HOUSING EXPERIENCES OF **IMMIGRANTS IN** CENTRAL OKANAGAN WERNON, KELOWNA AND PENTICION)

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#### Population of Kelowna 1921 - 2006



## The Okanagan Valley and Kelowna in Transition

• Urbanization, with its rapid development and population growth, is today defining the landscape of the Okanagan Valley. For example, Kelowna – the main economic "engine" of the Valley – is also one of the fastest growing cities in British Columbia with its population having increased from 76,000 in 1991 to 110,000 today.

















## Question: Why do Canadians Move to the Okanagan Valley?

# Why do Canadians Move to the Okanagan Valley?

## OKANAGAN LIFESTYLE WOOS AMENITY MIGRANTS

#### by Laurie Carter

HOTO BY COLIN JENAL

Families, empty nesters, active retirees, young professionals, investors and vacationers all have their own reasons for buying in the Valley, but quality of life usually figures large in the equation

## Answer: Geography and climate anchor Okanagan Appeal...!

"It has so much to offer people in terms of lifestyle...."

"Taking picnics to the beach on Okanagan Lake, just minutes away, and camping in Parks like Fintry and Ellison – both under an hour's drive..."

"It's geared to families doing things together..."

"I wanted a warm lake, outdoor recreation, hot, dry summers and no mosquitos"

"Golf is also the centerpiece....and those wineries are a major draw...."

"You just can't beat the weather; you can do so much all year round. You are close to things – a weekend in Vancouver or the States – and it's so scenic..."

Source: Okanagan Life – Relocation and Real Estate Guide (2007/2008. Pp.9-18)

## Is Urbanization Threatening the Reason Why People Moved Here in First Place?

• The challenges of rapid growth, and anxieties with respect to the environmental costs of urban sprawl, are the subject of numerous stories (see the Daily Courier, Capital News, Okanagan Life).

#### For example, consider the following headlines:

"Sustainability – Green spaces concern residents" (C.N., 2006); "Safety on minds of local residents" (C.N., 2006); "Affordable housing forum helps flush out more ideas" (C.N., 2006); "Bubble not bursting yet, says realtor" (C.N., 2006); "Growth - 'Water...plays a fundamental role in the Valley development" (C.N., 2006); "Kelowna migration magnet" (D. C., 2005); "City victim of sprawl" (C.N. 2004); "Kelowna – Slowly changing ethnic mix" (C.N., 2004); "City a victim of sprawl" (D.C., 2004); "Building up, or building out: More highrises or more urban sprawl and traffic woes: it's your choice" (D.C., 2001); "City Sprawl jeopardizes farmland" (D.C.); "Growth challenges planners" (D.C., 1997); "Kelowna got too big, too fast, too soon" (D.C., 1993); "Population boom continues in area" (D.C. 1992); "Poor planning can cause crime" (D.C., 1992). "Future Shock?" (O. L. 2008) "Affordable family homes remain in demand as first-time buyers struggle to get into the market" (O.L. 2008/2009)

## The Challenges of Urbanization

- The challenges facing the communities of the Okanagan Valley mirror those of communities facing rapid urbanization across the continent. The impacts of this urban and population growth include:
- 1. Urban Sprawl encroachment of urban areas onto the surrounding countryside ('pepperoni pizza' type of growth/sprawl);
- 2. Increased Demand for Resource Use water management (water availability, quality, treatment and disposal) + the increased demand for power, water, and other goods;
- **3. Deficient Public Transportation System** Urgent need for an efficient public transportation system (too much reliance on private automobiles by two-thirds of the population in Kelowna). We are a "carburbia"-oriented society here in the Valley! This dependence comes with consequences to our environment, such as pollution;
- 4. Lack of skilled jobs Access to quality employment-employment opportunities/skilled (outside the service sector);
- 5. An Aging population;
- 6. The "exodus" of our Okanagan youth (mainly after their university studies) to major urban areas such as Vancouver and Calgary in search of jobs; and
- 7. Lack of affordable housing (particularly for the new formed couples/youth cohort)

## Housing Sustainability – Housing Choices, Demand, and Needs in the Okanagan Valley

Quick facts:

- 1. The lowest rental vacancy rates in Canada and one of the most expensive real estate markets in Canada (average housing prices from \$155,450 in 1997 to \$504,912 in 2007)!
- 2. We built...BIG...and horizontally...dispersed in the suburbs (carburbia/4x4)!
- 3. Lack of affordable housing (to rent and/or buy)/housing affordability problem (22.4% of Kelowna's population spending more than 30% or more on shelter).

Thus there is an urgent need for a larger dialogue about sustainable cities, lifestyle and housing...



#### ONE OF THE MOST SPECTACULAR VALLEYS ON EARTH IS GETTING THE FIVE-STAR TOUCH!



#### SKAHA BEACH CLUB & SPA IN THE SUNNY OKANAGAN

Skaha Beach Club & Spa is located in Penticium, British Columbia, only steps from the golden sands of Skaha Beach. Most people will remember it as the nine-acre landmark location of Wonderful Waterworld, Penticton's famed waterslide, RV park and family compground. For twenty-five years, hundreds of thousands of vacationers flocked to soak up the sun, play in the water and create lasting vacation memories. Skaha Beach Club & Spa expects to expand upon those same family traditions.

Skaha Beach Club & Spa is currently under construction and is destined to become western Canada's second largest hotel with 690 rooms in nine buildings. This development offers one of the best amenity packages in the Okanagan and features: five swimming pools; four courtyards; host tubs; a rood-top tennis court and putting greens; an 8,000 plus square foot world-class up; state-of-the-art 2,700 plus square foot fitness facility and wellness centre; licensed cafe, wine bar and bistro; an International Cooking School; fail-service conference facilities; meeting; rooms and business centre; 24-hour conciengs; room service and valet; weekly housekeeping service; daily imaid service; underground parking and a two-acre man-made lagoon.

Skaha Beach Club & Spa will also be the Okanagan's only Five-Star Hotel & Resort. Long before it opens explore whole ownership opportunities in an investment that offers total flexibility with the best retirement and vacation options possible.

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## Housing New Canadians in Central Okanagan, B.C.

Immigrant and refugee housing is becoming a growing concern in small and mid-sized cities such as Kelowna, Vernon and Penticton in the Central Okanagan region of interior of British Columbia. The real estate market in this region is one of the most expensive in Canada.

The successful integration of immigrants into a new society is based on their attainment of several basic needs. One of the most important, particularly in the initial stages of settlement, is access to adequate, suitable, and affordable housing



Source: Adapted from Murdie and Teixeira, 2003.

Figure 1. The importance of a welcoming community, of neighbourhood and housing in immigrant and refugee integration.

This paper explores the housing experiences and coping strategies of new immigrants in the Central Okanagan Valley's rental market through an analysis of their settlement experiences, housing search and outcomes.

## **Research Questions**

• What barriers/challenges (e.g., ethnic background/race, language, income, source of income...) do new immigrants face in securing affordable rental housing?

• What strategies are immigrants using to cope?

• What policy changes are recommended to remedy identified issues?



Figure 1. Immigrants as a percentage of population in the cities of Kelowna, Vernon and Penticton, 2006

# Population in the Okanagan Valley

Year	Kelowna	Vernon	Penticton
1971	20,000	13,283	18, 146
2006	107,000	35,944	31,909

**Immigrant Population:** 

B.C.	25%
Kelowna	15%
Vernon	12%
Penticton	16%

Visible Minority Percentage:

B.C.	25%
Kelowna	6.2%
Vernon	4.6%
Penticton	6.1%

# Okanagan Statistics

Population with Post Secondary Qualifications:		Median Income:		
			B.C.	\$38,383
Kelowna	26.4%		Kelowna	\$35,995
Vernon	27.4%		Vernon	\$41,007
Penticton	21.8%			
		Median Age:	Penticton	\$34,902
		B.C.	40.8	
		Kelowna	42.8	
		Vernon	44.5	
		Penticton	47.3	

## **Okanagan Statistics**

Average House Prices in 2008:

Average Rent Prices in 2008:

B.C.\$454,599Kelowna\$716,494Vernon\$628,927Penticton\$417,456

Vacancy Rates in 2008:

Kelowna	0.3%
Vernon	0.9%
Penticton	0.4%

Kelowna Vernon Penticton \$800/\$1000 \$614/\$741 \$750/\$900

Owner-occupied/Tenant-occupied<br/>households spend 30% or more of<br/>their income on shelter in 2006:<br/>Owner TenantKelowna22%48%<br/>50%Vernon21%50%Penticton19%50%



#### **CMHC: Affordability in Kelowna**

#### What does \$329,900 buy:



Richter Street
1872 sq ft
59 years old

#### **CMHC: Affordability in Kelowna**

#### What does \$4,900,000 buy:



# Lucinde Road 6,343 sq ft 1 year old

CANADA MORTGAGE AND HOUSING CORPORATION

#### **CMHC: Affordability in Kelowna**

#### Affordable waterfront? \$99,000



1/12 share of 1 bedroom730 sq ft2 years old



SOURCE: Okanagan Mainline Real Estate Board and South Okanagan Real Estate Board.

Table ES-3							
Severely Unaffordable Housing Markets Median Median							
Rank	Nation	Metropolitan Market	Multiple	Rank	Nation	Metropolitan Market	Multiple
1	Australia	Sunshine Coast, QLD	9.6	32	Australia	Geelong, VIC	6.0
2	United States	Honolulu, HI	9.1	34	United Kingdom	Aberdeen, Scotland	5.9
3	Australia	Gold Coast, QLD-NSW	8.7	34	Australia	Albury-Wodonga, NSW-VIC	5.9
4	Canada	Vancouver, BC	8.4	34	Australia	Darwin, NT	5.9
5	Australia	Sydney, NSW	8.3	34	Australia	Rockhampton, QLD	5.9
6	United States	San Francisco-Oakland, CA	8.0	34	United States	San Diego, CA	5.9
7	United States	San Jose, CA	7.4	34	New Zealand	Wellington	5.9
7	Canada	Victoria, BC	7.4	40	Australia	Mackay, QLD	5.8
9	United States	San Luis Obispo, CA	7.3	41	Australia	Townsville, QLD	5.7
10	Australia	Bundaberg, QLD	7.2	42	United States	Bridgeport, CT	5.6
10	United States	Los Angeles, CA	7.2	42	Ireland	Galway	5.6
12	Australia	Adelaide, SA	7.1	42	Australia	Launceston, TAS	5.6
12	Australia	Melbourne, VIC	7.1	42	Australia	Maitland , NSW	5.6
14	Australia	Mandurah, WA	7.0	42	United States	Miami-West Palm Beach, FL	5.6
14	United States	New York, NY-NJ-PA	7.0	47	United States	Boulder, CO	5.5
16	United Kingdom	Belfast, Northern Ireland	6.9	47	New Zealand	Dunedin	5.5
16	United Kingdom	London, England	6.9	47	United Kingdom	Edinburgh, Scotland	5.5
16	United States	Santa Cruz, CA	6.9	47	United States	Santa Rosa, CA	5.5
19	Canada	Kelowna, BC	6.8	51	Ireland	Cork	5.4
19	United Kingdom	Southwest Region, England	6.8	51	United States	Oxnard, CA	5.4
19	Australia	Wollongong, NSW	6.8	51	United Kingdom	Wales	5.4
22	United Kingdom	London Exurbs, England	6.7	54	United States	Boston, MA-NH	5.3
23	Australia	Newcastle, NSW	6.6	55	Australia	Bunbury, WA	5.2
23	New Zealand	Taraunga-W. Bay of Plenty	6.6	55	New Zealand	Hamilton-Waikato	5.2
25	Canada	Abbotsford, BC	6.5	55	New Zealand	Napier-Hastings	5.2
26	New Zealand	Auckland	6.4	55	United States	Seattle-Tacoma, WA	5.2
26	Australia	Perth, WA	6.4	55	United Kingdom	W. Midlands Region, England	5.2
28	Australia	Brisbane, QLD	6.3	60	Australia	Canberra, ACT-NSW	5.1
29	Australia	Hobart, TAS	6.2	60	United Kingdom	East Midlands Region, England	5.1
30	Australia	Cairns, QLD	6.1	60	United States	Eugene, OR	5.1
30	New Zealand	Christchurch	6.1	60	United Kingdom	Perth, Scotland	5.1
32	Ireland	Dublin	6.0	60	Australia	Toowoomba, QLD	5.1

## **Data Collection**

Summer 2008: 8 Focus Groups (53 new immigrants - 24 in Kelowna, 15 in Vernon, and 14 in Penticton) and Informal Interviews (35 Key Informants) Focus Group:

- 1. The 'migratory trajectory' of the respondents (move to Canada/Kelowna)
- 2. Settlement experiences in Kelowna
- 3. Housing experiences/challenges in Kelowna's rental market
- 4. The strategies used to cope with challenges/barriers
- 5. Outcomes: (Satisfaction Housing/Neighourhood)
- 6. Discrimination/Rental market
- 7. Recommendations/Advice on improving housing for new immigrants
- 8. Socio-economic characteristics

## Settlement Experiences in Central Okanagan

TABLE 1: SETTLEMENT EXPERIENCES IN CENTRAL OKANAGAN, BC			
	Kelowna (N=24)	Vernon (N=15)	Penticton (N=14)
Period of Arrival in Canada/Central Okanagan:			
2000–2004	21%	27%	14%
2005–2008	79%	73%	86%
Region/City of First Settlement:			
Central Okanagan (Penticton, Kelowna or Vernon)	67%	60%	79%
Other cities in BC/Canada	33%	40%	21%
Immigration Status on Arrival:			
Temporary Visa holder	38%	20%	43%
Refugee Claimant	-	7%	-
Landed Immigrant	58%	73%	57%
Other	4%	-	-
Most Important Reason for Moving to Central Okanagan:			
To join members of their families	46%	67%	57%
Economic opportunities/jobs	42%	27%	29%
Quality of life/Okanagan Valley	13%	7%	14%
Community Resources			
Knew someone (relatives/friends) in Central Okanagan	88%	77%	86%
Community Resources (Relatives/friends)			
Helped on arrival to find temporary housing and/or jobs	75%	73%	79%
Overall Importance of Relatives and/or Friends In Helping to Adjust on Arrival to a New Environment			
Very important/Important	71%	67%	79%

Source: Focus Groups, 2008

## **Current Housing Situation**

#### TABLE 2: CURRENT HOUSING SITUATION KELOWNA VERNON PENTICTON (N=24)(N=15)(N = 14)Tenure Renter in private sector\* 93% 86% 92% 4% 7% 7% Renter in public/social housing Renter in non-profit or co-operative 4% 7% -**Current Monthly Rent** Less than \$500 8% 7% 21% \$500-\$1000 25% 53% 43% \$1000-\$1500 67% 40% 36% Percentage of Income Spent on Housing: 13% Less than 30% 8% 14% Between 30% and 50% 63% 60% 57% More than 50% 29% 27% 29% Plans of Returning One day to Home Country: 17% 20% 14% Yes No 83% 67% 86%

Don't know

-

13%

-

\*Sharing with relatives/friends and/or living in a basement suite

Source: Focus Groups, 2008.

## Reasons for Moving and the Housing Search

	Search	
Kelowna	VERNON	PENTICTON
(N=24)	(N=15)	(N=14)
58%	47%	50%
50%	40%	43%
25%	33%	21%
-	7%	7%
46%	53%	64%
21%	27%	29%
33%	20%	14%
14%	-	7%
67%	63%	71%
63%	60%	64%
46%	53%	57%
33%	47%	43%
29%	40%	35%
8%	7%	-
	(N=24) 58% 50% 25% - 46% 21% 33% 14% 67% 63% 46% 33% 29%	(N=24)       (N=15)         58%       47%         50%       40%         25%       33%         -       7%         46%       53%         21%       27%         33%       20%         14%       -         67%       63%         63%       60%         46%       53%         33%       47%         29%       40%

Source: Focus Groups, 2008.

## "Hidden Homelessness"?

- Survival Strategies:
  - Doubling up/Sharing acommodation with friends/relatives
  - Overcrowding is "culturally" accepted
  - "couch surfing"
  - sub-renting
  - renting a basement
  - more than one job

### Housing Crisis: The Convergence of Public and Private Sectors

- The steady arrival of internal migrants, i.e., baby boomers has affected the housing market.
  - Escalating housing prices of the region.
- There is an urgent need for more involvement by all levels of government to provide more funding for affordable housing (for-profit and non-profit) in the Okanagan.
  - "We don't want a free ride... we just want to get established... They should change their [housing] policies and invest more in affordable housing... A lot of [immigrants] are living in basements with no quality... high rents and they don't have enough to buy a house".

#### Housing Crisis: The Convergence of Public and Private Sectors

- This need for affordable housing has been recognized by local governments in Kelowna, Vernon, and Penticton and have undertaken initiatives to address the shortage.
  - "All levels of government should be involved in the provision of affordable housing... we need to provide these supports. In addition we need to bring together tools we have to make housing for the working community affordable, whether it's rent subsidies or whether it's strategies to build more rental housing".
    - The city of Kelowna has introduced flexible zoning, have announced 3 new buildings to be built with support services for those who are homeless or at risk of homelessness, established a housing reserve fund, introduced increases in density bonusing, and is working on land partnerships.

### Housing Crisis: The Convergence of Public and Private Sectors

- What about the role of the non-profit sector?
  - One key informant contends that the real solution to the housing crisis lies in "demand and supply"
    - "I don't see any indication that population growth is going to stop or slow... So the question becomes, how do you breathe life into the rental market? How do you build new units? And currently with the land costs and construction costs, it is not economical to build rental housing... So until there is an increase in supply. The rates are not going to come off"
  - Many of the informants noted that the optimal approach requires a blending of the different sectors.
  - At this stage, all parties seem to agree that more "dialogue" is needed between governments and the private sector.

**Basement Suites – The Good, The Bad, and The Ugly** 

- Both immigrants and key informants agreed on the important role basement suites can play in the lives of new immigrants (e.g. saving on rents) as well as easing some of the pressures on the existing housing crisis... But at what price?
  - More regulatory control by local governments is needed to ensure the legality and quality of basement suites. Stricter regulatory controls and change, including the legalization of illegally rented basement suites, would address many of the problems associated with unsafe and poor-quality housing in the central Okanagan.
  - In a housing market crisis, illegal accommodation plays a very important role in the provision of affordable housing. But how long will basement suites be able to fill the gap in meeting the housing needs of immigrants in this part of the country? Who benefits and at what price?

## **The Information Gap: Finding Reliable Housing Information**

- The search for affordable rental housing in Central Okanagan was a difficult task for most immigrants. Accordingly, immigrants identified a need for more community organizations specializing in the provision of housing services.
  - More detailed, good quality information on aspects of the housing market, where to find affordable housing, tenants' and homeowners' rights, how to get credit, loans, or mortgages, and how to access non-profit or public housing in Central Okanagan.
  - Thus, there exists a need for more aggressive, wider distribution of housing information by the Canadian government overseas and for immigrants upon arrival to the Okanagan

#### **Renters and Landlords – Worlds Apart?**

- Two out of every five immigrants in this study indicated that on at least one occasion, they had felt discriminated against by landlords.
  - One key informant notes, "for the rental market, we are less than 1% vacancy rate, so landlords can pick and choose whoever they like and they can also put the prices up... Immigrants are going to face racism if that landlord has any preconception about where they [immigrants] are from or whether they have an accent, or whether they should be in our community or not.
- Key informants and leaders of Central Okanagan communities agree that although efforts have been made to welcome more new immigrants to the region, far more remains to be done with regard to dealing with barriers such as discrimination and supporting the retention of immigrants in the region.

#### **Critical Role of Government**

- Immigrants and informants agree that government at all levels can play a critical role in addressing the affordable housing crisis in Central Okanagan.
  - Funding affordable housing construction, regulating and cooperating with developers, facilitating dialogue between landlords and renters, or supporting community organizations.
  - There is also general agreement that municipal governments lack both the resources and the constitutional powers to deal with these issues on their own.
- Policy initiatives at the municipal and provincial levels in conjunction with the federal government are central to addressing the housing problems of the Central Okanagan

## Conclusion

• Despite efforts by the government and business community to attract immigrants, development and implementation of attraction and retention strategies has been challenging.

• Although new immigrants are necessary to supply labour for the regions' service and tourist industries and to replace an aging population in Central Okanagan, new immigrants continue to avoid this part of interior BC in favour of the cities of Vancouver or Calgary.

## Conclusion

- More research is needed into the efficiency and reliability of these social networks, particularly their role and impact in the housing trajectories of immigrants as well as in their integration
- Policymakers in cooperation with the private sector and local community organizations need to develop a range of strategies to meet the challenges of affordable housing in such complex mid-size housing markets as those of Kelowna, Vernon, and Penticton.