

Bowen Island

Affordable Housing Needs Assessment



Prepared for the Bowen Island Community Housing Association

By Eberle Planning and Research

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Acknowledgements

This needs assessment could not have been completed without the assistance and advice of a number of Bowen Island residents and businesspeople. In particular, the consultants wish to acknowledge the active participation of the members of the Affordable Housing Strategy Committee of the Bowen Community Housing Association.

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Executive Summary

House prices have climbed dramatically on Bowen Island in the last several years and this concerns community members who perceive that this will limit the ability of new and existing families to contribute to its vibrant community life. Some fear that the high cost of housing will forever change the resident mix on Bowen and threaten its diversity. This needs assessment reviewed housing demand and supply information and interviewed key informants to discover the local issues that illustrate the growing disparity between housing costs, both ownership and rental, and the incomes of local households.

Issues

The housing needs assessment identified the following issues.

High incomes are needed to purchase modest Bowen housing. Household incomes of between \$85,000 and \$100,000 are now needed to buy entry-level housing and the typical non-waterfront single-family home respectively. While this only affects newcomers to the island, or those who currently rent, only the highest earning 41% of Bowen households could afford to buy these units today. Residents are already seeing a difference in the new Bowen homeowners. This suggests that Bowen's population may continue to shift towards those with higher incomes as housing changes hands, reducing the diversity of the island community that many value.

Moderate-income earners cannot buy modest homes on Bowen today. House prices are divorced from the moderate incomes earned by many island households. Over half (51%) of Bowen households, those earning moderate incomes of between \$20,000 and \$79,000 per year, could not afford to buy the typical starter or non-waterfront single family home today. This is not an issue for existing housed residents, but it is for those newcomers seeking to move to the island, renters, and family members of existing residents. The affordability challenge for moderate-income households is a region wide phenomenon. It is also affecting the ability of local businesses to find and retain employees.

A few very low-income households face extreme affordability issues. In 2001, 95 or 8% of island households were paying more than 30% of their income for shelter and could not afford the average priced rental units on Bowen. They would be spending money on shelter that they could otherwise spend on food or other necessities. These households are actually worse off than their counterparts on the mainland. On Bowen, core need households are primarily renters, families with children and self-employed persons. Some of these households will be individuals on fixed incomes like income assistance or disability pensions who may also have special needs associated with their disability.

Limited housing options available to promote diversity. The housing stock on Bowen Island consists predominantly of single-family dwellings, there is no market based medium density housing like townhouses or row houses and there is a limited supply of rental units. This seriously limits housing options for those with low or fixed

incomes, renters, those who might wish to live on Bowen for awhile before buying, temporary workers, as well as empty nesters who wish to sell their family home and buy something smaller and suitable for their changing lifestyle. New rental housing construction is unlikely given rental market economics.

Priorities

Based on this review, the following groups of individuals and households are identified as the priorities for affordable housing on Bowen Island. The focus is on low and moderate-income households. They are not presented in order of priority, as this is something that will be determined during the planning process for the Affordable Housing Strategy. Preliminary suggestions regarding the appropriate type of housing are made. Because senior levels of government are not likely to subsidize affordable housing, the focus is on smaller, market based medium density housing options as a way of achieving affordability.

Core need households

This group consists of approximately 100 renter and owner households on fixed or very low incomes, and may include young families, single parents, self-employed individuals, artists, persons with disabilities and others. They need housing with rent geared to their income, whatever that may be, and this usually requires a deep subsidy. It could be low end of market rental housing with a rent supplement or social housing.

Renters

Again this is a varied group, characterized as young families (perhaps saving for downpayment), service industry employees, persons with disabilities and perhaps some seniors with low to moderate incomes. In 2001, there were about 200 renter households on Bowen. Since construction of purpose built apartment rental housing is not likely, options for Bowen would be secondary suites or accessory dwellings, small cottages or townhouses/row houses. Some low end of market rental units would be appropriate, perhaps protected by covenants or housing agreements, since market rental prices are often too high.

Young families and moderate-income households

Not traditionally viewed as a group that needs assistance in the housing market, this priority group is becoming more of a concern on Bowen and elsewhere. They typically earn moderate incomes, and may include young families, artists or others. Some options for this group would be houses with suites or accessory dwellings that would act as a mortgage helper or medium density market housing like townhouses or row houses which are the predominant housing choice of young families elsewhere in Greater Vancouver. Another option is smaller cottage style homes. There would need to be some protection from rising resale prices to preserve affordability over the longer term. At this time, the number of young family/moderate income households seeking affordable housing on Bowen is unknown. They likely comprise some of the current renter households. It may be prudent to initiate a waiting list or application system that would help to gauge the size of this group.

Empty nesters

Although not necessarily falling into the low or moderate-income category, empty nesters have significant unmet housing needs and could help to meet some of the priority needs. These households would like to purchase well-located medium density market housing like townhouses or row houses and they have the ability to pay for it. However, if these units contained a secondary suite or if the empty nester decided to rent their unit for a period, they could be a source of needed rental housing accommodation. Examples of market based townhouses with suites located at SFU and UBC might be worth investigating in the development of the Bowen Affordable Housing Strategy.

Next Steps

The needs assessment will form the basis for the next step, which is the development of an affordable housing strategy for Bowen Island. Affordable Housing Committee members and interested members of the general public will consider these issues and priorities, and make recommendations concerning a Bowen Affordable Housing Strategy

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1 Introduction

1.1 Background

Bowen Island is a small island municipality, with a growing population located minutes from West Vancouver by ferry. Like the Lower Mainland and elsewhere in the province, the island has seen rapid real estate price increases in the last several years that are driven by many factors, most of which are national or provincial in scope. Some people are concerned that Bowen is losing its diversity, becoming an unaffordable island paradise, accessible only to the wealthy. They fear that long standing residents and their families will find it difficult to remain on the island as housing costs rise. The business community is concerned about its ability to hire and keep skilled labour when housing costs are so high.

Against this backdrop, a Symposium hosted by Bowen Community Housing Association (BCHA) on June 16-17, 2006 acknowledged the need for a more comprehensive understanding of affordable housing issues on Bowen Island as a priority. Some populations that were identified as particularly affected by high housing costs included low-income families, artists, single parents, seniors, and the disabled.

Participants produced an *Affordable Housing Declaration*, which outlines the commitment of the community to work towards “a socially and economically diverse community through the provision of affordable housing.” The Symposium concluded with four action steps, the second being an affordable housing needs assessment.

Bowen Affordable Housing Declaration

“We commit to promote a socially and economically diverse community through the provision of affordable housing.”

Symposium June 16-17, 2006

The BCHA Affordable Housing Strategy Subcommittee contracted with Eberle Planning and Research to undertake this Affordable Housing Needs Assessment and is steering the project.

1.2 Purpose and objectives

The purpose of this report is to provide a community-wide affordable housing needs assessment that clearly documents the level and type of housing needs in the community. It identifies the requirements for affordable housing by target group and type of housing and includes market and non-market affordable housing. The Association is ultimately seeking the development of an Affordable Housing Strategy. A strategy is the next step and would articulate the direction the community should follow to help address priority housing needs.

1.3 Method

The housing needs assessment consists of two key components - review and analysis of key data and interviews with key informants. Data sources include Statistics Canada, Canada Mortgage and Housing Corporation (CMHC), BC Statistics, BC Assessment Authority, real estate data, and an informal scan of rental housing. Because much of the 2006 Census data has not yet been released, the consultants have attempted to find alternate up to date sources, where possible. The Association plans to update the key census data in this needs assessment when the information becomes available.

The needs assessment also includes a review of existing reports and studies including a recent survey of Bowen Island businesses concerning the housing needs of their employees. This was undertaken by the Chamber of Commerce in connection with this study and contributes an employer perspective on housing needs.

Key informant interviews were carried out with 21 members of the community who are knowledgeable about Bowen Island by virtue of their work or volunteer activities. The purpose of these interviews was to identify particular issues, trends and priorities, as well as perceptions about the extent of the housing affordability issue on the island. Interviewees were also asked about potential solutions and challenges. A list of key informants and a copy of the interview guide is included in the appendices to this report.

1.4 Report organization

This affordable housing needs assessment is organized in the following manner. Following the introduction, Section 2 is a housing profile, documenting the demand and supply side of the housing equation. Section 3 provides an affordability analysis. Section 4 presents the results of the key informant interviews. Section 5 is a summary of the key findings. Section 6 discusses issues and priorities identified in this housing needs assessment.

1.5 Definitions

The definition of housing affordability is traditionally based on the ratio of housing costs to total household income, called the shelter to income ratio or STIR. A household paying 30% or more of pre-tax income for housing is considered to have affordability problems.

Rental housing is generally considered affordable if monthly rental costs do not exceed 30% of tenant gross monthly household income, excluding utilities. Similarly, affordable ownership housing is housing where monthly housing costs (consisting of mortgage principle, interest and property tax but excluding insurance or utilities) do not exceed 30% of gross monthly household income.

The BCHA Housing Strategy Committee agreed at the project initiation meeting that this definition would be employed and that the focus would be on *housing affordability for*

households with low and moderate incomes. How this definition is operationalized will be determined during the development of the affordable housing strategy.

1.6 The regional context

The events on Bowen Island are set within a larger regional and provincial context, meaning that Bowen is not alone in facing challenges with affordability. Greater Vancouver, of which Bowen Island is a member municipality, has the highest housing costs in Canada, is experiencing record in-migration, record low rental vacancy rates, and is in the midst of a residential building boom in ownership units (primarily multi-unit condominiums and townhouses), with virtually no new rental construction. As a result, affordability is increasingly an issue for owners as well as renters, the incidence and severity of affordability problems for renters is increasing, and the waiting list for social housing contains over 10,000 applicants. The Greater Vancouver Regional District is in the process of developing a Regional Affordable Housing Strategy to help address these regional concerns.

2 Housing Profile

The demand for housing is influenced by a number of factors, both demographic and economic. Demographics play a role in that people's housing requirements change throughout their life cycle, for example aging of the baby boomers and their desire to downsize after their children have left home. Also, trends to smaller households influence housing demand. Migration also plays a key role – both in-migration to BC from other countries and elsewhere in Canada, as well as from other parts of the province. To provide some context, in 2005, the GVRD experienced the highest net in-migration since 1997.

On the economic side, house prices, interest rates and overall economic prosperity affect housing decisions. The Bowen Island economy is a small service based economy. Economic factors affecting the housing market on Bowen are largely external to the island, and are influenced by trends and conditions that are region-wide or province wide. Events outside the province can also influence housing demand, for example, the booming Alberta oil economy is affecting demand for high-end waterfront real estate. Economic and other factors that affect the supply of housing include construction costs and the availability of skilled labour.

This section reviews the population, household and income trends that influence the demand for affordable housing. It also paints a picture of the current housing supply, including ownership and rental, market and non-market housing, as well as related costs and prices.

2.1 Population

2.1.1 Permanent population

The permanent population on Bowen Island was estimated by the 2006 Census at 3,362 persons. This is an increase of 405 persons or 13.7% since 2001. In contrast, the GVRD grew by 6.5% over the same period. Bowen's strong growth rate is likely due to the baby boom generation seeking a place to retire, however, the demographics of the growth will not be known for several months until additional census information is released.

Table 1 – Current population

Population	Bowen Island	GVRD
Population in 2006	3,362	2,116,581
Population in 2001	2,957	1,986,965
Increase	405	129,616
2001 to 2006 population change (%)	13.7	6.5

Source: Statistics Canada. 2006 Census

2.1.2 Historical trends

Growth rates on the island have varied quite dramatically since 1991. Table 2 shows that population growth was quite high in the early 1990s, slowed in the late 1990s, then picked up again between 2001 and 2006. In contrast, the rate of population growth in the GVRD has been consistently slowing throughout the period.

Table 2 – Population growth rates

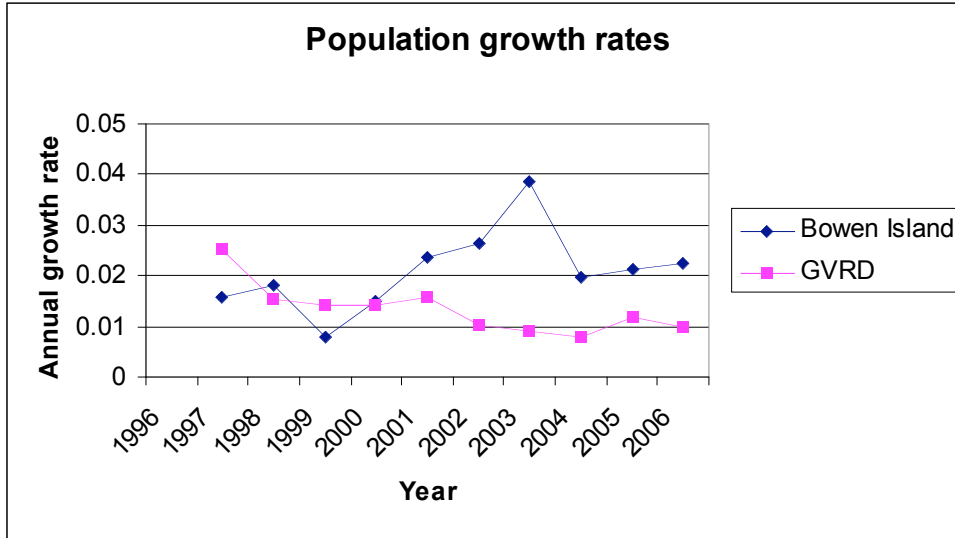
Population growth rates	Bowen Island	GVRD
1991-1996	27.1	14.3
1996-2001	8	8.5
2001-2006	13.7	6.5

Source. Statistics Canada. 1996 2001 2006 Census.

BC Statistics produces inter-censal population estimates based on migration data, post office records, hydro connections and other sources. According to their figures, the 2006 population on Bowen Island is 3,501 persons, slightly higher than the 3,362

permanent residents reported by the 2006 Census. Figure 1 shows that Bowen grew at a rate just below 2%/year in the late 1990s, then increased in the early years of 2000. The highest growth rate of 3.9% occurred in 2003. Overall, both sets of figures show similar trends, although the provincial stats show that Bowen grew fastest in the early 2000s and that growth has actually slowed in the last couple of years.

Figure 1

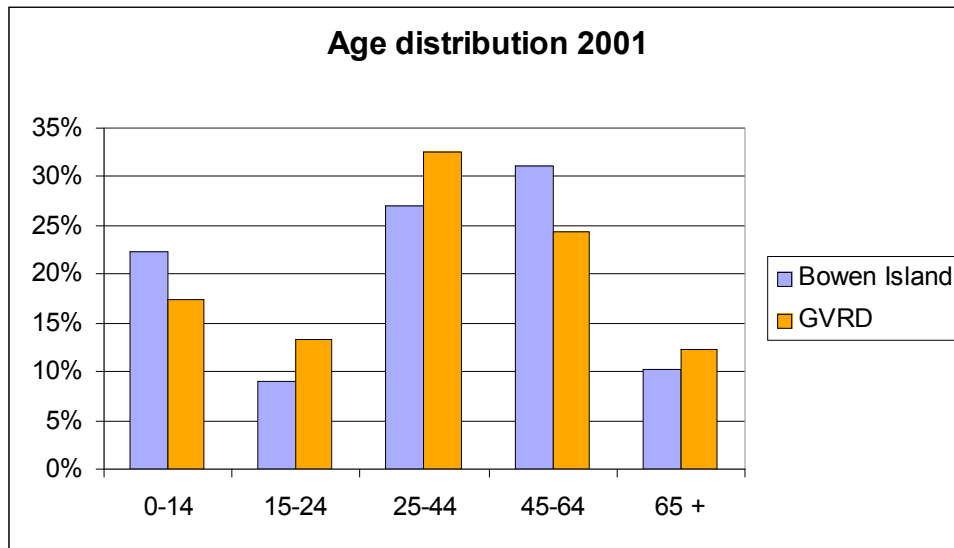


Source: BC Stats. Community Facts.

2.1.3 Age distribution

Figure 2 depicts the age distribution of Bowen Island residents in 2001. It shows that Bowen has a larger share of children under age 15 and people aged 45-64 years compared to the GVRD. There were proportionally fewer seniors and young adults. Bowen also had a higher median age of 41.4 years compared to 37.4 years for the GVRD. In 1996, the median age on Bowen Island was 38.7 years, so that in five years, the median age increased by about 2.5 years. Similar trends towards an aging population are occurring around the province.

Figure 2



Source: 2001 Census.

The low number and proportion of young adults aged 15 to 24 years represents continuation of previous trends whereby young people tend to leave the island for school or work. Similarly, many seniors must move off island when health issues begin to make it difficult to remain in their own homes. Bruce Howlett reported similar trends in 2003 in his demographic report.¹

Table 3– Bowen population by age group 2001

Age group	Bowen		GVRD
	#	%	%
0-14	665	22.3%	17%
15-24	275	9.1%	13%
25-44	800	27.0%	33%
45-64	910	31.1%	24%
65 +	300	10.3%	12%
Total	2950	100.0%	100%

Source: 2001 Census.

2.1.4 Population projections

It is difficult to predict future population growth in a small community such as Bowen Island, where growth is largely determined by outside factors. Bruce Howlett completed a demographic analysis of the Bowen population and forecast future population for the

¹ Howlett, Bruce. 2003. The Population of Bowen Island. Part One – Past to Present.

period 2006 to 2026.² From an adjusted 2001 base population figure of 3,281 Howlett's Low Forecast projected an increase to 3,850 persons by 2006 and 4,400 persons in 2011. While this may be somewhat of an overestimate, continued strong population growth is a likely scenario if past and current trends are any indication.

Table 4 – Forecast population growth Bowen Island

Year	Actual Census	Low Forecast	Moderate Forecast
2001	2,957	3,281	3,500
2006	3,362	3,850	4,300
2011	N/a	4,400	4,800

Source: Howlett, 2004.

2.2 Off-island residents

While not part of the permanent island population, employees who currently work for island employers are a potential source of population growth on Bowen Island, if housing costs do not present a barrier. A recent survey sponsored by the Chamber of Commerce sheds some light on the perceived impact of Bowen's high housing costs on local businesses and the potential housing needs of Bowen employees.

A sizeable share of businesses engages workers who commute to work on Bowen. Seventeen percent of those firms with employees who responded to the survey had employees. A total of 106 employees commuted to work on Bowen.³

Table 5 – Impacts on local business

	Firms with employees N=84
Have employees who commute to Bowen to work	17%
Businesses having trouble hiring	39%
Lack of affordable housing affected business growth	29%
Units needed for employees now	26
Units need in employees 3-5 yrs	60

Source: Bowen Chamber of Commerce. 2007.

The Business Community of Bowen Island Affordable Housing Survey.

Employers were asked about the housing needs of their employees. They indicated that there were 26 employees who would like to live on Bowen but could not because

² Howlett, Bruce. 2004. The population of Bowen Island Part Two. Population forecasts for 2006-2026.

³ A recent ferry user survey found that 230 persons traveled to Bowen for work on a typical August day in 2004, however this included contractors such as concrete trucks and deliveries.

they could not find a suitable or affordable place. (Note that businesses were not always aware of their employee's housing needs.) When asked about the number of housing units needed by employees in the next 3 to 5 years, it was estimated by those surveyed to be approximately 60 units.

Almost 40% of the businesses surveyed (with employees) had difficulty hiring employees to work on Bowen and one-third thought that a lack of affordable housing had affected the growth of their business.

2.3 Households

As it is *households* that create the demand for housing, it is instructive to look at household trends on Bowen Island. The number of permanent households on Bowen in 2001 was 1,145. This increased to 1,339 households in 2006, an increase of 17% in five years.

In 2001, most of these households (72%) consisted of couples with and without children. Compared to the GVRD, Bowen residents are more likely to live in couple households, not one person or other household types (which include lone parent households). Average household size on Bowen (2.7 persons) in 2001 was slightly larger than the GVRD (2.5).

Table 6 - Household Type 2001

Household type 2001	Bowen Island		GVRD	
	#	%	#	%
Couples with children	445	39%	219,345	29%
Couples without children	380	33%	192,285	25%
One person households	225	20%	212,055	28%
Other household types*	95	8%	135,025	18%
Total households	1,145	100%	758,710	100%

* Includes lone parent households.

2.4 Income

Incomes on Bowen Island are relatively high compared to those in the GVRD. Table 7 below shows that average personal income on Bowen was approximately \$52,000 in 2002, the latest year for which taxation income figures are available. This compares to an average income of \$46,000 per year in the GVRD.

Table 7 – Personal Income Trends 1997-2002

Year	Bowen Island		GVRD	
	Average Income	% chg	Average Income	% chg
1997	\$44,264		\$39,773	
1998	\$44,044	-0.5	\$40,628	2.1
1999	\$53,358	21.1	\$42,298	4.1
2000	\$50,974	-4.5	\$45,229	6.9
2001	\$49,233	-3.4	\$45,171	-0.1
2002	\$52,142	5.9	\$45,821	1.4

BC Stats. Community Facts. Bowen Island Municipality. Taxable returns.

Household income figures are more pertinent to a review of housing needs, as it is households that must pay for housing. Household income on Bowen is also somewhat higher than in the GVRD as a whole. In 2000, the median household income on Bowen Island was almost \$65,000 compared to \$50,000 in the GVRD.

Household size affects household income. Table 8 shows that one-person households had a significantly lower median⁴ income at \$33,671 per year, roughly half that of all households (\$64,979). Two or more person household income reached almost \$75,000/annum on Bowen compared to \$62,000 in the GVRD.

Table 8 – Income by household type 2000

Median household income 2000	Bowen Island	GVRD
All households	\$64,979	\$49,940
One person households	\$33,671	\$26,769
Two or more person households	\$74,236	\$62,168

Table 9 shows the distribution of household income in \$10,000 increments for the year 2000. About one quarter of all Bowen households earned over \$100,000 per year, quite a significant share. The comparable figure for the GVRD is 16% - that is 16% of GVRD households earned \$100,000 or more in 2000. The next largest group of households (22%) earned between \$40,000 and \$60,000/year.

Differences by household size are very significant. The largest share of one person households (24%) earned \$10,000 to \$20,000/yr, while the largest share of two person households (28%) earned \$100,000 or more.

⁴ Median income is a measure of “averageness”. It represents the amount that divides the income size distribution into two halves (below and above the median).

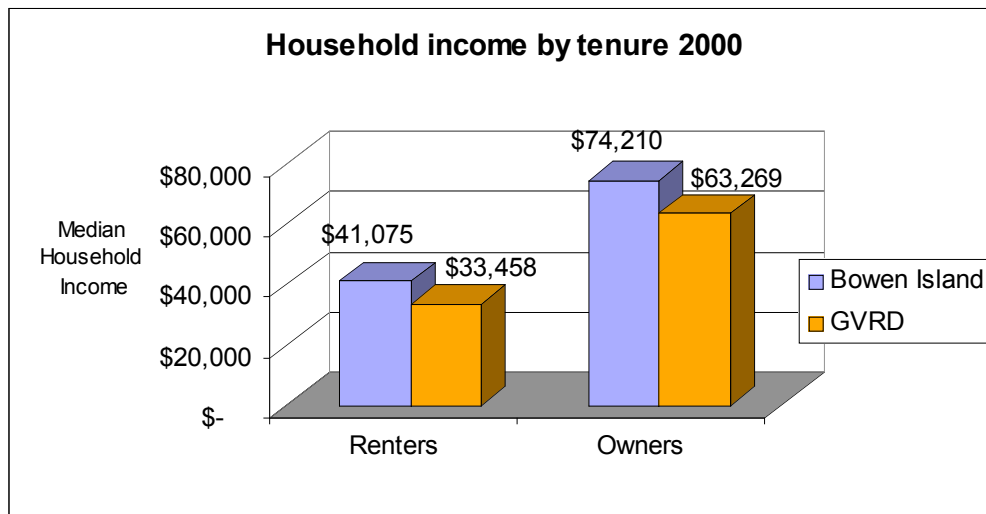
Table 9 - Distribution of household income 2000

Household income by category 2000	All households		One person households		2 or more person households	
	#	%	#	%	#	%
Under \$10,000	30	3%	20	9%	10	1%
\$ 10,000 - \$19,999	75	7%	55	24%	20	2%
\$ 20,000 - \$29,999	65	6%	15	7%	50	5%
\$ 30,000 - \$39,999	105	9%	40	17%	65	7%
\$ 40,000 - \$49,999	135	12%	30	13%	110	12%
\$ 50,000 - \$59,999	115	10%	25	11%	90	10%
\$ 60,000 - \$69,999	85	7%	20	9%	60	7%
\$ 70,000 - \$79,999	75	7%		0%	70	8%
\$ 80,000 - \$89,999	100	9%		0%	95	10%
\$ 90,000 - \$99,999	90	8%		0%	85	9%
\$100,000 and over	275	24%	15	7%	260	28%
Total	1,145	100%	230	100%	920	99%

Source: BC Statistics. 2001 Census Profile for BC Census Subdivisions. BIM.

The following chart shows household income differences according to tenure, that is, for renters and owners. Median household income for renters is substantially lower than that of owners. The same relationship holds true for the GVRD.

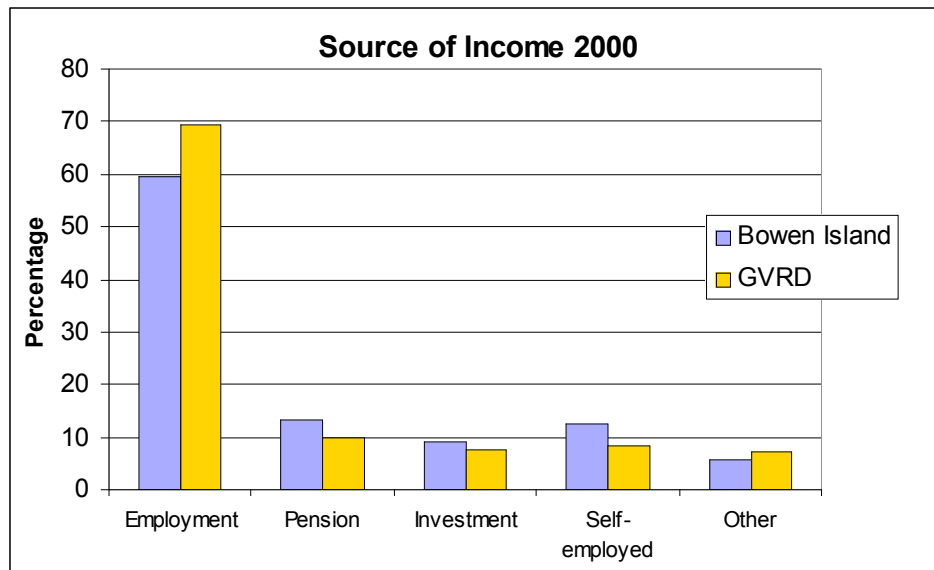
Figure 3



While most Bowen household income came from employment in 2000, approximately 60%, the share of Bowen household income coming from employment is lower than in the GVRD. On Bowen, proportionately more households relied on self-employment income, pension income and investment income than in the GVRD. The high rate of self-employment income likely reflects the large arts community on the island and an island economy, with fewer opportunities for local employment and a significant

commuter population. One of the characteristics of self-employment income is that it may be less reliable and/or subject to fluctuation.

Figure 4



Based on the higher than average household income, it is not surprising that Bowen had a lower incidence of low income households in 2000 compared to the GVRD. The incidence of low income, which is the share of the population with an income below a certain amount (depending on family size and community size), is a potential indicator of housing affordability issues. The measure used for low income is the Low Income Cut-off (LICO),⁵ which is defined as the amount at which families spend 20% more than the average family on necessities. For Bowen Island the low income cut-off for a family of four in 2000 was \$23,698.

Table 10 - Incidence of low income 2000

Incidence of low income 2000	Bowen Island	GVRD	BC
Population in private households	5.7	20.8	17.8
Economic families	4.2	17.1	13.9
Unattached individuals	23.5	39.8	38.1

Source: BC Statistics. Bowen Island 2001 Census Profile of BC's Regions.

⁵ Low income cut-offs (LICOs) are income thresholds, determined by analyzing family expenditure data, below which families will devote a larger share of income to the necessities of food, shelter and clothing than the average family would. To reflect differences in the costs of necessities among different community and family sizes, LICOs are defined for five categories of community size and seven of family size.

According to this measure, about 6% of Bowen households were considered low income in 2000 compared to 21% in the GVRD. Almost one quarter of unattached individuals on Bowen were considered low income.

However, if Bowen were considered in the context of the GVRD community with a population over 500,000 persons, the low income cut-off would be much higher, at \$34,425 and would likely result in a larger number and greater share of low income households.

Table 11 - Before tax Low Income Cut-offs 2000

Size of family	Community Size				
	Rural area	Less than 30,000	30,000 to 99,999	100,000 to 499,999	500,000 and over
	Income \$\$				
1 person	12,753	14,509	15,856	15,955	18,525
2 persons	15,876	18,061	19,739	19,861	23,063
3 persons	19,517	22,204	24,266	24,417	28,353
4 persons	23,698	26,960	29,463	29,646	34,425
5 persons	26,877	30,577	33,417	33,623	39,044
6 persons	30,314	34,486	37,689	37,923	44,035
7 or more persons	33,749	38,395	41,961	42,221	49,026

Source: Statistics Canada. Catalogue no. 75F0002MIE

2.5 Dwellings

2.5.1 Dwellings of permanent residents

The 2006 Census reported 1,339 private dwellings occupied by usual residents on Bowen Island, up from 1,145 in 2001, an increase of 194 units or 17% in five years. Note this exceeds the population growth rate of 13.7% percent over the same period, suggesting declining household size. BC Assessment Authority reports comparable figures for 2007 of 1,631 residences (which includes second dwellings).

Table 12 – Change in housing stock 2001 - 2006

	Bowen Island
Number dwellings 2006	1,640
Dwellings occupied by usual residents 2006	1,339
Number dwellings 2001	1,145
Increase number dwellings 01-06	194
% Increase	17

Source: Statistics Canada. 2006 Census.

This corresponds with municipal residential building permit and housing start information. Bowen Island has issued 152 residential building permits since 2001 (to 2005), all for single family dwellings, and there have been 174 new housing starts.

Table 13 – Building permits and housing starts

Year	Residential building permits	Housing starts
2001	26	27
2002	37	35
2003	15	38
2004	40	25
2005	34	49
Total	152	174

Source: GVRD Key Facts.

In contrast to other places, the housing stock on Bowen Island consists predominantly of single-family dwellings, with a few multiple unit buildings. Most of the 1,145 dwellings on the island in 2001 were owner occupied (77%). Rental tenure comprised only 23% compared to 39% of units in the GVRD. Again this does not include second dwellings.

Table 14 – Dwellings by tenure 2001

Tenure 2001	Bowen Island		GVRD	
	#	%	#	%
Owned	885	77	462,640	61%
Rented	260	23	295,740	39%
Total	1145		758,715	

Source: Statistics Canada. 2001 Census.

2.5.2 Second homes

Because of its proximity to the Lower Mainland and beautiful island setting, Bowen attracts second homeowners. According to the 2006 Census there were 301 dwellings used as second homes on Bowen Island. They represent 18% of the total dwelling stock on the island.

Table 15 – Second homes 2006

Second homes 2006	Bowen Island
Total dwellings	1,640
Dwellings occupied by usual residents	1,339
Dwellings of vacation home residents	301

Source. Statistics Canada. 2006 Census.

2.5.3 Rental market

There is a limited rental market on Bowen Island consisting of single-family homes, secondary suites and about 40 purpose built rental units. In addition, some renters “make do” with renting second homes in the off-season, and then must scramble to find something suitable in the summer months.

Table 16 – Rental housing

Purpose built rental housing	Number of units
Cates Hill	26
Artisan Square	14
Total	40

At any one time, there are very few rental vacancies on Bowen. This is because there are few rental properties and demand exceeds supply. In the month of February 2007, there were no advertisements for rental properties in the local paper, with the exception of some units located off island. In such a tight market, not all rentals would be advertised as word of mouth likely generates adequate interest for those rentals that do become available. The GVRD as a whole is experiencing record low rental vacancy rates as well, with a 0.7% vacancy rate in the fall of 2006, the lowest rates since 1989.

2.5.4 Secondary suites

Secondary suites are currently illegal on Bowen Island, although some secondary suites exist, as do accessory buildings used for residential purposes. The number of secondary units is unknown, but it is generally estimated that approximately 20% of homes have secondary suites. Council struck a task force in 2003 to make recommendations concerning the treatment of secondary suites. The task force recommended legalization of suites under certain conditions, however this has yet to be approved.

2.5.5 Social⁶ and non-market housing

There is one cooperative housing project on Bowen Island serving seniors age 55 and over. Called Bowen Court Coop, it consists of 18 one-bedroom units plus a caretakers unit. At this time, there are 30 applicants on the waiting list; however, the Board is currently reviewing the wait list to determine the number of applications that are still active.⁷ The building managers have stopped taking new applications. People who apply who are under age 55 are turned away.

⁶ *Social housing* is housing that receives ongoing subsidy from the federal or provincial government to ensure that some or all units rent at levels which are affordable. *Non-market housing* is housing that is built either privately or through a non-profit organization, is more affordable than market housing, but does not receive ongoing senior government subsidy. Affordability is often achieved through zoning incentives or requirements.

⁷ Pam Stimpson. President. Bowen Court. May 7, 2007.

Cates Hill offers rental housing consisting of 26 multi-family units in several buildings that rent for 15% below market rent. These units were created through a rezoning process with a private developer and are protected for 25 years as rental accommodation.

A proposed Abbeyfield project that will provide housing for seniors is keeping a list of interested people, but does not have a waiting list at this time.

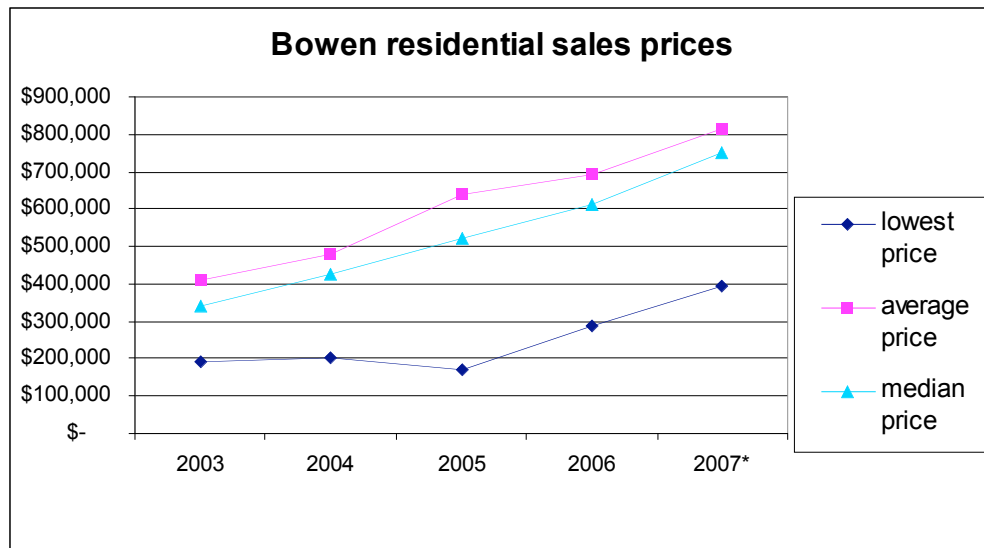
2.6 Housing costs

Affordability becomes an issue when household incomes do not match housing costs.

2.6.1 Ownership

The following chart depicts three different measures of residential sales prices on Bowen for the years 2003 to 2007. 2007 figures reflect the asking price for currently listed properties while previous years figures reflect actual sales prices. The lowest price line represents the lowest residential property sales price for each year and could be considered “entry level” pricing. This amount has virtually doubled since 2003, increasing from just under \$200,000 to almost \$400,000 in 2007.

Figure 5



Source: Own calculations based on MLS sales data provided by David Riddell.

The median sale price, which measures the mid-point of all sales in a year, has also risen significantly from \$340,000 to \$613,000, an 80% increase between 2003 and 2006.

Average prices are slightly higher than median prices because they are influenced by the few high priced sales.⁸ In 2006, the average sale price of a single family dwelling in the GVRD was \$640,000 compared to \$692,000 on Bowen. Prior to 2005, average house prices on Bowen were lower than GVRD prices, a situation that has since reversed. There are no apartment condominiums on Bowen to compare with the relatively lower priced apartment condos in the GVRD, which sold for an average of \$324,000 in 2006, roughly half the cost of a single family home.

Table 17 – Residential sales prices 2003 to 2007

Year	Bowen Island			GVRD	
	Lowest price	Average price	Median price	Single family dwelling average	Apartment condo average
2003	\$ 190,000	\$ 412,360	\$ 340,000		
2004	\$ 200,000	\$ 478,778	\$ 425,000	\$ 526,798	\$ 258,936
2005	\$ 170,000	\$ 639,702	\$ 523,000	\$ 585,000	\$ 295,000
2006	\$ 290,000	\$ 692,445	\$ 613,000	\$ 640,000	\$ 324,000
2007*	\$ 395,000	\$ 814,839	\$ 749,000		
Change 2003 to 2006	53%	68%	80%		

Source: Bowen Island - Own calculations based on MLS sales data provided by David Riddell. GVRD - data by McClanaghan 2006. * Asking price

Assessed values on Bowen Island show the significant price difference between waterfront and non-waterfront properties. A typical non-waterfront SFD on Bowen was assessed at \$469,000 for the 2007 taxation year compared to almost \$1.6 million for a typical waterfront single family home.

Table 18 – Assessed values Bowen Island

Typical properties	2006 assessment	2007 assessment	% increase
Non-waterfront - SFD	\$ 428,000	\$ 469,000	10%
Non-waterfront - vacant	\$ 234,000	\$ 321,000	37%
Waterfront - SFD	\$ 1,374,000	\$ 1,561,000	14%
Waterfront - vacant	\$ 1,002,200	\$ 1,231,000	23%

Source: BC Assessment Authority, News Release Jan 2, 2007

2.6.2 Rental

It is difficult to determine rental costs on Bowen as CMHC does not conduct a rental survey there, and there are few rentals advertised in the *Undercurrent* newspaper. Information from the real estate sector suggests that an older 3-bedroom home on Bowen would rent for approximately \$1,300 per month while a small one-bedroom cottage might rent for between \$850-950 per month. Rental rates for secondary suites

⁸ Average price is calculated by dividing the sum of all sales by the number of sales. The median price is that amount which divides the sales prices into two halves (below and above the median).

are unknown, although are likely somewhat lower. In comparison, a one-bedroom apartment in the GVRD rents for \$816 per month, while a 3-bedroom costs \$1,220, so rents may be slightly higher on Bowen.

Table 19 - Rental costs

Unit type	Bowen Island	GVRD
1 bedroom	\$850-950	\$816
3 bedroom	\$1,300	\$1,220

Source: CMHC and David Riddell.

3 Affordability

Given the profile of the individuals and households living on Bowen Island, and the housing supply and cost situation, this section addresses the affordability of housing for current Bowen residents.

3.1 *What households can afford*

Table 20 presents some calculations showing what various types of Bowen households can afford to pay per month for housing, and the price of the home they could afford to purchase under different downpayment scenarios. It uses the median incomes of households of different sizes, as well as renter and owner incomes.

The first set of income figures is median incomes for various types of households by size from the 2001 Census, (which actually uses the previous year's income (2000)). The second set of income figures are for owner and renter households. The third set adjusts some of the earlier figures to reflect 2006 prices, using the increase in BC average weekly wages.

Table 20 – What different households can afford

Household Incomes	Annual Income	Can afford to pay for rent/mo	Can qualify for a home worth *	
			25% down	10% down**
Median household income by size 2000				
All households	\$ 64,979	\$ 1,624	\$ 312,685	\$ 255,462
One person households	\$ 33,671	\$ 842	\$ 168,368	\$ 137,556
2 or more persons	\$ 74,236	\$ 1,856	\$ 360,792	\$ 294,765
Median household income by tenure 2000				
Renter	\$ 41,075	\$ 1,027	\$ 192,423	\$ 157,208
Owner	\$ 74,210	\$ 1,855	\$ 360,792	\$ 294,765
Adjusted incomes to 2006				
All households median income	64,979	84,447	\$ 360,792	\$ 294,765
Owner households median income	74,210	96,443	\$ 408,897	\$ 334,066
Average weekly earnings BC, all industries, 2006	\$ 37,753	\$ 944	\$ 188,989	\$ 154,403

* 5 yr, closed mortgage, 6.5% interest, 25 yr amortization period

**mortgage insurance included in 10% down scenario

When viewed in relation to typical house prices presented in the following table, it is clear that households with an income near the median cannot afford to buy these units. In comparison:

- The 2007 assessed value of a typical non-waterfront single family dwelling was \$469,000; and
- The home with the lowest asking price in 2007 was \$395,000, which might be termed “entry level” housing.

None of the typical households above can afford to buy either of these properties and some cannot afford to rent a typical Bowen Island home, which rents for at least \$900/month. Looked at another way, the qualifying income needed to buy the two homes above is as follows.

Table 21 – Qualifying incomes

Type of property	House price	Income needed
Assessed value 2007, non-waterfront	\$469,000	\$100,000
Entry level 2007 asking price	\$395,000	\$85,000

25% downpayment. 6.5% interest rate, 3 yr term.

3.2 Core housing need

This section discusses what is known about Bowen households and individuals who are living in housing for which they pay an amount that is considered unaffordable. It also tries to pinpoint the characteristics of these households to better target future actions.

“Core housing need” is a specific definition of housing need developed by CMHC that accounts for the fact that some households may *choose* to spend more on shelter costs because they feel they can afford to, while others have no choice. For example, a young family with growing earning potential may choose to spend proportionately more on their income towards a mortgage for the first few years in the expectation that their income will rise in the future. They would not be considered in core need if they could afford to rent a median price unit without spending such a high proportion of their income.

Core need also brings in broader concepts of adequacy (house condition) and suitability (number of bedrooms/family size). Acceptable housing is in adequate condition (does not require major repairs), of suitable size (in relation to family size), and affordable. Households are deemed to be in core housing need if their housing fails to meet one of these standards and they are unable to pay the local median rent without spending 30% or more of before tax income.

There were 95 Bowen Island households in core housing need in 2001, and the majority of these were renter households. In fact, 21% or one fifth of all Bowen renter households were considered in core housing need, compared to only 5% of owners. Compared to the GVRD where 16% of households were in core housing need, Bowen had relatively fewer households in core housing need (8%).

Table 22 – Households in core housing need 2001

	Bowen Island			GVRD		
	Renters	Owners	Total	Renters	Owners	Total
Total households	260	885	1145	295740	462645	758715
# households in core housing need	55	40	95	82460	39825	122280
% households in core housing need	21	5	8	28	9	16

Source: McClanaghan Assoc. GVRD Affordable Housing Supply Analysis. March 2006

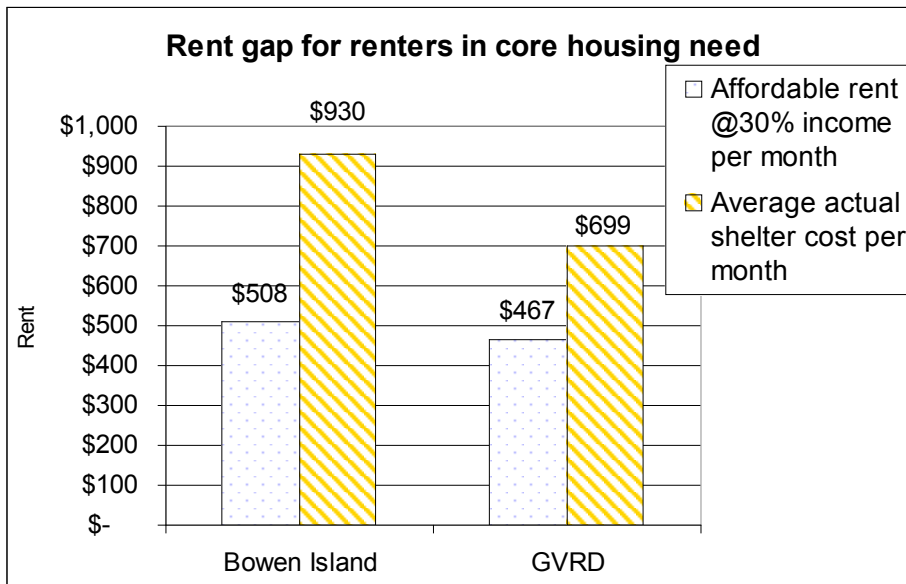
Table 23 shows that in 2001, Bowen renter households in core housing need could afford to pay about \$500 per month based on their incomes, but that actual rents on the island were \$930/month. The gap between what these households could afford to pay and actual rents amounted to over \$400 per month. The GVRD rent gap was \$232/month. So, while there were proportionally fewer Bowen households in core need, they were in worse circumstances than those in the GVRD.

Table 23 – Rent gap for renter households in core need 2001

	Bowen Island	GVRD
Affordable rent @30% income per month	\$ 508	\$ 467
Average actual shelter cost per month	\$ 930	\$ 699
Average monthly rent gap	-\$ 422	-\$ 232

Source: McClanaghan Assoc. GVRD Affordable Housing Supply Analysis. Table 59. March 2006

Figure 6



3.3 Profile of persons paying 30% or more

Who lives in housing that does not meet affordability standards? In 2001, there were 745 individuals living in Bowen households paying 30% or more of their income for housing.⁹ They were comprised primarily of people aged 30 to 54 years, with a secondary concentration in the child and youth population age 14 and younger (155 children). This suggests that affordability problems affect Bowen families.

⁹ This measure is a slightly less conservative measure of affordability problems than core housing need, as it includes those who pay 30% or more of household income for shelter, but who could afford something locally which did not exceed this ratio.

Figure 7

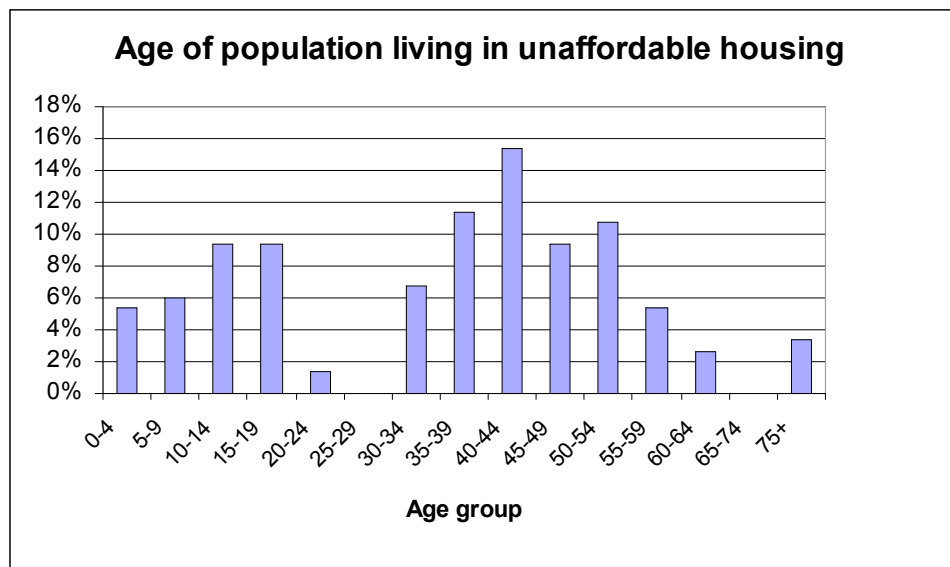


Table 24 confirms that the majority of these individuals were part of a family, with few individuals living in non-family households either alone or with others. Most were employed, only 5.6% were unemployed. Of those who were employed, about two thirds were self-employed.

Table 24 – Characteristics of persons living in unaffordable housing 2001

Family characteristics	#	%
Number of non-family persons	110	15%
Living with relatives	0	
Living with non-relatives only	20	
Living alone	85	
Number of family persons	640	86%
Total	745	
Labour force characteristics - 15 years and over		
	450	
Employed	420	
Unemployed	25	
Not in the labour force	145	
Participation rate	76.3	
Employment rate	71.2	
Unemployment rate	5.6	
Class of worker		
	#	%
Employees	195	44%
Self-employed (incorporated)	65	15%
Self-employed (unincorporated)	185	42%
Total	445	

Source: Special tabulation. Statistics Canada.

4 Key informant interview results

The consultants interviewed 21 Bowen Island residents with an interest in affordable housing or knowledgeable about island life (referred to as key informants). Their views are summarized in the following pages. Key informants are listed in Appendix A and the interview guide is provided in Appendix B.

Interviewees were:

- Members of the community who want to maintain the current island culture and diverse community
- Concerned for others who need affordable housing on Bowen Island. As one interviewee pointed out, “we aren’t all lucky.”
- Parents concerned about their children who cannot afford their own place on Bowen Island
- Health care professionals frustrated by the lack of housing options for clients
- Business people concerned about the availability of affordable housing for employees or contractors who work on the Island – who either live on the Island but may not remain, or who take the ferry each day
- A senior who sold her home and would have preferred some housing options
- A renter who is concerned about high rents and the inability to purchase a home on Bowen Island

“We aren’t all lucky”

4.1 Is it a serious issue?

Key informants were asked to rate the significance of affordable housing as an issue on Bowen Island on a scale of 1 to 10 (10=very serious). Most of those interviewed said that it is an issue of prime importance, in the range of 8 to 10. One person noted that the issue is more important for some than others, and that it has been a recurring one on the island for many years.

How do you know?

- Bowen Court waiting list has 30 persons. They stopped taking applications so people aren’t applying anymore. Some people have been on the waiting list seven years. Last year there were 10 applicants for two spaces that became available.
- Some people are camping or living in garages.
- People are leaving the island. While some people have left the island or think they will have to, it is not always housing related. Some find that island living does not work for them, or have medical issues.
- Watched the old Union Steamship cottages get torn down.
- People renting have to move out in summer, when the seasonal residents arrive. This has been going on since 1970s and it is not a good lifestyle.

- Few housing options exist except single family dwellings and there are few rental listings advertised.
- Children who grew up on Bowen cannot afford to live here. Employees cannot afford to buy here. Trades people are sharing a rental house on Bowen, but they are family men, so they will not stay under these conditions.
- BCHA has been promoting awareness of the issue.

4.2 Reasons why affordable housing is important

To maintain cultural, social and economic diversity. Many people who came to the Island years ago were seeking an alternative lifestyle. Thirty years ago, a person could build a cabin and live with a low/modest income. Bowen Island offered a rural lifestyle and a strong community where people cared for each other and participated in community events. There was a strong artistic and social culture.

It should be possible to house people with a range of incomes, including single parents, artists, seniors, older people who have lived on the Island for many years and young people who grew up on the Island. As house prices on Bowen continue to rise, the Island is losing its socio-economic diversity. Increasing numbers of people with low and modest incomes are leaving the Island because of the lack of affordable housing options. At the same time, people with higher incomes are moving to Bowen Island, transforming it to “another wealthy waterfront community”.

To maintain a strong community. People come to Bowen and stay because of the strong community here. People with limited means contribute most to community, usually families with kids. If you lose young families with kids, it is a big loss of community involvement, volunteerism, energy, etc. One interviewee expressed concern that households purchasing homes on Bowen today may work in Vancouver and come to the Island only on weekends, which will further weaken the sense of community on Bowen.

4.3 Significant trends affecting housing affordability

Rising housing prices. Informants felt that house prices are now out of reach for many people on the Island. Those who missed getting into the market are continuing to rent. However, it gets more difficult to save for a downpayment. At the same time, rents have also increased. Price increases are affected by the following factors:

- Bowen Island is a beautiful and desirable place to live. Increasing numbers of families are moving to Bowen because it is a great place to bring up kids.
- Proximity to Lower Mainland. The cost of housing is an issue throughout Greater Vancouver and the ripple effect is being felt on Bowen Island.

High cost of building. New developments are very expensive and “at the high end” e.g. million dollar homes built on a golf course. It is expensive to develop housing on Bowen because of travel time and ferry costs. Also construction costs are rising. The

Abbeyfield group would like to provide affordable housing, but doesn't see how, because the cost of building is so high.

Restrictive land use and zoning policies. The OCP and zoning by-laws are written for single-family dwellings. The need for diverse housing options is not recognized. Municipal policies and regulations are driving up land and housing prices due to:

- High building standards
- Municipal constraints on how land is used e.g. zoning for single family dwellings on large properties
- Lengthy delays in the development process

Small homes/cottages disappearing. The current market has pushed up the prices of small lots/houses. Most new housing on the island is middle high to very high end, built to a standard required by the high land prices. Basic cottages don't exist anymore – they have been torn down or redeveloped.

*When I was raising my kids,
"we just got by."*

House prices out of line with wages and salaries. Informants noted that people with average incomes can't come to Bowen. New residents tend to be higher income earners. People who move to Bowen these days have "way more money." When I was raising my kids, "we just got by". People coming from Alberta are buying the high priced property with salaries from the oilfields.

Lack of rental accommodation. Rental units are usually available only by word of mouth. They are expensive and you get little for the money. For example, an old timer with 3 bedrooms rents for \$1300 /month. A local real estate agent manages 15 houses that rent in the range of \$900 – \$2,000/month. Five years ago, \$1200/month was the norm. Even if owners are renting out suites, they are very expensive.

4.4 Priorities for affordable housing

What kind of housing is most needed?

Key informants had the following suggestions:

Small cottages that people could buy and where they could have their own garden, like the Union Steamship cottages. Smaller homes are another option. One participant stated that if a house has a good layout, 1000-1100 square feet is large enough. He suggested that Bowen Island could create clusters of these kinds of homes.

Townhouses – including higher end townhouses for empty nesters that want to downsize.

Condominiums, apartment style housing. Suggestions for increased density included some apartment style/high density housing in areas where people can walk to services, and increasing density along bus routes and other appropriate locations.

Rental housing and legal secondary suites.

More subsidized housing like Bowen Court. There is a need for housing that is rent geared to income, not just slightly below market (new trend).

Affordable market ownership housing that would remain affordable in perpetuity, with deed restrictions and resale price caps.

Consider sustainability. As one interviewee stated, “large lots are out – clusters are in.” Make more efficient use of the land. The Island could become a model of sustainability and diversity. Bowen is at a defining moment in its history and could do something extraordinary.

*“large lots are out,
clusters are in”*

Other tenure arrangements. Consider cooperatives, leased land.

For which population groups?

Key informants thought the following groups need affordable housing:

A mix of people. Any affordable housing that is built should encourage diversity, provide a mixed community and serve a variety of groups (e.g. seniors, families and young people). A couple of key informants suggested that a mixed income community such as False Creek would be desirable.

Priority to islanders. Priority should be given to young people who were brought up on Bowen and to elderly people who have lived on the Island for many years. One participant stated that it is not just about the housing, but also about preserving the way of life they value.

People with modest incomes. All people living on Bowen Island with low and modest incomes, like tradespeople, waiters and waitresses need housing that is affordable for them. One informant noted that he has lived and worked on the Island for almost three years. When he first moved to the Island, cottages were selling for \$200,000. He rented a place and planned to save for a down payment. However, prices doubled in two years and buying a home on Bowen Island is no longer feasible for him. It is challenging to save enough for a down payment because rents are high, and by the time a person saves more money, house prices will have increased even more. This person believes that people in his position are faced with the choice of renting on Bowen Island forever, or moving to a more affordable community. Artists are a part of this population as are people who work on Bowen but who cannot afford to live on the Island. It was noted that the ferries are full of people coming to work on Bowen Island for the day.

Low income families and individuals on Bowen Island struggling to make ends meet. Some use the food bank. Many people are struggling with rents of over \$1000/month and increasing numbers of people are looking for a more affordable place to live. Single mothers, former couples (e.g. where one spouse dies), people whose marriages break up, people with disabilities who want to be in a safe place such as Bowen Island, and other single people are all in need of affordable housing on Bowen Island. People with disabilities such as mental illness or physical disabilities always struggle to find appropriate affordable housing and usually on a limited income.

Young people. There is concern for young families, single people and couples. There is also concern that young people who grew up on Bowen Island will not be able to remain. Housing prices have gone up so quickly that these people cannot afford to purchase their own home on Bowen Island. Interviewees believe that Bowen should be able to house children who grew up on the island who want to remain on the island. Several interviewees talked about how their own children can't afford a place on Bowen, while others thought young people don't want to stay – they prefer to live in the city where there is more action.

Empty nesters. There are no housing options for empty nesters and retirees on Bowen Island who want to downsize (e.g. move to something smaller or all on one level). While these individuals could sell their existing home, there is nothing on Bowen Island to buy that would meet their needs, and there is a waiting list for the units at Bowen Court.

Seniors. Living on Bowen Island is a different experience from living on the mainland. Key informants expressed strong sympathy for seniors who have lived on Bowen Island for many years. They recognize that moving off the Island would be very disruptive and traumatic and believe that housing options should be available to help seniors remain on the Island. It was noted that people in the community are working on an Abbeyfield model for seniors and that a site has already been purchased. One interviewee identified a need to explore options that would support aging in place, for example enhanced home support. Some seniors need housing that is close to services or provides some care.

Where?

Key informants expressed two different points of view:

Within walking distance of Snug Cove. Affordable housing should be within walking distance of services and shopping so that residents will not need a car (e.g. within 1.5 km of Snug Cove).

Throughout the island. Affordable housing should be located throughout the Island, on the bus line and in areas with adequate water supply. It should not be concentrated in one particular area. However, it will be necessary to improve transportation on Bowen through improved bus services and a taxi service. It was noted that although the bus service is pretty good, the hours are limited (the last bus is at 7 pm), locations are limited, and the buses don't take scooters.

4.5 Opportunities to address affordable housing issues

Key informants gave the following responses to this question.

Surplus land. Surplus lands purchased from the GVRD by the municipality present one of the most promising opportunities to address affordable housing on Bowen Island. It was noted that the municipality is in the process of deciding how to use these lands. There is an expectation that the municipality will provide some land for affordable

housing. One key informant said that the availability of land is a top priority and it is essential to encourage people with land to come forward with innovative ideas that will provide low cost housing. Another option would be to sell surplus lands to purchase some less expensive land for affordable housing.

Work with developers. There are several large developments in the planning stages and these present opportunities for affordable housing. It was suggested that developers should be given incentives to provide affordable housing (e.g. increased density) or the municipality should require a certain percentage of new housing to be subsidized or lower cost. It was also suggested that affordable housing provided through negotiations with private developers should be built under the jurisdiction of the municipality so that the units are publicly owned. Several developers are interested. A community organization could select the buyers and have approved buyers purchase the units based on the Langford model, which is believed to be easily transferable to Bowen. A further suggestion was to obtain land for affordable housing from developers and require an amenity contribution, instead of parkland, which is in good supply.

Higher densities. It was suggested that some form of medium density attached housing to deal with high land costs would present a good solution. It was noted that this works in the GVRD.

Habitat for Humanity. The Bowen Community Housing Association believes that Habitat for Humanity presents an opportunity and plans to be in touch with them once they have some land.

Union Steamship cottages. These cottages are part of the Bowen Island heritage and present an opportunity for affordable housing. The Bowen Community Housing Association would like to see a partnership between the municipality, the association, and others interested in heritage preservation to restore the cottages for affordable housing where artists could live, work, and have retail space.

Legalize secondary suites. It was noted that suites are just about the only affordable rental housing on the island at the moment. Proposed legalization has been in the works for almost seven years. It is believed that while most homeowners will not create a secondary suite, perhaps 20% would. Legalization of suites could help to address health and safety issues.

Work with the municipality. Key informants felt that municipal government is supportive of affordable housing, however, more work is needed to keep the issue before Council. Interested community members need to continue to encourage Council to look at development proposals with innovations that allow for a diverse housing stock, to press for changes to zoning to permit densification (e.g. along bus routes and other appropriate locations), and to press council to pass a secondary suites bylaw. The next municipal election will provide an opportunity to discuss the need for affordable housing on the Island, as will the next OCP review. Community members could make the case for moving beyond single family homes.

Partnerships. Partnerships are needed to create practical solutions for affordable housing. For example, the Abbeyfield group has a two-acre site near Bowen Court, and is thinking of developing some market housing to help fund the Abbeyfield project. The

group may also try to subsidize some units. There could be a partnership between Bowen Court and Abbeyfield to gain some economies of scale in the development.

Re-develop Bowen Court. The co-op will pay off the mortgage in 2017 and can then think about opportunities to expand. For example, it could hook up to municipal sewer and use the upper court area (present septic field) for additional housing.

Unique/alternative models. A small co-housing group has been working to develop co-housing on the Island. Manufactured housing was also raised as a potential option. One key informant suggested a 40-60 pad manufactured home park. Manufactured home parks are not the same as trailer parks. They are made in factories, which provide for controls over the process and costs. People could own the homes and rent the pad. This type of community would make efficient use of hydro and sewer service. An example exists in Capilano – under the Lions Gate Bridge. Regulations could provide for a mix of owners and renters. Shell Busey, spokesperson for Manufactured Homes Association, could be invited to speak at a future forum on affordable housing.

Infrastructure in place. There is decent transportation and no shortage of water or sewage capacity.

Positive climate for affordable housing. Some community members were encouraged by the provincial throne speech that indicated communities that constrain low cost housing would be penalized. They believe this should be a wake-up call and that communities will no longer be able to create artificial obstacles to affordable housing.

4.6 Challenges for addressing affordable housing

Funding. Key informants wondered where the money would come from to develop affordable housing. They believe it will be a challenge to make affordable housing financially viable. There is little government funding, and what is available is focused on most vulnerable populations. However, the challenge is to get away from the idea that government will solve the problem. Concern was also expressed that even if it is possible to build rental, or affordable rental housing, will it be affordable enough? Creating units that rent at low end of market may not be affordable enough for very low-income families that need rents geared to their incomes. That requires a deeper subsidy. Private fundraising is a challenge as there are so many groups trying to raise money on Bowen.

Density. There is a fear of increased density. Key informants expressed concern that current land use and zoning policies don't permit smaller lots. High land prices might be addressed by increasing density.

Long term affordability. Key informants expressed concern that if affordable housing is built, (e.g. affordable townhouses), it will be important for the community to ensure that these units remain affordable. Even if housing is built on smaller lots and is therefore less expensive, prices could increase due to demand and because Bowen is such a desirable place to live.

Allocation of affordable housing Key informants expressed great concern about the process for determining who will get the affordable housing (e.g. who will decide and how will they decide). There is such a strong demand for affordable housing that it will be hard to prioritize. A competition to get housing – to prove you are more needy than someone else - is dehumanizing. Criteria/guidelines could be developed regarding who would get housed. It was suggested that eligible households be required to meet financial criteria.

Lengthy process. Key informants stated that it takes a long time to get things done on Bowen. For example, re-zoning takes years. They noted that it takes political will and a strong group of people to make things move. People will need to work hard to keep others aware of the issues and to keep the momentum. However, one key informant noted that things can happen. For example, the Bowen Community Housing Association became a non-profit society in 16 months. It was noted that delays work against affordable housing.

Lack of community support for affordable housing Some key informants observed that there is a perception on the part of some people that Bowen Island doesn't need affordable housing – that if people can't afford the housing, then "they shouldn't be here".

4.7 Potential opposition to affordable housing

Key informants had mixed views about the extent to which there might be opposition to affordable housing and the nature of the opposition.

Accept diversity. Some key informants think that many people recognize the need for affordable housing and would support it. It is a small community and people know the people in need as individuals. They don't believe there is too much NIMBY on Bowen, and think that residents are more accepting of diversity.

Perception of social housing. Others thought some people might be concerned about having affordable housing in their neighbourhoods. Concern was also expressed about ghettoizing people in "social housing", and it was noted that there is a perception that affordable housing is subsidized housing (which has a bad reputation). It was also noted that some members in the community might be afraid that affordable housing would decrease neighbouring property values.

Oppose growth. Key informants noted that some people are opposed to any kind of development on Bowen Island. They want to cap the number of Bowen Island residents at 7,500, and for them, the need to maintain a low population will take precedence over the need for affordable housing. This group opposes increased density, has proposed down zoning for some developments, and has spoken against secondary suites for the same reasons. Hence, on Bowen Island, the potential obstacle to affordable housing may not be that it is affordable, but simply that it is housing that could increase the population of the Island. The fact that it is *affordable* housing shouldn't present any additional challenges.

4.8 Suggestions to address potential opposition

Educate. Key informants suggested using the needs assessment to explain the need for affordable housing - what it is, and why. A need was also identified to educate the public about the higher quality of life for all residents if the population is socially and economically diverse. It was suggested that speakers could explain the issues – that without affordable housing, local businesses and employment may suffer.

Who will clean your windows, care for your kids and provide other necessary services if they can't afford to live on Bowen Island?"

Consult. Ask people what kind of community they want. It was suggested that supporters of affordable housing work closely with people who are opposed to development on the Island.

Communicate. Be open about any process to develop affordable housing. Let people know the whole game plan and make sure the process for allocating the affordable housing will be fair. It may be necessary to convince people in established neighbourhoods about the need for affordable housing. Suggestions were made to appeal to their social conscience, to explain why affordable housing is needed, and to “market the idea”. For example, members of the community should be asked, “who will clean your windows, care for your kids and provide other necessary services if they can't afford to live on Bowen Island.”

Good design. The design of affordable housing is critical. Affordable housing needs to be particularly attractive and appealing. Amenities are also important e.g. a grocery store and community garden. Green construction methods and respecting the nature of the community should also build support.

Broaden community support. Key informants thought the affordable housing issue needs to be internalized by those who *have housing* as well as those who don't. All residents need to see that affordable housing is in their best interest. Other groups besides BCHA, such as the business community, must champion affordable housing.

5 Summary

- The permanent population is growing relatively quickly at almost 14% in the last 5 years compared to the regional growth rate of 7%.
- Children and adults are the largest population groups on the island. There are fewer young adults and seniors proportionally compared to the GVRD.
- Bowen is a very family oriented community consisting predominantly of couples and couples with children.
- Bowen is likely to experience continued strong population growth given its proximity to the Lower Mainland, although house prices may constrain growth somewhat.
- Almost 40% of local employers have experienced difficulty hiring due to a lack of affordable housing.

- Between 26 and 60 affordable housing units are needed now and in the next 3 to 5 years to meet the needs of staff of Bowen businesses.
- Bowen households had a relatively high median household income of \$65,000 in 2000, compared to \$50,000 in the GVRD.
- Island residents obtain a significant share of their income from self-employment, pension and investment income.
- 16.8 or 6 % of Bowen households were considered low income in 2000.
- A significant share of the population has very high earnings - 24% of Bowen households earned \$100,000 or more in 2000.
- The housing stock is growing more rapidly than the population, suggesting declining household size.
- The predominant type of housing available on Bowen Island is the single family home. There are only 40 purpose-built rental units.
- In addition to permanent homes of island residents, there were about 300 seasonal dwellings counted in the 2006 Census.
- One cooperative housing complex with 18 units serves seniors age 55 and over and has a waiting list of approximately 30 persons.
- Very few rental units are available at any one time, quality is sometimes poor, and prices are high and rising.
- The median sales price of single-family homes increased by 80% from 2003 to 2006, from \$340,000 to \$613,000.
- The 2007 entry level home asking price is \$395,000, compared to \$190,000 in 2003.
- A typical non-waterfront single-family dwelling was assessed at \$469,000 for 2007.
- Rental units typically rent for \$900 to \$1,300 per month. This is comparable to GVRD rental rates.
- A household earning the 2006 adjusted median income of \$84,447 could not afford to purchase the 2007 entry level home selling for \$395,000.
- A small number of Bowen households (95) were in core housing need in 2001, meaning they were paying too much rent in relation to their income and could not find anything to rent within their means.
- The amount that core need renter households can afford to pay, compared to average rents, differs by \$422/month - called the "rent gap."
- Bowen Island core need renter households are worse off in terms of their housing than those in the GVRD generally.

6 Issues and priorities for discussion

Bowen is part of a widespread regional growth boom that is magnified by its idyllic island location. The review of housing demand and supply and findings from the key informant interviews illustrates the growing disparity between housing costs on Bowen Island, both ownership and rental, and the ability of local households to pay these costs.

6.1 Issues

1. **High incomes needed to purchase modest Bowen housing.** Household incomes of between \$85,000 and \$100,000 are now needed to buy entry-level housing and the typical non-waterfront single-family home respectively. While this affects only newcomers to the island, or those who currently rent, only the highest earning 41% of Bowen households could afford to buy these units today. Residents are already seeing a difference in the new Bowen homeowners. This suggests that Bowen's population may continue to shift towards those with higher incomes as housing changes hands, reducing the diversity of the island community that many value.
2. **Moderate income earners cannot buy modest homes on Bowen today.** House prices are divorced from the moderate incomes earned by many island households. Over half (51%) of Bowen households, those earning moderate incomes of between \$20,000 and \$79,000 per year, could not afford to buy the typical starter or non-waterfront single family home today. This is not an issue for existing housed residents, but it is for those newcomers seeking to move to the island, renters, and family members of existing residents. The affordability challenge for moderate-income households is a region wide phenomenon. It may prevent existing residents and their families from forming new households and buying homes on the island. It is also affecting the ability of local businesses to find and retain employees.
3. **A few very low-income households face extreme affordability issues.** In 2001, 95 or 8% of island households were paying more than 30% of their income for shelter and could not afford the average priced rental units on Bowen. They would be spending money on rent that they could otherwise spend on food or other necessities. These households are actually worse off than their counterparts on the mainland. On Bowen, core need households are primarily renters, families with children and self-employed persons. Some of these households will be individuals on fixed incomes like income assistance or disability pensions who may also have special needs associated with their disability.
4. **Limited housing options to promote diversity.** The housing stock on Bowen Island consists predominantly of single-family dwellings. There is no market based medium density housing like townhouses or rowhouses and there is a limited supply of rental units. This seriously limits housing options for those with low or fixed incomes, renters, those who might wish to live on Bowen for awhile before buying, temporary workers, as well as empty nesters who wish to sell their

family home and buy something smaller and suitable for their changing lifestyle. New rental housing construction is unlikely given rental market economics.

6.2 Priorities

This section identifies groups of individuals and households who are the priorities for affordable housing on Bowen Island according to the housing profile, affordability analysis and key informant interviews. They are not presented in order of priority. The focus is on low and moderate income households. This section makes some preliminary suggestions regarding the appropriate type of housing. Because government is not likely to subsidize affordable housing, the focus is on smaller, market based medium density housing options as a way of achieving affordability.

Core need households

This group consists of approximately 100 renter and owner households on fixed or very low incomes, and may include young families, single parents, self-employed individuals, artists, persons with disabilities and others. They need housing with rent geared to their income, whatever that may be, and this usually requires a deep subsidy. Other options could include low end of market rental housing with a rent supplement or social housing.

Renters

Again this is a varied group, characterized as young families (perhaps saving for downpayment), service industry employees, persons with disabilities and perhaps some seniors with low to moderate incomes. In 2001, there were about 200 renter households on Bowen. Since construction of purpose built apartment rental housing is not likely, options for Bowen would be rental of secondary suites or accessory dwellings, small cottages or townhouses/rowhouses. Some low end of market rental units would be appropriate, perhaps protected by covenants or housing agreements, since market rental prices are often too high.

Young families and moderate-income households

Not traditionally viewed as a group that needs assistance in the housing market, this priority group is becoming more of a concern on Bowen and elsewhere. This group typically earns moderate incomes, and may include young families, artists or others. Some options would be houses with suites or accessory dwellings that would act as a mortgage helper or medium density market housing like townhouses or row houses which are the predominant housing choice of young families elsewhere in Greater Vancouver. Another option is smaller cottage style homes. There would need to be some protection from rising resale prices to preserve affordability over the longer term. At this time, the number of young family/moderate income households seeking affordable housing on Bowen is unknown. They likely comprise some of the current renter households. It may be prudent to initiate a waiting list or application system that would help to gauge the size of this group.

Empty nesters

Although not necessarily falling into the low or moderate income category, empty nesters have significant unmet housing needs and could help to meet some of the priority needs. These households would like to purchase well-located medium density market housing like townhouses or row houses and they have the ability to pay for it. However, if these

units contained a secondary suite or if the empty nester decided to rent their unit for a period, they could be a source of needed rental housing accommodation. Examples of market based townhouses with suites located at SFU and UBC might be worth investigating in the development of the Bowen affordable housing strategy.

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APPENDIX A

Key informants interviewed

Murray Atherton, Chamber of Commerce
Sara Baker, Bowen Island Arts Council
Robin Burger, Bowen Community Housing Association
Sue Clark, United Church Food Bank
Wolfgang Duntz, Developer
Jeremy Galpin, Contractor/carpenter
Richard Goth, Canadian Legion
Edyth Hanen, Undercurrent newspaper
Marlyn Harris, Abbeyfield and Vancouver Coastal Health
Jane Henley, Home Care Nurse for Bowen Island
Brian Hodgins, Secondary Suites Task Force
Anna Mann, Bowen Island Community School
Angela McCullough, Battered Women/Food Bank
Roger McGillivray, Developer
Terry and Pat Quait, Managers, Bowen Court
Dave Riddell, Real estate agent
Jason Smith, BIM Planner
Dave Sorensen, Sorensen Fine Homes
Pam Stimpson, Seniors Keeping Young
Helen Wallwork, Bowen Community School
Faye White, Abbeyfield Board

APPENDIX B

Informant Interview Questions

1. What is your interest in affordable housing on Bowen Island?
2. How big an issue do you think affordable housing is on Bowen Island - on a scale of 1 to 10 (10=very big)?
3. What makes you think so?
4. What do you think are the most significant trends affecting housing affordability on Bowen Island (e.g. changes in the last 3-4 years)?
5. Are there certain population groups that you think are experiencing difficulty in being able to afford housing on Bowen Island? Which ones? What particular issues do they face?
6. What do you think are the top priorities that need to be addressed on Bowen?
 - a. What kind of housing is most needed?
 - b. For which population group?
 - c. Where?
7. What do you think are some opportunities to address affordable housing issues on Bowen Island?
8. What do you think are some of the challenges for addressing affordable housing on Bowen?
9. What possible obstacles or opposition do you think affordable housing might encounter?
10. What suggestions do you have about how to address any potential opposition to affordable housing?
11. Other comments: