

**Pemberton Valley 55+ Housing
Market Study and Financial Feasibility
Analysis**

Final Report



Submitted to
The Village of Pemberton

Submitted by
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CHAPTER ONE: INTRODUCTION

Lumina Services Inc. was retained by the Village of Pemberton to conduct a market study and financial feasibility analysis focused on the need and demand for seniors' housing in the Pemberton Valley.

About Lumina Services

Lumina Services is the leading provider in British Columbia of market studies for seniors' housing developments. The company conducts market and financial feasibility studies for non-profit and for-profit developers of all types of seniors' housing projects. Kate Mancer, MA, a principal of the company, is well-known throughout Canada as a market analyst and makes frequent presentations at industry events. Lumina is a member of the BC Senior Living Association, the Mortgage Investment Association of BC, the Canadian Association on Gerontology, the Gerontological Society of America, and the BC Non-Profit Housing Association.

In this report the following definitions have been used:

- **Active Adult Housing** – housing aimed at the 55+ market that provides condo-type services and may provide social and recreational opportunities but does not provide services such as meals.
- **Supportive housing** – seniors' housing that provides hospitality services (meals, housekeeping, laundry, social and recreational activities, and an emergency response system).
- **Assisted living** – seniors' housing where in addition to hospitality services, some personal care services are provided by on-site staff.
- **Licensed care** – facilities that provide professional medical care on a 24/7 basis to very frail seniors.
- **Life lease housing** - “A life lease is a legal agreement that permits purchasers to occupy a home for life (or until they are no longer capable of living there) in exchange for a lump sum payment and subsequent monthly payments to cover the ongoing project management fees and maintenance and operating expenses (and in some cases rent), depending on the size of the initial payment.”¹ More information about life lease housing is provided later in this report.

Market Area

We are assuming the primary market area for a new project in Pemberton to be the Village of Pemberton, Mount Currie, and Area C of the Squamish Lillooet Regional District (SLRD). Generally the primary market area is considered to be the area from which about 80% of the residents of a project will come. However it is very important to bear in mind that in addition to prospective residents already in place, demand will arise from people who move to an area to be closer to children living in the area. This is a much harder component of demand to estimate although it is unquestionably significant, particularly for older seniors (75+).

¹ CMHC, An Examination of Life Lease Housing Issues, March 2007.

CHAPTER TWO: DEMOGRAPHIC DATA

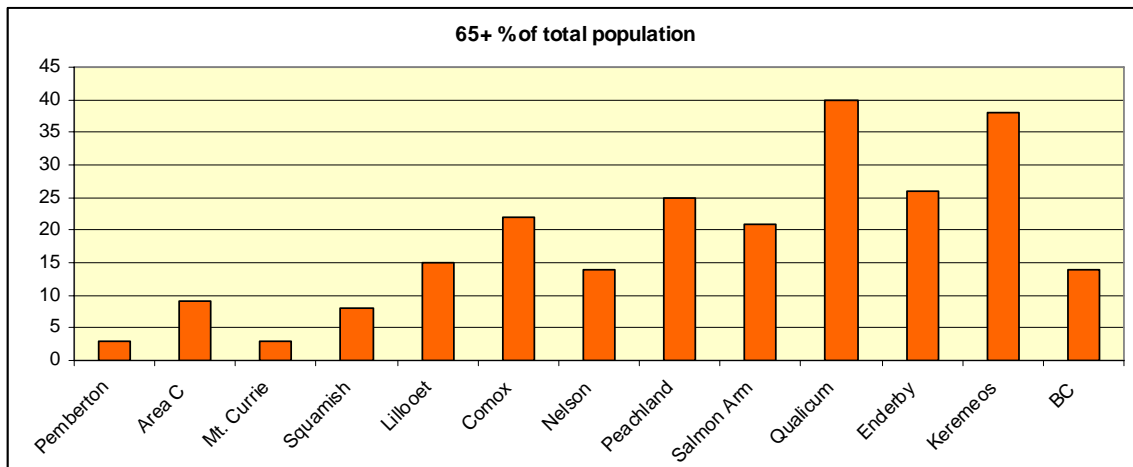
CURRENT POPULATION DATA, PEMBERTON VALLEY

AREA	TOTAL POPULATION	55+ POPULATION	55+ % OF TOTAL
Pemberton	2,192	175	8
Mt Currie	1,181	95	8
Area C	1,887	340	18
Total	5,260	610	12

55+ Detail

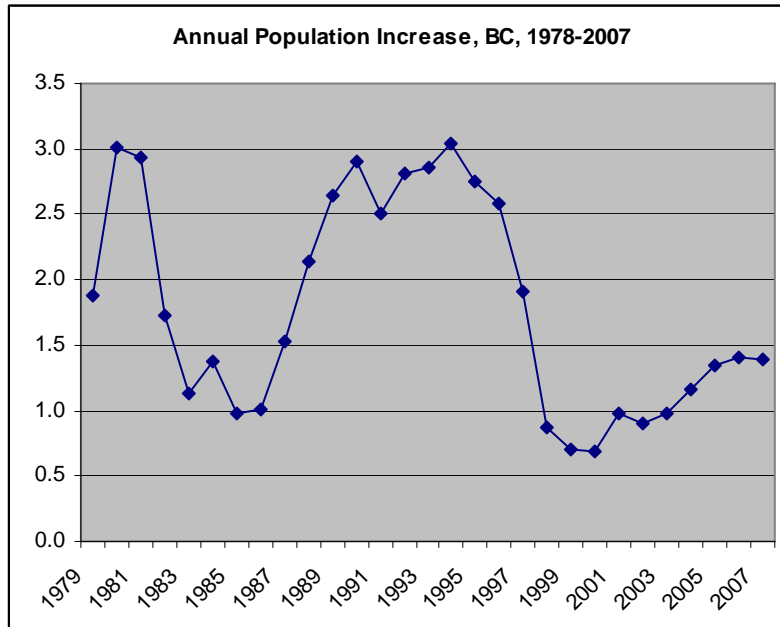
AREA	55-64	65-74	75-84	85+
Pemberton	110	35	15	15
Mt Currie	65	25	5	0
Area C	195	110	30	5
Total	370	170	50	20

Overall, the population of the Pemberton Valley is fairly young compared to other BC communities. As a comparison, the proportion of the population over the age of 65 in the Pemberton Valley and in some other BC communities follows. The chart is based on 65 because that is a common unit of comparison. The rest of this report is based on the population over the age of 55.



POPULATION DATA, BC

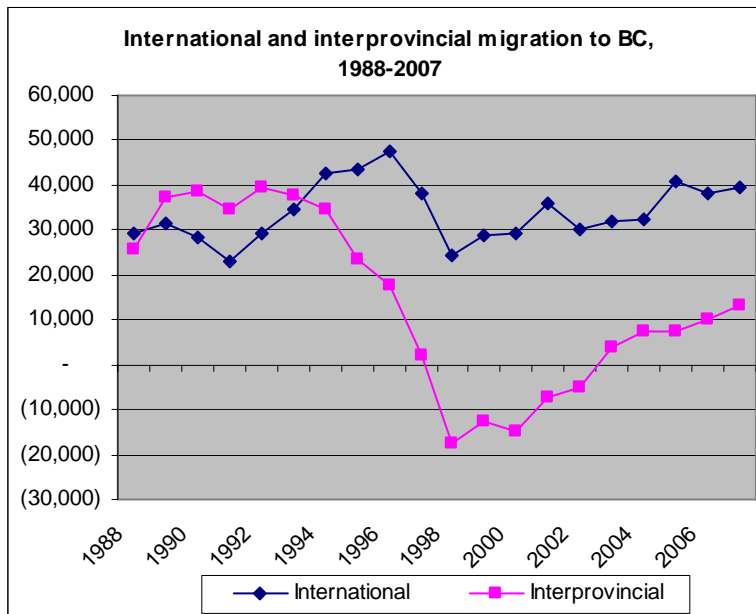
As the following chart clearly illustrates, population growth rates in British Columbia are highly variable. Over the last 15 years, annual growth rates have varied from over 3% (1993 to 1994) to 0.7% (1998 to 2000, both years). After bottoming out in 2000, population growth has started to increase once again.



Source: BC Stats

The majority of the population growth in BC is the result of international and interprovincial migration – growth due to natural increase (births minus deaths) is less important. In 2007 for example, total net migration added 58,277 people to the province compared to 12,412 added as a result of natural increase.

As the next chart illustrates, international migration has been a more important source of population growth than interprovincial migration for more than 10 years. Interprovincial migration has been relatively depressed since the early nineties, although it has been strengthening in recent years as the provincial economy has strengthened. Net interprovincial migration in 2007 (13,385) was the highest it has been since 1996.



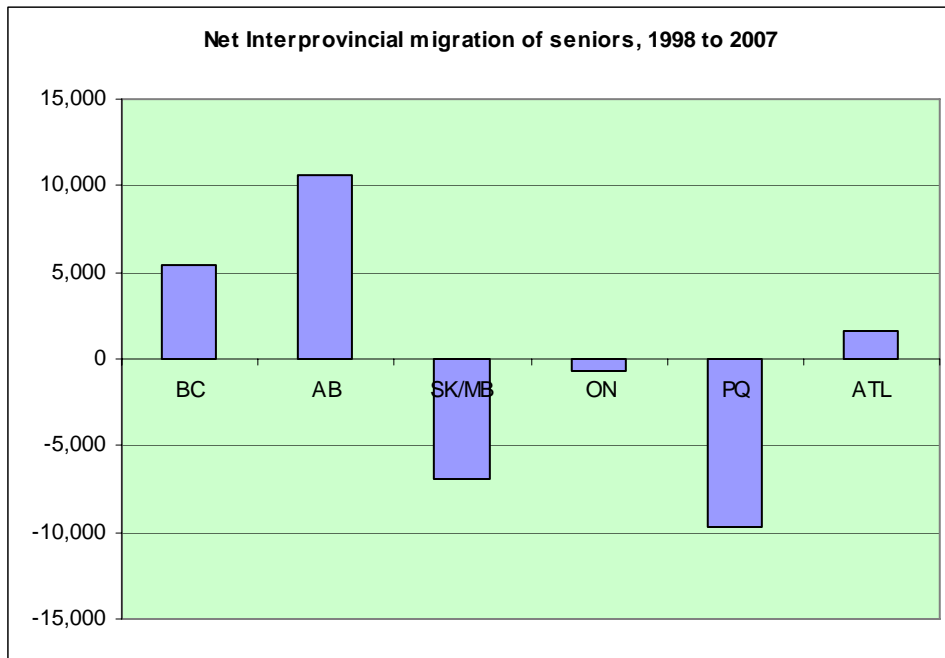
Source: BC Stats

Most analysts are forecasting continuing strength in interprovincial migration, although it is a difficult factor to predict, particularly now, in the midst of unprecedented economic turmoil. Various studies have shown that net interprovincial migration to BC is largely explained by labor market phenomena, particularly differences in the rate of employment growth in BC, Alberta, and Ontario. Contrary to popular belief, BC is not a magnet for retirees – as BC Stats explains: “Net flows of seniors remained relatively stable from 1981 through 2005 and have consistently made up a relatively small proportion of overall migration to the province”.²

In fact, as the next chart illustrates, over the last nine years Alberta has attracted a higher net number of 65+ migrants than BC. No one is exactly sure why this is so but the most compelling reason appears to be the performance of the Alberta economy. Seniors of course aren’t migrating to find employment but many of them may be migrating to join their children who have found jobs in Alberta.

The other interesting aspect of the chart is the relatively small number of seniors who move interprovincially – a total of just over 5,400 net movers to BC over a nine year period (an average of 600 per year) and a total of just under 10,600 net movers to Alberta (an average of 1,200 per year).

² BC Stats, Migration Highlights, Fourth Quarter 2005.



BC Stats also tracks interprovincial and intraprovincial migration by age group and by regional district. The following chart covers **interprovincial** migration for the three most recent years: July 1 2004 to June 30 2007. The SLRD is referred to as “Squamish” in the tables.

Net Interprovincial migration 2004-2007

Reg. Dist.	45-54	55-64	65-74	75+	55+	65+	75+
GVRD	797	674	875	458	2,804	875	458
Capital	1,634	947	543	171	3,295	543	171
Nanaimo	1,391	760	432	175	2,758	432	175
Central OK	913	538	49	-152	1,348	49	-152
Comox	546	303	205	92	1,146	205	92
Cowichan	422	248	120	46	836	120	46
OK Simil.	529	301	86	-37	879	86	-37
FVRD	245	169	181	9	604	181	9
North OK	415	242	27	-33	651	27	-33
Squamish	-10	11	6	1	8	6	1
Thompson	-12	21	33	-37	5	33	-37
Sunshine C.	142	84	26	33	285	26	33
CK	275	168	-3	-37	403	-3	-37
EK	-84	-17	-45	-67	-213	-45	-67

Looking at the 55+ group as a whole, the bulk of the interprovincial migrants are accounted for by three regional districts – Metro Vancouver, the Capital Regional District, and the Nanaimo Regional District, followed by the Central Okanagan and Comox-Strathcona Regional Districts. Net interprovincial migration to the Squamish Lillooet Regional District is not significant.

In terms of **intraprovincial** migration, the patterns are very different, at least over the 2005-2007 period (data difficulties limit the table to 2005-2007). Intraprovincial migrants moved away from Metro Vancouver and Victoria and from the SLRD and the East Kootenay RDs over this period. Note that not all the regional districts are included in this chart. The regional districts attracting and retaining the largest number of intraprovincial migrants were the Nanaimo Regional District (which appeals to both interprovincial and intraprovincial migrants), the Fraser Valley Regional District, the Central Okanagan Regional District and the Thompson Nicola Regional District, which attracted very few net interprovincial migrants. Net Intraprovincial migration to the SLRD was negative over the period.

Net Intraprovincial migration 2005-2007

Reg. Dist.	45-54	55-64	65-74	75+	55+	65+	75+
GVRD	-2,094	-3,194	-872	115	-3,951	-757	115
Capital	14	-241	-121	-25	-387	-146	-25
Nanaimo	559	768	282	-113	937	169	-113
Central OK	101	560	166	-48	678	118	-48
Comox	238	317	112	71	500	183	71
Cowichan	278	308	95	-29	374	66	-29
OK Simil.	226	455	47	-121	381	-74	-121
FVRD	457	339	358	-3	694	355	-3
North OK	35	379	102	3	484	105	3
Squamish	-188	-131	-60	-44	-235	-104	-44
Thompson	342	444	148	94	686	242	94
Sunshine C.	165	183	2	-44	141	-42	-44
CK	15	127	19	-84	62	-65	-84
EK	-46	-78	-55	46	-87	-9	46

SLRD Migration 2001/2002 to 2006/2007

Net Interprovincial Migration, SLRD

	2002	2003	2004	2005	2006	2007
under 45	84	198	237	237	280	320
45-54	-1	4	18	-6	8	2
55-64	-1	3	8	1	6	9
65-74	7	-2	1	-1	8	8
75+	3	0	0	0	1	1

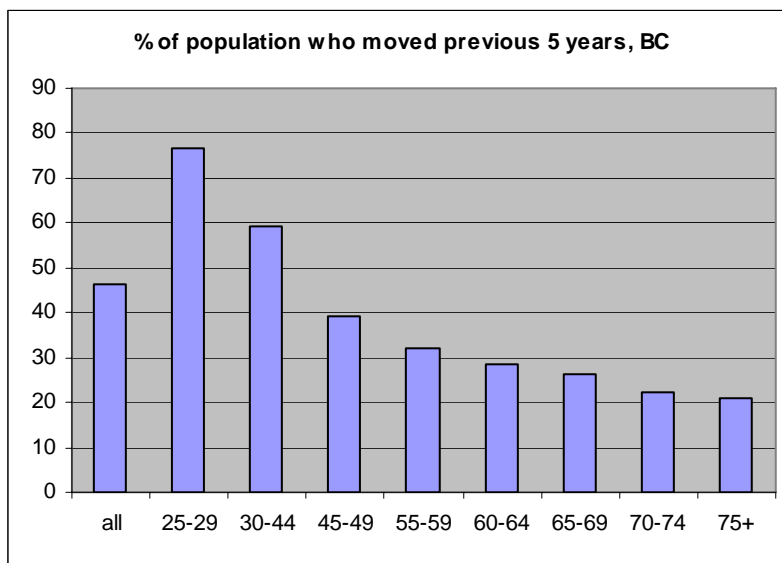
Net Intraprovincial Migration, SLRD

	2002	2003	2004	2005	2006	2007
under 45	-149	-297	-243	-556	-402	-402
45-54	-46	-43	-90	-91	-97	-97
55-64	-34	-35	-63	-63	-68	-68
65-74	7	-16	-13	-46	-14	-14
75+	-4	-15	-19	-38	-15	-15

Note that the data for 2006 and 2007 for intraprovincial migration are identical. BC Stats amends the most recent year's intraprovincial data at a later date. Note too that there is some inconsistency between the two sets of tables due to ongoing revisions to the data. However, the point to note is that overall, net migration to the SLRD over the five year period illustrated in the second sets of charts was negative for all age groups. Interprovincial migration was positive over the period for those under 45, but insignificant for those over the age of 45. We will revisit this subject later in this section when population forecasts are discussed. International immigration is not a factor for the SLRD because almost all immigrants settle in one of BC's three metropolitan areas – Vancouver, Victoria, and Abbotsford.

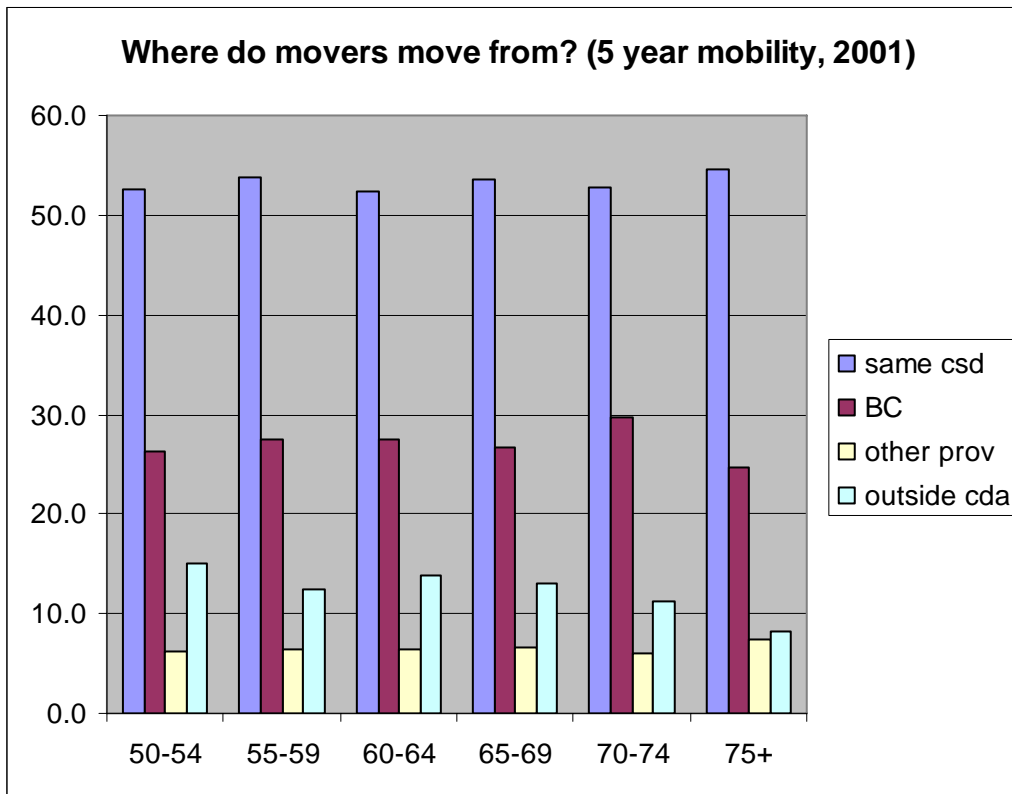
Mobility Rates by Age Group

The Census publishes data on one year and five year mobility rates.



As the table indicates, mobility is highest among the younger age groups. Beyond the age of 55, mobility decreases from 32% of the 55-59 group to 21% of the 75+ group.

The Census also tracks where the movers moved from – where they lived five years previously. As the following chart illustrates, it is quite remarkable how similar the patterns are over the age range from 50 to 75+. Over half the movers in all age groups moved within a census subdivision. Census subdivisions are municipalities. About another 25% moved from a different municipality in BC, another 6% moved from another province and anywhere from 8% to 15% moved from outside Canada.



Health Region Forecasts

BC Stats prepares population forecasts for a variety of geographic areas in the province, including local health areas and regional districts. The current forecast from BC Stats is known as PEOPLE 33.³ The smallest areas for which forecasts are available are local health areas, of which there are 91 in the province. The Pemberton Valley is included in LHA 48, which also includes Whistler and Squamish. The total population of the LHA in 2008 is 34,283 compared to a population of 37,663 for the SLRD (in 2007); that is, the two areas are almost identical in terms of population size. The population of the four incorporated areas in the SLRD in 2007 was:

Squamish	16,106
Whistler	9,877
Lillooet	2,409 (note that Lillooet is not part of LHA 48)
Pemberton	2,283

Here is how BC Stats approached its most recent forecast for LHA 48:

“Projections

This area had one of the fastest growing populations in British Columbia in the mid-nineties. As the economy diversifies there will likely be more stable migration patterns. As the Whistler resort becomes more of an all-season resort, there should be reduced seasonal variation in the resident population. The 2010 Olympics will likely result in growth, especially in the years preceding the event. Higher fertility and a younger age structure should ensure that natural increase remains positive through projection period.

³ Population Extrapolation for Organizational Planning with Less Error (PEOPLE) 33, July 2008.

The projection is for strong, sustained growth for this region, with the population increasing by 68 percent over the projection period. As the population continues to age, the proportion of dependents in the population is expected to increase, although it will remain much lower than the provincial average. By 2036, it is projected that this region will have about 5.5 dependents for every 10 people of working age.

This description does not seem to accord with the phenomenon of negative migration discussed earlier in this section. We raised the issue with BC Stats and after some analysis, they responded that the forecasts for the SLRD appear to be “pretty high” in light of the negative migration trends over the last five years and will probably be revised downward in PEOPLE 34.⁴

But for the moment we must rely on the forecasts according to PEOPLE 33. The Pemberton Valley accounts for about 15% of the total population of the LHA, about 11% of the 55+ population, and about 16% of the 75+ population.

Population Forecast LHA 48 Howe Sound

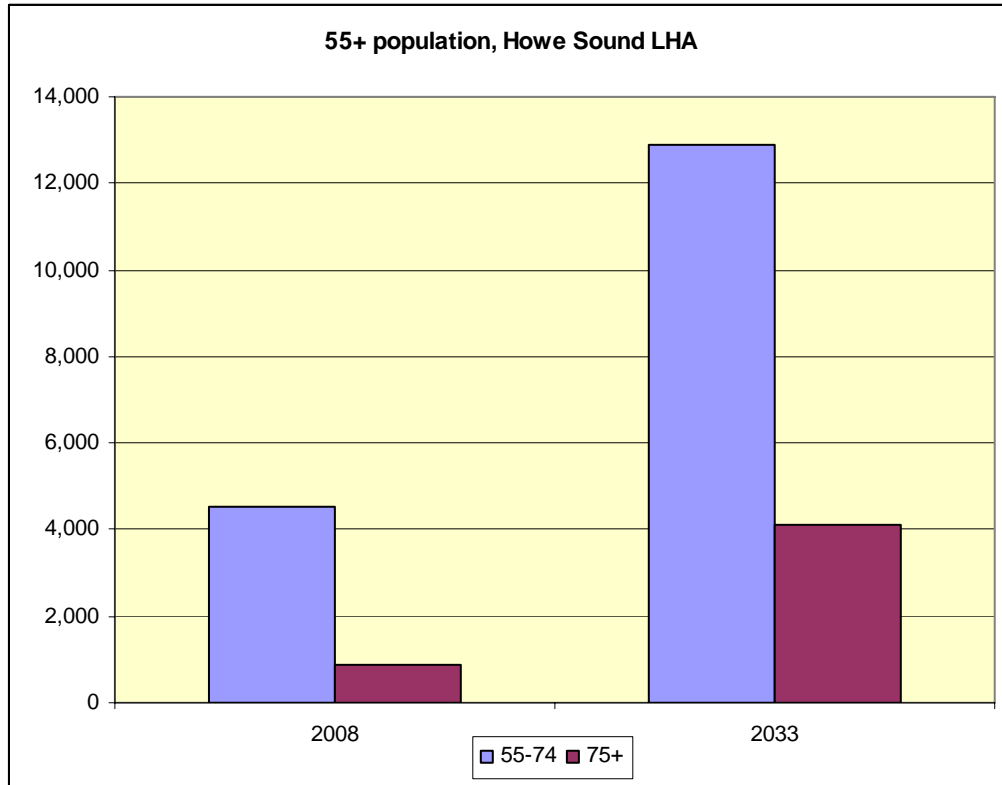
	2008	2013	2018	% 08-18	2023	2028	2033	% 08 - 33
Under 55	28,878	32,120	34,503	19.5	36,361	37,835	39,029	35.2
55-64	3,125	4,105	5,252	68.1	6,232	6,935	7,216	130.9
65-74	1,402	2,122	2,869	104.6	3,772	4,806	5,684	305.4
75-84	666	907	1,217	82.7	1,756	2,295	2,973	346.4
85+	212	329	486	129.2	605	813	1,126	431.1
Total	34,283	39,583	44,327	29.3	48,726	52,684	56,028	63.4
55+	5,405	7,463	9,824	81.8	12,365	14,849	16,999	214.5
65+	2,280	3,358	4,572	100.5	6,133	7,914	9,783	329.1
75+	878	1,236	1,703	94.0	2,361	3,108	4,099	366.9

There are a number of significant trends highlighted in this table:

- Over the entire forecast period, population growth in the LHA will be almost exactly balanced between the over 55 and under 55 age groups. Many centres in BC will experience a decline in their under 55 populations but that is not the case in the Howe Sound Local Health Area.
- Within the 55+ groups, most of the population growth over the forecast period will occur among younger seniors (55 to 74). In 2008 younger seniors account for 84% of the 55+ population. In 2018, they will account for 83% of the 55+ group. Even in 2033, twenty five years from now, they will account for 76% of the 55+ group.
- 75 is generally regarded as the youngest age at which people begin to think about moving into supportive housing. In LHA 48, this group will grow from a current level of 878 people to 4,099 by 2033. If we assume the Pemberton Valley will continue to account for about 16% of the 75+ population, that would imply growth over the forecast period from 140 people in 2008 to 656 in 2033.

⁴ Jacob Dwhyte, BC Stats, October 23, 2008

The following chart illustrates these growth trends clearly.



CHAPTER THREE: CONSUMER PREFERENCES

As we have discussed elsewhere in this report, the majority of seniors, however defined, are not likely to move. Chapter Two indicates that five year mobility rates (based on people who lived at a different address five years earlier) range from 32% among the 55-59 group to 21% of the 75+ group. But among people who do move, preferences are very different for younger seniors (55-74) than for older seniors (65+).

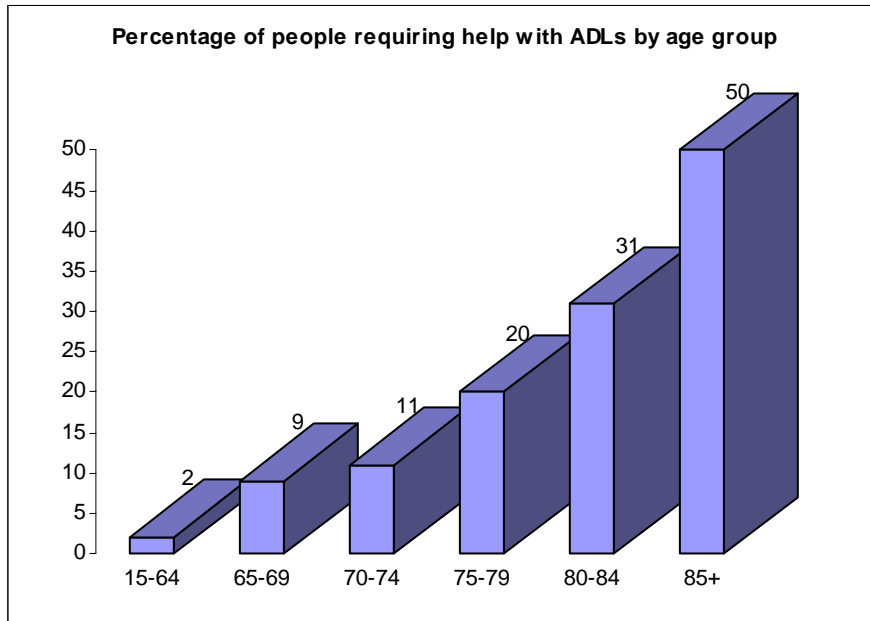
Younger Seniors (Active Adults, Empty Nesters, Retirees)

This group may be looking to downsize but is not interested in services such as meals and housekeeping. Although there are many active adult communities in the US that focus on providing resort-type amenities (golf courses, pools, fitness centres) there aren't many in Canada. In BC there are some golf course communities aimed at retirees (for example, Craig Bay and Fairwinds on Vancouver Island, several golf course communities in the Okanagan) as well as some gated low density communities in various places. There are also a number of life lease projects aimed at the 55+ group that do not provide services. These projects are sponsored by service clubs and churches and appeal to members of those organizations. There are also many condo projects that are targeted at empty nesters although they aren't active adult communities in the American sense.

Younger seniors who move may be downsizing, or looking for low maintenance housing, or "easy living" housing (no stairs etc), or "lock and go", but to repeat, they are not interested in services such as meals and housekeeping.

Older Seniors: 75 Minimum

There are several reasons why 75 is widely regarded as the youngest age at which seniors begin to think about moving into supportive housing. Partly it is a matter of increasing frailty, as the following table indicates.



Source: Rural Community Assistance Corporation

Limitations associated with Activities of Daily Living (ADLs) such as bathing, dressing, or eating or Instrumental Activities of Daily Living (IADLs) such as shopping and banking limitations are not necessarily the reason people choose to move into a more supportive housing environment – in fact some American research indicates that the loss of the ability to drive is a better predictor of a move to supportive housing than increasing difficulty with ADLs. In general however, seniors are often not willing to consider supportive housing and certainly not assisted living until functional impairments force them to consider such an option. Even then however the majority of seniors who need assistance with ADLs and IADLs receive the care they need from family and friends or from home care.

The next chart provides some additional detail on the nature of functional limitations among seniors.

Functional Limitations of Seniors			
	65-74	75-84	85+
% with difficulty			
ADL			
Walking	9.2	18.8	34.9
Bathing	5.6	11.3	30.6
Transferring	5.9	11.6	21.9
Dressing	3.8	7.0	16.1
Toileting	2.0	5.7	14.2
Eating	1.3	3.1	4.1
IADL			
Cooking	4.5	11.7	27.6
Money management	2.8	10.3	26.2
Telephone	3.8	9.7	21.4
Housework	6.6	15.5	30.8

Women live longer and have higher need for assistance with ADLs. Of women over 75 32.9% needed help with ADLs in contrast to 22.8% of males. Between the ages of 65 and 74 10.9% of females and 9% of males needed help with ADLS.⁵

Household Living Arrangements

Movement into supportive housing is also a function of household living arrangements, which also vary directly with age. Couples tend to look after each other and it is only when one spouse dies that the other might consider supportive housing. Marital status is directly dependent on age and gender as the following tables illustrate. Beyond the age of 75, fewer than half the women are still married.

Living Arrangments by Age Group, Females			
Age Group	Married	Alone	Other
55-64	75.1	17.1	7.8
65-74	62.7	25.9	11.4
75-84	42.3	44.0	13.8
85+	23.5	58.7	17.9

Living Arrangments by Age Group, Males			
Age Group	Married	Alone	Other
55-64	81.3	13.7	4.9
65-74	80.6	14.9	4.5
75-84	75.2	18.9	5.9
85+	62.8	27.1	10.1

Source: Statistics Canada

In contrast, even among the 85+ group, 62.8% of men are living with a spouse compared to only 23.5% of women.

Tenure Options

Seniors planning to move must decide if they want to rent or buy. As we will explore later in this report, almost all the 55+ households in the Pemberton Valley are homeowners. Research from Harvard University indicates that in terms of the 65+ population, almost 70% of senior homeowners who move prefer to own again.

⁵ Gimmy, Arthur et al, Senior Housing: Looking Toward the Third Millennium, page 11

Tenure Choices of Recent Movers						
Age	Owners			Renters		
	own	rent	total	own	rent	total
under 35	57	43	100	79	21	100
35-44	70	30	100	37	63	100
45-54	69	31	100	35	65	100
55-64	78	22	100	37	63	100
65+	69	31	100	25	75	100

Source: Harvard University, The State of the Nation's Housing, 2003

In terms of older seniors, a joint Lumina/BC Seniors' Living Association research project has found that among the residents of supportive housing projects in BC (average age 83), fewer than 20% would have wanted to buy their unit if that option had been available.

CHAPTER FOUR: SENIORS HOUSING OPTIONS IN SMALLER COMMUNITIES

The analysis of seniors housing needs is often structured around a continuum, as illustrated in the accompanying chart.

Housing for independent seniors – no services of any kind	Supportive housing – provides meals, house-keeping, laundry, activities, emergency response (“hospitality” services)	Assisted living – in addition to hospitality services, provides personal care services on a scheduled or unscheduled basis	Licensed care – provides 24 hour professional medical care for people with complex care needs
-----------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------

Theoretically, the whole spectrum of housing and health care choices should be available so that seniors can age in place. Practically speaking however, that is not possible in smaller communities, particularly on the right side of the continuum. The infrastructure and staffing requirements of licensed care facilities and to a lesser extent assisted living facilities mean that a certain scale is required to make any kind of economic sense. Professional medical care around the clock is very expensive and moreover, the necessary human resources may be scarce. The cost of building and operating commercial kitchens, dining rooms, therapeutic tub rooms, activity areas and all the other physical requirements of licensed care and assisted living facilities must be spread over a relatively large number of units and beds or the costs become prohibitive—beyond the capacity of governments and individuals to afford. Assisted living can be operated more cheaply than licensed care because the same level of professional medical care is not required, nor is the same degree of physical infrastructure. Even with assisted living though, costs are so high that small projects require large government subsidies. Subsidies for assisted living were provided by the provincial government for several years under the terms of the Independent Living BC program but that program has been fully committed and is no longer available.

What all this means is that in small communities, seniors housing needs can really only be addressed on the left side of the continuum—housing for independent seniors and supportive housing. Even supportive housing can be a difficult challenge as the discussion that follows will explore. However, before we address the left hand columns of the continuum, it is important to understand the affordability perspectives associated with seniors’ housing.

Research conducted in the US and summarized in the following table suggests that the more services provided, the greater the proportion of income people can afford to spend on their housing package. For example, people living in supportive housing afford to spend from 60% to 70% of their income on rent because of the level of services provided (e.g. meals).⁶ Note that the table is independent of income level or international comparisons – it is based on the level of daily living requirements provided by different kinds of facilities.

⁶ Gimmy, A.E., American Appraisal Institute, 1998.

Type of Facility	% of income required
Independent Living	30
Supportive Housing	60-70
Assisted Living	70-80
Care	80-90

To illustrate, monthly rent of \$1,000 in an independent living environment would require an income of at least \$40,000 per year to qualify as affordable. In a supportive housing environment, a monthly rent of \$2,000 would require an annual income of almost the same amount, because of the fact that many of life's needs are being provided as part of the rent.

When we consider housing options for seniors in a community, it is important to identify income levels, the rate of homeownership, and the level of housing prices in the community before determining the viability of housing developments.

Housing for Independent Seniors

Most seniors living in the community are living in “housing for independent seniors”. And that's exactly where most seniors want to be and want to stay.

Depending on who you ask and who does the asking, somewhere between 60 and 95% of people over the age of 45 plan to stay where they are when they retire. Not surprisingly, the older people get the more likely they are to choose staying put. Some people make changes to their houses to better accommodate the aging process but most do not, in spite of the fact that North American houses do not make aging easy. A scholarly article written in 2007 compared the number of accessible housing units in various US cities to the number of people over the age of 65.⁷ In this article, “accessible” means housing that, in general terms, does not exclude as a result of disability. Accessibility goes beyond “visitability”, which requires only three things—at least one zero-step entrance, wide enough doorways and hallways to accommodate wheelchairs (32 inches for doorways, 36 inches for hallways), and a bathroom on the main floor. Accessibility includes those three things and many more, roll-in showers and lowered cabinetry for example. Not surprisingly, the authors found an extremely low percentage of accessible units throughout the US, ranging from a low of 0.45% in the south to a high of 1.9% in the northeast. No one knows what the Canadian situation is but it is likely very similar.

So seniors may prefer to stay where they are but sometimes they can't, either because their houses are not manageable any longer in a physical sense, or because their houses are too big, or their yards are too much to maintain, or they want to be closer to services and amenities, or for a myriad of other reasons. If seniors who want to, or who have to, move happen to be living in a small community somewhere in British Columbia, their actual options might be quite limited, assuming that they want to stay in the same community. And that is exactly what most seniors do want.

It is easier for communities that lack housing options for independent seniors to fill this gap than it is for communities faced with the need to encourage the development and operation of supportive housing, discussed in the next section. In a number of BC communities, housing societies and local builders have recognized a need for housing for independent seniors and have met that need in a variety of ways. For example, in Terrace, the father of a local builder wanted to downsize but there was nothing

⁷ Memken, J and N. Earley, Accessible Housing Availability for the Growing US Elderly Population, Housing and Society, Volume 34 No. 1, 2007

suitable in Terrace to downsize to. The son recognized an opportunity and built 36 single storey, ground oriented, low maintenance condos near downtown Terrace that were sold very quickly.

It is important to note that most of these housing projects are ownership projects of some type, either condo or life lease. As noted elsewhere in this report, it is very difficult to build and operate rental housing projects in most places in Canada because the costs of construction exceed the revenue that can be obtained from current rent levels. Rents in most places are too low to support the cost of new construction.

Life Lease

Life lease is a form of tenure that is unfamiliar to many people. A recent CMHC report described life lease this way:

““A life lease is a legal agreement that permits purchasers to occupy a home for life (or until they are no longer capable of living there) in exchange for a lump sum payment and subsequent monthly payments to cover the ongoing project management fees and maintenance and operating expenses (and in some cases rent, depending on the size of the initial payment.)”

This definition sounds much like a condominium but the major difference is that the title to life lease units remains with the sponsoring organization, not with the occupant. Almost all life leases in Canada are owned and operated by non-profit organizations.

The advantage of the life lease mechanism is that it provides a way for non-profit sponsors to build and operate seniors' housing using the equity of incoming residents. Life lease projects generally advertise themselves as (and are generally perceived to be) providing affordable housing, usually because of the non-profit nature of their operation, or because of a contribution of land, capital or labor from the project sponsor, or both.

Life lease projects that never raise the level of entrance fees (the no-gain model) will become increasingly affordable over time. For example, the Maple Ridge Legion life leases (less than 10 years old) currently sell for prices that are equivalent to two-thirds the cost of comparable condominiums.

Some life leases buy back units when the opportunity arises and rent them out at affordable rental levels to lower income households. The Cottonwoods life lease in Kamloops has bought back two units that are now rented out at SAFER levels.

Supportive Housing

CMHC has a general rule of thumb that supportive housing projects should contain at least 50 units. That is because of the economies of scale referred to at the beginning of this chapter. Fifty units is far too large for most small communities in BC. Another industry rule of thumb is that most markets can absorb one unsubsidized supportive housing unit for every 20 people over the age of 75 living in the community (ie 5% of the 75+ population). The 5% varies from place to place and in some destination centres like Kelowna may reach as high as 10%.

The poor economics of supportive housing in small communities mean that generally, and unlike housing for independent seniors, for-profit operators are not able to enter the market. The

economics are challenging for non-profits as well, but their motivations may be different (e.g. keeping seniors in the community) so economic challenges may be something less of a deterrent.

So what are the options for smaller communities? One option is the Abbeyfield model, which is basically a room and board model for about 10 residents, each of whom has a bed-sitting room, not a self-contained apartment. Meals are cooked in what is essentially a domestic kitchen and eaten in the communal dining room. Because of this approach, Abbeyfields are usually more affordable than their self-contained competitors. There are no fancy dining rooms, no expensive commercial kitchens, no theatres or country kitchens, and of course rooms are small and lack any kind of cooking facilities. The Abbeyfield approach to room and board was developed in England 50 years ago to combat loneliness among seniors. Each non-profit Abbeyfield House, of which there are now over 1,100 world-wide, is operated by volunteers. A house manager is on-site 24 hours per day to shop, cook, keep the common areas clean, and provide non-medical assistance in an emergency. Monthly rents in BC Abbeyfields average about \$1,000 to \$1,300 per month, which on the affordability scale explained at the outset of this chapter would require incomes ranging from \$17,000 to \$22,000 to be considered affordable. Individual seniors with basic pension incomes have annual incomes of close to \$12,000, too low for Abbeyfield rents.

More than 1,100 houses around the world would seem to signify success. And yet there are those who argue that the Abbeyfield concept is outmoded and outdated—that it trades off privacy for affordability, an unacceptable bargain for increasingly large numbers of seniors. The fact that some Abbeyfield Houses in BC have struggled to remain full would seem to support this contention, although others have no trouble at all remaining full. Although no formal evaluation of the Abbeyfield concept has ever been done in Canada, anecdotal information may seem to suggest that they work better in smaller communities than in larger communities.

However, an article in a 1997 issue of the *Journal of Housing for the Elderly* suggests that this hypothesis should be approached with caution:

“This paper presents a case study of the potential of the Abbeyfield model of small congregate housing to meet the needs of the rural elderly. The results of interviews with thirty key informants indicate a very guarded assessment of Abbeyfield despite expressed dissatisfaction with current housing supply and options. Further analysis indicates a more favourable climate for Abbeyfield in smaller, more remote communities. Service producers/managers and municipal officials are more sceptical about Abbeyfield than are the elderly themselves, although these opinion leaders base their opinions upon assumptions about what the elderly want. We believe that these perceptions may be coloured by an experience of broken promises, failed experimentation and short-lived innovation.”⁸

What are the alternatives to the Abbeyfield model in small communities? Without government assistance, the alternatives are few and far between. In some communities, although no northern communities, motels have been converted to supportive housing. This can work well although like Abbeyfields, units tend to be on the small side and may lack cooking facilities. But the first requirement, finding a motel in an appropriate location and in relatively good condition that is struggling to survive as a motel may be a difficult challenge. Some years ago we worked in a community where a partial motel conversion looked like an excellent option. Rooms on the second floor were targeted for conversion, including the installation of small kitchen units. CMHC’s RRAP program (Residential Rehabilitation Assistance Program) could have funded the addition of an elevator. Unfortunately about this time the only other motel in the town closed

⁸ Hallman, B and A. Joseph, *Housing the Rural Elderly: A Place for Abbeyfield?*, *Journal of Housing for the Elderly*, 1997.

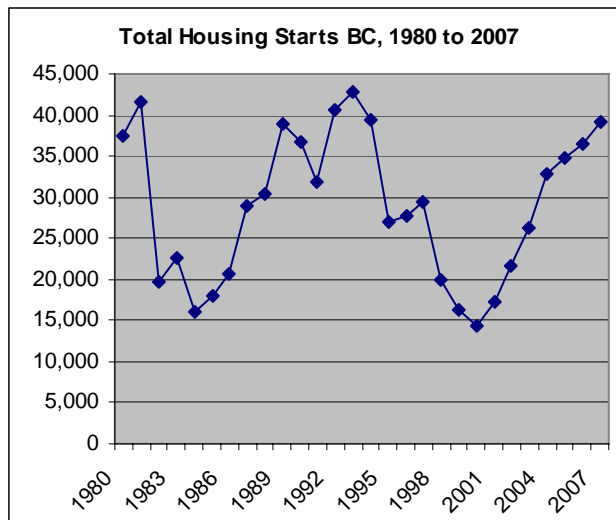
down, instantly improving the economics of the surviving motel, and instantly reducing the appeal of the conversion.

Adding services to existing housing projects for independent seniors is a possibility although at present, there are no government funds supporting such initiatives and it would be very difficult to proceed without them. BC Housing's Seniors' Supportive Housing Program provided capital and operating funds for service enrichment to housing operators throughout the province, but that program is over, at least for now. And in any case, many housing societies currently operating housing projects for independent seniors are not willing to consider service provision for their tenants. In view of the complexities of providing services, that is not a very surprising position to take.

CHAPTER FIVE: HOUSING MARKET ACTIVITY

When considering the feasibility of seniors' housing projects the nature of the local housing market is important because many seniors finance a move to a more supportive environment by selling their homes. If housing markets are active and prices are rising, seniors may be more willing to contemplate a move than they otherwise would be, particularly if they are able to bank a relatively large amount of money. Even if they don't need the money from a house sale or they are not contemplating supportive housing, the state of local housing markets has a strong influence on people's propensity to move.

Until very recently, housing markets throughout the province have been very strong since reaching historic lows (on a per capita basis) in 2000.



However, there is no question that the market is changing. Sales are down, inventories are up, and prices are declining. A recent report by the highly regarded housing market forecaster of Credit Union Central of BC (now called Central 1 Credit Union) has this to say about provincial housing markets, forecasting an overall 30% decline in prices by the end of 2010:

"The downturn in B.C.'s housing market will drive prices down another 18 per cent over the next two years, according to a new report that blames the international credit crisis for the fall.

"The widespread impact of the credit crisis on mortgage finance, the economy, and consumer confidence has generated an external shock, sending B.C.'s housing market into recession," said the report released Thursday by the economics department of Central 1 Credit Union.

Since a high in March 2008, B.C.'s residential house prices have fallen 12 per cent, and will fall another 13 per cent in 2009, bringing the provincial median to \$310,000, the report concluded.

And despite an anticipated economic recovery in 2010, the median price is expected to drop a further five per cent that year.

The drop in prices continued to be driven by a rising number of new listings and a sharp drop in sales across B.C.'s residential real estate market.

Monthly sales were off 40 per cent from the August 2007 high and heading for 60 per cent, which would make it the steepest decline since the 1981-82 recession, the report said.

The report forecast the number of houses sold would drop a further 17 per cent in 2009, but forecast lower mortgage rates and an improved economy will see housing sales turn upward in 2010, although prices are expected to continue to drop that year."

In terms of current prices, it is difficult to track changes in Pemberton. The Real Estate Board of Greater Vancouver, which includes the Whistler and Pemberton area, does not calculate its "benchmark" price for those areas, defined as follows:

"The Housing Price Index is a more stable price indicator than average prices, because it tracks movement of "middle-of-the-range" or "typical" homes and excludes the extreme high-end and low-end properties. Typical homes are defined by the average home features sold in Greater Vancouver communities. These features together become the "benchmark" house, townhouse or apartment in a given area. A benchmark property is designed to represent a typical residential property in a particular HPI housing market, such as Richmond or North Vancouver.

As a result, the identification of trends in local housing markets must be based on other sources, such as the Census and the Multiple Listing Service. According to the 2006 Census, the average value of a house in Pemberton and Area C was \$421,483 and \$591,888 respectively. As of October 2008, there were 39 housing units for sale on the MLS in Pemberton ranging from \$189,000 for a one bedroom condo to \$6.2 million for a four bedroom four bathroom house. All of the 39 listings are for new or for fairly new houses, not surprising in view of the average age of the Pemberton housing stock—only 16% was built before 1986 compared to a provincial average of 62%. The median price of the 39 listings was about \$600,000 but that price is likely to fall significantly over the next few years.

The impact of declining house prices and slow sales on new housing projects of all types, including seniors' housing projects, is that people who don't have to move won't move—they will wait for prices to recover.

CHAPTER SIX: TENURE, HOUSEHOLD TYPE, AND INCOME DATA

Population growth trends are interesting but the more important factor in terms of housing demand is household growth. Definitionally, households and dwelling units are identical – a household is defined as all the people who live in a self-contained dwelling unit. Because it is households who living in dwelling units, their number and composition is more significant for housing market analysis than population data. Households may be composed of related or unrelated people and they may be any size from one up. The older the population considered, the greater the similarity between population numbers and household numbers because household size declines with age.

For the 2006 Census, Statistics Canada has made available a series of semi-custom tabulations that cross-classify household income by age of household head, tenure, and household type. The tables that follow are extracted from the data base.

Summary Household Information, Village of Pemberton

	Owners		Renters		% owners
	#	Avg Inc	#	Avg Inc	
55-64	85	\$59,858	20	\$49,854	81
65-74	15	\$31,239	0	na	100
75-84	0	na	0	na	na
85+	10	na	0	na	100

Summary Household Information, Area C

	Owners		Renters		% owners
	#	Avg Inc	#	Avg Inc	
55-64	55	\$55,142	10	na	85
65-74	75	\$36,719	0	na	100
75-84	10	na	0	na	100
85+	25	na	0	na	100

Similar information is not available for Mount Currie.

Non-family owner households with a head over the age of 75 are the most likely to move into supportive housing environments. Movement into independent housing environments shows no such household type pattern. The reason for focusing on owner households is that renter households do not generally have incomes high enough to afford unsubsidized rental levels in a supportive housing environment. In any case numbers are so low we know virtually nothing about renter incomes in the Valley – Statistics Canada suppresses the publication of data when numbers are very low.

In Pemberton there are no non-family owner households with a head over the age of 75; in Area C there are 15. Income information for the 15 is not available because of small numbers. That is, in Pemberton and Area C the primary target market for supportive forms of housing consists of 15 households.

In terms of younger seniors, there a total of 230 owner households with a head between the ages of 55 and 74. The average income of these households is \$49,318, before the sale of their houses.

CHAPTER SEVEN: THE SENIORS' HOUSING MARKET IN THE PEMBERTON VALLEY AND ELSEWHERE IN THE REGION

One of the fundamental components of the Village of Pemberton's 2008 Strategic Plan reads as follows:

“Supporting a multi-generational community. A key to social sustainability is supporting area residents to age in place. In conjunction with the Seniors Society, the Lions club and the Mount Currie band the Village will continue to build upon the Seniors and Elders Friendly Community Plan developed in 2007. The Village will also continue to support and facilitate the process for development of the Lions land into seniors housing and will incorporate age-sensitive trail design in trail and park plans.”

The Pemberton Valley community has devoted significant time and resources to the needs of the seniors' population in the Valley. In addition to local governments, there are three organizations with an interest in seniors' housing issues: the Pemberton Lions Activity Society, the Pemberton Valley Seniors' Society, and the Select Committee on Seniors' Housing, which includes representatives from the other organizations. The purpose of the Select Committee is to guide the preparation of the Lumina report. In this chapter of the report we review earlier work on the subject and provide some basic background information about seniors housing in the Valley and in the region.

The Age-Friendly Community Plan referenced in the Strategic Plan was completed in December, 2007. The goals of this initiative were to:

- Identify short and long term goals with regards to the development of seniors' and elders' housing that are sensitive to the needs of both cultures.
- Identify short and long term goals with regards to transportation for seniors/elders in the community.
- Identify short and long term goals regarding communication, social, recreational and health needs of seniors and elders.
- Identify potential sources of funding and community partners for the future development of seniors/elder housing, transportation and other initiatives.
- Identify steps that local businesses and new developments can take to make their businesses and properties more senior/elder friendly.
- Identify and make recommendations as to ways in which municipal and band policy, planning, programs and services can better promote a senior and elder friendly community.
- Identify partners and processes that could describe the aforementioned needs.

Based on focus groups with seniors and service providers, the Age-Friendly initiative identified current and projected housing needs as identified in the chart on the following page.

Facility	Needed now	Needed by 2017	Needed by 2027
Independent living	50	80	120
Assisted living	30	60	90
Complex care	10	20	30
Palliative care	2	3	4

It is not clear how these estimates were derived, nor why the recommendations did not consider supportive housing (ie housing with meals, housekeeping, laundry etc but no personal care). It is our understanding that at some point during this process the Interior Health Authority said it would not consider either complex care or assisted living for the Pemberton Valley. The immediate need for 50 units of independent housing is not supported by the analysis contained in this report (i.e. the Lumina report).

Another recent seniors' housing initiative was the Needs Assessment conducted by the Pemberton Lions Activity Society, completed in July, 2008. The purpose of that report is summarized below:

1. *Identify the success of the current Pemberton Lions Villa;*
2. *Determine the current and future needs for seniors housing in the Pemberton Valley and region;*
3. *Identify what seniors, over the age of 55 years, view as 'senior's housing';*
4. *Identify the various levels of care needed in seniors housing;*
5. *Identify through Census Canada that there are generations of families residing longer in the Pemberton area.*

The Needs Assessment did an excellent job of raising awareness in the community about seniors' housing issues and in encouraging people to think about the issues. The next step in the process, the preparation of this report, was able to take the process one step further by building on the foundation erected by the Needs Assessment.

In terms of existing seniors' housing projects, there are only two in the Pemberton Valley – the eight unit Lions Villa in Pemberton, and six units in Mt Currie. Three seniors' housing projects are underway in Whistler. All of these projects are (or will be) targeted at independent seniors.

As for supportive housing and assisted living, the nearest projects are in the Lower Mainland. There is a licensed care facility in Squamish. Rents in unsubsidized supportive housing and assisted living projects in the Lower Mainland range from the very low end at about \$1,200 per month to the very high end at \$7,000 plus.

CHAPTER EIGHT: FOCUS GROUP

A well attended focus group was held on October 17 at the Pemberton Community Centre. After a presentation and discussion period, participants completed a questionnaire. The results of the questionnaires are summarized below. A total of 26 questionnaires were completed but not everyone answered every question so responses do not add up to 26 in all cases.

Seven elders from the Mt Currie Band also completed the questionnaire at a later date. Their responses are discussed later in this chapter.

1. Current Location

Centre	Number	Percent
Pemberton	13	59
Squamish	1	5
D'arcy	3	13
Lillooet Lake	2	9
Mt Currie	1	5
Other	2	9

2. Living Arrangements

Living Arrangements	Number	Percent
Live alone	10	39
Live with spouse/	16	51
Live with friends/family	0	0

3. Current Housing Type

Dwelling Unit Type	Number	Percent
House	14	54
Apartment	5	19
Townhouse/Patio House	6	23
Mobile Home	0	0
Other	1	4

Other response was a "basement suite"

4. Home Size

Size	Number	Percent
Too big	10	40
Too small	5	20
Just right	10	40

5. Wheelchair Accessibility

Level of Access	Number	Percent
Easy	2	8
Manageable	8	33
Difficult	10	42
Impossible	4	17

6. How Long in Current home

Time Period	Number	Percent
One year or less	0	0
1 to 5 years	10	39
6 to 10 years	4	15
11 to 19 years	6	23
20 years+	6	23

In most communities the percentage responding “1 to 5 years” is much lower.

7. If less than 5 years where did you live before?

Responses included: Whistler, “Vancouver and Bowen Island,” North Vancouver (3), Ontario, Surrey, and “with my daughter.”

8. Do you own or rent your current home?

	Number	Percent
Own	19	73
Rent	7	26

As we saw in Chapter Five, 90% of the 55+ households in the Pemberton Valley are homeowners, meaning a disproportionate number of renters attended the focus group.

9. Driving

Yes/No	Number	Percent
Yes	25	96
No	1	4

10. Anticipated Length of Residence in Current Home

Time Period	Number	Percent
One year or less	1	4
2 to 5 years	10	39
More than 5	7	27
Don't know	8	31

Usually there is a higher response to the “don't know” category and a lower response to the “2 to 5 years” category.

11. Decision to Move

Why might you move?	Number	Percent
Current home too much work	14	na (more than one answer possible)
Current home unsuitable	7	
Loneliness	18	
Couldn't care for myself	17	
Couldn't Drive	3	
Feeling Unsafe	2	
Poor Health	21	
If my spouse died	14	

12. Preferred Accommodation in Event of Move

Preference	Number	Percent
Completely independent	2	8
Independent with yardwork	15	60
Some services such as meals	7	28
Full service care	1	4
Other	0	

It is highly significant that almost 70% of focus group participants indicated a desire for housing without services other than maintenance type services.

13. Preferred Housing Type

Unit Size	Number	Percent
Patio Home	16	64
Apartment with elevator	8	32
Mobile Home	0	0
Boarding house	1	4
Other	0	0

It is equally significant that 64% of participants expressed a desire for a patio home, double the number that indicated a preference for apartment-style accommodation.

14. How many bedrooms would you prefer?

Bedrooms	Number	Percent
Studio	0	0
One	9	35
Two	16	62
Three	1	3

15. What type of tenure would you prefer?

Preferred Tenure	Number	Percent
Own	11	41
Rent	10	37
Life Lease	6	22

Two-thirds of participants expressed a preference for some type of ownership. The preference for some type of ownership among current owners was stronger – 74% of those households expressed a preference for ownership.

16. Average amount a participant was willing to pay for housing types

1. Rent, no Services: \$866
2. Rent, services with meals: \$1516
3. Purchase: \$282,500

17. Age and Gender of Participants

Age	Number	Percent
Under 60	3	12
60-70	6	24
71-80	11	44
81+	5	20

Average age: 72.6

Second Member of Participants' Households Ages

Age	Number	Percent
Under 60	3	20
60-70	2	13
71-79	7	47
80+	3	20

Average age: 72.1

Gender of Participant and Members of Participants' Household

	Male	Female
Person 1	8	18
Percent	31	69
Person 2	10	5
Percent	66	33

18. Health

Health	Number	Percent
Excellent	6	23
Good	14	54
Fair	6	23
Poor	0	0

19. Income

Income Range	Number	Percent
\$12,000 or under	1	4
\$12,001 to \$20,000	5	19
\$20,001 to \$30,000	1	4
\$30,001 to \$40,000	5	19
\$40,001 to \$50,000	6	23
Over \$50,000	8	31

The income levels of participants was relatively high – 73% had incomes over \$30,000 and 54% had incomes over \$40,000.

Mount Currie Responses

Seven elders from the Mt Currie Band completed the questionnaire at a later date as they were not in attendance at the focus group. The group is reported to be very skeptical about the process because all this has been done before and they have seen no benefits for Mt Currie. Major findings include:

- 2 of the 7 live alone, 2 with a spouse, and 3 with a relative.
- 5 live in a house, 1 in an apartment and 1 in a duplex.
- 5 say their house is too small and that it would be impossible to manage if they had to use a wheelchair or a walker
- 5 were renters; 2 were owners.
- 4 expected to live in their current house for more than 5 years, 2 didn't know.
- If they did decide to move, all but 1 would prefer independent living. The other participant would prefer accommodation with meals.
- 6 would prefer two bedroom accommodation, 1 one bedroom, and 1 three bedroom.
- All 7 would prefer ownership, but believe there should be no cost attached to the housing.

Implications of Focus Group Results

The implications of these findings is discussed in the final chapter of this report.

CHAPTER NINE: FINANCIAL FEASIBILITY CONSIDERATIONS

Generally speaking, rental housing is an uneconomic proposition in most Canadian communities. The cost of building rental housing exceeds the revenue that can be generated through rents. That is why only 5% of the new housing built in British Columbia over the 17 year period between 1988 and 2005 was rental housing (not counting secondary suites or rented condos). A brief example will illustrate this point.

Let us assume a builder proposes to build 20 units of rental housing, each unit containing two bedrooms. The cost to build these units is \$160,000 each, including land, construction costs, and soft costs (design fees, financing costs, marketing costs, taxes and insurance, municipal fees etc). Let us further assume that these units could be rented for \$1,000 per month, just for the sake of argument. With construction costs of \$3,200,000 on the one hand and annual rental revenue of \$240,000 on the other, this builder would need to inject somewhere in the neighborhood of \$1.3 million in equity to make the equation balance. If he could raise his rents to \$1,500 per month he would only need about \$300,000 in equity but it is unlikely that he could achieve this level of rent in his community. Furthermore he could make a substantially better return on his money by investing in other ventures, condos for example.

That kind of arithmetic is the reason there is so little new rental construction anywhere in Canada.

In Pemberton, rents are high. It is unlikely that many 55+ consumers, almost all of whom are homeowners, would sell their house to move to a rental unit that required them to pay high rents. In addition, most focus group participants indicated a preference for ownership (or life lease) if they were to move, a preference that is supported by the research from Harvard University referenced elsewhere in this report.

The great advantage that ownership projects have over rental projects is that there is a built in source of equity – incoming residents. Developers, whether for-profit or not-for-profit, are not faced with the need to come up with millions of dollars in equity.

The disadvantage of ownership projects is that they are not affordable for most renters.

Having said all that, some community organizations have succeeded in developing affordable rental units in BC.

- In **Houston**, the Houston Retirement Housing Society developed a six unit project, two of the units one bedroom units and the other four two bedroom units. The one bedroom units rent for \$584 per month and the two bedroom units for \$620 per month. The Society was able to achieve these affordable rents for a number of reasons, including eight years of fund-raising, donated land, 2,000 hours of volunteer labor, and \$90,000 from the Gas Tax Fund. In addition, construction costs were kept very low (less than \$100,000 per unit) for two reasons – the design is a simple and modest one, and a local contractor built the project using plans that had previously been used successfully in Vanderhoof. The Society developed the project because it wanted local seniors to be able to stay in the community as they aged. It is now planning Phase II, which may be a life lease.

- In **Naramata**, a local housing society grew concerned about the number of people leaving their community because there were no appropriate housing options for people who were living in unsuitable accommodation – too many stairs or too much maintenance etc. At first they planned on building rental units but quickly came to the conclusion that the economics of rental construction would prohibit that approach. They then decided to develop a life lease project, so the society could continue to own and operate it. However they still wanted to create some rental housing in Naramata for people who could not afford to buy a unit. In order to do that, they had to raise enough money to reduce the cost of building one of the units to the point where it could be rented at affordable levels. Through a variety of mechanisms they succeeded in doing just that and now there are three life lease units and one rental unit in Phase I. Phase II is underway. The volunteer effort required of the society was very significant. They have the minutes for the 93 meetings it took to get the project off the ground.

CHAPTER TEN: CONCLUSIONS AND RECOMMENDATIONS

Factors to think about, in no particular order:

- There aren't a lot of 55+ people in the Pemberton Valley—660 in total over the age of 55. In addition, almost 82% of these people are young seniors (55-74). More than half of them are under the age of 65.
- The primary target market for supportive forms of seniors' housing (meals etc) is non-family owner households over the age of 75. There are 15 households meeting that description in Pemberton and Area C.
- There is no hospital in Pemberton.
- There is a net out migration of seniors from the Squamish Lillooet Regional District.
- Virtually all of the 55+ households in Pemberton and Area C are homeowners.
- House prices, although high, are going to decline over the next few years. That will lead to some reluctance on the part of homeowners to sell before prices recover.
- Construction costs are very likely to moderate over the next few years.
- Population growth in the area is going to slow.
- If they were going to move, focus groups participants preferred independent forms of housing and most preferred some form of ownership. They considered a reasonable purchase price to be an average of \$282,500. That makes sense in light of average house prices in Pemberton because 55+ households contemplating a move almost always want to pay substantially less for a new unit than they will receive from the sale of their old unit.
- The development of seniors' housing projects is a complex undertaking that requires significant amounts of time and money. Just to get a project underway usually costs several hundred thousand dollars.
- It is our understanding that no part of the Lions site may be sold. Sometimes organizations are able to sell part of their sites to raise money for a new development.

Conclusions

For reasons explored at length in this report, it does not make sense to contemplate a supportive housing project at this point. That will make sense in the future, but not now. What makes sense now is to develop a project for independent seniors.

It appears that there are three possible options for the development of a housing project for independent seniors:

1. The Lions could follow the Naramata path and begin to work on the development of a combined life lease/rental project, or a straight life lease project, on their site, recognizing that such a venture will take years and will require very substantial commitments of volunteer time.
2. The community could leave the solution to local seniors' housing needs up to local developers, for example someone like Garth Phare, who has expressed an interest in developing seniors' housing and who has an interest in a suitable piece of land with convenient access to Pemberton amenities.

3. The community and Mr Phare could form a joint venture of some kind focused on the development of seniors' housing on the BC Rail site. While such a process could work well for a number of reasons, not the least of which being that if the approach were sufficiently innovative, considerable financial support could be available from BC Housing, the Real Estate Foundation etc, it would not be built on the Lions Villa site. That site has always been earmarked for more seniors' housing in Pemberton and there is no question that it is an excellent site. However, it could be kept in reserve for the future development of a supportive seniors' housing project, which as we have seen is premature at this point. The advantage of building at that time on the Lions site is that some residents of the existing units may also require services by then, which would enhance the economics of the operation.

The advantages of Option 3 are:

- It would potentially be much faster than Option 1.
- It may be possible to take advantage of the downturn in the construction industry that is likely to occur over the next two or three years.
- It would reduce the requirement for local fund-raising to even get a project off the ground. That would include funding for a development consultant.
- It would reduce the amount of volunteer effort that would be necessary under Option 1, while still allowing the involvement of community members in the development of the project.
- As already mentioned, BC Housing and foundations are more interested in providing funding for projects that are interesting and innovative and that rely on partnerships for their viability. For example, BC Housing's Housing Endowment Fund provides financial assistance for projects that are based on new ideas, that are innovative, that fill gaps in communities, and that address housing needs not adequately served under existing housing programs. It is notable that at the present time, there are no housing programs for seniors, except for seniors who are homeless or in danger of becoming homeless.
- There are a variety of ways the community/developer partnership could work. For example, the community could organize a fund-raising effort, perhaps along the lines of Naramata's loan program. It could apply for funding from the Housing Endowment Fund, which on occasion provides financial assistance of \$300,000 or \$400,000 or even more. It could apply for funding from the Real Estate Foundation, or from any other available source. It could even apply for funding to document the partnership and its processes so that other communities could learn from the Pemberton experience.
- By raising funds in this way the community could buy one or two or three or four units from the developer and rent them at affordable rates. There are undoubtedly many other ways the partnership could work as well.

If Option 3 is unacceptable for whatever reason, the logical next step is for the Lions to begin the process of developing a life lease project on their site, assuming they wish to retain ownership and control of the project (i.e. that they do not wish to develop a condo project on the site).

Assuming that to be the case (i.e. that the Lions wish to retain ownership of the site), the question becomes: how many units and what kind of units should be developed on the site? If Option 3 had been pursued, those questions could not have been answered in advance of discussions with developers.

There are no rules of thumb about how many independent seniors units a market can absorb—it depends on the market. In the case of Pemberton, there are 230 owner households in the Village and Area C with a head between the ages of 55 and 74, the primary target market for independent seniors' housing projects. As indicated in Chapter Two, about 25% of these households will move over a five year period. That equates to approximately 60 households in total, or 12 per year. Research in the US suggests that 15% of younger seniors who move will move to an active adult type of community (defined primarily as low maintenance and almost always low density ground oriented housing). If the same kind of pattern exists in Pemberton, that would translate to nine households over a five year period. There is no competition for this market in Pemberton so in theory at least, the market ought to be able to absorb nine units. However, depending on the physical configuration of the site, it might make more sense to build six units as Phase One, or even four or five. That would allow for testing of the market and for educating consumers about life lease. Development of four units as Phase I would avoid the requirements of the Real Estate Development Marketing Act, but as the Act safeguards consumers it might be wiser under the circumstances to consider somewhere between five and nine units as Phase I, depending on the results of engineering studies.

The units should be two bedroom two bath units, or two bedroom and den two bath units ranging from approximately 1,000 square feet to 1,250 square feet. Assuming a recovery in the housing market, entrance fees (purchase prices) between \$250,000 and \$300,000 should be attainable as long as consumers understand and accept the life lease concept. Important elements of the concept, such as how entrance fees are refunded when people move out, or whether rentals and life lease units will be combined in the same development, must be decided early on, which means a committee must be struck to guide the development process. There are some useful resources available, including a report written by Kate Mancer entitled [Financing Seniors' Housing Projects Using Resident Equity](#). The report is available on the BC Non-Profit Housing Association web site.

If a developer who is interested in partnering in some way in the development can be identified, that could potentially make the development process less onerous for volunteers.