note that Fernie Family Housing Society (FFHS) is currently building a new 49-unit development consisting of 35 apartments and 14 townhomes next to Tom Uphill Manor and École Isabella Dicken Elementary School. FFHS received funding from BC Housing and Columbia Basin Trust for the project, which aims to provide mixed affordable housing for families, singles, seniors, and people with disabilities. This new development will help address some of the key areas of local need identified in this section.



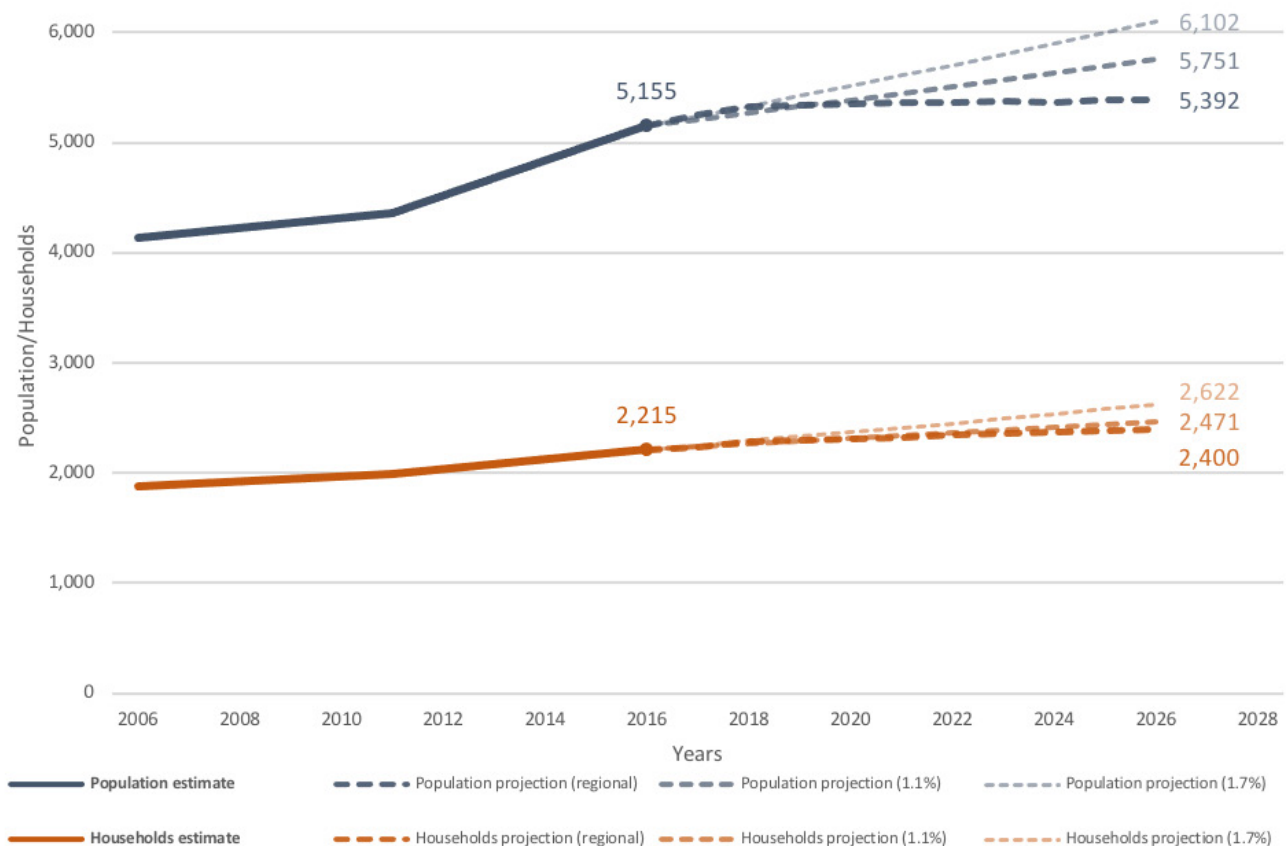
Population and Households

According to the Census, the population of Fernie was 5,155 in 2016. There were an estimated 2,215 households with an average of 2.3 members per household. These numbers include permanent residents, and do not reflect Fernie's significant "shadow population." At certain times of the year, such as over winter holidays, Fernie experiences seasonal spikes in population and may serve a population that is as much as 30% larger (over 1,500 more people) than the year-round population.

The next figure illustrates population and household projections for Fernie. The top line shows population projection. Three projections area shown:

- A "low" (0.5%) projection based on provincial projections for RDEK
- A "medium" (1.1%) projection based on 2020 Integrated Infrastructure Capital Plan modelling
- A "high" (1.7%) projection based on 2020 Integrated Infrastructure Capital Plan modelling

POPULATION AND HOUSEHOLD GROWTH, 2006-2026



Population and Household Growth

Population growth in Fernie has been dynamic over the past 25 years. Fernie's population declined by approximately -1.5% annually from 1996 until 2006, at which point population grew rapidly with an average annual growth rate of 2.4%. Since 2016, the population and growth rate has leveled out.

From 2006 to 2016, the population of Fernie increased by approximately 25% (1,025 new residents). This high growth rate may be partially inflated due to weighting and rounding of long-term census data.

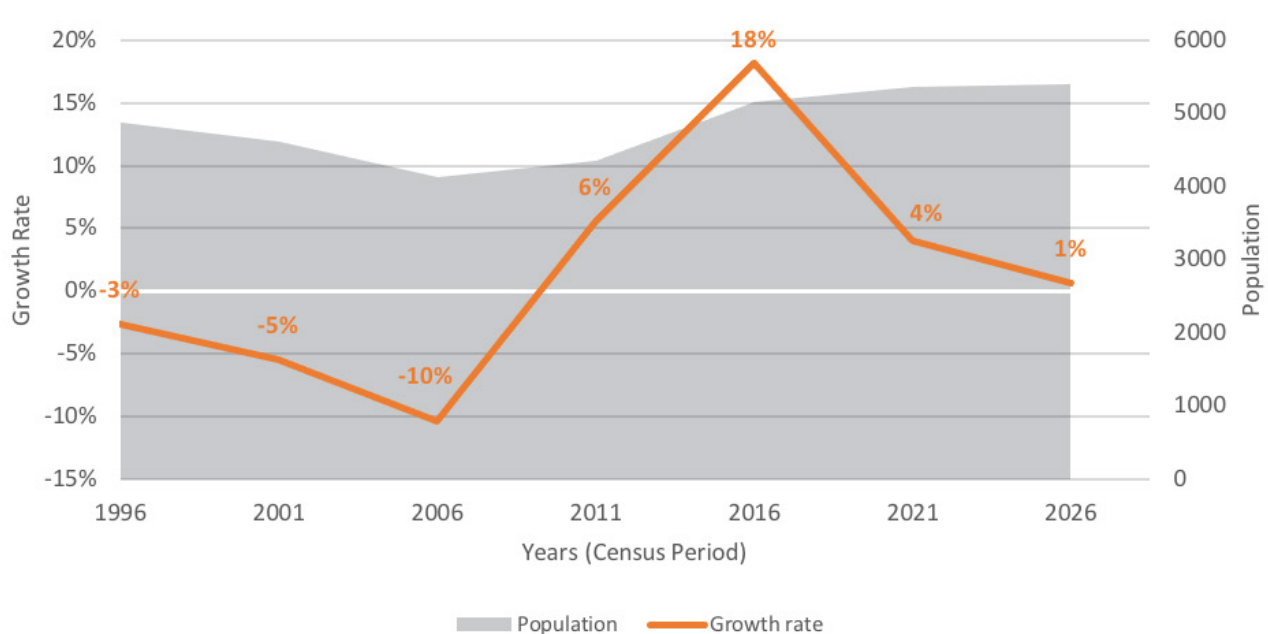
Based on regional projections, growth is expected to slow. Between 2016 and 2026, Fernie's population is projected to increase by 4.6% (0.5% annually) and households by 8.4% (0.8% annually), totaling 237 new permanent residents and 185 new households in Fernie. A higher growth rate of 1.7% was developed for modelling carried out for the recent August 2020 Integrated Infrastructure Capital Plan to account for a non-resident "shadow population" that occupies an estimated 30% of all housing units. Using this higher growth rate suggests that Fernie may welcome nearly 950 new residents (permanent and seasonal) and 407 new households by 2026.

It is important to note that projections to 2021 do not include actual growth since 2016 census. In addition to this projected growth, the City boundary was expanded in 2017 and 2018 to annex West Fernie (population 425) into the City in order to provide infrastructure and services to the once separate (Electoral Area C, RDEK) community. This rapid increase in population was significant for Fernie, as the City quickly exceeded a population threshold of 5,000, at which point municipalities are responsible for greater policing costs.

"We're a resort town. We used to experience a lot of seasonality—the town would fill up in the winter and empty in the spring. But we're not seeing that anymore, it doesn't empty, people just stay now."

– Fernie Housing
Support Provider

FERNIE POPULATION GROWTH RATES BY 5-YEAR CENSUS PERIOD, 1996-2016

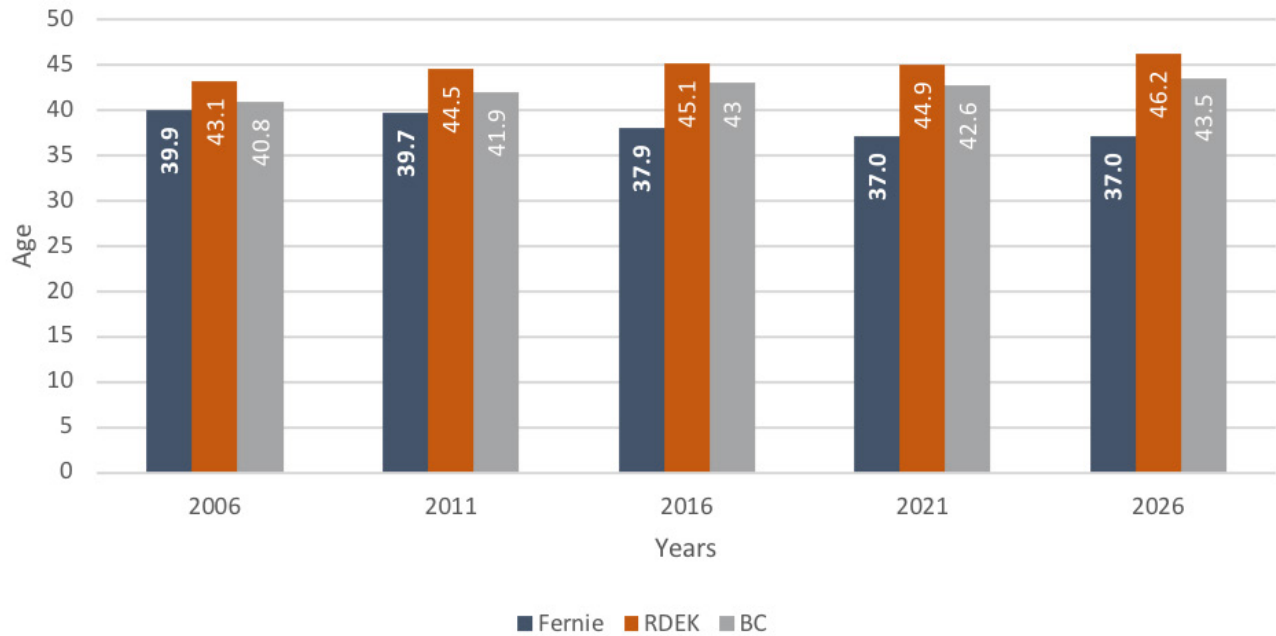


Note: 2021 and 2026 are based on RDEK regional growth rates.

Median Age

The average age in 2016 was 38.6, and the median age was 37.9. Overall, the median age of Fernie is low relative to the RDEK and BC. Since 2006, the median age in Fernie has decreased slightly, by two years. In contrast, during this time the median age of the RDEK and BC has increased by approximately two years. In 2016, the median age of Fernie was seven years less than the RDEK and five years less than BC. In 2021 and 2026, Fernie's median population is estimated to remain around 37. With Fernie's population continuing to age and the age cohort 65 to 85 anticipated to experience the most growth, median ages are projected to increase going forward.

FERNIE, REGIONAL DISTRICT OF EAST KOOTENAY, AND BRITISH COLUMBIA MEDIAN AGES BY YEAR, 2006-2016



Note: 2021 and 2026 are based on RDEK regional growth rates.

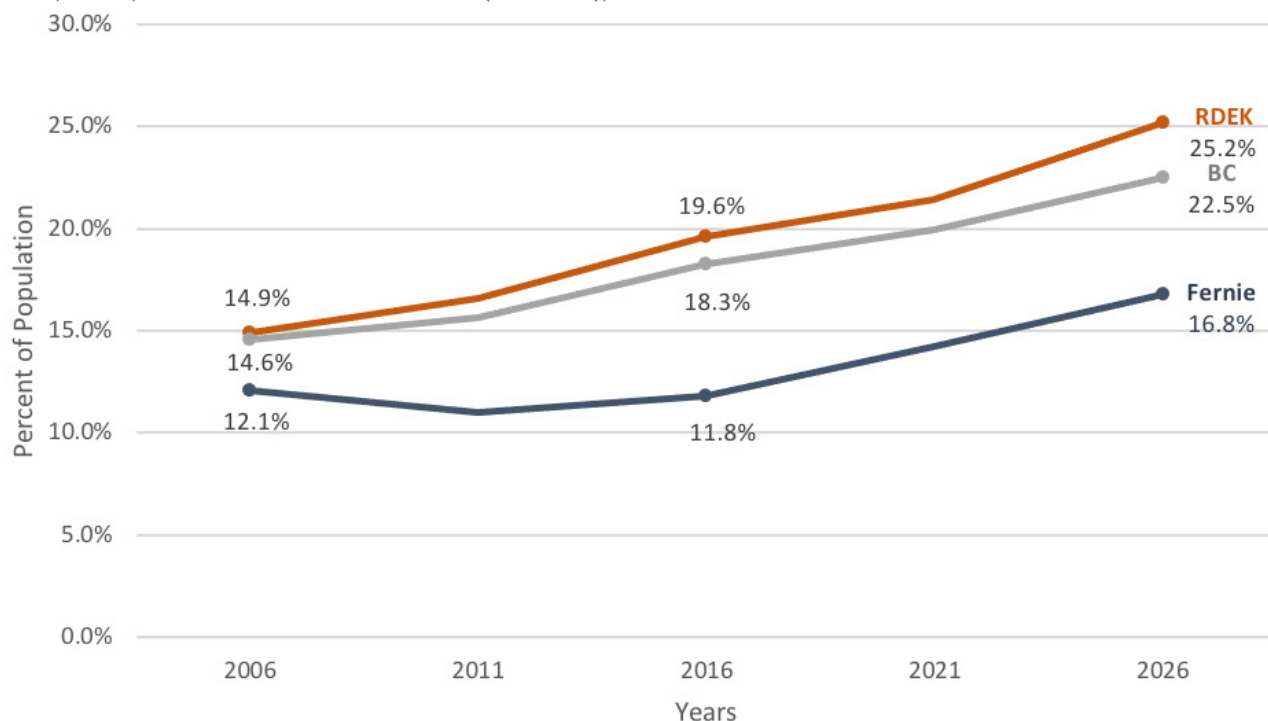
“There’s a real gap in Fernie for housing for seniors that are moderate income. We don’t have any accessible apartment buildings in Fernie and a lot of what was available were turned into condos; none of them really have elevators.”

– Fernie Housing Support Provider

Seniors 65+

In 2016, 11.8% of the population in Fernie was aged 65+. This was approximately 6% to 7% less than the proportion of seniors in the RDEK and BC. Like the RDEK and BC, the proportion of residents who are 65+ is projected to increase by approximately 5% over the next five years, comprising approximately 17% of Fernie’s population in 2026. Fernie has a relatively low proportion of residents aged 65+, but new housing will need to take into account that the senior population will increase.

FERNIE, RDEK, AND BC SENIOR POPULATION (AGED 65+), BY YEAR



Note: 2021 and 2026 are based on RDEK regional growth rates.





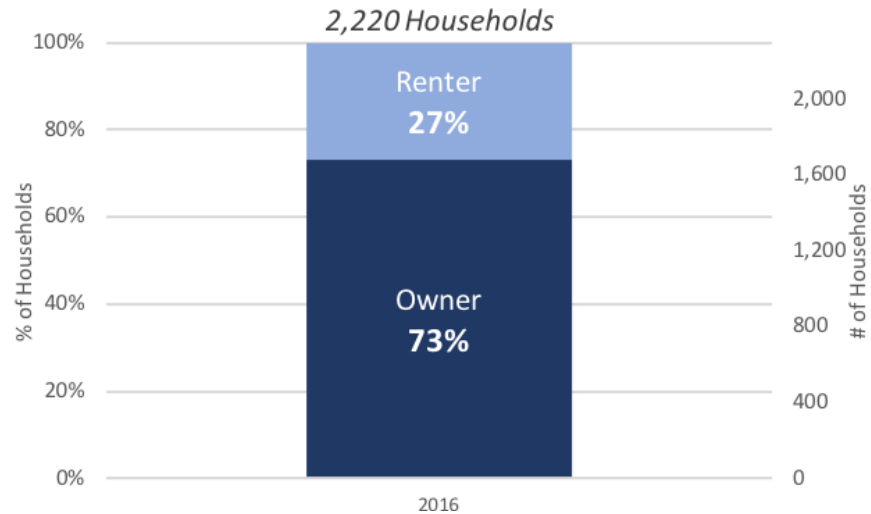
Housing

Owner and Renter Households

In 2016, there were 1,615 owner households and 600 renter households in Fernie. The proportion of renters has increased steadily since 2006. During this time, the number of renter households in Fernie grew by 29%, while the number of owner households increased by only 15%.

RENTER AND OWNER HOUSEHOLDS BY NUMBER AND PERCENTAGE.

In 2016, there were 2,220 total households in Fernie



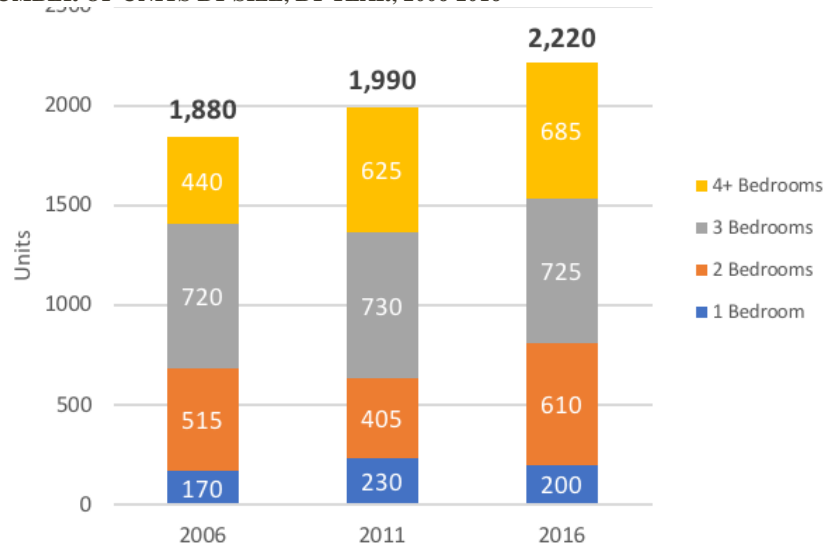
“There’s a shortage for sure. Our employees are in the higher income bracket; they have the means to buy and rent, there’s just nothing available”

– Local Employer

Number of Units by Size, 2006 – 2016

The total number of units in Fernie has increased by 340 since 2006. Between 2011 and 2016, the total number of 1-bedroom and 3-bedroom units decreased, while overall units grew by 230. According to the census, the majority of these units are single-detached homes, which consistently comprised just over 60% of the total units in Fernie since 2006. Apartments in a building with fewer than five storeys make up another 20% of Fernie’s units, and this proportion has increased by 6% since 2006.

NUMBER OF UNITS BY SIZE, BY YEAR, 2006-2016



Note: 1-bedroom includes 0-bedroom units.

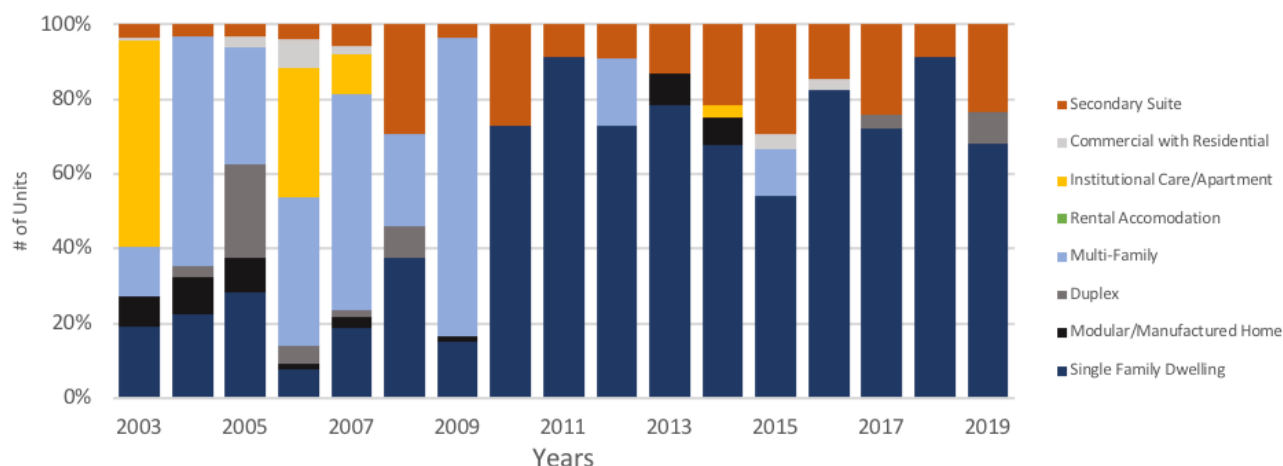
“There is a severe shortage of suitable housing for families. Fernie’s been growing, and new houses are being built, but there aren’t any multi-unit places.”

– Fernie Housing Support Provider

As illustrated in the next figure, registered new home data over the past 17 years shows an increasing proportion of single-family dwelling units and fewer multi-family dwelling units registered annually. Since 2010, the majority of registered new units are single-family dwellings, averaging around 25 units annually. No multi-family units have been built since 2015.

It also shows that no purpose-built rental accommodation has been built in 17 years, although some rental units may be part of developments that are not strictly purpose-built rental. The proportion of new secondary suites has remained relatively consistent over this time, averaging around five new units per year. In 2003, 2006, and 2007, a notable number of institutional care units were registered.

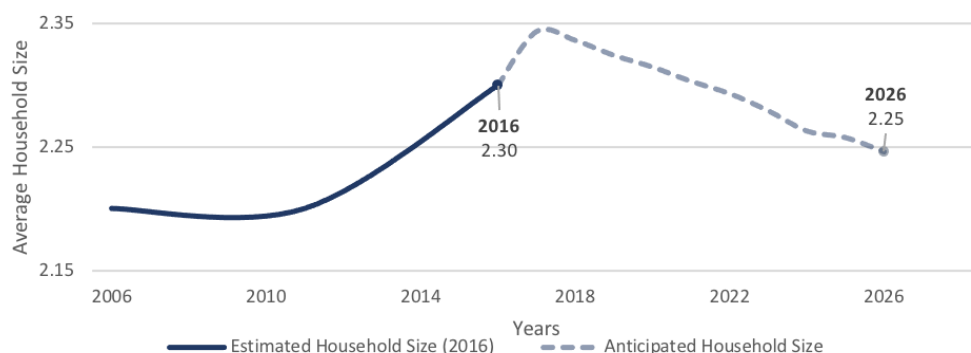
PROPORTION OF REGISTERED NEW UNITS BY TYPE, BY YEAR, 2003-2019



Estimated and Anticipated and Average Household Size

In 2016, the average household size in Fernie was 2.3. Average household size is anticipated to have peaked in 2017 and is expected to decrease to 2.25 persons per household by 2026. With the “shadow population”, these household size averages may actually be higher.

ESTIMATED AND PROJECTED AVERAGE HOUSEHOLD SIZE, 2006-2026

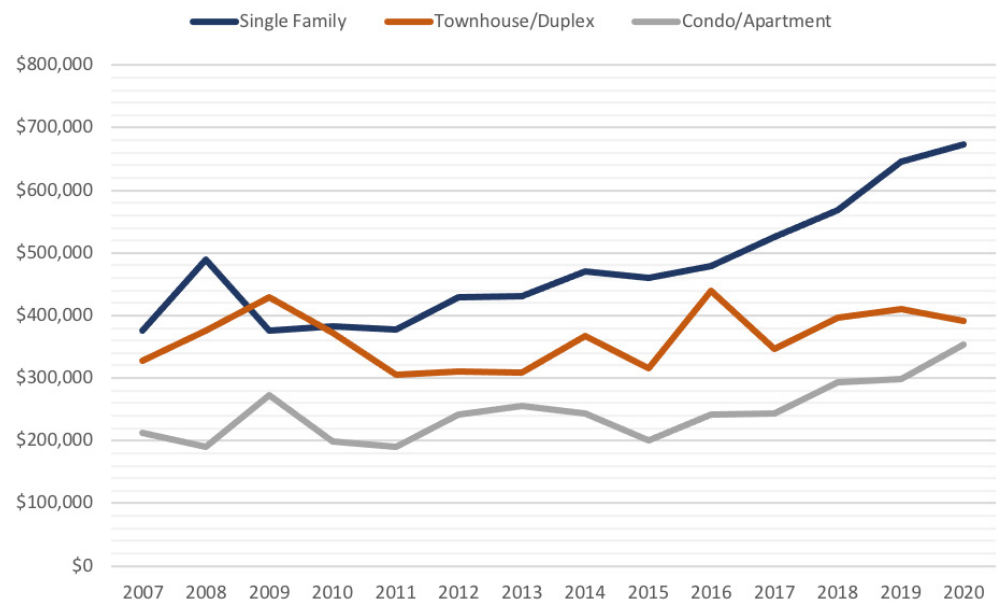


Note: 2021 and 2026 projections are based on RDEK regional growth rates.

Single-Family Housing Values, 2007 – 2020

As originally reported in the March 2017 Housing Indicators Report, prices for single-detached housing have fluctuated between the high \$300,000s and high \$400,000s. Current BC Assessment data indicates that the median value for two- and three-bedroom, detached, single-family homes was \$495,750. Interviews with realtors confirmed that most available single-detached housing is now selling in the \$500,000 range with very little supply available. According to the Kootenay Real Estate Board, average sale prices for single-family homes as of November 2020 were \$673,000, indicating that single-family home prices are increasing further. The high average sales value also indicates a number of more expensive (>\$1,000,000), luxury homes have been sold on the market. Resale prices have fluctuated across housing types with apartment resale prices experiencing the least variation. Townhouses and duplexes varied the most from year to year, likely due to the small number of transactions in these types of homes.

AVERAGE SALE PRICE BY BUILDING TYPE, 2007-2020



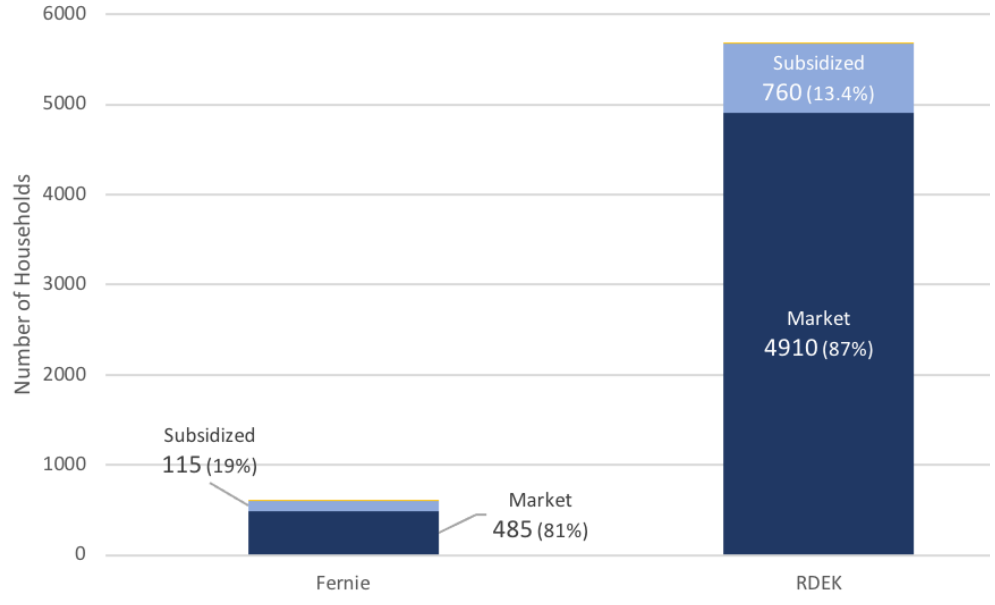
Source: Kootenay Real Estate Board



Subsidized and Non-Market Housing

Census data indicates that in 2011, 95 renter households (18% of total renter households) were in subsidized housing. In 2016, 115 (19%) renter households were in subsidized housing. This is a slightly higher proportion than the RDEK, where 13% of renter households lived in subsidized housing in 2016.

LOCAL AND REGIONAL RENTER HOUSEHOLDS IN MARKET AND SUBSIDIZED HOUSING, 2016



According to BC Housing, there were 184 non-market units in Fernie for transitional supported and assisted living, independent social housing, and rent assistance in the private market. Approximately 8% of housing units in Fernie are in the housing with supports category on the spectrum of housing (see page 16). Of these units, 106 were for seniors (around 5% of total dwelling units in Fernie) and 78 were for families (around 4% of total dwelling units). Not taking into account actual growth since 2016, demographics, or other contextual information and assuming that these proportions remain the same, a minimum of 8 new non-market housing units may be required by 2026 to maintain this level of non-market housing support in Fernie.

Non-Market Housing (2020)

Year	Transitional Supported and Assisted Living	Independent Social Housing		Rent Assistance in Private Market	
	Supportive Seniors Housing	Low Income Families	Low Income Seniors	Rent Assist Families	Rent Assist Seniors
2020	39	67	44	11	23
2026	40	70	46	11	24

Note: core housing need projections are based on regional household growth projections and do not take actual growth since 2016, demographics or other contextual information into account.



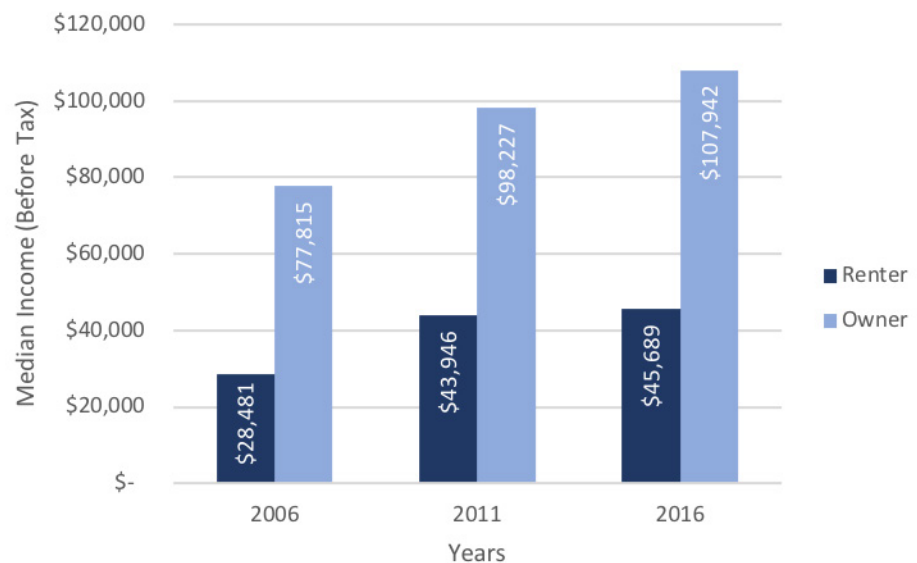
Economy

Household Median Income

The median household income in Fernie has increased for both renters and owners since 2006. The gap between the median income of owner and renter households increased by nearly \$13,000 during this time.

In order to obtain affordable housing, at least half of all renter households (around 300) in Fernie need to be spending less than \$1,100 per month on shelter costs. Consultation with key housing stakeholders estimated that the average cost of rent generally exceeded \$1,100, ranging from approximately \$900 for a bedroom in a shared house to as much as \$3000 for a 3-bedroom unit. In 2016, the average renter household size was around 2 and the average cost of rent of a 1- or 2-bedroom unit was estimated between \$1500 and \$1800, which some renter household may have to exceed 30% of their income to afford. In 2016, just under 20% of renters lived in subsidized housing.

MEDIAN HOUSEHOLD INCOME FOR RENTERS AND OWNERS, 2006-2016



In April 2020, BC Assessment reported that the average value for a three-bedroom, single-family dwelling in Fernie was \$554,200. Households pursuing homeownership will almost always need a mortgage, and must be qualified by a banking institution or a mortgage broker to obtain one. Basic home purchasing assumptions are made in order to determine the maximum purchase price and the maximum amount that households can borrow.

In 2016, the Government of Canada announced new rules for government-backed mortgage loan insurance. The new rules include the application of a mortgage rate stress test to all insured mortgages, and changes to low-ratio mortgage loan insurance eligibility requirements. The mortgage loan to the borrower must be qualified for a loan using the Bank of Canada's conventional five-year fixed posted rate.

Federal regulations also require federally regulated lenders to obtain mortgage default insurance ("mortgage insurance") for homebuyers who make a down payment of less than 20% of the property purchase price, known as "high loan-to-value" or "high-ratio" insurance. The homebuyer pays the premium for this insurance, which protects the lender against mortgage loan losses if the homebuyer defaults.

“Home ownership is difficult for a lot of families to maintain. If you don’t have a spouse that works at the coal mine, then you’re not able to afford anything.”

– Fernie Property Manager and Real Estate Agent

“It’s a challenge here for sure. We’ve got a big gap in incomes here in Fernie. We’ve got lots of people working for the mines and people coming from out of town with vacation homes here. So that drives up the cost of housing for home ownership and subsequently renters.”

– Fernie Property Manager

“We’re very worried about housing, across the Elk Valley, we know we need more for our workforce projections.”

– Local Employer

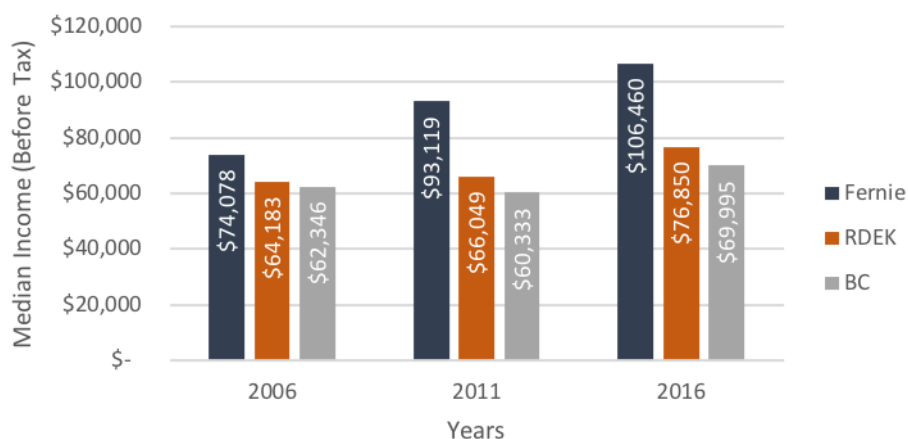
While interest rates remain historically low, a young family would still be required to make a 5% down payment for homes under \$500,000 (it is 10% for the portion of the purchase price above \$500,000). With an example sale of a \$495,000, a 5% down payment and a 1.90% interest rate, their monthly mortgage payments would be around \$2,100. Adding property tax, utilities and property insurance, monthly housing costs would rise to around \$2,700. In order to carry those housing costs without exceeding 30% of total household income being spent on towards housing, the household would need to earn around \$108,000 per year in pre-tax income.

In Fernie, the median household income in 2016 for owner households was \$107,942, while the median household income for renter households was \$45,689. Medium household incomes do not take into account that renter households tend to be smaller than owner households, which averaged 1.8 and 2.5 members, respectively, in 2016. There is a considerable gap between the income needed to buy the median house in Fernie, and the actual median income of renter households. While home ownership is within reach for many households in Fernie, these households will tend to already be owners as opposed to first time home buyers and have considerably higher incomes than the median.

Median Income

The median household income in Fernie has been high relative to the RDEK and BC over the past census periods. Though the median income of all three jurisdictions has increased since 2006, the difference between the median household income in Fernie and the RDEK and BC is increasing, indicating that the median income is rising more rapidly in Fernie.

MEDIAN INCOME OF HOUSEHOLDS IN FERNIE, THE RDEK, AND BC, 2006-2016



Major Local Industries

The number of workers in Fernie has increased over recent years, from 2,555 workers in 2006, to 2,715 workers in 2011, to 3,105 workers as of 2016.

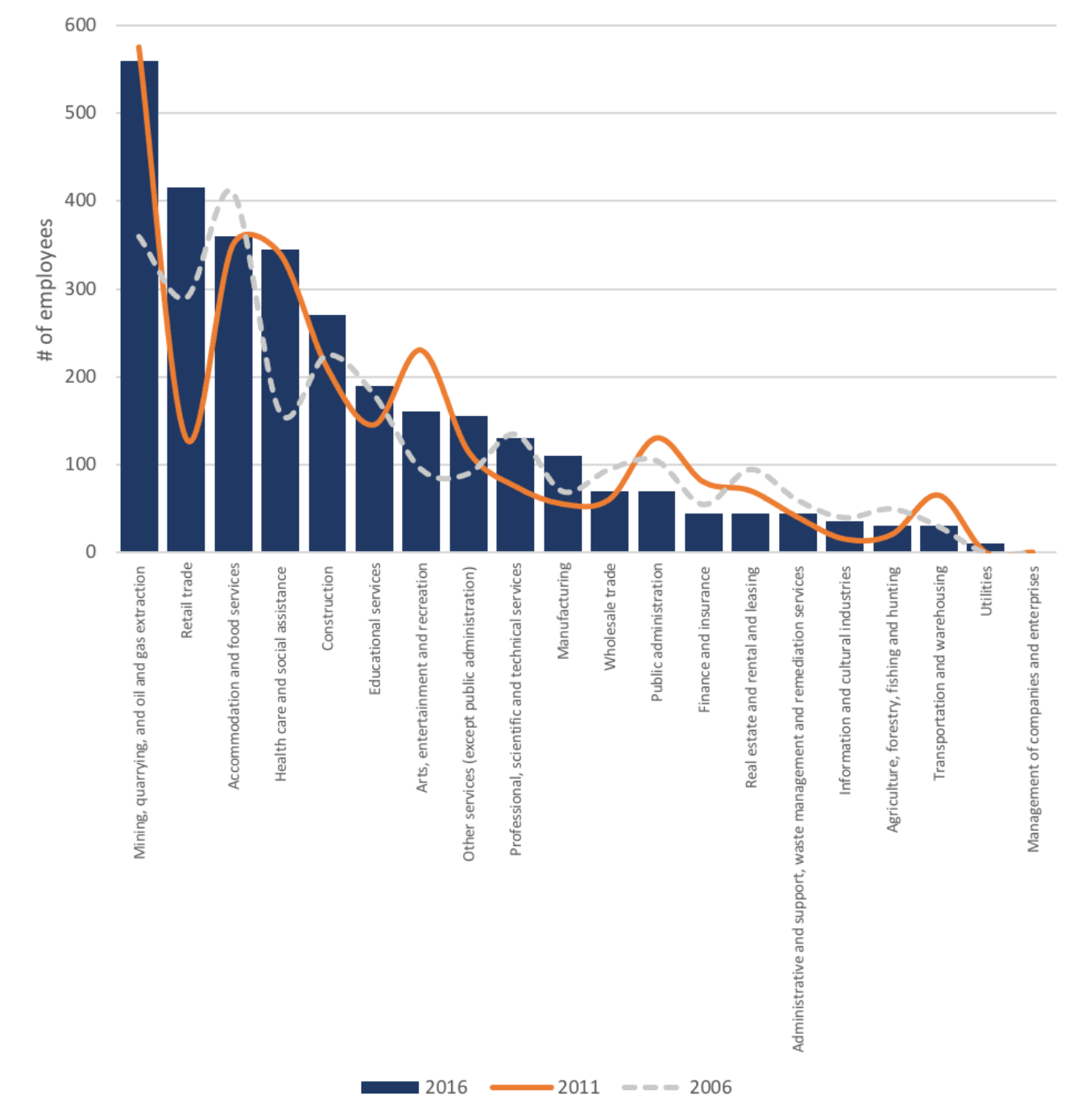
In 2016, the unemployment rate was 7.1% and the participation rate in Fernie was 74%. Unemployment refers to those without work who are actively seeking work, and labour market participation is the share of the total population in the labour force.

In 2016, the greatest number of permanent residents were employed in:

- Mining, quarrying, and oil and gas extraction (560)
- Retail trade (415)
- Accommodation and food services (360)
- Health care and social assistance (345)
- Construction (270)
- Educational services (190)

The relative strengths of Fernie’s economic sectors have experienced some variation over recent years. From 2006 to 2016, mining, quarrying, and oil and gas extraction, and health care and social assistance experienced the most growth, with around 200 and 185 additional workers, respectively. From 2006 to 2016, there was an increase of approximately 285 workers in retail trade. Retail trade includes establishments that sell merchandise without transformation. Over the next five years, permanent and temporary employment is expected to increase at North Coal and Fernie Alpine Resort. Jobs in educational services are also expected to increase, with expansions to an elementary school and new school site set for completion over the next two years.

ECONOMIC SECTORS IN FERNIE BY NUMBER OF EMPLOYEES, 2006-2016



Appendix 1: Housing Needs Reports – Summary Form



Housing Needs Reports – Summary Form

MUNICIPALITY/ELECTORAL AREA/LOCAL TRUST AREA: City of Fernie

REGIONAL DISTRICT: Regional District of East Kootenay

DATE OF REPORT COMPLETION: 11/2020 (MONTH/YYYY)

PART 1: KEY INDICATORS & INFORMATION

Instructions: please complete the fields below with the most recent data, as available.

LOCATION	Neighbouring municipalities and electoral areas:
	<u>City of Crankbrook, District Municipality of Sparwood</u>
	Neighbouring First Nations:
	<u>Ktunaxa Nation</u>

POPULATION	Population: 5,155 (2016)		Change since 2006	:	25 %
	Projected population in 5 years: 5,387 (2026)		Projected change:		5 %
	Number of households: 2,215 (2016)		Change since 2006	:	18 %
	Projected number of households in 5 years: 2,386 (2026)		Projected change:		8 %
	Average household size: 2.3 (2016)				
	Projected average household size in 5 years: 2.3 (2026)				
	Median age (local): 37.9 (2016)	Median age (RD): 45.1	Median age (BC): 43.0		
	Projected median age in 5 years: 45.9 (2026)				
	Seniors 65+ (local): 19.6 %	Seniors 65+ (RD): 19.6 %	Seniors 65+ (BC): 18.3 %		
	Projected seniors 65+ in 5 years: 16% (2026) %				
	Owner households: 73 %	Renter households: 27 %			
	Renter households in subsidized housing: 19 %				

INCOME	Median household income	Local	Regional District	BC
	All households	\$ \$106,460 (2016)	\$ 66,800	\$ 69,979
	Renter households	\$ \$45,689 (2016)	\$ 41,255	\$ 45,848
	Owner households	\$ \$107,942 (2016)	\$ 75,035	\$ 84,333

ECONOMY	Participation rate:	74.0 %	Unemployment rate:	7.1 %
	Major local industries: Mining, quarrying, and oil and gas extraction; Retail trade; Accommodation and food services; Health care and social assistance; Construction; Educational services			

HOUSING	Median assessed housing values: \$ 477,450 (SFD 2019)	Median housing sale price: \$ 375,250 (SFD 2019)
	Median monthly rent: \$ 1300	Rental vacancy rate: 3.4% (2017) %
	Housing units - total: 2,220 (2016)	Housing units – subsidized: 184 (2020)
	Annual registered new homes - total: 47 (Units 2019)	Annual registered new homes - rental: no data
	Households below <i>affordability</i> standards (spending 30%+ of income on shelter):	19 %
	Households below <i>adequacy</i> standards (in dwellings requiring major repairs):	9 %
	Households below <i>suitability</i> standards (in overcrowded dwellings):	2 %

Briefly summarize the following:

1. Housing policies in local official community plans and regional growth strategies (if applicable):

Fernie's OCP policy chapter on housing and land use planning has policies for Housing, Housing Affordability, Housing Diversity, Multi-Family Housing, Secondary Suites, Seniors Housing, Staff Housing, and Part-Time Rentals. These include policies specific to zoning, including short-term rentals, hostel development for temporary workers, and affordable housing unit incentives.

2. Any community consultation undertaken during development of the housing needs report:

See below.

3. Any consultation undertaken with persons, organizations and authorities (e.g. local governments, health authorities, and the provincial and federal governments and their agencies).

Interior Health Authority, Fernie Family Housing Society, Elk Valley Family Society, Fernie Citizens Housing Society, major employers (Fernie Alpine Resort and Teck Resources), local realtors, and property managers.

4. Any consultation undertaken with First Nations:

To develop a more complete picture of housing needs in the area, the City of Fernie sought to engage and inform Ktunaxa Nation and the Tobacco Plains Indian Band, the closest Ktunaxa Nation community to Fernie. Neither were able to participate in the Housing Needs project.

PART 2: KEY FINDINGS

Table 1: Estimated number of units needed, by type (# of bedrooms)

	Currently	Anticipated (5 years)
0 bedrooms (bachelor)	0	0
1 bedroom	10	7
2 bedrooms	31	20
3+ bedrooms	72	24
Total	113	47

Comments:

The proportion of renter households grew by 2% (135 households) between 2006 and 2016. This trend is expected to continue and is reflected in the growing demand for rental housing. By 2026, the number of households in Fernie is expected to increase by 8.4%, totaling approximately 2,400 households.

Table 2: Households in Core Housing Need

	2006		2011		2016	
	#	%	#	%	#	%
<i>All households in planning area</i>	1875	100	1985	100	2215	100
Of which are in core housing need	135	7%	130	7%	225	10%
Of which are owner households	50	4%	30	2%	55	3%
Of which are renter households	80	17%	105	20%	170	28%

Comments:

By 2026, a total of 234 households are projected to be in core housing need. The majority will be renter households.

Table 3: Households in *Extreme* Core Housing Need

	2006		2011		2016	
	#	%	#	%	#	%
<i>All households in planning area</i>	1875	100	1985	100	2215	100
Of which are in extreme core housing need	50	3%	80	4%	80	4%
Of which are owner households	10	1%	0	0%	40	2%
Of which are renter households	45	10%	65	12%	40	7%

Comments:

By 2026, a total of 80 households are projected to be in extreme core housing need.

Briefly summarize current and anticipated needs for each of the following:

1. Affordable housing:

There are limited affordable rental housing and ownership housing opportunities in Fernie. A significant concern for housing and support providers was the lack of suitable housing available for vulnerable populations, including low-income residents.

2. Rental housing:

There are limited housing options for renters. The proportion of renter households is steadily increasing.

3. Special needs housing:

A significant concern for housing and support providers was the lack of suitable housing available for vulnerable populations, including people with disabilities.

4. Housing for seniors:

A significant concern for housing and support providers was the lack of suitable housing available for vulnerable populations, including seniors.

5. Housing for families:

A significant concern for housing and support providers was the lack of suitable housing available for vulnerable populations, including single parents. Property managers noted a lack of rental availability for low-moderate income families and single parents, and acknowledged a shortage in suitable, affordable housing for families.

6. Shelters for people experiencing homelessness and housing for people at risk of homelessness:

In 2020, there were 15 shelter beds. While most respondents noted that there were very few “visible” homeless residents in Fernie, many noted that there are likely “invisible” homeless populations that do not have suitable housing but are sleeping on couches, renting motels week to week, and in temporary conditions.

7. Any other population groups with specific housing needs identified in the report:

Respondents noted that there is a shortage of supportive housing for vulnerable populations, particularly noting that there is no supportive gender diverse housing for LGBTQ2+ community members and no emergency housing shelter for men.

Were there any other key issues identified through the process of developing your housing needs report?

The “shadow population” is putting pressure on housing availability for local residents.

Housing providers and stakeholders were asked about the impacts of the pandemic on housing in the region. Most noted that they have seen little to no change as a result of the pandemic. However, some raised concern that the end of the Canada Emergency Response Benefit (CERB) payments in September will result in some challenges for renters or homeowners struggling to make monthly payments. As well, respondents noted the difficulty some have faced renting single rooms in a home with COVID-19 precautions in place.

Median assessed and sale housing values are provided for single-family dwellings (SFD).



City of Fernie
PO Box 190, 501 – 3rd Avenue,
Fernie BC, V0B 1M0

Document prepared with the assistance of
EcoPlan 208-131 Water Street, Vancouver, BC

