

BUILDING KNOWLEDGE



This study series documents the experiences of supportive housing sites that gained neighbourhood acceptance. The purpose of this research is to help future sites better address neighbourhood concerns at the initial stages of a project. Sharing lessons learned also helps identify strategies to improve relationships with neighbours of existing social housing sites.

This supplement series to the community acceptance case studies shows how the property values in the neighbourhoods surrounding the case study sites may have changed over the years, including a comparison to each city's average property value trends.

An overview of the property values findings from the case study sites is also available on our website.

Community Acceptance Series: Property Values Supplement

Cardington Apartments, Kelowna

Since buying a home is likely the most significant investment made by an individual or family, homeowners may be concerned about potential negative impacts on property values in their neighbourhood. Community opposition to the creation of new social housing, and supportive housing in particular, is often based on the fear that the introduction of social housing into a neighbourhood is going to lead to increased crime and devalued properties (Province of British Columbia, 2000; Goetz, Lam, & Heitlinger, 1996). Many studies over the years illustrate that stereotypes about the impact of social housing are often unfounded and that appropriately designed and integrated social housing in a neighbourhood can actually increase residential property values (Albright, Derickson, & Massey, 2013; Ellen et al., 2007; Nguyen, 2005; Galster, Tatian, & Pettit, 2003; Goetz, Lam, & Heitlinger, 1996).

Cardington Apartments, located in Kelowna's downtown, is surrounded by commercial properties on the west and a mix of residential properties to the east. Historically, the neighbourhood area had a Median Assessed Residential Property Value (MARPV) below the overall City average MARPV, up to the year after Cardington Apartments opened (based on data since 2000). The MARPV in the neighbourhood around the site followed the same pattern as the City of Kelowna overall in the two years pre- and post- opening of the site, with slightly above average growth rates.



Data and Methodology

Data Source

Tables provided by Landcor Data Corporation include data on the median assessed value of properties, such as residential, commercial, and other land use properties. The assessed value was assigned by BC Assessment. Properties were classified using BC Assessment property classification. The dataset provides Median Assessed Property Values (MAPVs) for the period of 2000-2018. MAPVs for various types of properties were provided in concentric zones around the case study supportive housing sites. Zones were defined as 100-metre concentric zones (circles) around a site:

- › 0-100 m around site
- › 101-200 m around site
- › 201-300 m around site
- › 301-400 m around site
- › 401-500 m around site
- › 0-500 m around site

For purposes of this study, only “Residential” class was used, thus excluding five following classes: “Civic, Institutional, Recreational”; “Commercial”; “Farm”; “Industrial Classification”; and “Transportation, Communication, Utility, Improvements.” Throughout the rest of this report, property values are defined as Median Assessed Residential Property Values (MARPVs).

Methodology

- › To compare differences in changing MARPV for areas with and without supportive housing, the immediate area around the site (defined as the 200 m concentric circle around the case study site: includes averaged values from 0-100 m and 101-200 m areas) and the neighbourhood (defined as the 500 m concentric circle around the case study site) are compared to the each city’s MARPV over the reporting periods.
- › To measure short-term changes in MARPV from the construction of supportive housing, comparisons between MARPV at the year of site opening and two years after the site opening are made, and values are compared to respective city change in MARPV over the same period.
- › To measure longer-term trends and effects of supportive housing on the surrounding area, comparisons of changing MARPV are made between site opening and MARPV up to 2017.

Data Limitations

- The data presented in this report are based on the assessed, not market (sale/buy) value.
- The data are not adjusted to account for differences in floor area between household units, thus larger homes can affect median value. For example, if a re-zoned single-family home, which was originally valued at \$1 million, is redeveloped into a 10-unit residential property, with each unit valued at \$300,000, this will bring the MARPV in the area down, even though the land became more valuable and use was intensified, because there are more units at a lower MARPV.
- Large-scale trends can affect an area’s property value beyond the presence of social housing. Significant growth of housing prices in urban centres can be explained by fundamental economic factors, speculation and limited supply (CMHC, 2017). These factors can affect property prices in a neighbourhood far beyond potential impact of social housing on nearby property values (Nguyen, 2005).
- Since the analysis is based on aggregate data for thousands of properties near each case study site, shorter-term and/or smaller trends may be obscured by the volume of data.
- For many of the properties analyzed, the timelines overlapped with the 2008 financial crisis. This explains the reduction and/or stagnation in MARPV in the years 2009-2010.
- Note that there was no available breakdown for each of the property categories, thus all types of residential properties were aggregated into zones for analysis.

Acronyms:

MAPV – Median Assessed Property Value

MARPV(s) – Median Assessed Residential Property Value(s)

Key Findings

Pre-Opening

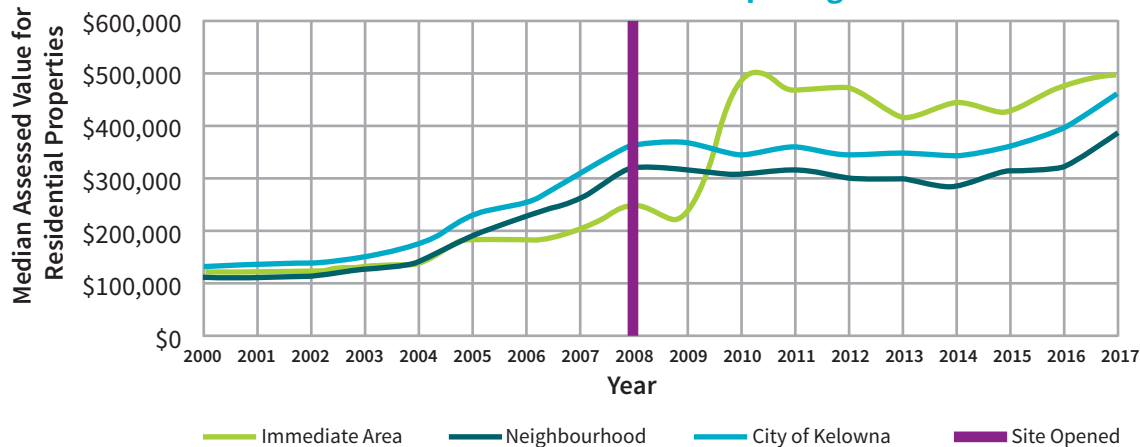
- › In the two years prior to opening in 2008, the Cardington Apartments immediate area had a lower MARPV compared to the neighbourhood and the City overall, though the growth rates were similar.

Post-Opening

- › In the two years after opening in 2008, the MARPV for the Cardington Apartments immediate area increased significantly, surpassing the MARPVs for both the neighbourhood and City overall, which were relatively unchanged in that period.
 - The MARPV in the Cardington Apartments immediate area increased 93% in the two years since opening in 2008, while neighbourhood and City overall decreased by 3% and 4% respectively in the same period.
 - This information should be taken with caution, as the significant increase of 103% for median residential property values in the Cardington Apartments immediate area in 2010 is likely due to the construction of a new multi-unit residential building in the area.

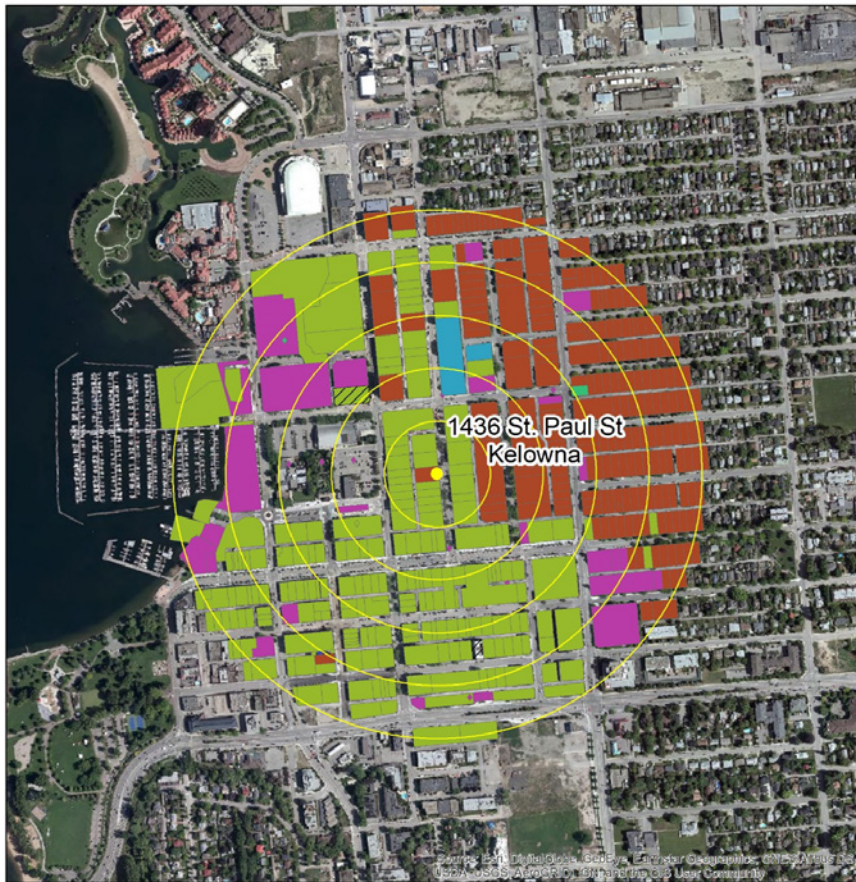
- › Looking to 2017, the MARPV in the Cardington Apartments immediate area increased at a slower pace in the nine years after site opening, compared to the neighbourhood, which mirrored City trends. The MARPV for the Cardington Apartments immediate neighbourhood has remained above the neighbourhood and City averages in the seven years since 2010, though the gap between the immediate area and neighbourhood/City of Kelowna values has decreased since 2015.
 - MARPVs in the Cardington Apartments immediate area and neighbourhood increased 98% and 21% respectively in the nine years since opening in 2008, compared to City overall, which increased 26% in the same period.
- › The MARPV in the immediate area was \$498,750 in 2017, compared to \$385,500 in the neighbourhood and \$466,000 in the City overall.

Residential Property Values Near Cardington Apartments Before and After Site Opening



Source: Landcor, 2018. Median Assessed Property Values.

Properties Located Within 500 m Radius From Cardington Apartments in Kelowna in 2018



Actual Use Property Class

- N/A
- Civic, Institutional, Recreational
- Commercial
- Industrial Classification
- BC Housing Point of Interest
- Residential
- Supportive Housing
- Transportation, Communication, Utility, Improvements

Coordinate system: NAD 1983 BC Environment Albers
 Data source: BCA Fabric 2018, Landcor Data Corporation
 Provided to BC Housing by Landcor

More Information:

Visit BC Housing’s Research Centre at www.bchousing.org to find the latest workshops, research and publications on the key challenges and successes in building and operating affordable, sustainable housing.

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Work Cited

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