

REGIONAL DISTRICT OF KOOTENAY BOUNDARY -
2020 APPLIED RESEARCH HOUSING PROJECT

Supplemental Report: Economic Indicators Influencing Housing in the Boundary



TABLE OF CONTENTS

| | |
|---|----|
| Publication Details | 3 |
| Acknowledgements..... | 3 |
| INTRODUCTION | 4 |
| Report structure..... | 4 |
| METHODOLOGY | 4 |
| HOUSING NEEDS REPORT SUMMARY – BOUNDARY FOCUS..... | 5 |
| Stakeholder Observations..... | 6 |
| INDICATORS..... | 6 |
| Demographics | 6 |
| Migration..... | 7 |
| Stakeholder Observations..... | 7 |
| Education | 8 |
| Employment indicators..... | 9 |
| Real estate and rental information..... | 11 |
| Stakeholder Observations..... | 12 |
| EMERGING AND EXPANDING SECTORS: STAKEHOLDER OBSERVATIONS..... | 12 |
| Cannabis..... | 12 |
| Food Processing | 13 |
| Mining | 14 |
| Outdoor Recreation | 14 |
| Health..... | 15 |
| SUMMARY: HOUSING CONSIDERATIONS | 15 |
| REFERENCES | 17 |

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INTRODUCTION

This report is a supplement to the *Regional District of Kootenay Boundary: Perspectives on Rural Market Housing Solutions* report. Facing an inadequate supply of market housing, the Regional District of Kootenay Boundary (RDKB) identified the following research priorities:

- 1) identification of successful local and regional approaches to rural market housing development, including mixed-use and mixed-income models;
- 2) engagement of housing developers to pinpoint challenges and barriers to development of market housing;
- 3) preparation of two supplementary reports: (a) application of rural market housing concepts to an RDKB-owned parcel in Genelle and (b) an economic snapshot of the Boundary region to complement the findings of the Housing Needs Report¹; and
- 4) An inquiry into relevant practices of post-disaster rebuilding and rehousing, with analysis and recommendations of applicable regional and community-specific models.

This report addresses 3(b) above. Items (1) and (2) are addressed in the *Perspectives on Rural Market Housing Solutions* report. Items 3(a) and (4) are addressed in separate reports.

The purpose of this report is to identify and summarize economic and other related indicators that can supplement the projections from the RDKB Housing Needs Report¹, providing staff, elected officials, and economic development practitioners in the Boundary region with further data to support future planning and decisions related to housing. At the direction of the Advisory Committee, key stakeholders were engaged to provide additional local context.

REPORT STRUCTURE

This report begins with a summary of the Boundary portion of the Housing Need Report (HNR), followed by a summary of key critiques of the HNR from the stakeholders identified by the Advisory Committee. Next is an overview of existing indicators that can inform decision-making and planning efforts related to housing, including:

- Demographics
- Migration trends
- Education
- Employment
- Real estate

The Indicators are followed by a discussion of emerging and expanding economic sectors in the Boundary, which provides insight into workforce trends that may impact housing demand. This discussion was informed by stakeholder conversations addressing five sectors:

- Cannabis
- Food processing
- Mining
- Outdoor recreation
- Health

A summary of key findings and considerations for housing concludes this report.

METHODOLOGY

The indicators addressed in this report reflect existing quantitative data. For rural communities, this data is often available only at larger scales or extrapolated from aggregated data sources, and it may or may not reflect the reality of local trends. These limitations should be considered when data of this nature is applied to small communities.

To provide more local context, conversations were held with 21 stakeholders to identify additional information for consideration. The Advisory Committee provided an initial list of Boundary stakeholders with an interest in improving the housing and economic conditions in the Boundary, including elected officials, business leaders, regional service organizations, and government staff. Additional stakeholders were identified through these conversations.

Stakeholder input is presented throughout the report. It is important to note that this was not a systematic qualitative study and stakeholders are not necessarily representative of the diversity found across the region. This input should be considered anecdotal and has been used to identify potential areas for future investigation.

HOUSING NEEDS REPORT SUMMARY – BOUNDARY FOCUS

A sub-region of the Regional District of Kootenay Boundary (RDKB), the Boundary is approximately 7,000 square kilometres with a total population of 11,971.² There are three incorporated municipalities in the Boundary (Grand Forks, Greenwood, and Midway), three electoral areas (Area C/Christina Lake, Area D/Rural Grand Forks, and Area E), and seven unincorporated communities (Big White, Baldy, Bridesville, Jewel Lake, Rock Creek, and Westbridge). The Boundary has three distinct sub-areas with different characteristics and influences: (1) Christina Lake/Area C, (2) Grand Forks/Area D, and (3) West Boundary/Area E.

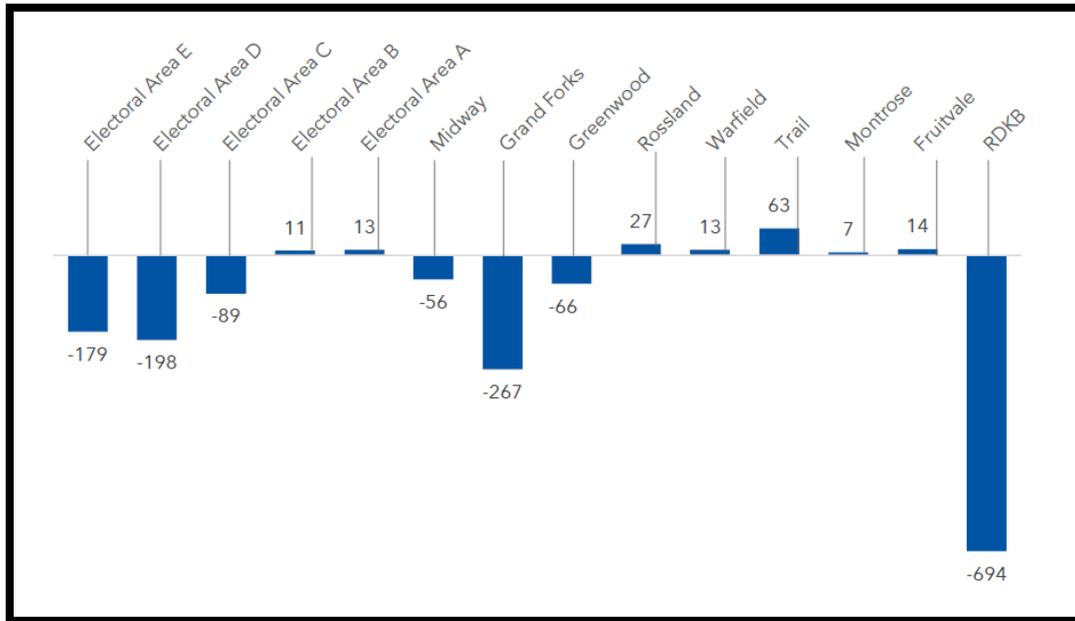
Communities in the Boundary are geographically further apart and thus more isolated from each other than those in the Kootenay portion of the RDKB, and within other parts of the Province.¹ The area is served by two secondary highways. Highway 3 runs east-west from the Alberta border to Vancouver; Highway 33 runs north-south from Kelowna to Rock Creek. The closest Canadian urban centre to the Boundary is Kelowna, accessible within less than three hours' drive from the western-most part of the region (Christina Lake). There are multiple points of entry to the U.S. border that are within an hour's drive for most Boundary residents, providing access to U.S. markets.

The Housing Needs Report (HNR) identified the following observations specific to the Boundary region¹:

- 1) There is a strong sense of resourcefulness and resiliency amongst the people who live in the Boundary. Despite limited funding streams for various volunteer organizations, there is a focus on helping those who need it most.
- 2) Within the RDKB, the Boundary has a higher proportion of low-income residents, particularly in Area E.
- 3) While Big White is in the Boundary, it is heavily influenced by, and shares similarities with, its Okanagan neighbours. Its proximity to Kelowna attracts affluent visitors, seasonal and year-round recreation enthusiasts, retirees, and property investors. The seasonal, part-time, and lower wage jobs offered at Big White create a polarity in socio-economic conditions that impacts and influences housing needs.
- 4) Located outside the Columbia Basin Trust (CBT) region, the Boundary does not have access to CBT funding available for services and projects that the Kootenay/Lower Columbia portion of the RDKB has.

The HNR projects an overall decline in population for the RDKB, from 33,042 in 2019 to 31,576 in 2031, with that decline projected to occur predominantly in the Boundary portion of the RDKB (Area E, Area D, Area C, Midway, Grand Forks, Greenwood).¹ Figure 1 shows the projected household net gain/loss across the RDKB from 2019 to 2031. The Boundary area is projected to see the greatest household loss, which translates to 799 households. Household projections, although tied to population projections, provide an assessment on anticipated housing unit growth or decline. For example, the population may grow due to a birth in a family but that household may not require another housing unit to accommodate the additional child.

Figure 1: Projected household change, 2019-2031¹



STAKEHOLDER OBSERVATIONS

The Advisory Committee identified a select group of stakeholders to provide constructive criticisms of the HNR. This group included economic development practitioners, elected officials, and a regional-serving social organization, all of whom read the HNR in detail. Discussions with this group yielded the following critiques of the HNR projections:

- 1) COVID-19 has impacted the housing market. Observations include properties being sold in less than 30 days, including homes that were previously on the market for years, as well as serious inquiries coming in from across the country (e.g., Quebec and Nunavut).
- 2) There are new and expanding industries that were not adequately addressed in HNR. These industries include the food production sector, the cannabis sector, technology sector, mineral mining (particularly copper), and tourism.
- 3) There has been an observed increase in young families and active retirees moving to the area. The former is seen in the Grand Forks area and the latter in the West Boundary/Electoral Area E.
- 4) There is a consistent lack of available rentals across the Boundary.
- 5) The overall lack of housing, particularly rentals for newcomers, has resulted in approved job applicants choosing not to move to the area.

These observations were confirmed by the Advisory Committee and provided the general line of inquiry for this report. Each stakeholder provided a minimum of one additional person to contact for greater clarity on a particular industry or indicator (e.g., recommendations for realtors to discuss real estate and rental vacancy rates).

INDICATORS

DEMOGRAPHICS

Demographic indicators typically focus on changes in population. Whether population is growing or shrinking can impact housing needs. Additionally, for housing related decisions, income and median ages will help inform the type of housing that may be required. An aging population will demand a different style of housing than a student population; low-income families may require subsidized or alternative approaches to housing in comparison to their higher-income counterparts.

Table 1 summarizes 2016 census data on population changes, median ages, median incomes, and percentage of low-income households in the Boundary, RDKB, and BC.² As shown in Table 1, there is a high rate of low-income households and an aging demographic across the Boundary in comparison with the RDKB and province. The next census will take place in May 2021. When available, this new data should be reviewed to better understand population trends and characteristics. The new data may also begin to show any COVID-19 related impacts due to migration.

Table 1: Demographic characteristics by location²

| | Greenwood | Midway | Grand Forks | Area C | Area D | Area E | RDKB | BC |
|---|-----------|----------|-------------|----------|----------|----------|----------|-----------|
| <i>Population 2016</i> | 556 | 649 | 4,049 | 1,337 | 3,225 | 2,155 | 31,447 | 4,648,055 |
| <i>Population 2011</i> | 708 | 674 | 3,985 | 1,391 | 3,187 | 1,970 | 31,138 | 4,400,057 |
| <i>% change, 2011-2016</i> | -6.1 | -3.7 | 1.6 | -3.9 | 1.2 | 9.4 | 1.0 | 5.6 |
| <i>Median age, 2016</i> | 60.5 | 60.2 | 55.1 | 58.6 | 55.4 | 53.3 | 51.6 | 43.0 |
| <i>% in low income, after tax, 2015</i> | 29.5 | 21.5 | 20.3 | 16 | 18.4 | 35 | 16.3 | 15.5 |
| <i>Median household income, after tax, 2015</i> | \$36,693 | \$45,440 | \$44,570 | \$49,920 | \$49,856 | \$36,992 | \$52,936 | \$61,280 |

MIGRATION

Similar to demographics, migration rates and trends can help predict both the potential demand for housing and the type of housing that may be required. Taking census data trends and integrating local observations can help inform housing decisions. It can also yield insight into what is and is not attracting new residents, helping to identify opportunities for infrastructure needs and investments; for example, the importance of information and communications technology infrastructure. Additionally, understanding migration trends can help inform business attraction and retention programs, and provide insights on demand for products and services.

Census data at the RDKB-level shows a net-positive migration to the region - there are more people moving to the region than are leaving it.³ However, migration trends may differ across the Boundary. Table 2 presents the movement of people in and out of the communities. Non-movers are those who have not moved. Movers include non-migrants and migrants. Non-migrants are persons who moved yet remained in the community. Migrants include those who moved within the province (intra-provincial), as well as those who moved from another province (inter-provincial). External migrants are those who moved to Canada from outside the country.

Table 2: Migration rates by location (2016)⁴⁻⁹

| | Greenwood | Midway | Grand Forks | Area C | Area D | Area E | BC |
|--------------------------------------|-----------|--------|-------------|--------|--------|--------|------|
| <i>Non-movers (%)</i> | 75 | 68.5 | 58.9 | 65.9 | 73.8 | 66.3 | 57.4 |
| <i>Movers non-migrants (%)</i> | 4.8 | 3.2 | 18.3 | 10.5 | 9.1 | 9.2 | 21.7 |
| <i>Intra-provincial migrants (%)</i> | 12.1 | 25.8 | 15.6 | 17.8 | 12.5 | 14.3 | 11.6 |
| <i>Inter-provincial migrants (%)</i> | 8.1 | 1.6 | 6.5 | 5.4 | 4.1 | 7.5 | 3.9 |
| <i>External migrants (%)</i> | 0 | 1.6 | 0.9 | 0.8 | 0.3 | 2.9 | 5.4 |

STAKEHOLDER OBSERVATIONS

Starting in approximately 2018, stakeholders reported an increase in new residents to the Boundary area, as seen through the real estate market and post office box demand, both of which had been stable for significant periods of time, between ten and twenty-five years, depending on area. This suggests that within the Boundary subregion, there

has been a more consistent balance of in- and out- migration than the net-positive migration seen in the RDKB as a whole. For example, in the Beaverdell and Westbridge postal region, there has been a consistent but stable demand for the 224 post office boxes for 25 years. In the last two years, that demand increased, resulting in a wait list. An additional 10 boxes were added in January 2021, which were anticipated to be filled by the end of February 2021.

Stakeholders relayed that young families and young professionals seem to be attracted to Grand Forks, Grand Forks rural/Area D, and Christina Lake, often from the Lower Mainland, drawn by lower-priced housing opportunities for their families. Stakeholders within the real estate sector noted that access to suitable communications technology—cell coverage and stable internet—have been decision-making factors for this demographic, where the demand for stronger and stable communications coverage is a priority need. It may be possible to verify this observation in the next census by examining trends within age ranges and data showing a decrease in median age.

In the West Boundary/Electoral Area E sub-region, stakeholders reported an influx of seniors and retirees. Specific to the new-retiree demographic, it was suggested that an enhanced sense of community belonging may be a factor driving this influx. This sense of place and community was observed by the Housing Needs Assessment.¹ The Kootenay Boundary Health Service Area reports 80.6% of the population have a strong or very strong sense of community.¹⁰⁻¹² Midway in particular reported seeing a large number of older retirees,¹³ attributing the influx to its aging-friendly elements like a grocery, pharmacy, post office, and health services all within a walkable distance.¹⁴ In the Beaverdell area, it was reported that new permanent residents are retirees from the Okanagan area, many of whom are moving permanently into what were formerly vacation homes.

EDUCATION

Enrolment numbers and education levels can be used as housing indicators and provide insight into the demand and the type of housing that may be required. For enrolment numbers, an increasing school enrolment rate indicates a growing population, which could put pressure on housing. A decreasing enrolment rate could be an indicator of a decreasing population in a community or could be an indicator of an aging population.

Education levels, when matched with employment indicators like job postings (see below), provide insight to job opportunities and income levels. This information can assist with housing or planning developments when viewed in conjunction with housing needs, employment, and income levels. Available education indicators include enrolment and educational attainment.

In the Boundary School District #51 (SD 51) there are eight elementary schools, two secondary schools, and one school that provides alternative learning to students and adults.¹⁵ Additionally, Selkirk College has a satellite campus in Grand Forks that offers academic upgrading, workplace training, and distance courses.¹⁶

School enrolment is an indicator that can show changes in demographics and migration. In the Boundary there has been a decline in school enrolment of 3.8% over the past five years (2016-2020), but it appears that the trend levels off in 2019-2020.¹⁷ However, there are differences across the region, each with different potential driving factors. Table 3 shows enrolment rates within SD 51 for the last five years. A decline is seen in Grand Forks-area schools in 2019 and 2020. This could potentially be related to the 2018 flood event, but further inquiry would be required to determine if this is the case.

Table 3: SD 51 enrolment rates by location (2016-2020)¹⁷

| School | 2016 | 2017 | 2018 | 2019 | 2020 | 2016-2020 % change | 2019-2020 % change |
|---|------|------|------|------|------|--------------------|--------------------|
| Elementary School (including some or all levels from Kindergarten to Grade 9) | | | | | | | |
| CLES | 76 | 82 | 91 | 90 | 86 | 11.6 | -4.65 |
| DAPES | 226 | 230 | 243 | 225 | 216 | -4.6 | -4.17 |
| JAHES | 264 | 266 | 230 | 229 | 217 | -21.7 | -5.83 |

| School | 2016 | 2017 | 2018 | 2019 | 2020 | 2016-2020 % change | 2019-2020 % change |
|---|------|------|------|------|------|--------------------|--------------------|
| GES | 33 | 28 | 27 | 36 | 43 | 23.3 | 16.28 |
| MES | 39 | 43 | 40 | 34 | 33 | -18.2 | -3.03 |
| WBES | 87 | 74 | 73 | 81 | 75 | -16.0 | -8.0 |
| BES | 13 | 9 | 12 | 7 | 8 | -62.5 | 12.50 |
| BWCS | 41 | 28 | 28 | 31 | 29 | -41.4 | -6.90 |
| High School (including some or all levels from Grade 8 to Grade 12) | | | | | | | |
| BCSS | 125 | 127 | 136 | 132 | 134 | 6.7 | 1.49 |
| WDC | 33 | 36 | 31 | 28 | 28 | -17.9 | 0.00 |
| GFSS | 356 | 364 | 359 | 363 | 377 | 5.6 | 3.71 |
| Totals | | | | | | | |
| | 1293 | 1287 | 1297 | 1256 | 1246 | -3.8 | 0.80 |

- CLES = Christina Lake Elementary (K-7)
- DAPES = Dr. D.A. Perley Elementary (K-7)
- JAHEs = J.A. Hutton Elementary (K-7)
- GES = Greenwood Elementary School (4-7)
- MES = Midway Elementary School (K-3)
- WBES = West Boundary Elementary School
- BES = Beaverdell Elementary School (K-3)
- BWCS = Big White Community School (K-9)
- BCSS = Boundary Central Secondary School (8-12)
- WDC = Walker Development Center (K-12 plus adult programming)
- GFSS = Grand Forks Secondary School (8-12)

Table 4 identifies the highest level of education attained in the Boundary, for the available areas, and provides a comparison with provincial data.¹⁰⁻¹² There is a higher rate of trade school completion than the provincial average but an overall lower rate of total education levels, as seen with higher rates of no diploma and low rates of university completion. For housing, education can be correlated to income and employability. For local residents with education levels that don't match available employment opportunities, housing affordability may become an issue. Alternatively, employers may need to recruit outside labour, increasing the overall demand for housing.

Table 4: Highest level of education attained by location (2016)¹⁰⁻¹²

| | Grand Forks | Midway | Greenwood | Province |
|---------------------|-------------|--------|-----------|----------|
| No diploma | 19.8% | 24.3% | 33.3% | 15.5% |
| High school | 29.3 | 36.5% | 28.3% | 29.4% |
| Some post-secondary | 2.6% | 5.2% | 3.3% | 3.6% |
| Trade | 13.7% | 12.2% | 14.2% | 8.8% |
| College | 23.5% | 13.9% | 17.5% | 18.1% |
| University | 11.0% | 7.0% | 4.2% | 24.6% |

EMPLOYMENT INDICATORS

Indicators related to employment can help identify how housing demand may increase or decrease based on the type and location of available jobs. For example, job postings for temporary or seasonal workers would indicate a need for short-term rentals. Unemployment rates can provide insights on housing affordability levels for a community and may be an indicator for out-migration potential if job availability or skills required do not match the current skill sets of residents, who may choose to leave in search of other job opportunities.

Unemployment

Within the Boundary, there is a higher-than-provincial average of unemployment, as seen in Table 5. This can be an indication that current residents are not well-matched to current job posting requirements of education levels, skills, or experience, or that available employment opportunities are not well-matched to the needs of the population (e.g., wage, number of hours). It can also indicate an overall lack of employment opportunities for residents. For the Boundary, high unemployment rates indicate a need for attainable or subsidized housing for the working-age demographic. Further investigation is required to determine why high unemployment exists in the Boundary.

Table 5: Unemployment rates by location (2016)¹⁰⁻¹²

| | Grand Forks | Midway | Greenwood | Province |
|-------------------|-------------|--------|-----------|----------|
| Unemployment rate | 9.0% | 8.1% | 11.1% | 6.7% |

Job Postings

Job postings are an indicator of the type of available jobs, in-demand sectors, income, and location of jobs. They can assist in projecting a geographic area's housing demand and the type of housing required. In 2020, there were an estimated 758 unique job postings in the Boundary region, over half of which were located in Grand Forks (~458).¹⁸ Table 6 provides a breakdown of advertised positions by location.

Table 6: Job postings by location (2020)¹⁸

| Location | Estimated number of unique job postings |
|------------------------------------|---|
| Grand Forks | 458 |
| Greenwood | 106 |
| Electoral Area E/West Boundary | 81 |
| Electoral Area C/Christina Lake | 59 |
| Electoral Area D/Grand Forks Rural | 31 |
| Midway | 26 |
| Total | 758 |

Of these 758 postings, 209 specified salary, with an approximate median salary of \$50,000.¹⁸ The majority (80%) of postings did not provide an education level and did not identify the minimum experience required (62%).¹⁸ The Interior Health Authority had the highest rate of job postings for 2020, with School District 51 coming in second, and RK Fresh Fruit & Garden Centre in third.¹⁸

Top posted occupations by National Occupation Classification were "other administrative services managers", "retail salespersons", "registered nurses and registered psychiatric nurses", and "early childhood educators and assistants".¹⁸ The broad range of income associated with these occupations indicates a need for a spectrum of housing options for the workforce demographic, which may include rentals. Further investigation is required to adequately correlate current housing stock, rental vacancies, and actual need.

Industry Trends

The Boundary region's industry trends from 2011-2020 provide an employment snapshot and can be compared with census population data (2011-2016) and, when available, the 2021 census data. Employment trends can indicate the type of housing that may be in demand (e.g., full-time permanent employment versus part-time seasonal employment) and, when compared with job posting locations, the approximate location of anticipated demand. By comparing local educational attainment levels, inferences can be made about whether local residents will be able to fulfill the growing industries or whether outside recruitment will occur. For housing, it can indicate whether new housing will be required or, in the case of declining economic growth, indicate a reduction in housing pressures. Table 7 shows the number of jobs by industry in the Boundary region in 2020. Building finishing contractors, nursing care facilities, and sawmills and wood preservation had the greatest increase, while other non-metallic mineral produce

manufacturing and full-service restaurants had the highest number of jobs. Farming, education (schools), and general medical/surgical hospitals have all experienced job reductions.

Table 7: Select industry change Boundary region (2011-2020)¹⁹

| Industry (NAIC) | 2011 jobs | 2020 jobs | 2011-2020 change | 2011-2020 % change |
|--|-----------|-----------|------------------|--------------------|
| Other non-metallic mineral product manufacturing | 184 | 295 | 11 | 60% |
| Full-service restaurants and limited-service eating places | 156 | 260 | 104 | 67% |
| Farms | 429 | 246 | -183 | -43% |
| Elementary and secondary schools | 325 | 245 | -80 | -25% |
| Grocery stores | 144 | 237 | 93 | 65% |
| Building equipment contractors | 141 | 202 | 61 | 43% |
| Nursing care facilities | 64 | 178 | 114 | 215% |
| Sawmills and wood preservation | 53 | 167 | 114 | 215% |
| General medical and surgical hospitals | 237 | 160 | -77 | -32% |
| Building finishing contractors | 19 | 156 | 137 | 721% |

REAL ESTATE AND RENTAL INFORMATION

Real estate trends and rental data, along with migration trends, can show potential demand for housing. Housing that sells very quickly with a low number of days on the market typically is an indicator of a shortage of available inventory. In contrast, when a house has been on the market for a longer period of time, it can be an indicator of an economic downturn, slowing market, or being part of an over-priced housing bloot.

With respect to rentals, the HNR notes that traditional vacancy rates and average rental costs are not available; however, it observes that there are low vacancy rates combined with high monthly rents in relation to local incomes. When combined with workforce needs and emerging/expanding industries, the demand for rental units in the Boundary area is higher than the available stock.¹

Realtor data from 2016 to 2020 was received for the Grand Forks, Grand Forks Rural (Area D), and Christina Lake areas.²⁰ Based on this data, there has been an increase in house sale prices, but the housing stock continues to sell for less than the asking prices, potentially indicating minimal competition for existing housing stock or that existing housing stock on the market does not meet needs of sellers.²⁰ This may tie into the observations of aged housing stock, as detailed in the HNR¹ with solutions explored in *Perspectives in Rural Market Housing Solutions*. As seen in Table 8, provincial assessment data shows an increase in assessed housing values over the last year (2020-2021) for select communities in the Boundary.²¹

Table 8: Assessed value by location (2020 - 2021)²¹

| Community | 2020 Assessed Value | 2021 Assessed Value |
|-------------|---------------------|---------------------|
| Grand Forks | \$253,000 | \$272,000 |
| Greenwood | \$133,000 | \$149,000 |
| Midway | \$197,000 | \$228,000 |

A scan of Realtor.caⁱ yielded approximately 300 properties for sale in the Boundary. Table 9 provides an approximate breakdown by community with low-to-high price ranges, providing a “point-in-time” snapshot of listings with the following limitations: listings include available lots, not all listings are posted on Realtor.ca, and there is no search function to provide a “Boundary overview”.

ⁱ Scan conducted on February 21, 2020.

Table 9: Realtor.ca listings in the Boundary²²

| Community | Number of listings | Low | High |
|-----------------------|--------------------|----------|-------------|
| Christina Lake | 53 | \$45,00 | \$1,800,000 |
| Grand Forks | 52 | \$44,900 | \$1,250,000 |
| Greenwood | 13 | \$23,000 | \$359,000 |
| Midway | 4 | \$47,500 | \$3,900,000 |
| Rock Creek/Westbridge | 12 | \$99,000 | \$2,500,000 |
| Beaverdell/Carmi | 5 | \$90,000 | \$1,995,000 |

Stakeholder Observations

Across the Boundary, stakeholders—including elected officials, realtors, property managers, community leaders, and business owners—consistently noted the lack of rental availability, stating the vacancy rate as 0%. This was noted for all renter types: seniors, single seasonal employees, and young families. Most rentals are not posted publicly. When a rental is posted publicly, such as on Facebook, the unit is usually rented in a couple of weeks, but inquiries can be received within hours. One informant relayed that a secondary suite had nearly 30 applicants within hours of public posting.

Stakeholders felt that the Boundary real estate market has been steady since about 2016. It is inferred that this means the market has been stable and slowly growing. In 2020 there were a noticeable increase in inquiries and sales in the Boundary area, including a combination of fast sales turnaround on listings, with ranges of 21 to 30 days, and housing sitting vacant for years being sold. Inquiries with realtors confirmed these assumptions, particularly in relation to the turnaround times. Additional inquiry on true days on the market is suggested to better understand these trends. A systematic assessment of rental properties would provide a structured analysis of rental vacancy rates.

EMERGING AND EXPANDING SECTORS: STAKEHOLDER OBSERVATIONS

A key stakeholder critique of the Housing Needs Report was that emerging sectors in the region were not adequately considered in population projections. Conversations with stakeholders in the Boundary identified key and emerging sectors, based on increased business activity, including expansions and inquiries. Conversations with key informants within those industries helped frame understanding of the jobs and skills required. The following reflects those observations and how expansion of these sectors may impact housing.

CANNABIS

The cannabis sector is growing in the Boundary, with three large scale cannabis growers starting in the last two years. A stakeholder noted that a cannabis operation in Rock Creek (SpeakEasy) reported Canada’s largest legal cannabis harvest in 2020, one indication of the scale of operations coming online in the Boundary area. The other two cannabis growers, Christina Lake Cannabis and BZAM (Midway) both have expansion plans.

Combined, the three companies are expected to bring in approximately 250 seasonal employees for harvest, with at least one of them expecting to bus people from outside due to limited housing. SpeakEasy is a Living Wageⁱⁱ employer (starting at \$21 per hour) and Christina Lake Cannabis is suspected to be one as well, with wages starting at around

ⁱⁱ A Living Wage is an hourly rate that a household requires to meet its basic needs and is calculated locally to determine that rate. See <http://livingwagecanada.ca/>

\$20 per hour. These wages speak to the highly skilled needs of their seasonal workforce, with the recognition that trimming is a “very specific skill set”. The demand for these skills sets, combined with having a lower population to draw from, is creating a local workforce shortage and driving the need to import labour.

In addition to seasonal labour, this sector requires year-round employees, including standard business management requirements (e.g., advertising, office staff, and sales), geneticists, and internal quality control. There will be a further requirement for outside inspection and regulatory controls from the province, although how many the industry will eventually drive and where they will be located is not known. Due to the emerging nature of this sector, the exact skills, workforce numbers, and even certifications are still evolving. Mount Royal University, for example, has a Cannabis Education Program intended for people interested in seeking employment within the industry. Courses include quality assurance, regulation compliance, and marketing.²³

Lastly, it would be valuable to monitor trends within the hemp industry to identify additional business attraction opportunities. Required growing conditions would be equal for both cannabis and hemp, and there continues to be an increase in demand for hemp for everyday application and for addressing climate change. For example, a waste product of hemp has also been shown to be a promising energy storage solution, with applications for batteries in items such as electric cars.²⁴ 3M is actively researching the application of hemp in everything from health care to aerospace to plastics.²⁵

Taken as a sector, what this means for housing is a demonstrated and immediate demand for short-term (seasonal) rentals. During the 2020 harvest, it was reported that camping at campgrounds was a popular choice for employees and may have impacted tourist camping options, another sector that is explored below. For year-round employees, long-term rentals and home ownership will be sought. Local residents may not have the skills, experience, or education levels, which will drive outside recruitment to fill positions for professional and administrative jobs.

FOOD PROCESSING

The Boundary is well known for its agriculture and at least two new fruit orchards will be coming online, presumably for the 2020-2021 growing season. The owners come from the Okanagan area, and it is expected that they will import labour from their other operations. As a result, these new orchards are not expected to impact the region’s housing market.

The Boundary is experiencing growing demand for local processing opportunities, from protein-based processing (e.g., cattle, poultry) to value-added food products (e.g., preserves, beverages). Presently, there is a gap in services for protein processors, with growers having to ship livestock to the Okanagan or Vancouver, adding costs to those farmers. Although a mobile abattoir had been in the community and well-utilized, it was sold to people outside the community and subsequently shut down.¹³ There may be an opportunity to develop another mobile abattoir model, drawing on learnings from the previous. Skilled labour (e.g., butchers) has been identified as a local labour gap for this industry.

COVID-19 has brought to the forefront questions about food security. Table 7 demonstrates a decrease in farm jobs. However, although no confirmed data exists, there are reports of families moving to the Boundary area with an expressed intention of being farmers. One stakeholder relayed that three new farmers in the Greenwood area were present at a recent agricultural meeting. In February 2021, the Province announced an investment of \$750,000 for the development of a food hub in Rock Creek and area.²⁶ The food hub is intended to work with small- and medium-sized businesses to offer a shared food and beverage process space. It is unknown if this will result in a demand for additional workforce and whether housing will be impacted, although the intention is to support businesses in expanding operations.

Although the food processing sector may result in new business start-ups in the near future, including the development of the food hub, stakeholder conversations did not indicate any definitive expanding or new operations that will impact housing in the Boundary.

MINING

There is a history of mining in the Boundary region, particularly in the West Boundary region, including gold, silver, copper, and lead. Greenwood, specifically, has received inquiries and seen an increase in exploration activity related to old mining operations. This has resulted in short-term rental requirements for professional jobs, such as geologists.²⁷ However, this activity will not result in an immediate influx of new labour: the average timeframe for a mine to go from exploration to operation in BC is 10 to 15 years.²⁷

COVID-19 may impact the mineral mining sector in Greenwood given its history of copper mining. Copper is antimicrobial and is being promoted as a tool in the fight against COVID-19, garnering interest from Teck who has partnered with various hospitals (such as the Kootenay Boundary Regional Hospital in Trail) and TransLink in Vancouver to analyze copper's impact in high-traffic areas.²⁸ After a crash in 2018, copper prices rose modestly in 2019 and jumped 25.80% in 2020.²⁹ This increase in price may re-invigorate interest in old mining operations but is highly dependent on the financial market, and the quality and quantity of copper in the area.

Although the impact of mineral mining on Boundary housing will be minimal in the near-term, the future implications could be significant if a mining operation comes online.

OUTDOOR RECREATION

For both resident attraction and tourism, outdoor recreation draws people to the Boundary. Data could not be secured for amenity migration specifically attributed to outdoor recreation, but it is viewed as a factor in choosing to relocate to the region. It is heavily used in marketing for the region, such as the tagline *Breathe in the Boundary*,³⁰ or as evidenced on tourism sites, such as Boundary Country Tourism's³¹ homepage slideshow. Outdoor recreation and lifestyle are key words used to promote the region.

The economic inputs of summer outdoor recreation can be measured in accommodation stays and new businesses, which impacts workforce and job opportunities. In turn, increased job opportunities within tourism may increase rental demands if labour cannot be found within the community and requires recruitment from elsewhere.

As has been well documented elsewhere, COVID-19 has impacted tourism and the tourism sector. Although international and inter-provincial travel has declined, outdoor recreation and outdoor accommodations saw an increase in use.³² In the Boundary, a reported increase in Airbnb's over the last five years reflects the growing demand for short-term, vacation accommodations. The Red Rock Retreat in Beavercreek reported a 100% occupancy before the summer season opened in both 2019 and 2020. In the Boundary, two new bike shops opened in 2020, one each in Grand Forks and Greenwood. In Midway, despite having a shorter season in 2020 due to COVID-19 restrictions, the campground made the same amount of revenue as other seasons. Tourism operators who specialize in the outdoor rail trail tours have recorded an increase in tour demand for 2021, reflecting the interest in outdoor recreation tourism.

Outdoor recreation is presently used as a recruitment asset for resident attraction. The sole purpose of resident attraction is to increase migration to the community. This will impact the current housing stock. Interviews with new residents could help identify the impact that outdoor recreation had on those relocation decisions and assist in providing accurate insight as to the level of impact outdoor recreation amenities have on housing. One stakeholder commented that business succession planning within the outdoor tourism sector could provide a draw for entrepreneurs as they seek rural lifestyles and more affordable living.

Tourism and housing are linked through workforce needs. As is happening at Big White and documented in the HNR¹, employees are having difficulties securing housing as tourism is driving secondary/vacation rental purchases and diminishing the stock of affordable housing, for rental or purchase. Within tourism-driven communities, it's important for local government to be aware of how that tourism may impact local workforces' access to safe and secure housing.

HEALTH

The Boundary is served by two Local Health Authorities (LHA): Grand Forks Local Health Authority and the Kettle Valley Health Authority. The Boundary Regional Hospital, located in Grand Forks, has surgical, inpatient, and emergency services. The health sector did not emerge as a trending sector in stakeholder conversations, but the combination of being a primary industry in the Boundary (see Industry trends) plus the aging resident demographics, which may be amplified by new retirees in the West Boundary, means that the health sector could see increased growth. Midway in particular is actively promoting itself as an age-friendly community and is working on attracting seniors and retirees.¹⁴

Comparing educational attainment levels with education requirements in job postings, there is likely a need for in-migration of various professionals and skilled workforce to the area. Recruitment efforts may be hindered by limited, desirable housing stock for young professionals, an issue that has been observed in other sectors.

Current data collection methods limit understanding of Boundary health sector needs. Community health profiles exist for Grand Forks,¹² Midway,¹¹ and Greenwood¹⁰, but some of the indicator data are from aggregated data sources and based on a population of 100,000, which has limitations for small communities. For example, the average number of physicians in BC is 112 physicians per 100,000 population. In Midway, the profile indicates 54 physicians per 100,000, whereas the local reality is one family doctor and one primary care nurse.¹⁴ Table 10 breaks down the 100,000 population figures into a per capita rate of practitioners per 1,000 population. The per capita rates of health practitioners in the Boundary region are approximately half the provincial average.

Table 10: Health practitioners per 100,000¹⁰⁻¹²

| | Grand Forks | Midway | Greenwood | Province |
|---------------------------------|-------------|--------|-----------|----------|
| Practitioners per 100,000 (LHA) | | | | |
| Physicians | 55 | 54 | 54 | 112 |
| Specialists | 11 | - | - | 94 |
| Supplementary practitioners | 77 | 27 | 27 | 133 |
| Adjusted to per 1,000 (LHA) | | | | |
| Physicians | 0.55 | 0.54 | 0.54 | 1.12 |
| Specialists | 0.11 | - | - | 0.94 |
| Supplementary practitioners | 0.77 | 0.27 | 0.27 | 1.33 |

An option for Boundary communities is to conduct and publish a health services scan. This local knowledge on what health services are available in the community and cross-referencing it with job postings or trends with Interior Health will provide an understanding of both the assets and gaps that exist within the health sector in the Boundary. This information can help with new resident and new workforce or business attraction, and provide indicators of housing demand. This health services data would ideally be updated on a regular cycle.

SUMMARY: HOUSING CONSIDERATIONS

Housing is influenced by a wide range of factors. The purpose of this report is to provide supplemental information to better understand local contexts and trends that may impact future housing demand. Quantitative data was used when available; however, it is recognized that rural areas face a range of data challenges and limitations. While local data collection is encouraged, it is important to recognize that in order to be useful, data must be updated on a regular basis and collected with a systematic approach. To do so requires resources, as well as careful consideration of which data points or indicators are required.

With the assistance of the Advisory Committee, stakeholders were identified to assist in uncovering local and emerging trends that may affect housing. The following key observations emerged:

- There has been a steady in- and out-migration over the last decade across the Boundary.
- Real estate sales and property values have increased in the last five years.
- There is a probable Boundary-wide vacancy rental rate of 0% or near 0%.
- The emerging sectors will put increased pressure on rentals, most immediately from the cannabis sector and short-term rental housing.
- West Boundary/Electoral Area E is attracting seniors and Grand Forks, Grand Forks Rural/Area D, and Christina Lake/Area C are attracting young families and professionals.

Of the emerging trends that were highlighted as potentially impacting housing projections, the cannabis industry represents the most immediate potential impact. Supporting an influx of seasonal and/or temporary workers in a community is not without its challenges. Further investigation is required to understand the potential local impacts and to learn about best practices from other communities.

Stakeholder observations and post office box demand point to increased in-migration, however, as no structured analysis was undertaken, the overall impact on housing remains unclear. In addition, COVID-19 appears to have influenced housing values and sales, but it is unknown how these trends will evolve as vaccinations increase and economies re-open.

The Boundary rental market appears to be at or very near 0% and, based on the HNR, rents are high in relation to income, which supports the likelihood of a very low vacancy rate. A review of employment indicators, such as job postings, average/median posted salaries, and primary industries points to a mixture of housing demands for the future, including rentals. For a review of rural market housing challenges and solutions, see *Perspectives on Rural Market Housing Solutions*, noted in the Introduction.

Geographically, it was reported that the West Boundary/Area E region is experiencing an increase in seniors whereas the Grand Forks, Grand Forks Rural/Area D and Christina Lake/Area C is seeing more young families and professionals moving to their respective areas. The upcoming 2021 Census may provide additional insights on these trends, and a more structured inquiry could verify these observations.

Each sub-region will experience nuanced differences related to housing. For local governments to make good planning and growth decisions, multiple indicators must be gathered and integrated to provide a broader and more comprehensive picture of Boundary housing needs and trends.

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