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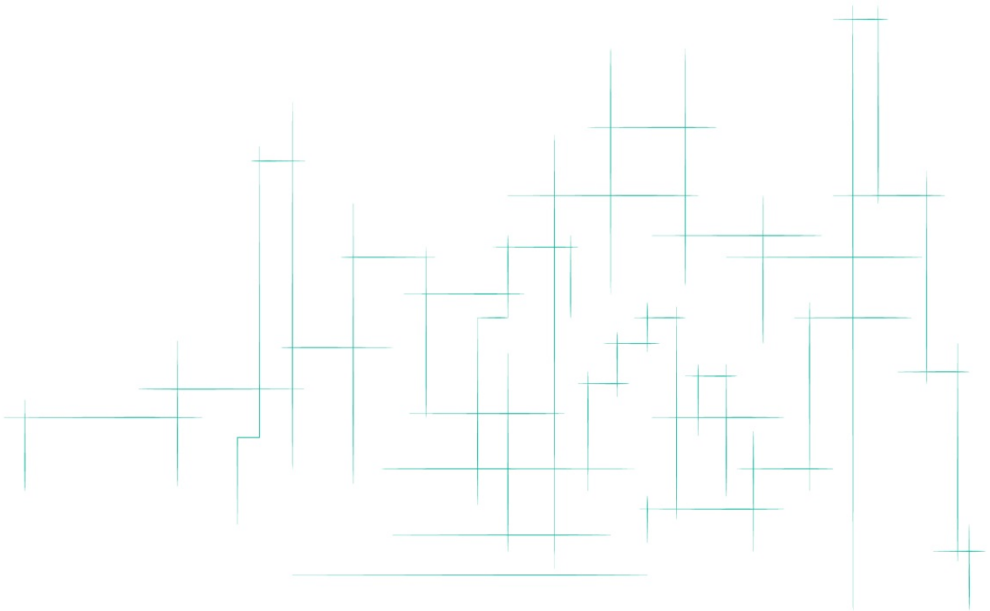
City of Campbell River
2015 Residential Market Update

For: City of Campbell River

January 2016



Executive Summary

G. P. Rollo & Associates (GPRA) has been retained by the City of Campbell River (the City) to prepare a Residential Market Update building on the Land Use Study that GPRA prepared for the City in 2012.

The purpose of this study is to prepare a forecast of demand by type of housing taking into account the changing economy, population and household growth, propensities to consume alternate forms of housing, and trends in demand for single family housing of a higher density than what is currently typical in Campbell River.

The following are highlights of the Study:

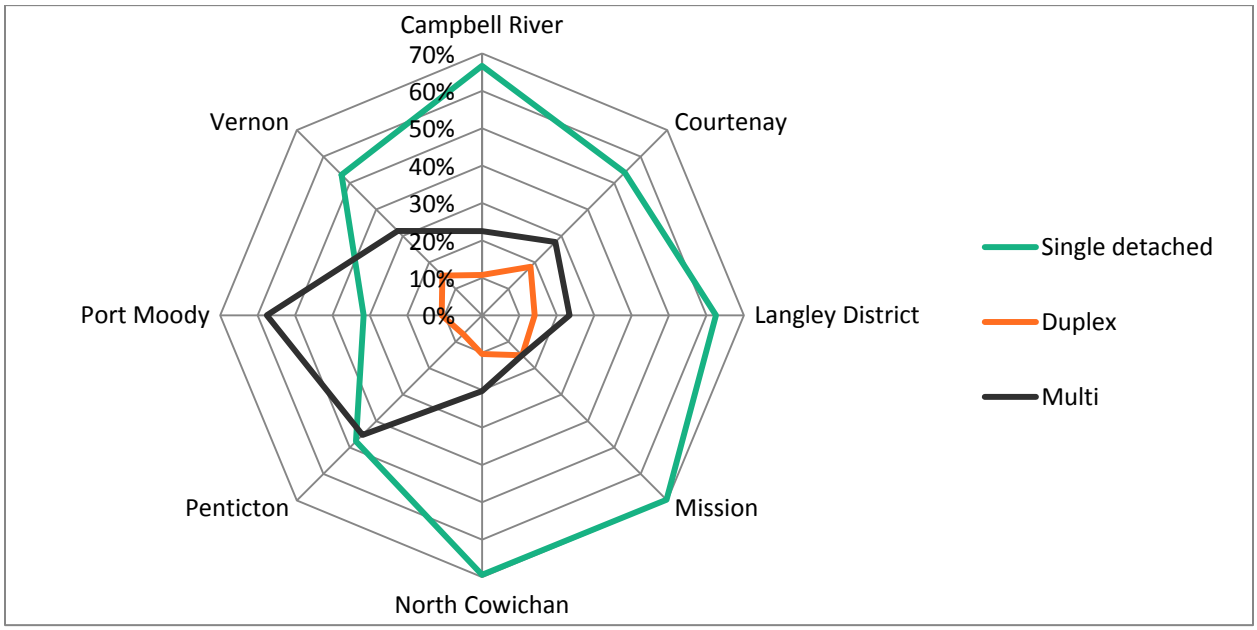
EXISTING HOUSING SUPPLY

In 2011 – at the time of the last National Household Survey – Campbell River had 13,435 dwellings, including:

- 8,575 single family houses (64% of dwellings)
- 1,385 duplex dwellings (10%)
- 2,895 multi-family dwellings such as apartments or townhouses (22%)
- 580 manufactured homes (4%).

This proportion of housing types makes Campbell River a fairly typical small British Columbian city, with a housing makeup similar to that of North Cowichan or the District of Langley. Figure A compares Campbell River to seven peer communities in terms of 2011 housing makeup. This Figure is further explained and discussed in Section 2.1, pg. 2.

Figure A: Proportion on housing types in 2011[1]

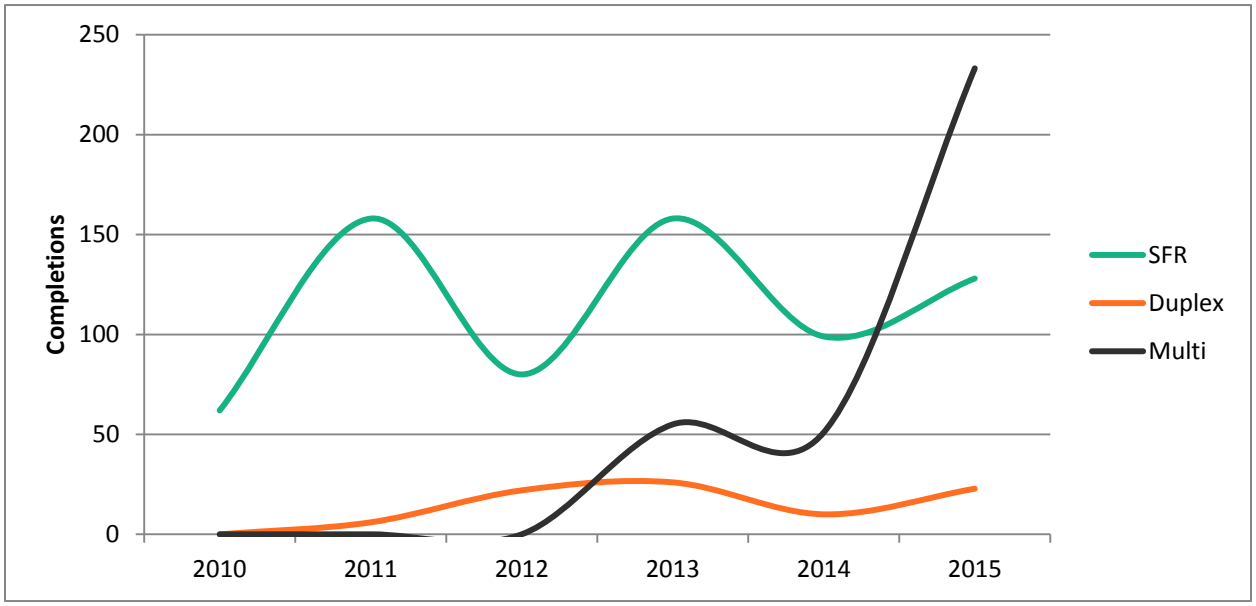


[1] Statistics Canada (2011). National Household Survey.

NEW HOUSING SUPPLY

Housing completions data received from the City suggests that between 2010 and 2015, the supply of housing in Campbell River has grown by more than 1,100 dwellings, or about 185 dwellings per year. Extrapolating from the National Household Survey (2011), this represents an average annual growth in housing supply of 1.4%. New housing supply by type is shown in Figure B.

Figure B: Housing completions in Campbell River by type



The construction of single family homes is governed by a two-year development cycle, whereas the construction of multi-family housing is more erratic, with more units built in 2015 than in the previous five years combined, due principally to a single large building.

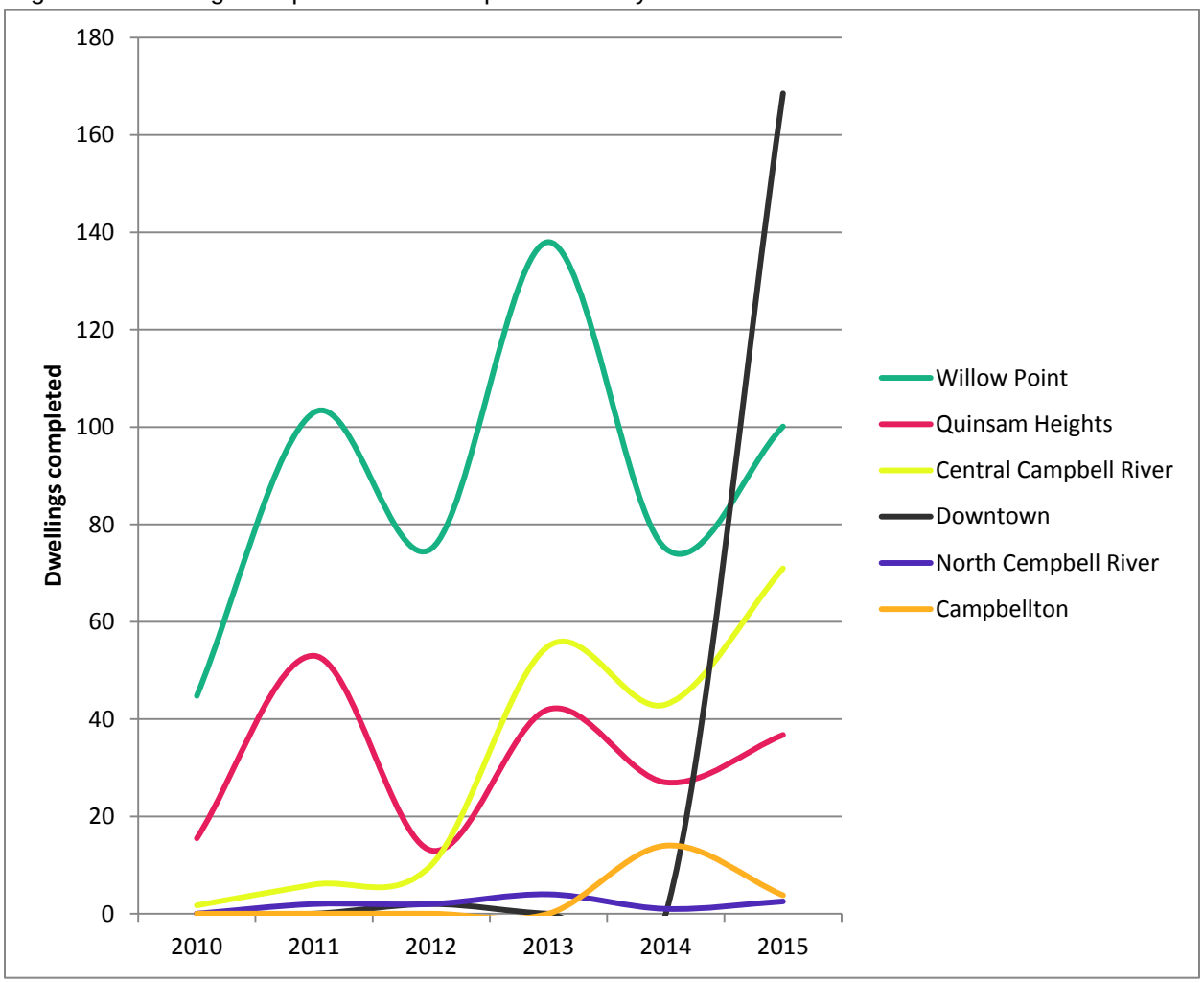
Housing construction was not distributed evenly within Campbell River during the 2010 – 2015 period. Table A shows the distribution of construction by type and neighbourhood according to City completions data[2]. The colour scale shown in Table A indicates which neighbourhoods and housing types saw the most new development during this period, ranging from high-growth categories (green) to low-growth categories (red). Figure C shows the total amount of residential development by neighbourhood over time.

[2] Completions data is taken from City Building Permit data. Other City reporting may quote "permit issued" date, and therefore there will be a time lag, depending on which metric is chosen.

Table A: Housing completions 3/12/2010 – 15/10/2015 in Campbell River

Neighbourhood	Single family houses	Duplex units	Multi-family dwellings	TOTAL
Willow Point	424	60	12	496
Quinsam Heights	159	14	0	173
Central Campbell River	32	6	133	171
Downtown	0	2	133	135
Campbellton	5	0	12	17
North Campbell River	11	0	0	11
TOTAL	632	82	290	1,004

Figure C: Housing completions in Campbell River by location



Willow Point saw the most development – all of it either single family or duplex homes, while Quinsam Heights and Central Campbell River each saw a great deal of residential growth as well, although the former was primarily single family homes and the latter was primarily multi-family. Residential development Downtown was mostly limited to a single large apartment building.

BUYER PROFILE AND MARKET DRIVERS

Most of the prospective buyers of single family houses in Campbell River are attracted to its affordability, which is the City's primary advantage over other better-positioned mid-Island communities such as Comox and Courtenay. Maintaining the affordability of residential products is thus critical to ensuring continued growth in Campbell River. The renter population, on the other hand, is largely made up of seniors who prefer the convenience of apartment living. This group is expected to grow as a share of Campbell River's population, leading to an increase multi-family's share of the housing supply.

POPULATION GROWTH AND DEMOGRAPHIC CHANGE IN CAMPBELL RIVER

Figure D: Estimated and projected growth of Campbell River and the SRD[3]

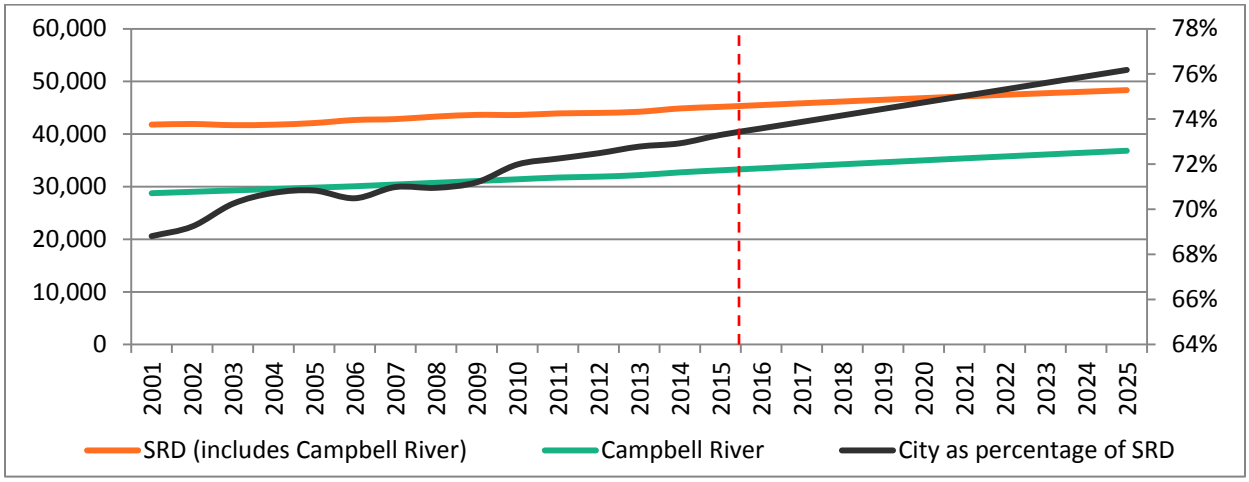
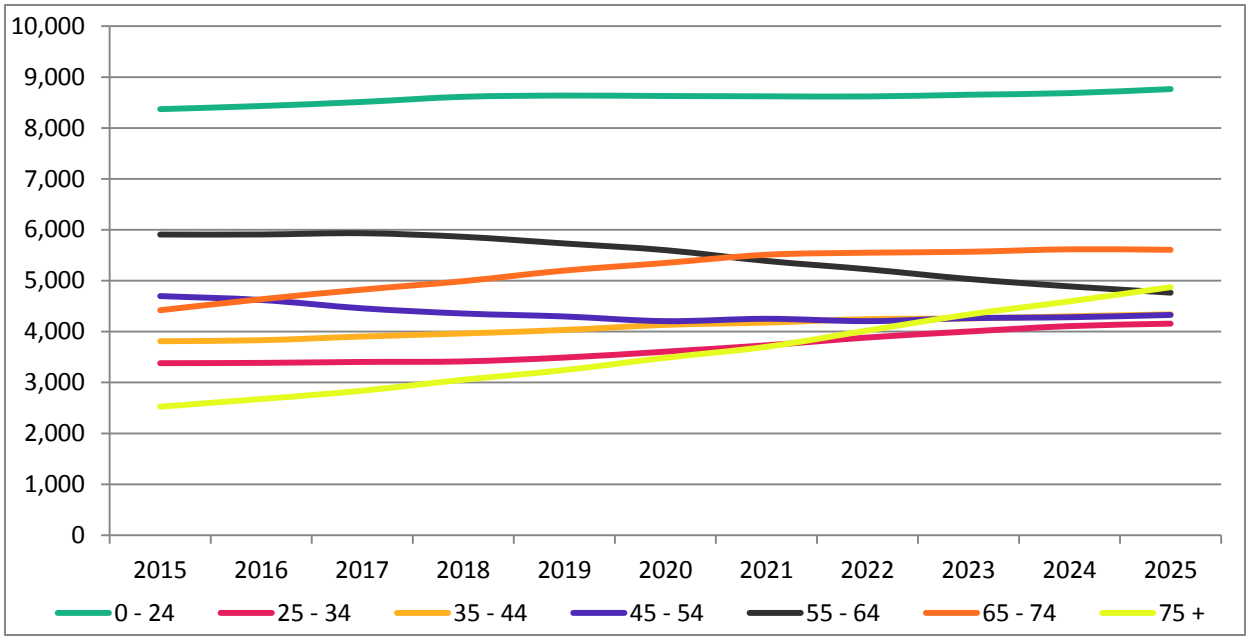


Figure E: Projected population by age cohort



[3] Source: BC Statistics, Statistics Canada

Figure D shows that the population of the Strathcona Regional District is projected to increase from more than 45,000 at present to more than 48,000 by 2025, indicating an average annual growth rate of 0.7%. Campbell River is projected to grow in population from approximately 33,000 at present to almost 37,000 by 2025, an average annual growth rate of 1.1%. Altogether, GPRA projects that Campbell River will grow by about 11% in the next 10 years, increasing its share of the SRD population from 73% to 76%.

Combining the population projection in Figure D with a BC Statistics projection of age composition produces Figure E, GPRA's population projection for Campbell River by age cohort. Figure E shows that all cohorts are expected to grow except for the 45 – 64 year old group, which is expected to decline.

HOUSING DEMAND PROJECTION

Analyzing the demographic projection presented in Figure E using a household maintainer rate methodology (described in Section 3.3, pg. 16 – 18) allows us to project the level of demand in Campbell River for net new housing[4] of each structure type over the next 10 years. This is presented in Table B.

Table B: Projected demand for net new housing in Campbell River

	Single family houses	Duplex units	Multi-family dwellings	Total
2016 – 2020	578	112	362	1,052
2021 – 2025	581	147	392	1,120
Total	1,159	259	754	**2,172**
Percent	53%	12%	35%	

About 53% of all net new housing in Campbell River in the next 10 years is projected to be single family dwellings, about 12% is expected to be duplexes, and about 35% is expected to be multi-family dwellings. Although this represents a shift away from single family houses and towards multi-family dwellings compared to what currently exists in Campbell River, these estimates are consistent with recent trends and with consumer demand, as reported by local realtors and developers.

Table B presents a "status quo" development projection both in terms of demand and supply. In terms of demand, it assumes that Campbell River residents will continue to prefer dwelling types that they currently prefer. This assumption is investigated in Section 3.5. In terms of supply, it assumes that the supply of affordably developable land will remain similar to that of recent years, or at least available enough to permit development resembling what currently exists in Campbell River. This assumption will be investigated in Section 4.

If Campbell River develops according to this projection, multi-family dwellings will increase their share of the non-manufactured housing supply from 23% at present to 25%. This 2% increase in share will be strictly a result of changing demographics, since residents aged 55 or older disproportionately prefer this housing type.

[4] Newly constructed dwellings minus demolished dwellings

LAND SUPPLY

City staff have produced a Residential Land Supply Assessment that generates a total estimate of developable land supply by estimating and combining four sources of land supply:

1. Development sites on which there has been expressed detailed development interest
2. Sites subject to masterplans
3. Potential development sites
4. Vacant lots

Items 1 and 2 are either "active sites" at some stage of the development process (application pending, current construction, etc.), or where serious development interest has been expressed and discussed with City staff, and are thus considered dependable sources of supply. Items 3 and 4 are based strictly on land value, zoning, and vacancy, without any consideration of the financials of development, so whether these sources of supply are genuinely viable and marketable is unclear. Including all 4 sources of supply produces Table C, while including only the sites confirmed highly likely to be viable produces Table D.

Table C: Estimated lots and dwellings supported by land supply, 2016 - 2025[5]

	Low Scenario			High Scenario		
Neighbourhood Area	Single family or duplex lots	Multi-family dwellings	Total	Single family or duplex lots	Multi-family dwellings	Total
Willow Point	751	120	**871**	908	140	**1,048**
Quinsam Heights	514	0	**514**	1,060	0	**1,060**
Central Campbell River	111	377	**488**	222	463	**685**
Downtown	0	128	**128**	0	128	**128**
Campbellton	54	0	**54**	85	0	**85**
North Campbell River	99	126	**225**	156	170	**326**
Other	400	150	**550**	708	150	**858**
Total	**1,929**	**901**	**2,830**	**3,139**	**1,051**	**4,190**

Table D: Estimated dwellings in "active" land supply[6]

	Low Scenario			High Scenario		
Neighbourhood Area	Single family or duplex lots	Multi-family dwellings	Total	Single family or duplex lots	Multi-family dwellings	Total
Willow Point	571	80	**651**	571	80	**651**
Quinsam Heights	318	0	**318**	475	0	**475**
Central Campbell River	14	250	**264**	14	250	**264**
Downtown	0	128	**128**	0	128	**128**
Campbellton	0	0	**0**	0	0	**0**
North Campbell River	65	40	**105**	65	40	**105**
Other	379	150	**529**	537	150	**687**
Total	**1,347**	**648**	**1,995**	**1,662**	**648**	**2,310**

[5] Source: City staff report: Residential Land Supply Assessment
[6] Source: City staff report: Residential Land Supply Assessment

As indicated in Table B, GPRA projects that 1,159 new single family houses, 259 new duplex dwellings, and 754 new multi-family dwellings will be needed in Campbell River in the next ten years. Two duplex dwellings fit on a single lot, meaning that the projected ten-year demand for single family and duplex lots is 1,289. This quantity of demand can be accommodated by existing supply even in the lowest supply scenario and only looking at currently active or proposed developments (Table D), which places the total supply of lots at 1,347. In reality, GPRA expects that the true financially viable supply will be somewhat greater than this number due to the development of some potentially developable and vacant lots. GPRA thus concludes that Campbell River has enough developable land within the urban containment boundary to satisfy ten years of single family and duplex housing demand.

As for multi-family housing, GPRA projects that 754 new units will be needed in the next ten years. This is more than the amount of supply that is currently "active" in the lowest scenario (648 units-worth), but this scenario omits potential supply of apartment units in commercially-zoned land, and is thus an underestimate. Moreover, most realtors and developers GPRA interviewed expressed the opinion that the City has more than enough sites for ten years of demand for this product. We thus conclude that the potential supply of multi-family housing is closer to the high amounts indicated in Table C than to the low amount suggested by Table D.

DEVELOPMENT CONSTRAINTS

There is a sufficient supply of developable and appropriately zoned land to accommodate more than ten years of anticipated demand. But as the most financially viable segments of land are used up in the coming decades, residential development in Campbell River may slow down unless steps are taken to ensure the continued financial viability of development resulting in marketably affordable finished products, particularly in the single family residential market.

Quinsam Heights is a particularly problematic neighbourhood because although it is centrally located and already partially developed, it has the following barriers to development:

- Additional development cost charges (DCCs) within the Nunns Creek catchment area reflecting the fact that it is prone to stormwater drainage issues and consequently flooding

- Old roads that need to be upgraded to meet City standards

- Fragmented land ownership, with many parcels too small for developers to achieve necessary economies of scale and too large for current owners to finance development

- Land use zoning that contradicts the Official Community Plan (OCP)

POLICY OPTIONS

The City must balance the competing goals of limiting urban sprawl and facilitating ongoing growth. To this end, there are a number of policy options, which are presented in Table E.

Table E: Policy options

Policy option	Advantages	Disadvantages
Status quo	• Quinsam Heights safe from overdevelopment • Counters sprawl	• Growth may slow in the 10 – 20 year time range
Harmonize OCP & Zoning	• Developer, investor, and home-buyer confidence • Faciliates development in Quinsam Heights in particular	• Loss of desireable estate lots and hobby farm lands
Support development in Quinsam Heights	• Facilitates faster growth in Quinsam Heights	• Potentially expensive for City • Subsidy of developers and new residents by existing resident taxpayers • Potential loss of agricultural land
Eliminate RE-1 zone	• Opens up more land for development	• Loss of desireable estate lots
Eliminate RM-1 & RM-2 zones	• Development better suited to many purchasers' preferences	• Lower potential density
Extend Willis Road	• May encourage retail and residential development in Quinsam Heights	• Expensive for City
Expand Urban Growth Boundary	• More greenfield land for development	• Encourages sprawl • Expensive infrastructure development

GPRA neither discourages nor endorses any particular policy approach, since the policy framework selected by the City is rightly a result of community consultation and City objectives. Rather, GPRA aims to inform the City regarding the advantages and disadvantages of each option so that that best option can be selected in due course. However, it is clear that sufficient land supply exists within the Urban Growth Boundary for the next ten years of demand. This land is a combination of Masterplanned sites witin the OCP, vacant lots, and larger sites on which there has been meaningful development or redevelopment interest.

Table of Contents

1 Introduction

G. P. Rollo & Associates (GPRA) has been retained by the City of Campbell River (the City) to prepare a Residential Market Update building on the Land Use Study that GPRA prepared for the City in 2012.

The purpose of this study is to prepare a forecast of demand by type of housing taking into account the changing economy, population and household growth, propensities to consume alternate forms of housing, and trends in demand for single family housing of a higher density than what is currently typical in Campbell River.

More specifically, GPRA will:

1) Document trends and factors shaping the Campbell River housing market (Section 2, pg. 2 - 11)
2) Discuss recent trends in housing absorption by type of housing in Campbell River (Section 2.2, pg. 3 – 7)
3) Consider trends in demand for higher density single- and multiple-family housing in eight comparable BC communities (Section 3.4, pg. 18 – 19)
4) Prepare a forecast of demand for housing by type of housing from 2015 to 2025 (Section 3, pg. 12 – 20), and consider how demand could be allocated amongst existing and future residential neighbourhoods (Section 4, pg. 21 – 27), discussing the adequacy of housing lands to accommodate future demand
5) With assistance from the City, identify the potential supply of lands to accommodate housing demand over the next decade (Section 4.1, pg. 21 – 23)
6) Comment on the merits of current City housing policies for accommodating housing demand (Section 5, pg. 28 – 32).

2 Residential Market Trends

This section describes the recent trends in Campbell River's residential market in terms of:

- Existing and new supply
- Development density
- Overall profile of purchasers and renters
- Factors driving the market.

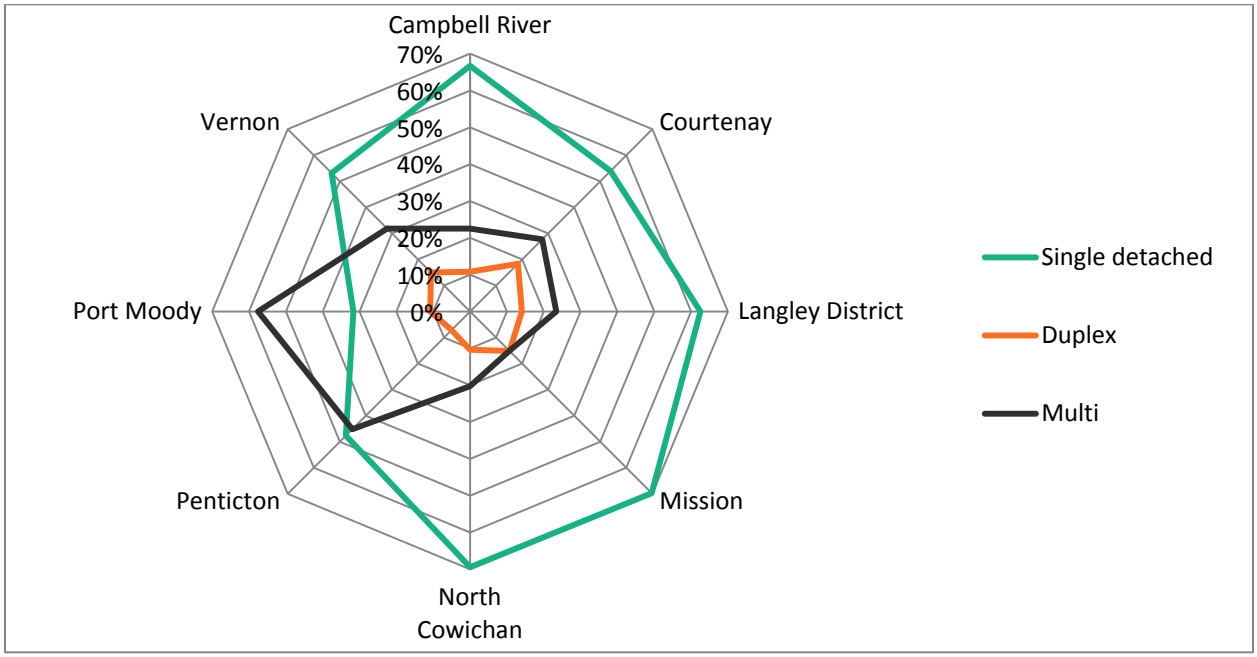
2.1 Existing housing supply

In 2011 – at the time of the last National Household Survey – Campbell River had 13,435 dwellings, including:

- 8,575 single family houses (64% of dwellings)
- 1,385 duplex dwellings (10%)
- 2,895 multi-family dwellings such as apartments or townhouses (22%)
- 580 manufactured homes (4%).

This proportion of housing types makes Campbell River a fairly typical small British Columbian city, with a housing makeup similar to that of North Cowichan or the District of Langley. Figure 1 compares Campbell River to seven peer communities in terms of 2011 housing makeup. Each line that touches the centre of the radar graph represents a different community. The green, black, and orange lines represent single family houses, multi-family dwellings, and duplex dwellings respectively. Where the coloured lines meet the community lines represents how much of each community's housing supply is made up of each housing type.

Figure 1: Proportion on housing types in 2011[7]



[7] Statistics Canada (2011). National Household Survey.

Figure 1 shows that in 2011 more than 60% of Campbell River's homes were single family dwellings, which is slightly more than in the District of Langley and slightly less than in Mission or North Cowichan. More than 20% of Campbell River's housing supply was multi-family dwellings, which is similar to Courtenay and the District of Langley, somewhat more than Mission, and somewhat less than Vernon and North Cowichan. As for duplex homes, they constituted between 10% and 20% of dwellings in all communities except for Penticton, which had somewhat fewer. Port Moody was the only community in which multi-family dwellings outnumbered single family homes, although the two categories were almost equal in size in Penticton.

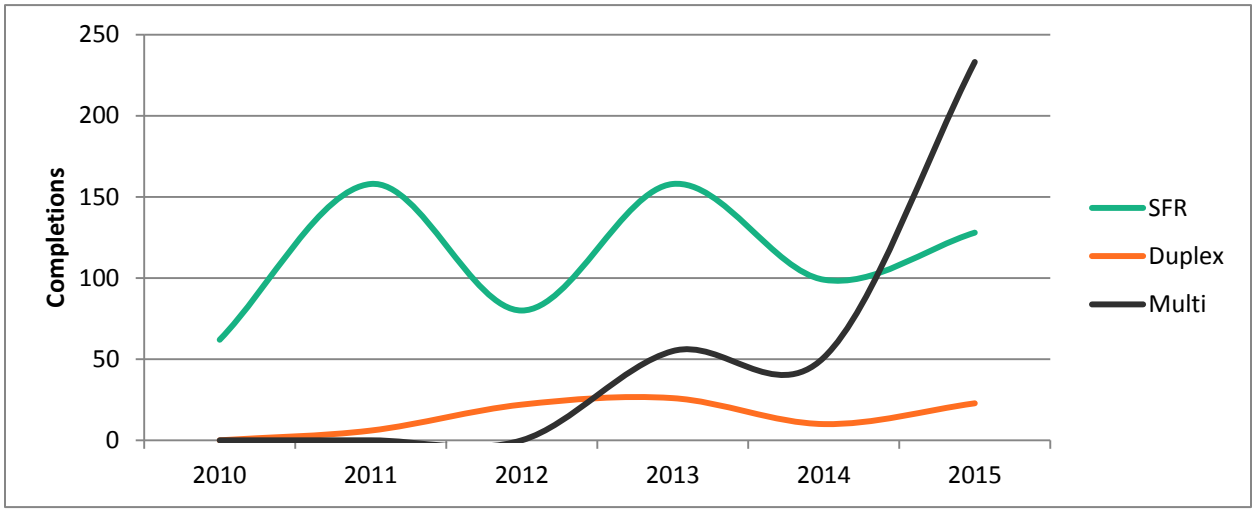
2.2 New housing supply

Housing completions data received from the City suggests that between 2010 and 2015, the supply of housing in Campbell River has grown by more than 1,100 dwellings, or about 185 dwellings per year. Extrapolating from the National Household Survey (2011), this represents an average annual growth in housing supply of 1.4%. The following subsections describe how this growth was distributed between housing types, neighbourhoods, and time periods.

2.2.1 New housing supply by type

Within the overall growth shown by City completions data, there was a great deal of variation both between housing types and between years. This variation is shown in Figure 2.

Figure 2: Annual housing completions in Campbell River by type[8]



[8] This Figure represents City completions data, which covers a period of completions from 3 June 2010 to 15 October 2015. Consequently, the years from 2011 to 2014 are represented in full, whereas the estimated number of total completions in 2010 and 2015 are extrapolated from the known segments of those years, namely the second half of 2010 and the first three quarters of 2015.

Completions data is taken from City Building Permit data. Other City reporting may quote "permit issued" date, and therefore there will be an apparent time lag, depending on which metric is chosen.

The average pace of completions of single family homes was 118 per year, resulting in a rate of growth of the single family housing supply of 1.3% per year. This growth took place in two-year cycles: the less active years of 2010, 2012, and 2014 each saw 60 – 100 single family houses built, and the more active years of 2011, 2013, and 2015 each saw 125 – 160 single family houses built.

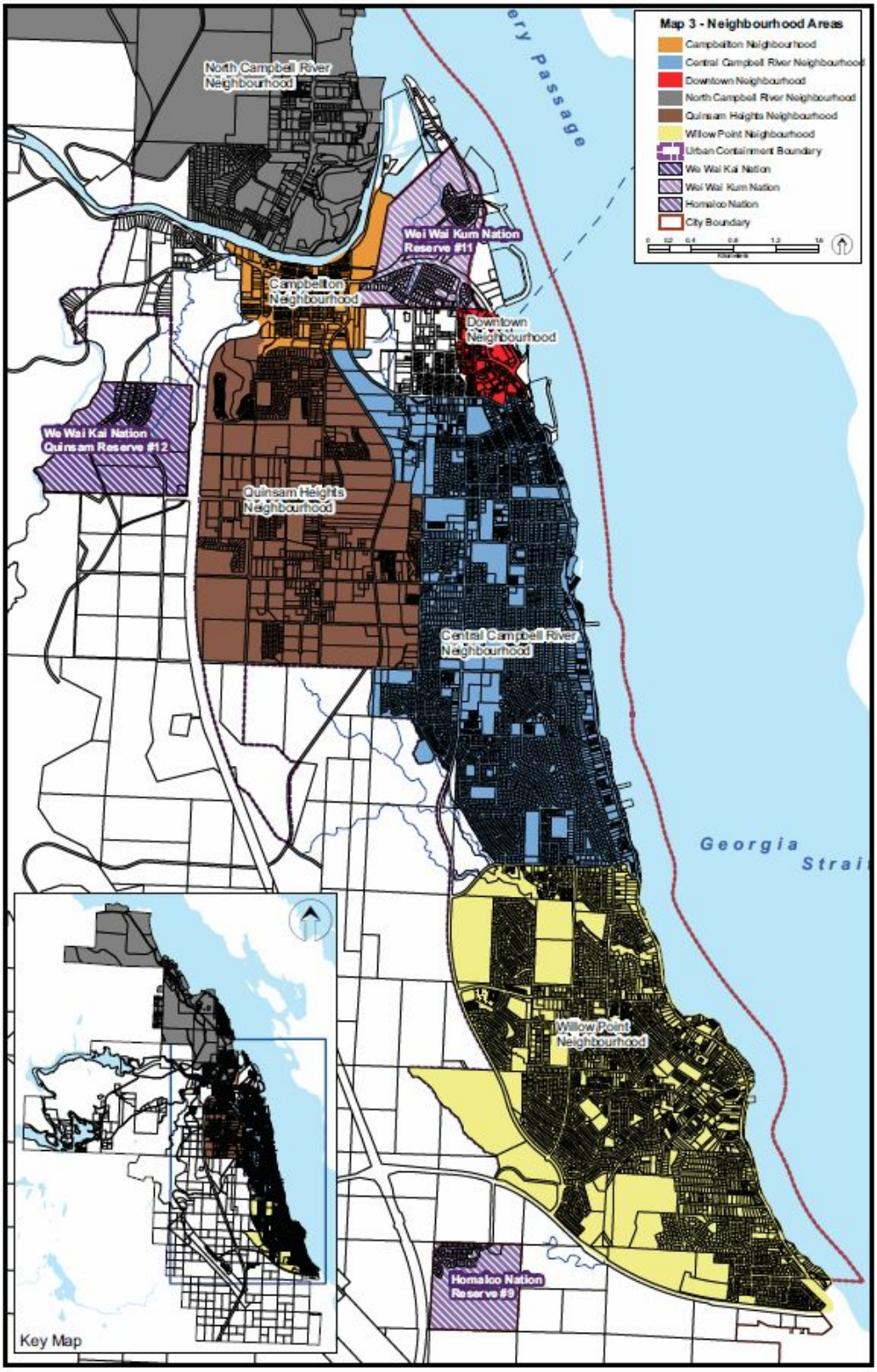
Following from the Global Financial Crisis of 2008, there were no duplex completions in Campbell River in 2010, and only 6 duplex units (3 buildings) completed in 2011. Starting in 2012 the duplex market resumed, with an 10 – 26 duplex dwellings (5 – 13 buildings) constructed each year between 2012 and 2015. The 2012 – 2015 growth rate was 1.4%.

Compared to single family houses and duplexes, the construction of multi-family dwellings in Campbell River and elsewhere is extremely erratic, with long periods of inactivity and sudden growth spurts. Following from the Global Financial Crisis, no multi-family dwellings were constructed in Campbell River between 2010 and 2012. In 2013 and 2014 the market resumed, with each year seeing the construction of more than 50 dwellings in multiple buildings. But 2015 was an exceptional year, with more than 230 multi-family dwellings constructed in three buildings – more multi-family construction than twice the previous five years combined. This erratic pattern of growth results in an annual growth rate of 1.9% for the 2010 – 2015 period, but most of that growth took place in 2015, which saw the number of multi-family dwellings in Campbell River increase by 7.8%.

2.2.2 New housing supply by neighbourhood

Housing construction was not distributed evenly within Campbell River during the 2010 – 2015 period. Figure 3 shows each the six neighbourhood areas designated by Campbell River's Sustainable Official Community Plan (OCP), and Table 1 shows the distribution of construction by type and neighbourhood area according to City completions data. The colour scale shown in Table 1 indicates which neighbourhoods and housing types saw the most new development during this period, ranging from high-growth categories (green) to low-growth categories (red).

Figure 3: Campbell River neighbourhood areas[9]



[9] Campbell River (2012). Official Community Plan, pg. 61.

Table 1: Housing completions 3/12/2010 – 15/10/2015 in Campbell River[10]

Neighbourhood		Single family houses	Duplex units	Multi-family dwellings		TOTAL
Willow Point		424	60	12		496
Quinsam Heights		159	14	0		173
Central Campbell River		32	6	133		171
Downtown		0	2	133		135
Campbellton		5	0	12		17
North Campbell River		11	0	0		11
TOTAL		632	82	290		1004

With 496 new dwellings built during this period, the Willow Point neighbourhood absorbed almost half (49%) of all residential construction in Campbell River, thanks to its several large-scale greenfield subdivision projects. Among single family houses and duplexes Willow Point was even more dominant, absorbing 67% and 73% of these residential categories, respectively.

Despite its reputation as financially challenging, Quinsam Heights was the second most active neighbourhood in terms of residential development, and the only neighbourhood other than Willow Point to absorb a significant portion of single family and duplex homes (25% and 17% of these categories, respectively). According to local developers and realtors, development in this neighbourhood was stimulated by its proximity to Campbell River's central areas, and by its large quantity of developable land. Notably, no multi-family dwellings were built in Quinsam Heights during this period.

Downtown and Central Campbell River absorbed the bulk of demand for multi-family dwellings in Campbell River during this period, each supporting 133 new multi-family units. The similarity between the two totals is deceptive, however, since the multi-family development in Central Campbell River was distributed between three medium-sized apartment buildings and one small townhouse building, whereas development Downtown was limited to a single large apartment building – Berwick by the Sea – and one duplex. Central Campbell River also saw limited single family and duplex development, unlike Downtown.

Campellton and North Campbell River saw limited residential development, mostly multi-family dwellings and single family residential, respectively.

Acknowledging that observed trends in smaller geographic areas are less meaningful than in larger geographic areas due to reduced sample size, there are some noteworthy shifts in the relative number of housing completions in each neighbourhood during the 2010 – 2015 period, as reported in City completions data. This is represented in Figure 4.

[10] Source: City completions data

Figure 4: Housing completions in Campbell River by location[11]

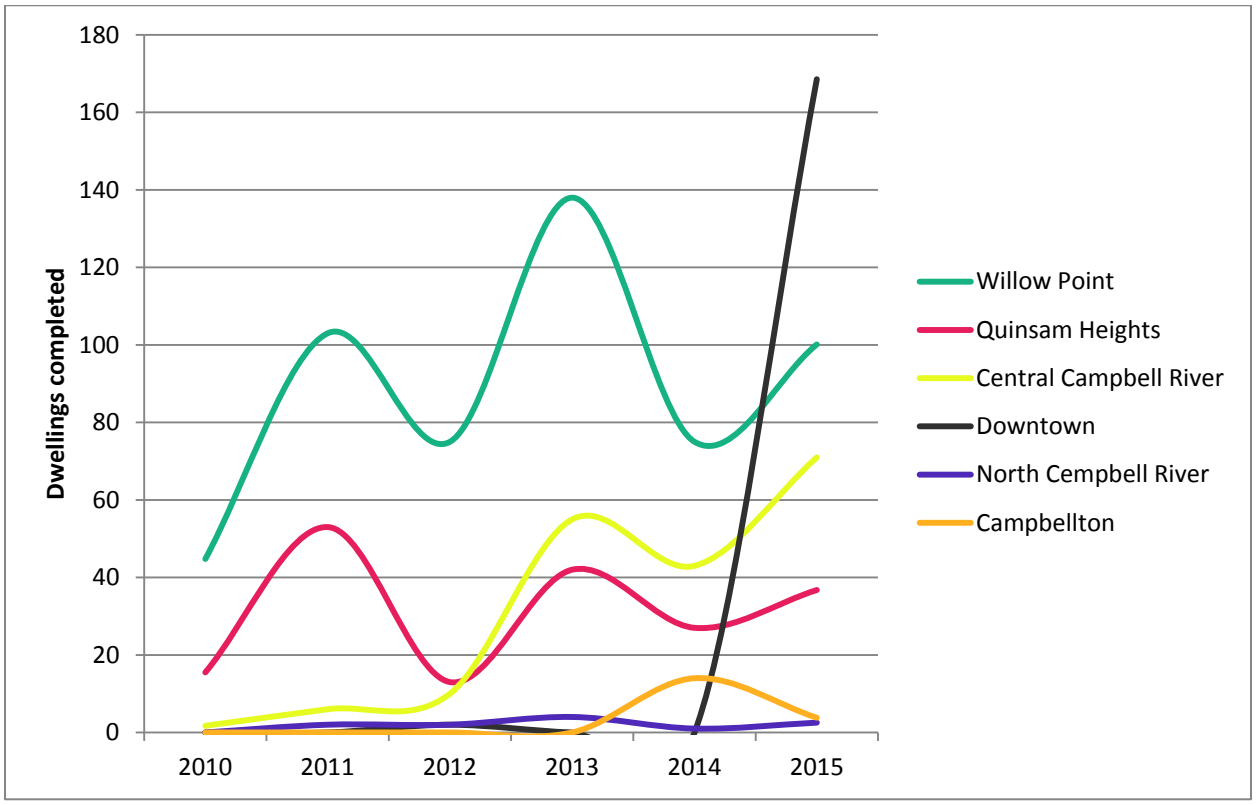


Figure 4 shows that the pace of development in Willow Point and Quinsam Heights has tended to follow the same two-year cycle observed in Campbell River's single family housing market, and neither neighbourhood shows pronounced signs of an upward or downward trend. Willow Point saw about 75 – 140 completions per year after 2010, and Quinsam Heights saw about 15 – 50.

The Central Campbell River neighbourhood saw few completions before 2013, but since 2013 it has outperformed Quinsam Heights in terms of new housing supply. This represents not only purchaser demand for homes in Central Campbell River, but also demand for multi-family dwellings, which constitute the bulk of Central Campbell River's new supply. The demand for new apartments is also strongly reflected in Downtown's sudden supply jump in 2015, which is due to a single large building (Berwick by the Sea).

The supply of new homes in North Campbell River and Campbellton fluctuated throughout this period but remained less than 20 per year.

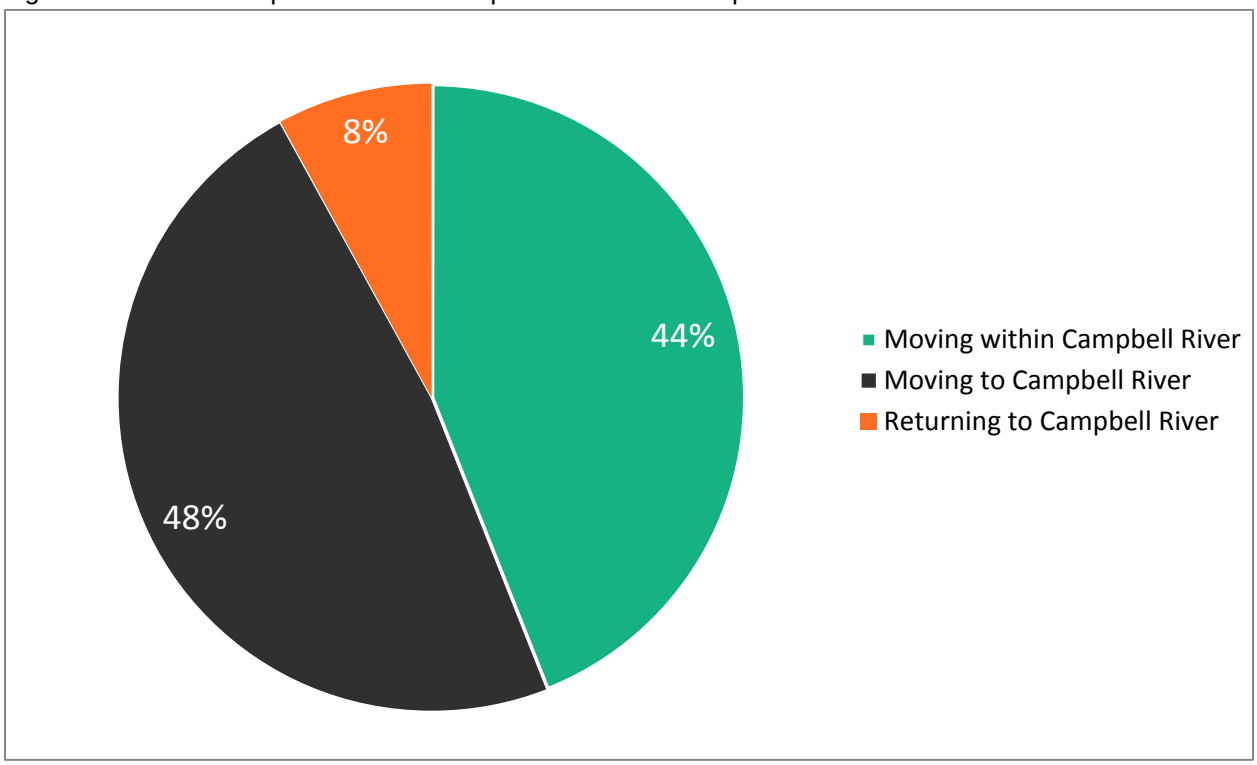
In summary, the Campbell River housing market shows signs of having recovered from the 2008 Global Financial Crisis. It exhibits a two-year market cycle across all neighbourhoods, but the neighbourhood with the most obvious growth in new supply is Central Campbell River. The City saw a big jump in multi-family dwellings in 2015, but this was due to a single large building Downtown.

[11] Source: City completions data

2.3 Buyer profile and market drivers

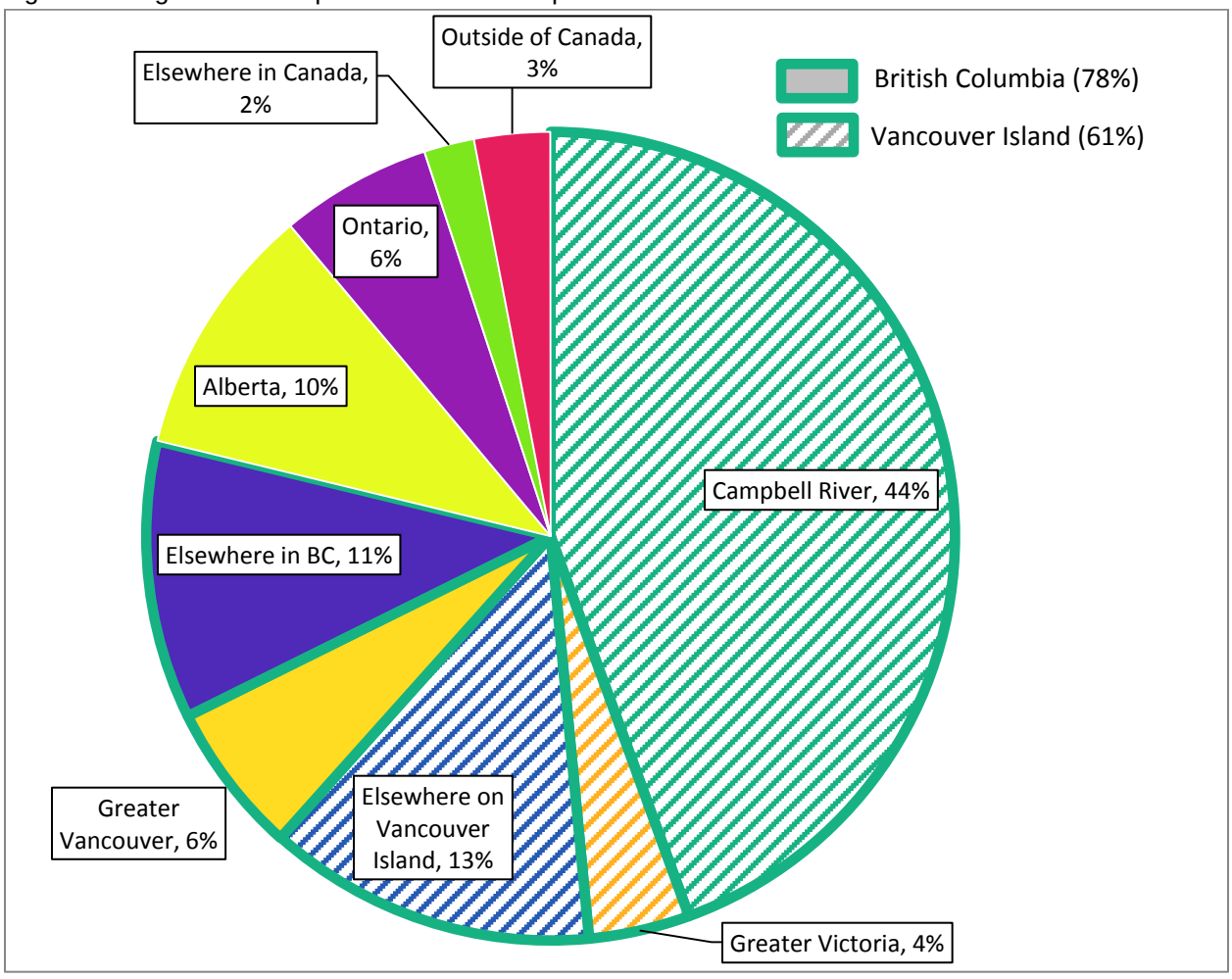
According to the Vancouver Island Real Estate Board, in 2014 48% of property buyers in Campbell River were moving to the City for the first time, 44% were moving within Campbell River, and 8% were returning to Campbell River. Of the 56% moving from outside of Campbell River, most came from elsewhere in BC, with Alberta and Ontario featuring prominently as well. The movement pattern of Campbell River's home purchasers is shown in Figure 5 and their locations of origin are shown in Figure 6.

Figure 5: Movement pattern of home purchasers in Campbell River in 2014[12]



[12] Vancouver Island Real Estate Board (2015) Buyer Profile: January 1, 2014 – December 31, 2014.

Figure 6: Origin of home purchasers in Campbell River in 2014[13]



The green 44% segments of the pie charts in Figures 5 and 6 represent the same portion of home purchasers – namely the group who moved within Campbell River. The other segments in each Figure break down the remaining 56% of purchasers in different ways:

- Figure 5 shows the breakdown of purchasers returning to the City versus those arriving for the first time
- Figure 6 identifies where these purchasers came from. The segments of the pie chart outlined in green represent purchasers from British Columbia, which made up 78% of purchasers; this is further divided into several categories. Of these categories, the striped segments represent purchasers from Vancouver Island, which make up 61% of purchasers.

Figures 5 and 6 indicate that the vast majority of home purchasers in Campbell River are from nearby. More than three quarters come from BC, and more than half come from the Island itself. Of these, most come from Campbell River. Immigrants moving directly to Campbell River are few, at 3% of total purchasers.

[13] Vancouver Island Real Estate Board (2015) Buyer Profile: January 1, 2014 – December 31, 2014.

Retirement is the most important driver of Campbell River's housing market, with retirees making up 44% of home sales in 2014 of whom almost all (38%) used RRSPs to pay for their down payments. This group of purchasers dwarfs first-time buyers, who comprise only 25% of buyers in 2014. Although retirement was the most important driver of Campbell River's housing market, the City actually had the lowest proportion of retirement homebuyers on Vancouver Island (excluding Greater Victoria)[14], probably due to the City's relative affordability, which makes it attractive to new home buyers. Retirement from other, colder provinces is particularly critical, since it constitutes more than a third of retirement home buyers (and hence represents approximately 15% of the total home sales).

Conversations with local developers and realtors indicate most residents are drawn to Campbell River – and to the Mid-Island Region generally – for its amenities and affordability, rather than for employment. Of those Campbell River residents who work, many commute to other Island communities or even to work locations elsewhere in BC and in other provinces. There are many flights from Comox to Alberta and the Mainland, making this lifestyle feasible.

Although it has not returned to the level seen before the closure of the mill, employment in Campbell River and the surrounding region has increased in recent years due to activity in the forestry sector, most notably timber, falling, and logging. Closing down the mill was actually a positive change from a housing marketability perspective, because the mill generated noxious odours. Removing it makes the entire City more attractive to retirees and lifestyle chasers. Other drivers of growth are:

- The replacement of the generating station, estimated at $1 billion
- The seismic upgrades to the John Hart and Strathcona dams, estimated at $600 million
- The North Island Hospitals Project.

These projects are expected to stimulate jobs and growth over the next 5 to 10 years.

A key driver of demand in Campbell River is affordability. Purchasers choose Campbell River over Courtenay and Comox because the former offers similar seaside amenities at a lower price: the median price of a single family home currently listed in Campbell River is $344,000, while the median price of single family home in the Comox Valley is $450,000. In addition to being further south than Campbell River and therefore more accessible, the Comox Valley also has the following advantages:

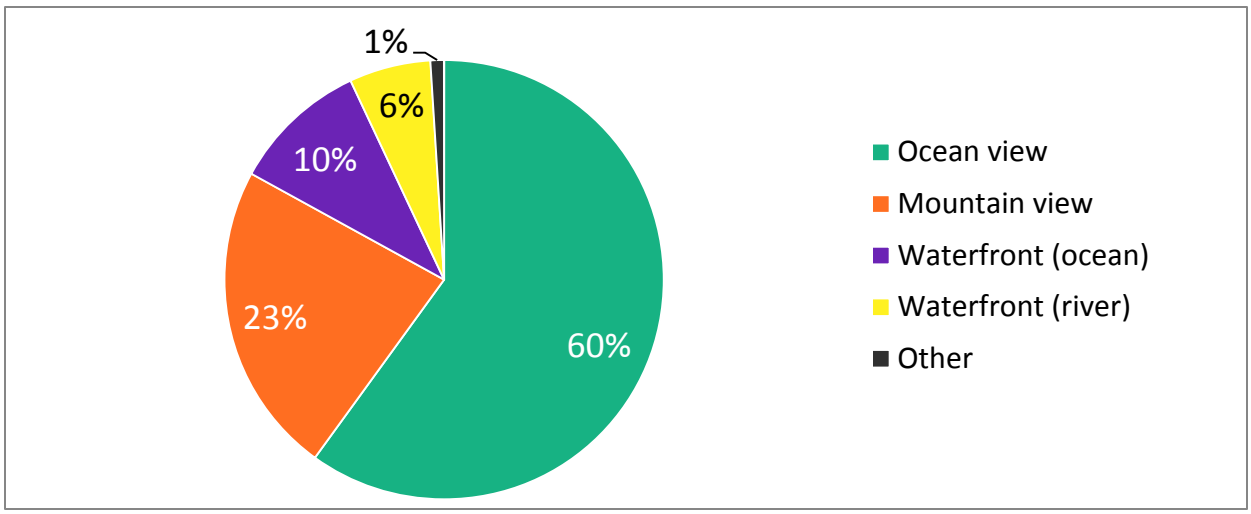
- The CFB Comox Air Force Base
- Vancouver Island Airport (YQQ)
- A more diversified economy.

All of these factors contribute to a more steady employment environment in Courtenay and Comox. For these reasons, home prices in Campbell River will tend to be lower, which is expected to continue for the foreseeable future.

[14] Vancouver Island Real Estate Board (2015) Buyer Profile: January 1, 2014 – December 31, 2014.

Affordable ocean and mountain views are critical to Campbell River's success in attracting residents. In fact, almost all homes sold in Campbell River in 2014 offered ocean views, mountain views, or waterfront locations, as shown in Figure 7.

Figure 7: Site characteristics of homes sold in Campbell River in 2014[15]



Combining these factors and the factors presented in previous sections, it appears that Campbell River's "typical buyer" is:

- New to the community (44%)
- Not a first-time buyer (76%)
- From British Columbia (78%)
- Purchasing a single family home in the $200,000 - $300,000 price range
- With an ocean view but not a waterfront location (60%).

Retirees make up a significant portion of purchasers at 44%, but are not the majority. Purchasers of homes in Campbell River are attracted to the seaside amenities and affordable prices, but are consequently unwilling to settle for smaller or more expensive lots, particularly since Comox and Courtenay are highly competitive in terms of amenities and employment opportunities. This fact has important implications for City policy, since demand for residential property in Campbell River is probably not "zero sum", meaning that if property prices are forced to increase – either due to constrained supply or increased development costs – the correspondingly pricier properties thus created may not appeal to prospective home buyers, who may choose to purchase homes elsewhere in the Mid-Island instead.

Developers and realtors report that the population of renter households is increasingly made up of retirees and downsizing seniors seeking the convenience of apartment living. Some developers predict that as seniors grow more comfortable with apartment living, the demand for luxury apartments will rise.

Generally, rental apartments are viable in Campbell River only in convenient locations within walking distance of amenities such as convenience retail stores.

[15] Vancouver Island Real Estate Board (2015) Buyer Profile: January 1, 2014 – December 31, 2014.

3 Housing Demand Forecast

This section presents GPRA's housing demand forecast, which represents a status quo scenario in terms of both demand factors (preference for certain housing types) and supply factors (availability of affordably developable land). The potential for a shift in demand for different housing types is then evaluated, taking account of trends in several peer communities.

3.1 Population Growth in Campbell River

The first step in projecting the demand for housing in Campbell River is to gain a sense of how the City and the Strathcona Regional District (the SRD) have developed in recent years and how they are likely to develop in the near future. For the purposes of this exercise, GPRA considers a time horizon of 10 years, bringing all projections to 2025.

BC Statistics and Statistics Canada estimate that between 2001 and 2014, the SRD (which includes Campbell River) grew in population from just under 42,000 to almost 45,000 – which indicates an average annual growth rate of 0.6% – and the City of Campbell River grew from just under 29,000 to almost 33,000, indicating an average annual growth rate of 1.0%. Since the latter is greater than the former, it is clear that an increasing proportion of the growing Region's residents are choosing to live in Campbell River. This centralization trend is expected to continue, an assumption which forms the basis of GPRA's population projection for Campbell River. The estimated recent growth of Campbell River and the SRD are shown in Figure 8.

BC Statistics maintains a projection of the demographic composition of the SRD extending to 2040. As described in Appendix A, they use a nuanced and reliable methodology that incorporates fertility rates, mortality rates, and migration rates. In the case of migration rates, they make an effort to account for upcoming local infrastructure projects and other sources of economic growth. For this reason, GPRA is confident that the BC Statistics projection of SRD population is reliable and appropriate.

GPRA assumes that Campbell River will continue to grow with respect to the SRD as it has for the last 14 years. We project that its share of the total regional population will continue to increase at the rate observed between 2001 and 2014. The estimated and projected growth of the SRD and Campbell River are shown in Figure 8.

Figure 8: Estimated and projected growth of Campbell River and the SRD[16]

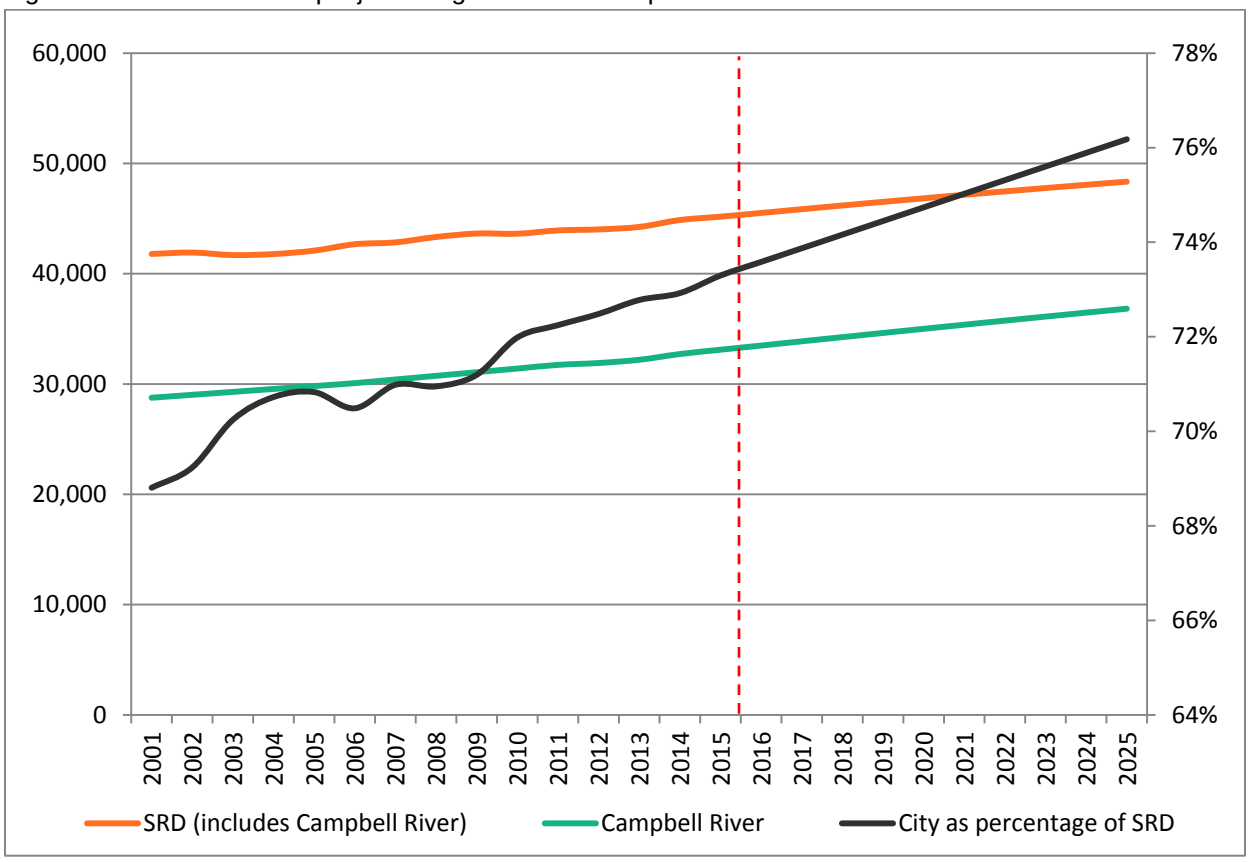


Figure 8 shows that the population of the SRD is projected to increase from more than 45,000 at present to more than 48,000 by 2025, indicating an average annual growth rate of 0.7%. Campbell River is projected to grow in population from approximately 33,000 at present to almost 37,000 by 2025, an average annual growth rate of 1.1%. This growth rate is consistent with BC Statistics projections and recent growth trends. Altogether, GPRA projects that Campbell River will grow by about 11% in the next 10 years, increasing its share of the SRD population from 73% to 76%.

3.2 Age Composition in Campbell River

Residents at different life stages tend to inhabit different types of dwelling. It is therefore critical when generating a housing demand model to possess not only a projection of the overall population, but also a projection of the population's age composition.

BC Statistics maintains an age composition projection for the SRD extending to 2040, and the 2011 Census captured the City's age composition. Comparing the estimated age composition of the City and the Region in 2011 reveals that they are nearly identical, as shown in Appendix B. For this reason, GPRA assumes that the BC Statistics age composition projection for the SRD can be applied to Campbell River. Figure 9 and Table 2 present GPRA's projection of Campbell River's age composition over the next 10 years.

[16] Source: BC Statistics, Statistics Canada

Figure 9: Projected age composition of Campbell River[17]

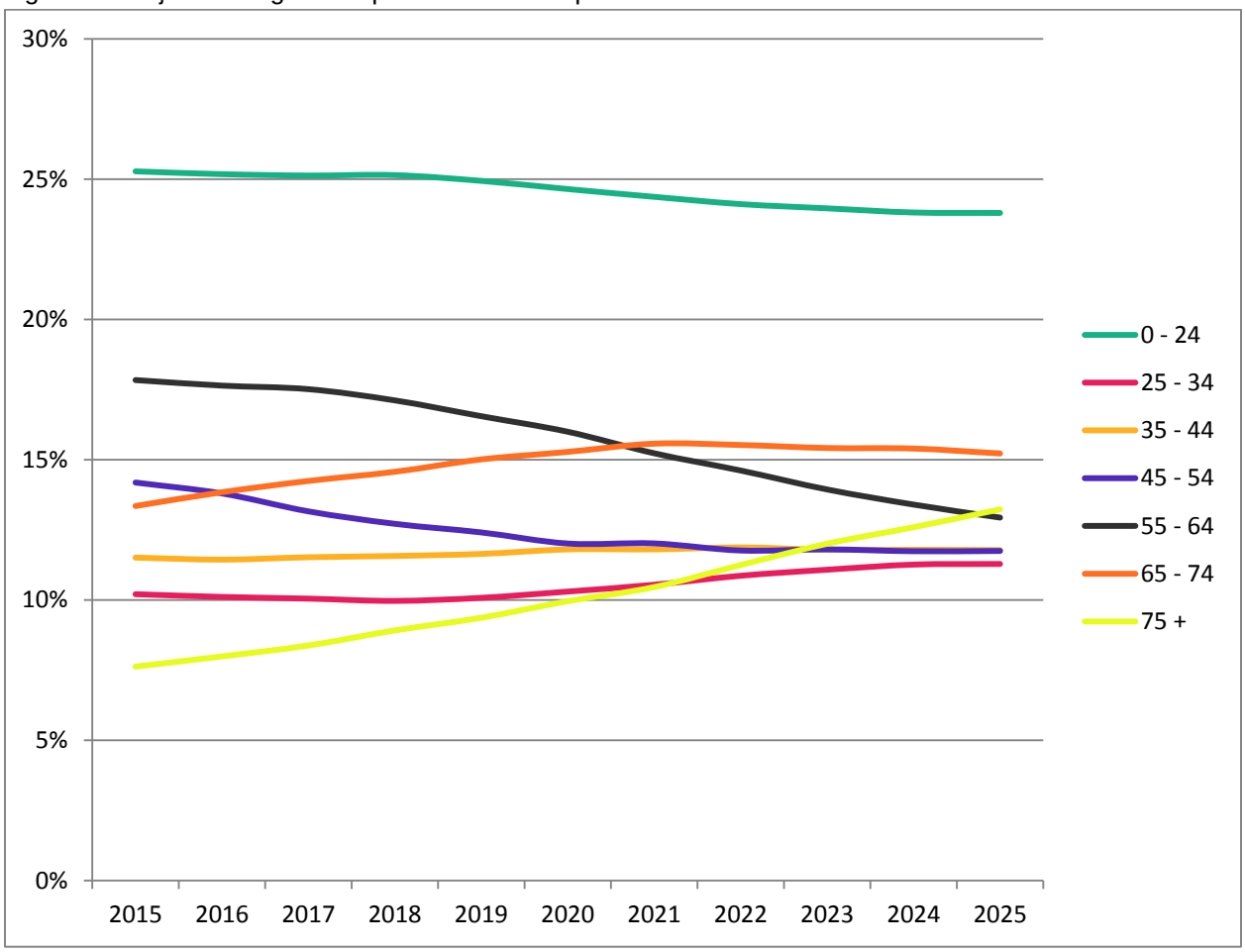


Table 2: Projected age composition of Campbell River[18]

	0 – 24	25 – 34	35 – 44	45 – 54	55 – 64	65 – 74	75+
Share in 2015	25.3%	10.2%	11.5%	14.2%	17.8%	13.4%	7.6%
Share in 2025	23.8%	11.3%	11.8%	11.7%	12.9%	15.2%	13.2%
Absolute shift[19]	-1.5%	+1.1%	+0.3%	-2.5%	-4.9%	+1.8%	+5.6%
Relative shift[20]	-5.9%	+10.8%	+2.6%	-17.6%	-27.5%	+13.4%	+73.7%

The projected age composition of Campbell River remains fairly consistent over the projected period, with most cohorts' shares shifting by less than 3%. The biggest population shifts appear in the older adult population, with the 55-64 year old cohort decreasing in share by 4.9%, and the cohort aged 75 and older growing in share by 5.6%. Generally the age composition of the City is projected to become more uniform over the next ten years, with almost all 10-year cohorts shifting towards about 12% of the population. The only exception is the 65 – 74 year old cohort, which is projected to grow from 13.4% of the population to 15.2%.

[17] Source: BC Statistics projection for the SRD
[18] Source: BC Statistics projection for the SRD
[19] The change in this cohort's share of population between 2015 and 2030
[20] The change in this cohort's share of population between 2015 and 2030, relative to the size of its share in 2015

The biggest shift in share is the increase in seniors aged 75 or older from 7.6% of the population to 13.2%. Although this represents an absolute shift of only 5.6%, the proportion of residents in this cohort is actually 73.7% larger in 2025 than it is in 2015. This difference between the absolute shift in population share and the relative shift in population share is captured by the bottom two rows of Table 2.

Younger people aged 44 and below are expected to continue making up 47% of the population, but seniors aged 65 and above are expected to grow in share from 21% to 28% of the population, which is consistent with the overall trend in BC and Canada generally.

Having generated a population projection for Campbell River from 2015 to 2025 as well as a projection of age composition for the same period, it is now possible to combine these two projections to create a projection of total population by age cohort, which is presented in Figure 10.

Figure 10: Projected population by age cohort[21]

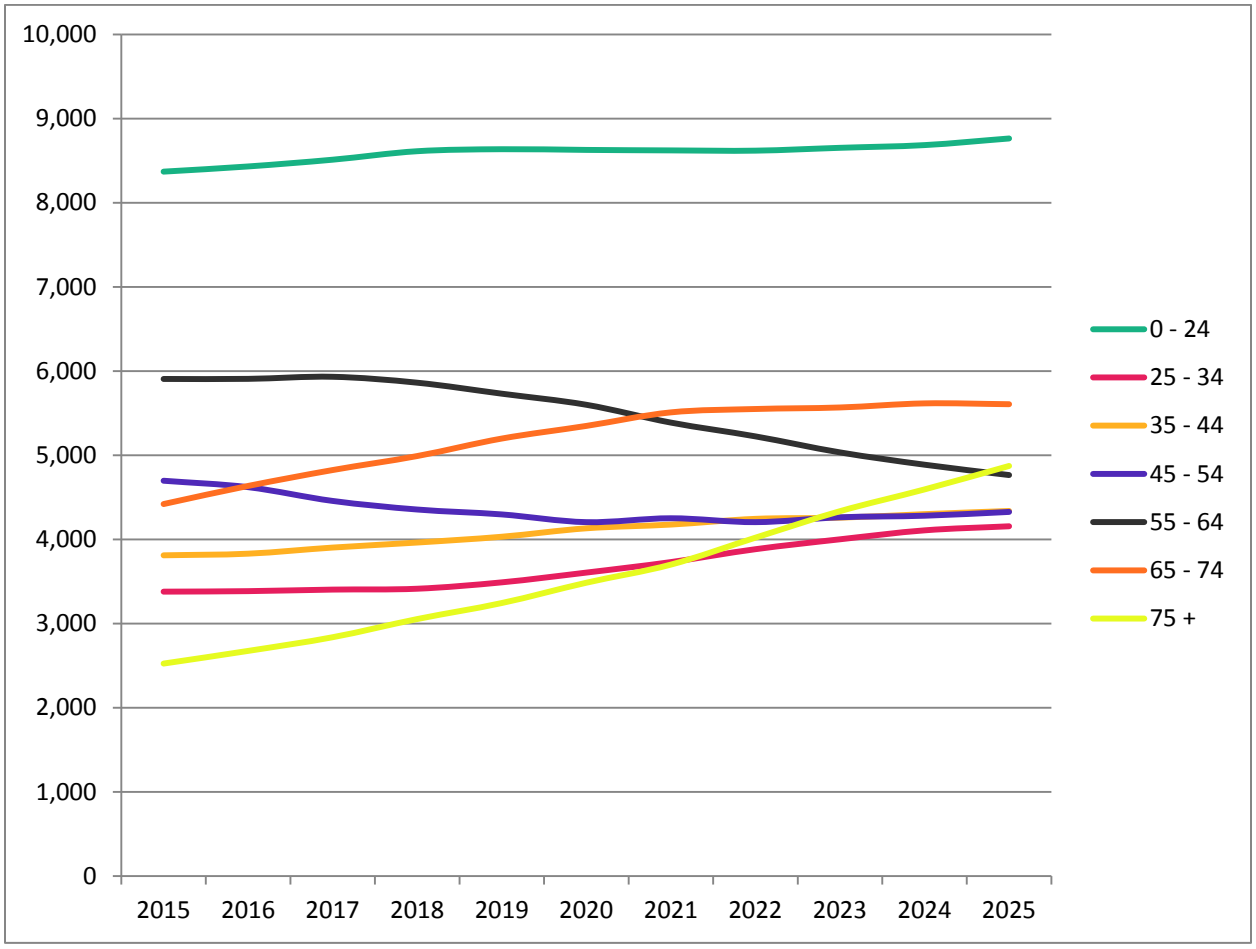


Figure 10 shows that all cohorts are expected to grow except for the 45 – 64 year old group, which is expected to decline. Ultimately this is a result of macro-economic and macro-demographic trends, primarily the aging of the "Baby Boom" generation.

[21] Source: GPRA

3.3 Housing Demand by Dwelling Type

The next step in this analysis is to use the projected demographic composition of Campbell River (Figure 10) to create a projection of demand for housing for the next 10 years, including not only the number of new housing units required each year, but also the distribution of those units between a number of housing types. GPRA uses the Primary Household Maintainer method to project housing demand based on demographic data.

A *primary household maintainer* is the individual in a household most responsible for paying housing costs. Statistics Canada provides a breakdown of primary household maintainers by age group and dwelling type. This information tells us what housing types are preferred by households with heads of various ages. The most current available housing data categorized by age of household head comes from the 2011 National Housing Survey. By way of example, the 2011 maintainer data for Campbell River is presented in Table 3.

Table 3: Number of primary household maintainers by age and dwelling type, Campbell River, 2011[22]

	0 – 24	25 – 34	35 – 44	45 – 54	55 – 64	65 – 74	75+	Total
Single family house	165	920	1,395	2,045	2,125	1,160	765	8,575
Apartment in 5+ storey building	0	0	0	0	0	0	0	0
Movable dwelling	0	20	80	120	180	120	60	580
Semi-detached house	30	125	115	200	80	100	70	720
Row house	50	160	185	145	130	85	130	885
Apartment in duplex	25	115	110	175	90	80	70	665
Apartment in 1 – 4 storey building	185	180	165	240	510	330	400	2,010
Other single attached house	0	0	0	0	0	0	0	0
Total	455	1,520	2,050	2,925	3,115	1,875	1,495	13,435

Table 3 shows that in 2011 the majority of dwellings in Campbell River were single family houses, but that many other types were present in the City, especially 1 – 4 storey apartments. Table 3 also shows that many primary household maintainers were between the ages of 35 and 64, with fewer in the younger and older cohorts. Apartments in 1 – 4 storey buildings were particularly popular among the 0 – 24 and 55+ cohorts, and especially among the 75+ cohort.

Dividing the number of people of a specific age cohort who are primary household maintainers by the total number of people in that age cohort produces the *age-specific household maintainer rate*. This number represents that age cohort's propensity to be the primary maintainer of a household. To demonstrate, when the items in Table 3 are divided by the population totals for their age cohorts, the 2011 age-specific household maintainer rates for each housing structure type are produced. These are presented in Table 4.

[22] Statistics Canada (2011). National Household Survey

Table 4: Age-specific household maintainer rates by dwelling type, Campbell River, 2011[23]

	0 – 24	25 – 34	35 – 44	45 – 54	55 – 64	65 – 74	75+	Total
Single family house	1.9%	27.9%	36.8%	38.4%	38.3%	35.7%	38.2%	27.0%
Apartment in 5+ storey building	0%	0%	0%	0%	0%	0%	0%	0%
Movable dwelling	0%	0.6%	2.1%	2.3%	3.2%	3.7%	3.0%	1.8%
Semi-detached house	0.4%	3.8%	3.0%	3.8%	1.4%	3.1%	3.5%	2.3%
Row house	0.6%	4.9%	4.9%	2.7%	2.3%	2.6%	6.5%	2.8%
Apartment in duplex	0.3%	3.5%	2.9%	3.3%	1.6%	2.5%	3.5%	2.1%
Apartment in 1 – 4 storey building	2.2%	5.5%	4.4%	4.5%	9.2%	10.2%	20.0%	6.3%
Other single attached house	0%	0%	0%	0%	0%	0%	0%	0%
Total	5.3%	46.1%	54.2%	55.0%	56.2%	57.8%	74.7%	**42.3%**

Table 4 can be interpreted simply: Each cell is the proportion of that cohort's population who are primary household maintainers in that structure type. For example, 27.9% of individuals between the ages of 25 and 34 are the primary maintainers of households living in single-detached houses. Table 4 shows that in Campbell River in 2011, almost half of residents aged 25 – 34 were household maintainters, more than half of residents aged 35 or older were household maintainers, and almost 75% of residents aged 75 or older were household maintainers. Campbell River's age-specific maintainer rates in 2011 were very similar to those of British Columbia generally, with the exception of the 75+ cohort, who exhibit a maintainer rate of 60% in BC but a maintainer rate of almost 75% in Campbell River. This suggests that more of Campbell River's seniors tend to live independently or alone. Appendix C compares Campbell River's maintainer rates to those of BC.

Age-specific household maintainer rates such as those presented in Table 4 can be used to directly convert a demographic projection such as the one presented in Figure 10, pg. 15 into a projection of housing demand. GPRA intends to create a "status quo" housing demand model representing the future development of Campbell River assuming that residents continue to prefer the dwelling types that they preferred in 2011. The potential for resident preference to shift in the next ten years will be discussed in Section 3.5. For this reason, GPRA's housing demand model assumes that Campbell River's age-specific household maintainer rates will remain constant.

Combining the demographic projection presented in Figure 10, pg. 15 and the maintainer rates presented in Table 4 allows us to project the level of demand in Campbell River for net new housing[24] of each structure type over the next 10 years. This is presented in Table 5.

[23] Statistics Canada (2011). National Household Survey
Statistics Canada (2011). Census of Canada
[24] Newly constructed dwellings minus demolished dwellings

Table 5: Projected net new housing in Campbell River

	Single family houses	Duplex units	Multi-family dwellings	Total
2016 – 2020	578	112	362	1,052
2021 – 2025	581	147	392	1,120
Total	1,159	259	754	**2,172**
Percent	53%	12%	35%	

About 53% of all net new housing in Campbell River in the next 10 years is projected to be single family dwellings, about 12% is expected to be duplexes, and about 35% is expected to be multi-family dwellings. Although this represents a shift away from single family houses and towards multi-family dwellings compared to what currently exists in Campbell River, these estimates are consistent with recent trends and with consumer demand, as reported by local realtors and developers.

Table 5 presents a "status quo" development projection both in terms of demand and supply. In terms of demand, it assumes that Campbell River residents will continue to prefer dwelling types that they currently prefer. This assumption will be investigated in Section 3.5. In terms of supply, it assumes that the supply of affordably developable land will remain similar to that of recent years, or at least available enough to permit development resembling what currently exists in Campbell River. This assumption will be investigated in Section 4.

If Campbell River develops according to this projection, multi-family dwellings will increase their share of the non-manufactured housing supply from 23% at present to 25%. This 2% increase in share will be strictly a result of changing demographics, since residents aged 55 or older disproportionately prefer this housing type.

3.4 Housing Trends in Peer Communities

The housing demand projection presented in the previous section is a "status quo" scenario in which the housing preferences of Campbell River's residents and prospective buyers remain similar to historical trends. However, it is possible that certain housing types – particularly multi-family dwellings – will become more prevalent for a given age group at the expense of lower-density forms such as single family homes. To assess the probability of such a shift, it is useful to look at recent trends in peer communities. Table 6 uses data from Environics Analytics, a private surveying and demographic projection firm to show the amount of each housing type in Campbell River and seven peer communities, and to track the shift in each housing type's share of the supply during the 2009 – 2014 period.

Table 6: Housing by quantity and share over time in eight communities[25]

	Type	2009 total	2009 percent	2014 total	2014 percent	Change in percent
Campbell River	Single-detached	8,634	64%	9,354	64%	0%
	DUPLEX	1,081	8%	1,417	10%	2%
	MULTI	3,081	23%	3,161	22%	-1%
Courtenay	Single-detached	5,729	52%	5,959	52%	0%
	DUPLEX	1,949	18%	2,037	18%	0%
	MULTI	2,933	27%	3,074	27%	0%
Langley District	Single-detached	22,394	61%	23,585	56%	-5%
	DUPLEX	5,144	14%	5,951	14%	0%
	MULTI	7,427	20%	10,282	24%	4%
Mission	Single-detached	8,942	69%	9,664	70%	2%
	DUPLEX	2,206	15%	2,203	14%	-1%
	MULTI	1,834	11%	1,862	11%	0%
North Cowichan	Single-detached	7,852	66%	8,538	67%	1%
	DUPLEX	1,318	11%	1,415	11%	0%
	MULTI	2,381	20%	2,436	19%	-1%
Penticton	Single-detached	7,194	47%	7,248	46%	0%
	DUPLEX	1,170	8%	1,267	8%	0%
	MULTI	6,564	42%	6,698	43%	0%
Port Moody	Single-detached	3,899	32%	4,545	31%	-1%
	DUPLEX	1,462	12%	1,543	11%	-1%
	MULTI	6,843	56%	8,589	58%	2%
Vernon	Single-detached	8,634	52%	8,945	53%	1%
	DUPLEX	2,355	14%	2,502	15%	1%
	MULTI	5,527	33%	5,389	32%	-1%

Table 6 shows that in seven of the eight communities analyzed, no housing type grew or shrank in share by more than 2% over the five year period, and that in the case of Courtenay and Penticton there was no noticeable shift in housing composition whatsoever. This suggests that significant shifts in a community's housing composition are rare, and that Campbell River is unlikely to experience one much greater than the 2% over ten years already projected by GPRA's demand model.

[25] Environics Analytics – may differ from Statistics Canada estimates

The one community in which a significant shift did occur was the District of Langley, which saw the supply of multi-family dwellings grow from under 7,500 to over 10,000, increasing its share of the total housing supply by 4%. This trend was probably the result of pressure from Greater Vancouver's extremely desirable and expensive residential property market. The District of Langley is currently in the midst of a transformation unlike anything seen outside of large metropolitan regions or high-growth resource communities such as Fort St. John, and this level of transformation in the built form is unlikely to occur in Campbell River.

3.5 Potential for Higher-Density Development

Campbell River is currently undergoing a surge of multi-family residential development (see Figure 2, pg. 3), with the supply of multi-family dwellings having increased by almost 12% in the last 3 years, and multi-family's share of the City's housing supply having increased by 1%. With this in mind, future increases in multi-family's share of the housing supply are extremely likely, especially since the proportion of seniors in the City is expected to increase, and this demographic group tends to prefer multi-family dwellings more than younger cohorts.

Although future growth in this housing type is expected, sustained development at the rate observed in 2015 (more than 230 units in one year) would be unlikely. The pace of development projected by GPRA's demand model – 75 net new multi-family dwellings per year or a 2.1% annual growth rate – is considered both reasonable and manageable, while also bringing Campbell River's trends roughly in line with peer communities.

Realtors and developers report that the housing market in Campbell River is driven primarily by two groups:

- Younger households looking for affordable single family houses, who choose Campbell River because it offers affordability and seaside amenities
- Renters – especially seniors – who prefer the convenience and affordability of renting, and are not seeking or interested in single family houses.

Because these two groups are distinct and have different motivations for choosing housing types, it is unlikely that many housholds will switch from one preferred housing type to another, especially since affordability is Campbell River's primary attractor, rather than amenity, prestige, or employment. For these reasons, GPRA anticipates that future demographic shifts will be the primary driver of growth in the multi-family residential market in the next ten years. Since this factor is already captured by our model, we conclude that its projection of multi-family residential growth is sound. To recap, our model predicts that from 2016 to 2025:

- The supply of multi-family dwellings in Campbell River will grow from 3,234 to about 4,000
- At a rate of about 75 units per year
- Which represents a growth rate of about 2.1% per year
- Bringing multi-family's share of the housing supply from 23% to 25%.

4 Development Constraints

4.1 Supply of Land

One of the principal purposes of this market update is to compare the expected demand for residential land in the next ten years to the supply of land that is expected to become available during that time. At the request of GPRA, City staff have produced a Residential Land Supply Assessment estimating this amount of land, which is summarized in Appendix D.

The Residential Land Supply Assessment generates a total estimate of developable land supply by estimating and combining four sources of land supply:

1. Development sites on which there has been expressed detailed development interest
2. Sites subject to masterplans
3. Potential development sites
4. Vacant lots

Items 1 and 2 are mostly "active sites" at some stage of the development process (application pending, current construction, etc.) These sites may thus be considered areas of high potential for development, since the viability and marketability of these locations is strongly indicated by developer interest.

Item 3 is made up of sites throughout Campbell River where the assessed value of the existing property (including structures) is significantly lower than the potential value permitted by zoning. In such cases, City staff have taken the approach that generally speaking, profitable redevelopment is a reasonable prospect on these sites. This is a logical argument although of course, neither staff nor GPRA can confirm the financial or market viability of any specific or particular sites among them. This portion of land supply is purely speculative and may not become active, although on the balance of probabilities, some will come forward over a ten year time period. The analysis has sought to reflect this. The financial viability of development in any of Campbell River's vacant lots has also not been analysed, so the sites identified in Item 4 are also purely potential. That said, many of these vacant lots are within relatively recent subdivisions where houses are actively being constructed and therefore there is a strong presumption that a reasonable proportion of these lots are indeed viable development propositions.

The Residential Land Supply Assessment produces a range of estimates based on different assumptions regarding potential changes to the OCP, and also different assumptions regarding the amount of potentially developable and vacant land that might become available for development in the next ten years (from 40% of the possible total at the low end to 60% of the possible total at the high end). Rather than assume development occurs at the maximum density, the Supply Assessment assumes densities similar to those observed in recent developments. Table 7 presents the total estimated supply of new dwellings by neighbourhood, type, and high/low scenario, and Table 8 presents the same information but limited strictly to Items 1 and 2 above. In other words, Table 8 presents only the currently active supply which GPRA assumes is financially viable and likely to be developed.

Table 7: Estimated lots and dwellings supported by land supply, 2016 - 2025[26]

	Low Scenario			High Scenario		
Neighbourhood Area	Single family or duplex lots	Multi-family dwellings	Total	Single family or duplex lots	Multi-family dwellings	Total
Willow Point[27]	751	120	**871**	908	140	**1,048**
Quinsam Heights	514	0	**514**	1,060	0	**1,060**
Central Campbell River	111	377	**488**	222	463	**685**
Downtown	0	128	**128**	0	128	**128**
Campbellton	54	0	**54**	85	0	**85**
North Campbell River	99	126	**225**	156	170	**326**
Other[28]	400	150	**550**	708	150	**858**
Total	**1,929**	**901**	**2,830**	**3,139**	**1,051**	**4,190**

Table 8: Estimated dwellings in "active" land supply[29]

	Low Scenario			High Scenario		
Neighbourhood Area	Single family or duplex lots	Multi-family dwellings	Total	Single family or duplex lots	Multi-family dwellings	Total
Willow Point[27]	571	80	**651**	571	80	**651**
Quinsam Heights	318	0	**318**	475	0	**475**
Central Campbell River	14	250	**264**	14	250	**264**
Downtown	0	128	**128**	0	128	**128**
Campbellton	0	0	**0**	0	0	**0**
North Campbell River	65	40	**105**	65	40	**105**
Other[28]	379	150	**529**	537	150	**687**
Total	**1,347**	**648**	**1,995**	**1,662**	**648**	**2,310**

Table 8 presents an estimated range of the dwellings that are likely to be created in currently active residential development projects and masterplanned sites, most of which have been the focus of developer interest. This potential housing supply is therefore considered to be generally financially viable and marketable. On the other hand, the totals reflected in Table 7 include both the dwellings reflected in Table 8 and other potential dwellings estimated purely on the basis of zoning, assessed value, and vacancy. Although these units may become active, neither staff nor GPRA can confirm their financial viability. This undetermined constraint – which may ultimately limit supply – is acknowledged and reflected in the Residential Land Supply Assessment. GPRA therefore endorses this document as methodologically sound.

As indicated in Table 5, pg. 18, GPRA projects that 1,159 new single family houses, 259 new duplex dwellings, and 754 new multi-family dwellings will be needed in Campbell River in the next ten years. Two duplex dwellings fit on a single lot, meaning that the projected ten-year demand for single family and duplex lots is 1,289. This quantity of demand can be

[26] Source: City staff report: Residential Land Supply Assessment
[27] Includes the Jubilee Heights Masterplan
[28] Includes a significant portion of the Sequoia Springs/Kingfisher Masterplan
[29] Source: City staff report: Residential Land Supply Assessment

accommodated by existing supply even in the lowest supply scenario and only looking at currently active or proposed developments (Table 8), which places the total supply of lots at 1,347. In reality, GPRA expected that the true financially viable supply will be somewhat greater than this number due to the development of some potentially developable and vacant lots. GPRA thus concludes that Campbell River has enough developable land within the urban growth boundary to satisfy ten years of single family and duplex housing demand.

As for multi-family housing, GPRA projects that 754 new units will be needed in the next ten years. This is more than the amount of supply that is currently "active" in the lowest scenario (648 units-worth), As for multi-family housing, GPRA projects that 754 new units will be needed in the next ten years. This is more than the amount of supply that is currently "active" in the lowest scenario (648 units-worth), but this scenario omits potential supply of apartment units in commercially-zoned land, and is thus an understatement. Moreover, most realtors and developers GPRA interviewed expressed the opinion that the City has more than enough sites for ten years of demand for this product. We thus conclude that the potential supply of multi-family housing is closer to the high amounts indicated in Table 7 than to the low amount suggested by Table 8.

4.2 Development Constraints

Tables 7 and 8 suggest that as many as 4,190 additional dwellings may fit within Campbell River's Urban Containment Boundary, although only as few as 1,995 are expected within currently "active" developments. The difference between these two numbers represents that portion of land that might be developed depending on a number of factors and constraints. This section presents some of these constraints.

4.2.1 History and role of neighbourhood constraints

More than other British Columbian communities, Campbell River has always developed under conditions of constrained geography. Rather than developing in the midst of private agricultural land that could be subdivided and turned to other uses, the City was surrounded by Crown forestry land which was not private. To a great extent, this caused the City to develop more compact neighbourhoods before doing so was recognized as a best practice in city planning. The continuation of this socially and environmentally desirable tradition by means of an Urban Containment Boundary is a worthy City goal.

Developing initially out of the mill and river in the City's northern area, Campbell River has tended to develop in the southern direction, not one parcel at a time, but in 80 ac – 100 ac chunks, which is an efficient size for developers to acquire, develop, and market (for the sake of comparison, a quarter section is 160 ac). Because green-field development of this size affords developers certain economies of scale, it allows optimal profit and minimal risk to developers while allowing the most affordable single family lots to reach the market. This is important, given the price-sensitivity of Campbell River's prospective buyer group.

Table 7 shows that technically there is a sufficient supply of developable and appropriately zoned land within Campbell River's Urban Containment Boundary to accommodate all anticipated growth (Table 5, pg. 18) for the next ten years. However, not all of this land is equally affordable to develop. When the cost of development on a certain parcel or in a certain

neighbourhood increases, developers must increase lot prices to achieve the same level of profit.

Interviews with developers and realtors indicate that:

- The market for single family houses in Campbell River is extremely price-sensitive
- Prospective buyers of single family houses are unlikely to settle for multi-family dwellings, except in a small number of cases
- Comox and Courtenay are competing with Campbell River for prospective buyers, and are typically considered preferable except for price.

Given these factors, variations in development costs between neighbourhoods could diminish the amount of single family residential development that occurs in the City. As mentioned in Section 3, GPRA's demand forecast is a "status quo" model that assumes no increase in supply-side constraints. Over the long term, as affordably developable land is used up and no new land is made available, this assumption will no longer hold and single family development will taper off, although Section 4.1 suggests that this will not occur in the next 10 years.

Preventing sprawl and encouraging the development of compact neighbourhoods is an important and worthwhile City objective, but constraining supply will tend to limit residential development and population growth in Campbell River, which may also be desireable. Thus, there exists a tradeoff between quantity of growth and compactness/quality of growth. This tradeoff is not "all or nothing"; a certain amount of single residential development will occur no matter what. Rather, it is a sliding scale: more constraints on development will produce less development as time goes on.

The ideal balance of priorities and thus of policies is a matter of community values and objectives. The extent to which certain development constraints will limit growth will require a proforma financial analysis, and is thus beyond the scope of this report. However, GPRA has identified some development constraints – both financial and institutional – which are presented in the following subsections.

4.2.2 Quinsam Heights

Quinsam Heights is a semi-developed district of Campbell River bordered by Campbellton to the north, Downtown to the northeast, Central Campbell River to the southeast, Inland Island Highway to the west, and the Beaver Lodge Lands to the south. Unlike the City's other neighbourhoods, it is located more than 1 km from the ocean and thus offers neither oceanfront nor riverfront lots. However, it is centrally located, and offers the potential for residential development without sprawl.

The neighbourhood contains undeveloped or underdeveloped lots of a variety of sizes, with various zoning designations including:

- R-1 single family residential and R-2 duplex residential
- RE-1 residential estate
- MHP manufactured home park
- RM-3 mid-rise apartments

- PA-1 community services and PA-2 environmentally sensitive lands
- C-4 commercial
- I-1 light industrial and I-3 resource-related industrial
- RR-1 rural recreation.
- RM-1 and RM-2 multi-family residential

But of these zones, the most prominent are the RM-1 and RM-2 designations. These zones allow single family homes, duplexes, triplexes, townhouses, and apartments with a maximum density of 25 dwelling units per ha (10 units per ac) in the case of RM-1 and 50 units per ha (20 units per ac) in the case of RM-2, although no minimum density is specified in either case.

159 single family houses and 14 duplex dwellings were built in Quinsam Heights between 3/12/2010 and 15/10/2015, representing 25% and 17% of Campbell River's total development in these respective categories (see Table 1, pg. 6). Indeed, Quinsam Heights saw more residential development during this period than any neighbourhood other than Willow Point. This pace of single family development in Quinsam Heights shows every sign of continuing, given than 318 – 475 single family or duplex lots are proposed either in currently active developments, or where significant and serious development interest has been expressed (Table 8, pg. 22). But although the RM-1 and RM-2 zones permit high-density development including townhouses and apartments, Table 1 shows that no multi-family housing was completed in the neighbourhood between 3/12/2010 and 15/10/2015, and Table 8 shows that no multi-family development is currently proposed in the neighbourhood. Even though development did occur and will continue to occur, developers maintain that Quinsam Heights has performed below expectations, and is generally a less amenable location for development than it might otherwise be given a more benign policy climate. The following barriers limit the development potential of Quinsam Heights:

- Quinsam Heights is prone to stormwater drainage issues and consequently flooding. This is a natural biophysical feature, and obviously not within City control. Moreover, it necessarily places additional development costs on all forms of construction due to special features for stormwater management. To account for this, the City has introduced additional development cost charges (DCCs) in Quinsam Heights[30] that effectively double the amount of DCCs that developers have to pay to develop in the area. The purpose of these DCCs is to support a City-operated drainage system. Although necessitated by Quinsam Heights' physical characteristics, these charges make development in the the neighbourhood more expensive and less viable

- The City-owned drainage features required for development are generally only built after sufficient DCC funds have accrued, although there are exceptions if projects are proitirized in the City's capital expenditure plan. In the meantime, developers have needed to build their own temporary drainage infrastructure. Although the reasoning behind this approach is clear, it forces developers to pay twice for drainage infrastructure – once in the form of DCCs, and then once more in the form of temporary infrastructure. This further increases development costs and limits project viability

[30] City of Campbell River (2010). Bylaw 3411, 2010, Section 4, Sub-section D.

- Quinsam Heights was initially built before 1966. It has old roads that need to be upgraded to meet City standards. At present, developers are expected to pay for these upgrades. Although the upgrades are necessary and must be paid for somehow, placing the burden on developers further increases development costs and limits viability

- Unlike the 80 ac – 100 ac parcels that developers prefer to acquire and develop, Quinsam Heights is considerably "fragmented", with many small- and medium-sized parcels that do not afford developers the economies of scale on which they typically depend in Campbell River. There are challenges associated with this fact:
    - Developers must pay considerably more to acquire multiple adjacent properties to be consolidated into single projects
    - The current owners of Quinsam Heights' smaller properties are often insufficiently capitalized to embark on larger projects, stalling development
    - With more parcels and more owners, there is greater potential for conflict between neighbours and neighbouring uses

- And while the available parcels in Quinsam Heights are in many cases too small for large developers, they are also in many cases too large for smaller builders. By comparison, smaller lots more typical of single family properties would be more marketable to builders and home buyers

- In many locations throughout the City but in Quinsam Heights in particular, the Zoning Bylaw contradicts the more recent OCP. This leads to uncertainty and confusion, and leaves developers unsure which parcels to acquire for which purposes. In Quinsam Heights, many parcels zoned for RM-1 or RM-2 are designated as low density areas in the OCP. City Staff report developer reticence to proceed with applications such as these, which would require an OCP amendment. Revising both the Zoning Bylaw and the OCP so that the two documents agree will facilitate development everywhere, especially in Quinsam Heights.

Despite these many constraints, development of single family houses and duplexes has occurred in Quinsam Heights throughout the period for which data is available, with many more lots proposed by developers. However, multi-family residential development has not taken place, preventing the neighbourhood from becoming the compact mixed-used area encouraged by the Zoning Bylaw. The barriers listed above all tend to limit multi-family development, especially the unresolved conflict between the OCP and the Zoning Bylaw, but perhaps the main barrier to multi-family development in Quinsam Heights is that the neighbourhood provides insufficient pedestrian access to key amenities such as grocery stores, commercial services, and retail. Multi-family dwellings tend to succeed in locations where such amenities are already present, and Quinsam Heights does not generally fit this description. This is particularly true in the neighbourhood's central area where the high-density RM-2 zone is mostly concentrated. This represents a mismatch between zoning and neighbourhoood context. Ultimately, multi-family residential development is only likely to succeed in Quinsam Heights as the neighbourhood develops, becomes more urban, and comes to possess the walkable amenities that apartment-dwellers depend on. This process may take many years, although it is neither impossible nor unlikely.

Section 4.1 indicates that Campbell River contains enough developable and appropriately zoned land to accommodate more than 10 years of residential growth, but not all of the land supply indicated in Table 7 (pg. 22) is equally viable to develop from a financial perspective. As developers use up Campbell River's most convenient greenfield sites, Quinsam Heights will become an increasingly important location for future development, especially given its central location. But because the market for single family houses in Campbell River is extremely price sensitive, the barriers to development in Quinsam Heights may limit the pace of growth that is possible in this area in the 10 – 20 year time range. Many of these barriers arise from the neighbourhood's physical characteristics – such as the drainage issues and outdated road infrastructure – but others are institutional, such as the conflict between the City's OCP and Zoning Bylaw. The exact financial impact of each barrier is impossible to determine without proforma financial analysis, but any relaxation of these barriers would tend to accelerate the pace of development in Quinsam Heights. Ultimately the City must choose a values-based policy framework to balance its competing priorities in this critical location.

Possible policy responses to Quinsam Heights' development challenges that will be discussed in Section 5.2 include:

- Direct financial subsidy for development in the area, most likely via partial DCC waivers or City-funded road upgrades
- Harmonization of Campbell River's OCP and Zoning Bylaw
- A shift in Quinsam Heights towards lower-density, rural-style development more suitable to its environmentally sensitive status
- Conversely, the elimination of the RE-1 residential estate zoning that limits density
- An extension to Willis Road to improve connectivity and stimulate retail activity and residential demand.

4.2.3 Other neighbourhood constraints

Discussions with developers and realtors have largely focused on the merits and challenges of developing in the Quinsam Heights neighbourhood, but there are a number of other factors hindering development elsewhere in the City:

- Campbell River's Urban Containment Boundary is a critical constraint to growth, which is exactly its purpose. It specifically limits residential development to the urban area of the City, roughly described as lying to the north and east of Jubilee Parkway and Island Highway respectively. Although limiting sprawl in order to create a more walkable community with a smaller environmental footprint in Campbell River is a worthwhile and appropriate goal, this boundary will tend to constrain the amount of development that occurs by restricting development to more expensive or less desireable locations. This is unlikely to be a problem in the next ten years, but will intensify over time as the City's supply of land is used up

- If the City did extend the Urban Growth Boundary, it would be required to service the new lands entirely, which is a large up-front cost not shared by Quinsam Heights.

Responses to these constraints will be discussed in Section 5.

5 Policy Discussion

This section integrates the demand and supply factors discussed so far in this report to discuss some issues facing the City of Campbell River, and to present a number of policy options to respond to those issues.

5.1 Issues Confronting the City

Continuing past trends and responding to anticipated demographic shifts, GPRA projects that almost 2,200 new residential dwellings will be built in Campbell River in the next 10 years, mostly consisting of more than 1,150 single family houses, but also featuring more than 250 duplex dwellings and more than 750 multi-family dwellings (Table 5, pg. 18), assuming no constraints to supply. Section 4.1 indicates that sufficient land exists within the City's Urban Growth Boundary to satisfy ten years of demand, but over the longer term much of the land that remains may not be financially viable due to high development costs and an extremely price-sensitive prospective buyer group. This problem is particularly acute in Quinsam Heights, where additional development costs due to environmental issues and outdated infrastructure may threaten to limit future growth. Without a financial analysis, the extent of this effect is currently unknown.

Preventing unsustainable sprawl is a valid and legitimate goal which the City has primarily pursued by means of an Urban Containment Boundary that restricts development outside of the identified urban (built-up) area of the city. Keeping this boundary in place will limit potentially undesireable development to the south, but may also limit developers to less desireable areas elsewhere in the City that are more costly for potential purchasers, ultimately slowing the pace of growth, particularly in the 10 – 20 year time range. Although retaining the Urban Containment Boundary may increase costs for developers and purchasers, removing it would increase servicing costs for the City and for taxpayers. The correct course of action depends on the priorities of the community, and will ultimately be based on values rather than analysis. So instead of recommending a particular course of action, the next section presents a number of options, along with the benefits and drawbacks of each.

5.2 Policy Options

What follows is a selection of policy options available to the City. The policies presented are neither exclusive nor exhaustive. With the exception of item 5.2.2 (Harmonizing the OCP and Zoning Bylaw), GPRA neither discourages nor endorses any particular policy approach, since the policy framework selected by the City is rightly a result of public consultation, community values, and City objectives. Rather, GPRA aims to inform the City regarding the advantages and disadvantages of each option so that that best option can be selected in due course. Table 9 presents each policy option along with a brief summary of its advantages and disadvantages.

Table 9: Policy options

Policy option	Advantages	Disadvantages
Status quo	• Quinsam Heights safe from overdevelopment • Counters sprawl	• Growth may slow in the 10 – 20 year time range
Harmonize OCP & Zoning in favour of the Zoning Bylaw	• Developer, investor, and home-buyer confidence • Faciliates development in Quinsam Heights in particular	
Support development in Quinsam Heights	• Facilitates faster growth in Quinsam Heights	• Expensive for City • Subsidy of developers and new residents by existing resident taxpayers
Eliminate RE-1 zone	• Opens up more land for development	• Loss of desireable estate lots
Eliminate RM-1 & RM-2 zones	• Development better suited to many purchasers' preferences because – rightly or wrongly – many purchasers of single detached homes prefer not to live near multi-family dwellings.	• Lower potential density
Extend Willis Road	• May encourage retail and residential development in Quinsam Heights	• Expensive for City
Expand Urban Growth Boundary	• More affordable greenfield land for development	• Encourages sprawl • Expensive infrastructure services for City to construct and maintain • Further liquidation of natural areas and ecosystems

5.2.1 The status quo approach

From 3/12/2010 to 15/10/2015, more than 1,000 dwellings were built in Campbell River, primarily in the Willow Point, Quinsam Heights, and Central Campbell River neighbourhoods. Demand for new residential property in Campbell River is expected to continue for the next ten years, and even to increase somewhat during that time. But although sufficient land exists to accommodate this growth in the next ten years, in the long run developers will run out of the choicest parcels and need to rely on land that is more costly and less desireable to develop than the greenfield projects recently completed and currently underway in Willow Point. As the supply of financially viable development land is used up, the pace of development will diminish as prices rise to account for higher per-unit development costs, ultimately hindering the marketability of residential products in Campbell River.

There are two main advantage of the staus quo approach to supply-side management: The first advantage is that the environmentally sensitive part of Quinsam Heights remains safe from overdevelopment and drainage-related issues such as flooding. This would also serve to continue to preserve the estate/hobby farm type lots, which are uncommon within the Urban Containment Boundary and include some of the most productive agricultural soils within

Campbell River[31]. The second advantage is that keeping the Urban Growth Boundary in place limits sprawl and ensures that Campbell River continues to develop compact neighbourhoods. Even with no new supply added and no removal of restrictions, residential growth is unlikely to slow down in the next ten years.

The disadvantage of the status quo approach is that without new land supply or a reduction in development barriers, residential development and population growth in Campbell River may drop below desireable levels in the 10 – 20 year time range. Exactly what rate of development and growth is considered desireable is a matter of community values and policy direction.

5.2.2 Harmonizing the OCP and Zoning Bylaw

The purpose of an OCP is to guide land development and land use change in a community in accordance with community objectives and values. And the legal mechanism for controlling land use is the Zoning Bylaw. Thus, a city's Zoning Bylaw should be designed to agree with and further the vision set out in the city's OCP. In Campbell River this is not the case, and indeed there are many locations – especially in Quinsam Heighs – where the OCP and Zoning Bylaw directly contradict one another.

Undertaking a process by which the two documents are harmonized would improve the development climate in the City by clarifying which parcels are designated for which uses. It would eliminate developer uncertainty and shore up the confidence of both investors and potential home buyers. This is true throughout Campbell River but especially in Quinsam Heights, where the conflict between the two documents has presented an issue to developers contemplating multi-family residential development. GPRA recommends a harmonization process, since it would have multiple poisitive impacts and no significant drawbacks.

5.2.3 Further support for development in Quinsam Heights

The main challenge posed by Quinsam Heights is that although sufficient land is available for 514 – 1,060 lots, the financial viability of development is somewhat uncertain due to the area's high development costs, which arise from its drainage issues and from its aging and outdated road infrastructure. As long as the cost of development in Quinsam Heights is significantly higher than elsewhere in the City, the pace of development in Quinsam could be slowed.

The logic of placing location-specific infrastructure costs on developers is clear and reasonable: since residential development in Quinsam Heights necessitates new infrastructure, the cost of the infrastructure should be borne by the residential developer. Although this is true, by keeping to a "user pays" model, the City risks delaying development in Quinsam Heights, especially in light of the neighbourhood's other barriers (such as OCP/Zoning Bylaw conflict and awkward parcel sizes). Although much single family and duplex development did occur in the area in the last five years and at least 318 lots are currently in the development process, the pace of development may slow down in the 10 – 20 year time range as the most financially viable parcels are used up.

[31] Campbell River (2010), Official Community Plan, Appendix E: "Agricultural Plan".

One policy approach available to the City is to reduce or waive particular development costs in Quinsam Heights. This could be accomplished through DCC waivers, through City-funded road upgrades, or by some other means. Providing this kind of financial support may be expensive to the City, and would represent a direct or indirect subsidy to developers, but if it is determined that growth here is desireable and beneficial, and outweighs the drawbacks, such measures would also facilitate development and growth in Quinsam Heights, which is centrally located and an ideal location for sprawl-free development.

5.2.4 Elimination of RE-1 zoning in Quinsam Heights

Much of Quinsam Heights is zoned as RE-1 residential estate, a low-density housing designation typically intended to preserve the rural character of a location. This zoning protects certain large lots in Quinsam Heights from development, but in the process generally reduces the amount of land available for the most marketable forms of residential development. Eliminating the RE-1 zone in favour of a higher-density residential zoning would potentially eliminate certain desireable properties, but would open up more land to single family development of the type typically preferred by Campbell River's prospective home buyers and within a reasonably short distance of downtown. Amending the Zoning Bylaw in this way would necessarily entail an OCP amendment.

5.2.5 Elimination RM-1 and RM-2 zoning in Quinsam Heights

Conversely, the City might consider eliminating the RM-1 and RM-2 zones in most parts of Quinsam Heights, and replacing them with R-1 single family residential and R-2 duplex residential zones. Although this would represent a decrease in the total permitted residential density in Quinsam, it may serve to accelerate the pace of development by creating a more conducive zoning environment.

Developers and realtors confirm that single family home buyers prefer to live in areas limited to single family residences, and that single family properties are thus less valuable when they are adjacent or even proximate to apartments, townhouses, or even duplexes. Thus, although down-zoning Quinsam Heights would reduce the neighbourhood's potential density, it may accelerate development by allowing developers to build higher-value products based on the assurance that no multi-family housing will be constructed nearby, improving the business case for development in Quinsam Heights, and generating more growth in the neighbourhood sooner. The disadvantage of this approach is that in the long run, it may lead to a lower level of residential density in Quinsam Heights, potentially frustrating the City's vision for that area and making inefficient use of land resources.

5.2.6 Extending Willis Road

One barrier to multi-family development in Quinsam Heights is that the neighbourhood has poor connectivity and a generally unwalkable commercial environment. This is the kind of problem that typically takes many years to solve, because successful commercial environments develop gradually as a neighbourhood changes and grows. However, one developer GPRA spoke with recommended that the City extend Willis Road from Petersen Road to Dogwood Street, potentially connecting at 4th Avenue.

The advantage of this approach is that it would improve connectivity between Quinsam Heights and Central Campbell River, potentially stimulating residential and retail demand. The disadvantages are that it would be very expensive to the City, and would probably disrupt some of the forested area between Petersen Road and Dogwood Street.

5.2.7 Expanding the Urban Containment Boundary

In light of the price-sensitivity of Campbell River's key residential buyer market, and in light of the financial and institutional barriers to developing single family homes in Quinsam Heights, the City may elect to expand its Urban Containment Boundary, opening up more greenfield land to single family residential development.

The advantage of this approach is that it would permit developers to continue creating marketable products at a competitive price in Campbell River, maintaining the City's main advantage over other mid-Island communities for the forseeable future. Opening up land to the south would enable developers to continue to benefit from the convenience of large greenfield parcels. If enacted properly, it may even permit the continued transformation of South Island Highway into a "linear Downtown" providing commercial options and services within walking distance of many Campbell River residents.

The disadvantage of expanding the Urban Containment Boundary is that it would perpetuate sprawl, disproportionately increasing vehicle traffic and carbon emissions, putting more people further from services, and requiring the City to pay for expanded services such as electricity, sewage, water, roads, and fire services. These disadvantages would militate against several other City objectives, such as those contained within the Community Energy and Emissions Plan and Master Transportation Plan. And since the City contains enough land within the boundary to satisfy at least the next ten years of demand, expanding the boundary is not presently needed, although this matter should be revisited in five years or so to account for market developments.

6 Conclusions

Campbell River exhibits a similar residential composition to other small British Columbian cities. Most of its dwellings are single family houses, although there are some duplex units and multi-family dwellings like townhouses and apartments as well. City completions data shows that in the last six years, the City's supply of residential units has grown by 8.8%, or at an annual rate of 1.4%. This growth has been particularly pronounced in the multi-family housing category, but only since the market recovered from the Global Financial Crisis in 2013.

Most of the recent growth in Campbell River's housing market has occurred in the City's southern neighbourhood of Willow Point, which saw almost 500 single family or duplex lots created (49% of the City total) due to its large undeveloped greenfield sites. The more central neighbourhoods of Quinsam Heights and Central Campbell River also saw the creation of more than 170 new dwellings each during this period, although the latter recently surpassed the former in terms of development pace.

Most of the prospective buyers of single family houses in Campbell River are attracted to its affordability, which is the City's primary advantage over other better-positioned mid-Island communities such as Comox and Courtenay. Maintaining the affordability of residential products is thus critical to ensuring continued growth in Campbell River. The renter population, on the other hand, is largely made up of seniors who prefer the convenience of apartment living. This group is expected to grow as a share of Campbell River's population, leading to an increase multi-family's share of the housing supply. Growth in all housing categories is expected to continue for the next ten years, particularly if affordability is maintained.

There is a sufficient supply of developable and appropriately zoned land to accommodate more than ten years of anticipated demand. But as the most financially viable segments of land are used up, residential development in Campbell River may slow down in the 10 – 20 year time range unless steps are taken to ensure the continued financial viability of development resulting in marketably affordable finished products, particularly in the single family residential market. To this end, some possible policy options include:

- Harmonizing Campbell River's OCP and Zoning Bylaw
- Facilitating growth in Quinsam Heights with waivers or other subsidies
- Eliminating certain land use zones in Quinsam Heights to encourage more rapid residential development
- Extend the Urban Containment Boundary.

GPRA neither discourages nor endorses any particular policy approach, since the policy framework selected by the City is rightly a result of community consultation and City objectives. Rather, GPRA aims to inform the City regarding the advantages and disadvantages of each option so that that best option can be selected in due course. However, it is clear that sufficient land supply exists within the Urban Growth Boundary for the next ten years of demand.

GPRA hopes that this Residential Market Update proves useful in City deliberations, and that it helps the City to identify, pursue, and achieve its various growth goals.

Appendix A – BC Statistics Population Projection Methodology

BC Statistics uses the Cohort/Component Survival Technique (CST) to project sex- and age-specific population totals for every year within each of the province's 88 Local Health Areas (LHAs). Higher-order projections such as regional districts or BC as a whole are created by aggregating LHA totals.

The CST consists of projecting each sex and age cohort (one cohort for each sex born within each year) based on the size of that cohort in the previous year, modified on the basis of a fertility rate projection, a mortality rate projection, and a net migration projection for each cohort. The CST has proven more effective, nuanced, and adjustable than projecting on the basis of overall population totals.

In the case of Stats BC' annual projections, the fertility and mortality projections are simple mathematical projections based on the expectation of a constant fertility rate of 1.4 and on gradually increasing life expectancy, respectively. Both of these projections are independent of particular economic events. On the other hand, the migration projections for each LHA are modified to reflect the impact of known projects, as described here:

> Migration on the other hand is far more volatile. Government policy changes and/or regional economies could have a major short-term impact on migratory levels or, for example, major projects close to isolated areas may result in a large influx of new residents for a number of years.
>
> BC Stats attempts to address these challenges through careful consideration of available information. With regards to assumptions for migration across the province, the Major Projects Inventory (MPI) provides a tangible selection of large-scale infrastructure developments (roughly $15 million in capital costs) at varying stages of completion. Also, mine closures may have significant impacts on small areas terms of movement of people. Migration assumptions are revisited annually to verify and possibly adjust previous considerations, due to the unpredictable nature of certain projects.[32]

Since this methodology accounts for all infrastructure projects greater than $15 in capital costs, it is safe to assume that all major projects in Campbell River are accounted for by the BC Statistics projection, making this a robust basis for GPRA's projection.

[32] BC Statistics (2014). BC Level Population Projection Technical Assumptions.

Appendix B – SRD age composition vs. City age composition in 2011

Age cohort	Campbell River[20]		SRD[33]	
	Population	Share	Population	Share
0 - 4	1,585	5%	2,179	5%
5 - 9	1,640	5%	2,273	5%
10 - 14	1,785	6%	2,430	6%
15 - 19	1,985	6%	2,762	6%
20 - 24	1,545	5%	2,181	5%
25 - 29	1,530	5%	2,149	5%
30 - 34	1,695	5%	2,414	5%
35 - 39	1,725	6%	2,461	6%
40 - 44	1,975	6%	2,779	6%
45 - 49	2,475	8%	3,416	8%
50 - 54	2,750	9%	3,948	9%
55 - 59	2,660	9%	3,904	9%
60 - 64	2,535	8%	3,767	9%
65 - 69	1,805	6%	2,712	6%
70 - 74	1,290	4%	1,781	4%
75 - 79	950	3%	1,241	3%
80 - 84	685	2%	842	2%
85 +	585	2%	689	2%
TOTAL	**31,200**	**100%**	**43,928**	**100%**

[33] Statistics Canada (2011). Census of Canada.

Appendix C – BC maintainer rates vs. City maintainer rates in 2011

Table F: Primary household maintainers by age and dwelling type, British Columbia, 2011[34]

	0 – 24	25 – 34	35 – 44	45 – 54	55 – 64	65 – 74	75+	Total
Single family house	10,510	70,245	140,785	211,535	199,865	119,500	89,505	841,945
Apartment in 5+ storey building	8,785	32,450	25,020	22,985	20,745	15,640	17,985	143,610
Movable dwelling	1,460	4,405	5,730	9,540	10,160	8,975	6,970	47,240
Semi-detached house	1,545	7,695	9,605	11,495	10,120	7,475	6,765	54,700
Row house	3,905	20,840	28,045	29,955	22,970	14,500	13,350	133,565
Apartment in duplex	8,210	28,295	38,510	44,185	33,000	16,715	11,605	180,520
Apartment in 1 – 4 storey building	23,260	71,710	60,525	66,370	57,055	37,300	44,210	360,430
Other single attached house	140	310	600	720	475	255	105	2,605
Total	57,815	235,950	308,820	396,785	354,390	220,360	190,495	1,764,615
POPULATION	1,232,355	564,760	594,635	705,210	614,380	371,610	317,095	4,400,045

Table G: Age-specific household maintainer rates by dwelling type, British Columbia, 2011[35]

	0 – 24	25 – 34	35 – 44	45 – 54	55 – 64	65 – 74	75+	Total
Single family house	0.9%	12.4%	23.7%	30.0%	32.5%	32.2%	28.2%	19.1%
Apartment in 5+ storey building	0.7%	5.7%	4.2%	3.3%	3.4%	4.2%	5.7%	3.3%
Movable dwelling	0.1%	0.8%	1.0%	1.4%	1.7%	2.4%	2.2%	1.1%
Semi-detached house	0.1%	1.4%	1.6%	1.6%	1.6%	2.0%	2.1%	1.2%
Row house	0.3%	3.7%	4.7%	4.2%	3.7%	3.9%	4.2%	3.0%
Apartment in duplex	0.7%	5.0%	6.5%	6.3%	5.4%	4.5%	3.7%	4.1%
Apartment in 1 – 4 storey building	1.9%	12.7%	10.2%	9.4%	9.3%	10.0%	13.9%	8.2%
Other single attached house	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.0%	0.1%
Total	4.7%	41.8%	51.9%	56.3%	57.7%	59.3%	60.1%	**40.1%**

[34] Statistics Canada (2011). National Household Survey
[35] Statistics Canada (2011). National Household Survey
Statistics Canada (2011). Census of Canada

Table H: Primary household maintainers by age and dwelling type, Campbell River, 2011[36]

	0 – 24	25 – 34	35 – 44	45 – 54	55 – 64	65 – 74	75+	Total
Single family house	165	920	1,395	2,045	2,125	1,160	765	8,575
Apartment in 5+ storey building	0	0	0	0	0	0	0	0
Movable dwelling	0	20	80	120	180	120	60	580
Semi-detached house	30	125	115	200	80	100	70	720
Row house	50	160	185	145	130	85	130	885
Apartment in duplex	25	115	110	175	90	80	70	665
Apartment in 1 – 4 storey building	185	180	165	240	510	330	400	2,010
Other single attached house	0	0	0	0	0	0	0	0
Total	455	1,520	2,050	2,925	3,115	1,875	1,495	13,435

Table J: Age-specific household maintainer rates by dwelling type, Campbell River, 2011[37]

	0 – 24	25 – 34	35 – 44	45 – 54	55 – 64	65 – 74	75+	Total
Single family house	1.9%	27.9%	36.8%	38.4%	38.3%	35.7%	38.2%	27.0%
Apartment in 5+ storey building	0%	0%	0%	0%	0%	0%	0%	0%
Movable dwelling	0%	0.6%	2.1%	2.3%	3.2%	3.7%	3.0%	1.8%
Semi-detached house	0.4%	3.8%	3.0%	3.8%	1.4%	3.1%	3.5%	2.3%
Row house	0.6%	4.9%	4.9%	2.7%	2.3%	2.6%	6.5%	2.8%
Apartment in duplex	0.3%	3.5%	2.9%	3.3%	1.6%	2.5%	3.5%	2.1%
Apartment in 1 – 4 storey building	2.2%	5.5%	4.4%	4.5%	9.2%	10.2%	20.0%	6.3%
Other single attached house	0%	0%	0%	0%	0%	0%	0%	0%
Total	5.3%	46.1%	54.2%	55.0%	56.2%	57.8%	74.7%	**42.3%**

[36] Statistics Canada (2011). National Household Survey
[37] Statistics Canada (2011). National Household Survey
Statistics Canada (2011). Census of Canada

Appendix D – Land Supply Estimate from City of Campbell River

BEGINS ON FOLLOWING PAGE

City of Campbell River

Technical Report

AUTHOR: Chris Osborne, *Senior Planner, City of Campbell River*

DATE: December 14, 2015

SUBJECT: **Residential Land Supply Assessment**

Introduction

Estimating the supply of residential land is a task involving a number of assumptions. It can never be exact. This report and the technical analysis seek to establish a reasonable estimation of the likely amount of residential development land available from within the City's Urban Containment Boundary over a ten-plus year period. This report has been produced at the request of, and in consultation with G.P. Rollo & Associates, engaged by the City in fall 2015 to provide a detailed housing market demand assessment of Campbell River.

This report describes the methodology used, and all assumptions made. We consistently err on the side of making cautiously conservative estimates, but do present "high end" and "low end" scenarios.

Note: all sites dealt with in the analyses are for hypothetical analytical purposes only and included (or excluded) on a strictly "without prejudice" basis. Inclusion or exclusion does not indicate that staff or Council do or do not endorse any particular site for redevelopment; nor does it offer any comment on feasibility, appropriate levels of development or possible site constraints. This paper is not an expression of municipal policy.

The initial task is to identify all reasonable potential development sites within the Urban Containment Boundary. These can then be used to generate potential housing yields. There are four sources of site supply:

1. Development sites on which there has been expressed detailed development interest
2. Sites subject to masterplans
3. Potential development sites
4. Vacant lots

1. Development Sites

This first set of "Development Sites" are ones in which City staff have had discussions with owners or developers and include sites for which subdivision applications have been submitted. These are the most likely sites for development in the short/mid term. There are 21 such sites which have been identified by planning staff from interactions with owners, developers and prospective purchasers.

This is a very important data set. It is important in its own right in estimating a supply of residential lands but is also important because it allows developer expectations to be compared with numerical maxima. For each individual site, the developer's expected yield is known, either precisely, or with a very good degree of certainty. Furthermore, other constraints are largely known, such as the area of a site to be unavailable to development due to internal roads, environmental setbacks and park dedications. This expected yield can then be compared directly with the theoretical maximum – the density allowed by zoning, multiplied by the site area

in hectares. As a further check, this is also compared to an analysis of previous R-1 and RM-1 subdivisions.

Using empirical dataset to establish an average development coefficient

With 21 sites constituting a relatively small dataset there is considerable spread within the data in terms of whether the likely delivered housing yield is close to, or far from, the theoretical maximum. For each site it is already known whether the developer contemplates single-family (SF) or multi-family (MF) and the data are split accordingly. In each case, staff has considered whether the amount of units proposed is generally reasonable and not unrealistic.

In each case, the totals were compared. The aggregate data is as follows:

Table 1: theoretical (maximum) and actual anticipated yields from identified development sites

	SF Max	SF Anticipated	MF Max	MF Anticipated	SF Ratio (Ant./Max.)	MF Ratio (Ant./Max.)
21 Sites	1,865	633	593	498	0.34	0.84

As might be expected, the theoretical single family maximum is rarely - if ever - reached due to internal roadways, parkland dedication or concepts that seek larger lots than the minimum permitted. On top of this exist environmental and topographic constraints that also sometimes preclude development over the whole of a lot. The average expected yield for this typology comes out at 34% of the theoretical maximum.

As also might be expected, the theoretical maximum for a multi-family typology is more practically achievable, as units can be efficiently accommodated within a single building, even if large areas of the site are not to be developed. In a few cases, the preferred development concept is contingent upon an up-zoning to permit greater density than the present site zoning. The average is 84%.

It should be noted that two sites within the list (2099 Evergreen & 200 Nikola) lie within the OCP's "estate" designation. Without an OCP change supporting a higher density these lots may not be economically developed. This scenario is modelled at the end of the report, and in the "status quo" scenarios, the 125 lots these sites may possibly contribute are subtracted.

Development Coefficient from previously-completed subdivisions

An analysis was completed on 12 previous single family (which includes low density strata) subdivisions, comparing the total site area with the eventual yield. The headline figure however is an average development coefficient of 0.38, which is consistent with the 0.34 derived from the future development sites. This strongly reinforces the reasonableness and appropriateness of that figure and indicates that 0.34 is still reasonably conservative.

2. Masterplanned Sites

There are four masterplanned sites within the OCP, each of which is discussed below. The SF typology is probably of greatest relevance as it is both a land-hungry form of development and appears to be the larger component of demand. A relatively small number of infill sites could

likely “mop up” market demand for MF units without the City ever having to consider the possibility of making additional greenfield land available for this specific MF typology.

Jubilee Heights

Due to its enormous size, the site has a very high theoretical maximum number of MF units. However, large areas of the site are inaccessible to development because of environmental constraints and land dedications. Due to the proposed large-parcel subdivision and the terms of the masterplan, this “loss” of development space will not readily be made up by higher density elsewhere on the site. The Jubilee Heights site is expected to deliver approximately 350 SF units and 150 MF units from most recent interactions with the owner/developer.

Sequoia Springs/Kingfisher

An initial phase has been completed, bringing the “Fairway Village” component to completion, providing 121 lots to the market. Overall, only 50% of the site area is slated for housing; the other 50% being roads (10%) and greenways (40%). The overall gross density is 7.5 – 9.7 dph, which is wholly consistent with other subdivisions and represents a development coefficient of 0.3 – 0.39. Sequoia Springs/Kingfisher is expected to deliver approximately 600 - 800 SF units. Given that 121 have already been provided, we take a low end estimate that 479 remain and a high end estimate that 679 remain.

Maryland Estates

The Maryland Estates site has been included within Section 1 “Development Sites” as it is more than 50% complete and the yield from individual development parcels can be well estimated and extrapolated from previous phases of development, which have to date proceeded in-line with the masterplan. It is not therefore accounted for in Section 2 (masterplanned sites).

Discovery Bay

The Discovery Bay site has not been included as its development does not seem a likely prospect within a foreseeable time frame.

The masterplanned sites component of supply is therefore as follows:

- Low end: 829 SF + 150 MF
- High end: 1,029 SF + 150MF

3. Potential Development Sites (residential zoning only)

This exercise seeks to take the City’s entire inventory of residential land and perform a number of cuts and analyses to identify a set of “likely” infill development sites. These are as-yet unidentified sites, which based on site, zoning and land values, could possess reasonable development potential. The following initial cuts were made of the stock of residential lots:

13,966 non-commercial/industrial property records extracted from GIS.

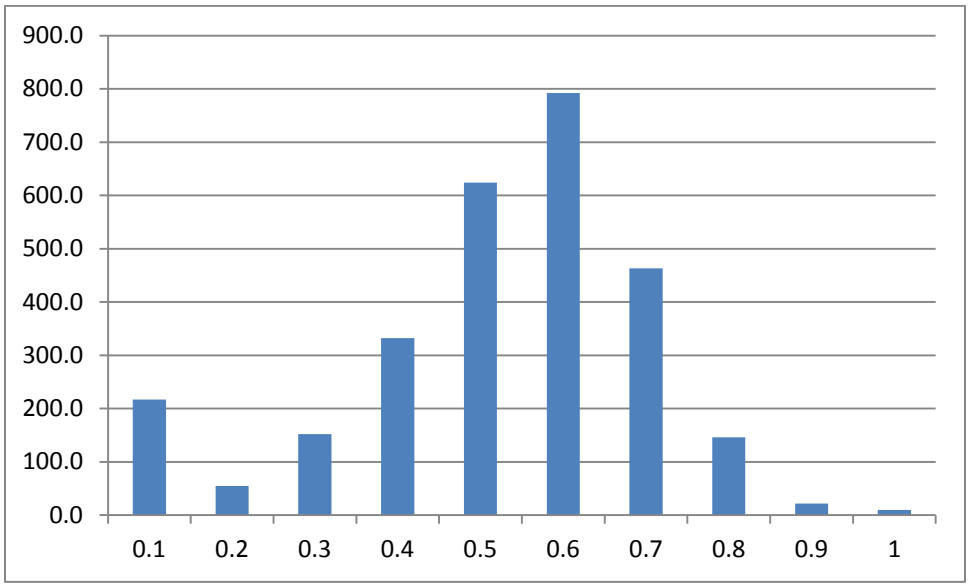
3,927 sites had an area of 1,000m^2 or more (site smaller than this are unlikely in general to be “subdividable” and are treated separately later on).

3,153 of these with residential zoning in the UCB (excludes LS-, RU-, RR, PA- zones)

2,814 of these sites with >$0 value. (Zero value includes e.g. crown land & foreshore leases)

These cuts leave us with a set of candidate sites that could have development potential. To identify development potential, the ratio of Improvement Value (IV) to Total Value (TV) was calculated for each of the 2,814 sites of >=1,000m^2 with appropriate zoning. Sites with a low improvement value relative to the total value are assumed to contain development potential. Those whose improvement value forms a significant part of the site's total value are assumed to be already close to or at their "best and highest [economic] use". The graph below shows the histogrammed distribution of sites by IV/TV ratio:

Figure 1: 2,814 sites grouped by IV/TV ratio



By visual inspection, the distribution of this ratio follows roughly a normal (Gaussian) distribution, with the exception of zero-value ratio sites, which represents all truly vacant sites. The modal average is where improvements represent 50-60% of the total land value.

Generally speaking, the smallest unit of improvement on a residential parcel would be a single dwelling. Even the smallest and lowest-quality single dwelling is likely to possess an improvement value of at least tens of thousands of dollars, which in most cases will represent a non-negligible percentage of total value. In other words, we would expect a discrete gap between vacant sites and those with any improvements whatsoever.

To confirm this is so, when we "zoom-in" and reanalyze at a finer scale at the lower end of this graph we see 217 sites with an IV/TV ratio less than 0.1, and 175 have exactly zero improvements. To choose 0.1 as a threshold is of course an arbitrary decision, but it captures the outlying sites on the bell curve (where it might be assumed that whatever improvements exist are manifestly inefficient in terms of capitalizing on the site's value and therefore easily removed, economically-speaking) as well as all the zero-improvement sites.

0.1 is still considered a cautious and conservative estimate. Many sites with an IV/TV ratio of, say, 0.2 clearly still have much unrealized improvement potential. When cross-referencing with our Development Sites in section 1, IV/TV values of 0.2, 0.3 and even 0.5 emerge for some of those individual sites. Their potential as development sites despite high IV/TV ratios may be in

part reflective of up-zoning ambitions. This suggests that 0.1 is possibly an over-cautious "low-end" scenario.

A second "high-end" cut is therefore taken at 0.3, which embraces a greater number of sites, albeit ones where the profit margin could be more slender. It is worth remembering that 0.3 is still very much within the "trailing edge" of the Gaussian distribution. The two scenarios are henceforth analyzed in parallel.

This method does not explicitly take into account any up-zoning potential, although up-zoning can be used to justify inclusion of higher IV/TV value sites. For example a single house on a 1,900m^2 lot with an RE-1 zoning (low density single family zone with a large minimum site area of 1,000m^2) will have a fixed IV. The TV will depend on the zoning but will not be particularly high. However if the zoning was changed to RM-3, the IV would remain the same, but land value would rise significantly and the IV/TV ratio would fall. As a result, it would likely be captured within our list of candidate sites. There is no easy way to model these up-zoning scenarios more explicitly into our data set en-masse. In this regard, using the IV/TV ratio is a conservative constraint.

In our first scenario we assume that sites whose current improvements represent 10% or less of the total value are potential development sites (i.e. where the IV/TV ratio is <= 0.1). There are 198 such sites.

In our second scenario we assume that sites whose current improvements represent 30% or less of the total value are potential development sites (i.e. where the IV/TV ratio is <=0.3). There are 404 such sites.

At this point we consider OCP policy. Not all OCP proposed land use designations are pro-development; most notably the "estate" designation. Two options are therefore presented:

1) The first option removes all sites which are within the "estate", "business & industrial service centre" and "natural areas & protected lands" designations. The aggregate land potentially available for development is then calculated.
2) The second option assumes that higher density development is encouraged and that sites already possessing the requisite zoning will be allowed to develop out. Clearly this represents a policy shift away from the OCP and is a value-based judgement that needs to be made on the basis of community input. Inclusion of this option does not necessarily endorse a change of policy at this stage.

We have then, four lists of potential development sites, each of which represents slightly different assumptions. Critics may be able to identify individual sites within these lists that for whatever reason are not suitable for development. There may conversely be other sites not within these lists that are suitable for redevelopment. This is not overly important because we are not necessarily looking to identify specific individual sites. A random inspection of sites within the lists shows by and large, either empty lots or high-density MF zoned lots not anywhere close to their potential "highest and best [economic] use". The set is mostly intended to represent an average. Any non-development sites included and any development sites not included may be expected largely cancel one another out. Unless each site is inspected on an individual basis (which is too time-consuming), there will always be anomalies.

Yield

Finally, we estimate a housing yield from these lands. From our two empirical datasets, we have established a "development coefficient" of 0.34 for SF dwellings (including "patio home"

type stratas and duplexes). That is, when all constraints are averaged, sites typically yield 34% of their theoretical single family typology maximum. The R-1 (and RM-1) zonings both produce theoretical maxima of 25 dwellings per hectare and this represents a conservative development density basis to which to apply our constraints.

In terms of the MF typology, without the masterplanned sites, the development coefficient is 0.84; a figure that is understandably significantly higher than for the SF typology.

We can split our dataset according to zoning. At this point it is important to examine the list. As hoped, the method used above captures most of the Development Sites referred to in section 1, from which our empirical development coefficient was derived. This is an excellent check to ensure that our method is identifying the right types of sites. To avoid double-counting, we need to remove these sites from our list of sites in section 3 as they are already accounted for in section 1, along with any parcels associated with masterplanned sites in the OCP.

We then determine the gross land area in hectares for all the sites within each zone by summing the area of all individual sites within each zone.

Gross are can then be converted into a theoretical maximum yield (number of units) simply by multiplying by the maximum permitted density for each zone, (ignoring density bonusing provisions). The results at this stage are shown in Tables 2 & 3 below:

Table 2: Theoretical maximum yield of aggregated potential development sites by zone

IV/TV <= 0.1	R-1	R-1B	R-2	R-2A	RE-1	RM-1	RM-2	RM-3	RM-4	total
184 sites	583	61	11	0	23	1,857	410	713	41	3,700
198 sites (OCP change)	663	61	11	0	914	1,960	449	713	41	4,813

Table 3: Theoretical maximum yield of aggregated potential development sites by zone

IV/TV <= 0.3	R-1	R-1B	R-2	R-2A	RE-1	RM-1	RM-2	RM-3	RM-4	total
375 sites	1,054	261	26	10	75	2,576	567	757	41	5,368
404 sites (OCP change)	1,169	261	26	10	1,101	2,856	768	757	41	6,971

We are now in a position to apply our development coefficients. The coefficients were derived from a set involving multiple zonings and are therefore an average that can in turn be applied to each zone equally. It would be possible to calculate a coefficient on a zone-by-zone basis, but the dataset is too small and we would lose the benefits of averaging, in turn making our figures vulnerable to the influence of outliers.

Let us then assume that all lands zoned R-1 through to RM-2 (in ascending order of density) will be developed in a SF typology (including patio home complexes). We therefore apply our SF coefficient of 0.34 to a “permitted” development density of 25 dph. This does not assume that residential estate zones can, particularly in the event of an OCP change, be upzoned, which makes it a further conservative estimate.

We assume RM-3 and RM-4 lands will be developed as MF (apartment blocks/row housing) and therefore apply our MF coefficient of 0.84. It is important to note that these assumptions are again general. We know from the development sites that some RM-1 sites will be developed in

a MF typology (apartments). The likely yields if all sites were brought forward for development are therefore:

Table 4: Likely yields from ALL potential development sites

IV/TV <= 0.1	R-1	R-1B	R-2	R-2A	RE-1	RM-1	RM-2	RM-3	RM-4	total
184 sites	198	21	4	0	8	631	139	599	35	1,635
198 sites (OCP change)	225	21	4	0	311	666	153	599	35	2,014

Table 5: Likely yields from ALL potential development sites

IV/TV <= 0.3	R-1	R-1B	R-2	R-2A	RE-1	RM-1	RM-2	RM-3	RM-4	total
375 sites	358	89	9	4	25	876	193	636	35	2,224
404 sites (OCP change)	397	89	9	4	374	971	261	636	35	2,770

Finally, we need to accommodate the fact that not all the sites will be brought forward for development. In consultation with G.P Rollo & Associates, we estimate that in a low-end scenario 40% of these sites may eventually come forward within a 10+ year time horizon and 60% in a high-end scenario. This applies a further factor of 0.4 or 0.6 to all figures above. Clearly the longer the time horizon contemplated, the higher this figure will be. Our final figures, disaggregated into the two typologies (SF and MF) are therefore as follows:

Table 6: Likely yields from 40% of potential development sites (low end)

IV/TV <= 0.1	R-1	R-1B	R-2	R-2A	RE-1	RM-1	RM-2	RM-3	RM-4	total
No OCP change SF	79	8	2	0	3	252	56			**400**
OCP change SF	90	8	2	0	124	267	61			**552**
No OCP change MF								240	14	**254**
OCP change MF								240	14	**254**

Table 7: Likely yields from 60% of potential development sites (low end)

IV/TV <= 0.1	R-1	R-1B	R-2	R-2A	RE-1	RM-1	RM-2	RM-3	RM-4	total
No OCP change SF	119	13	2	0	5	390	84			**613**
OCP change SF	135	13	2	0	187	400	92			**828**
No OCP change MF								359	21	**380**
OCP change MF								359	21	**380**

Table 8: Likely yields from 40% of potential development sites (high end)

IV/TV <= 0.3	R-1	R-1B	R-2	R-2A	RE-1	RM-1	RM-2	RM-3	RM-4	total
No OCP change SF	143	35	3	1	10	350	77			**621**
OCP change SF	157	35	3	1	150	388	104			**839**
No OCP change MF								254	14	**268**
OCP change MF								254	14	**268**

Table 9: Likely yields from 60% of potential development sites (high end)

IV/TV <= 0.3	R-1	R-1B	R-2	R-2A	RE-1	RM-1	RM-2	RM-3	RM-4	total
No OCP change SF	215	53	5	2	15	526	116			**932**
OCP change SF	235	53	5	2	225	583	157			**1,259**
No OCP change MF								382	21	**403**
OCP change MF								382	21	**403**

4. Vacant lots

A further cut was taken to identify vacant lots suitable for a single dwelling without any further subdivision activity. All appropriately zoned privately-owned properties with the following characteristics were identified:

- Area < 1,000m^2
- Improvement Value < $1,000
- Land Value > $40,000
- Residential Zoning

The reasons for these constraints are as follows: sites with Area >= 1,000m^2 have already been picked up as "potential development sites" under section 3. Improvements should be zero to reflect vacant lots. However, there are some sites with a very low nominal "improvement" value, which are essentially still vacant and developable. Setting a corresponding nominal threshold of $1,000 improvement value will capture these sites. Finally, sites with land value less than $40k are excluded as these are unlikely to be able to accommodate a dwelling; hence the low value. These might include small slivers of land leftover from highway or road projects, or undevelopable strips of land adjacent to watercourses.

This analysis yielded 271 sites. This included many vacant lots within the "recent" subdivisions such as Redekop, Parkway Properties, Legacy Estates and Shades of Green. It might be assumed that a higher proportion of these will come forward for development than more speculative sites. Generally, new subdivisions tend to achieve close to maximum build-out within a few years of completion. For eventual development on these vacant lots, we estimate two thirds (66%) in a low-end scenario, and four-fifths (80%) in a high-end scenario. Given the observed build-out within subdivisions, these numbers are still a highly conservative estimate of

the viability of this component of supply given that many of the lots are fully serviced and "ready to build".

Summary

Housing land supply has been estimated from three sources. The first two – development sites and masterplanned sites are known with a reasonably high degree of precision. The third source is a more analytical exercise to estimate the supply of potential development sites within the urban area. As this involves significant assumptions, high-end and low-end scenarios have been presented. Also modelled in is a possible OCP policy change to allow development to proceed within the estate designation, which is concentrated largely within Quinsam Heights.

The aggregate numbers by typology are presented in four scenarios. The meanings of the scenarios are as follows:

- *"status quo":* Assumes no significant OCP change
- *"OCP change":* Assumes an OCP change to remove the presumption against development within the "Estate" designation and to reconcile sites in favour of zoning where a conflict exists with an OCP designation.
- *Low-end:* takes conservative estimates for likely deliverability of sites:
  - IV/TV <= 0.1 to identify development sites;
  - lowest figure from OCP masterplanned sites estimates;
  - assume 40% of potential development sites come forward;
  - assume 66% of vacant single lots developed.
- *High-end:* takes optimistic, but still reasonable, estimates for likely deliverability of sites:
  - IV/TV <= 0.3 to identify development sites;
  - highest figure from OCP masterplanned sites estimates
  - assume 60% of potential development sites come forward;
  - assume 80% of vacant single lots developed.

Table 10: Total supply estimate (SF)

SINGLE FAMILY	Low-end, status quo	Low-end, OCP change	High-end, status quo	High-end, OCP change
Development Sites	518	633	518	633
Masterplanned Sites	829	829	1,029	1,029
Potential Dvpt. Sites	401	552	936	1,259
Vacant Lots under 0.1ha	179	179	217	217
Total	**1,927**	**2,193**	**2,701**	**3,138**

Table 11: Total supply estimate (MF)

MULTI FAMILY	Low-end, status quo	Low-end, OCP change	High-end, status quo	High-end, OCP change
Development Sites	498	498	498	498
Masterplanned Sites	150	150	150	150
Potential Dvpt. Sites	254	254	403	403
Vacant Lots under 0.1ha	0	0	0	0
Total	**902**	**902**	**1,051**	**1,051**

Our analyses combined produce a cone of supply "trajectories" and four are represented in the summary tables 10 & 11 above.

Results by Neighborhood

It is instructive to break down the totals according to neighbourhoods (as identified in Map 3 of the OCP). Not all of the land within the City lies within designated neighbourhoods, hence the need for the "other" category. Table 12 below shows the approximate numbers of units from each source, grouped by OCP neighbourhood with low-side in red, and high side in blue. These data are presented graphically in both value and percentage terms in the accompanying pie charts.

Table 12: Single family supply by OCP neighbourhood (highest and lowest scenarios)

SF	Low side/no OCP change					High side/OCP change				
	DS	PDS	Vac't	M'plan	**Total**	DS	PDS	Vac't	M'plan	**Total**
North	65	26	8	0	**99**	65	81	10	0	**156**
Camp'ton	0	49	5	0	**54**	0	79	6	0	**85**
Quinsam	218	155	41	100	**514**	333	535	50	142	**1,060**
Central	14	70	27	0	**111**	14	175	33	0	**222**
Willow Pt	221	84	96	350	**751**	221	221	116	350	**908**
Other	0	18	3	379	**400**	0	168	3	537	**708**
Total	***518***	***401***	***180***	***829***	***1,928***	***633***	***1,259***	***217***	***1,029***	***3,139***

Table 13: Single family supply by OCP neighbourhood (inner two scenarios)

SF	Low side/OCP change					High side/status quo				
	DS	PDS	Vac't	M'plan	**Total**	DS	PDS	Vac't	M'plan	**Total**
North	65	26	8	0	99	65	81	10	0	**156**
Camp'ton	0	49	5	0	54	0	79	6	0	**85**
Quinsam	333	217	41	100	691	218	365	50	142	**775**
Central	14	70	27	0	111	14	160	33	0	**207**
Willow Pt	221	84	96	350	751	221	216	116	350	**903**
Other	0	106	3	379	488	0	35	3	537	**575**
Total	*633*	*552*	*180*	*829*	*2,194*	*518*	*936*	*217*	*1,029*	***2,701***

Table 14: Multi family supply by OCP neighbourhood

MF	Low side/no OCP change				High side/OCP change			
	DS	PDS	M'plan	**Total**	DS	PDS	M'plan	**Total**
North	40	86	0	**126**	40	130	0	**170**
Campbellton	0	0	0	**0**	0	0	0	**0**
Downtown	128	0	0	**128**	128	0	0	**128**
Quinsam	0	0	0	**0**	0	0	0	**0**
Central	250	127	0	**377**	250	213	0	**463**
Willow Point	80	40	0	**120**	80	60	0	**140**
Other	0	0	150	**150**	0	0	150	**150**
Total	***498***	***254***	***150***	***902***	***498***	***403***	***150***	***1,051***

Willow Point neighbourhood holds the largest component of supply, not least because it contains the Jubilee Heights masterplanned site. Without the figures from the masterplanned sites, Quinsam Neighbourhood in both the lowest and highest scenarios forms the largest component of supply. A slight oddity is the increase in "other" arising from an OCP change. This is due to two sites immediately south of Quinsam which are not within any neighbourhood but which are yet subject to the "Estate" designation. These sites together form the largest potential development site by far (140 acres) and therefore have a noticeable impact on the analysis. Finally, the neighbourhood totals including masterplanned sites are displayed graphically below. The multi-family typology is unaffected by the modelled OCP change and hence there are only two pie charts.

Figure 2: Neighbourhood supply totals Single Family

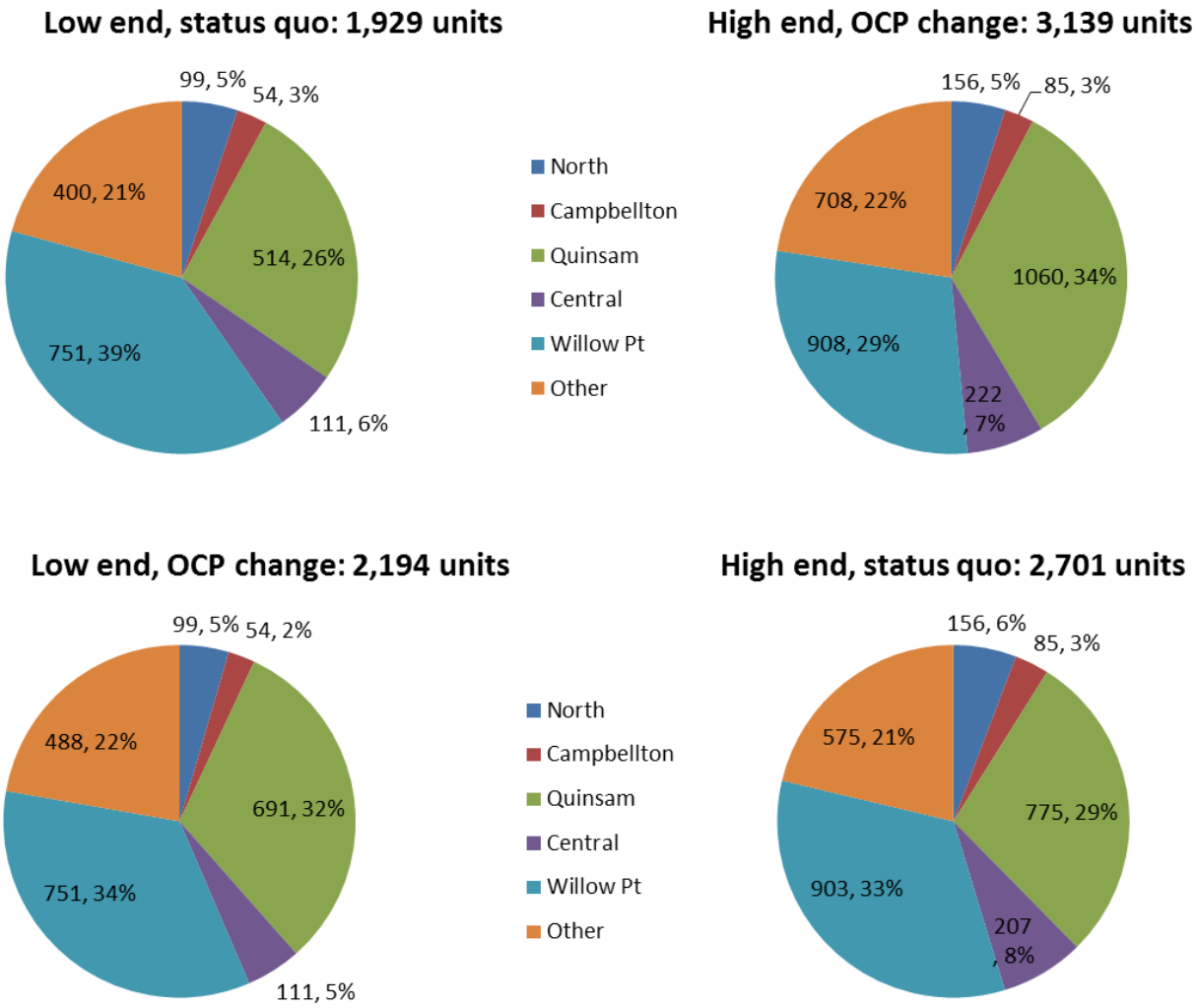
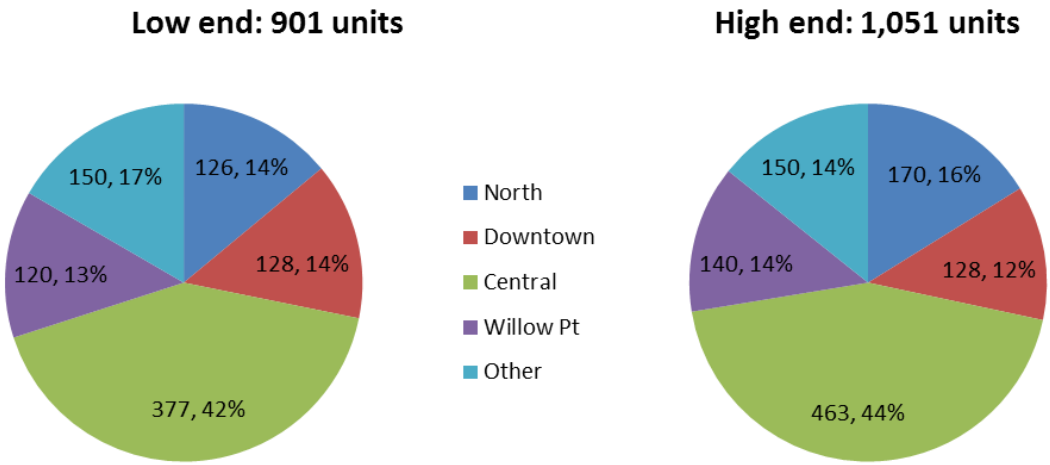


Figure 3: Neighbourhood supply totals Multi-Family



Conclusions/comments

- The effect of the masterplanned sites is highly significant; particularly with regards the single family typology. This does represent something of "many eggs in one basket" since a significant proportion of the delivery relies upon one single landowner/developer being ready and able to advance plans for their sites.
- The definitions of "single family" versus "multi family" may vary between sources and in this paper does include duplexes.
- An OCP change to take a more pro-development approach (relating almost entirely to Quinsam Heights) has a potentially significant effect on the numbers. Clearly this particular analysis does not delve into the economics of development in Quinsam versus elsewhere. It is known that Quinsam can be an expensive location to develop because of the rudimentary state of surrounding roads, higher DCCs and site drainage issues.
- Supply does not necessarily mean "affordable supply" in light of current or near future market conditions or the economics of site development.
- No other policy or zoning changes have been modelled. Such changes would be capable of having a potentially profound impact on the data.
- There is likely little to no difficulty in accommodating whatever multifamily demand may exist; there are abundant sites with appropriate zoning, or potential for up-zoning. Other than within the known Development Sites, no analysis has been made of the potential for multifamily housing delivery from commercially-zoned sites permitting "apartments", which represents a further significant pool of land.
- With the exception of four lots within the "vacant lots" analysis, manufactured homes have not been included within this analysis.
- Social housing and affordable housing are not taken into account here, as this represents too fine-grained a detail to be able to make any meaningful assessments.
- This analysis does not present any policy recommendations; it merely illustrates the effect of a potential policy change.

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