



# Council Report

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**Date:** April 7, 2026  
**To:** Anthony Haddad, City Manager  
**From:** Cheryl Hardisty, Intergovernmental Relations Manager  
**Subject:** **Modular BC and National Research Council Modular Housing Initiative**

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## Staff Recommendation

THAT Council authorize the Mayor to provide a letter of support to the National Research Council of Canada in support of Modular BC's manufacturing and research hub initiative to advance factory-built and modular housing in British Columbia, with a focus on Penticton.

## Strategic priority objective

**Livable & Accessible:** The City of Penticton will proactively plan for deliberate growth, focusing on creating an inclusive, healthy, and vibrant community.

## Background

Modular BC is a provincial non-profit organization focused on expanding British Columbia's factory-built housing sector to support faster housing delivery, increased affordability, workforce development, and growth in domestic manufacturing.

In partnership with the National Research Council of Canada (NRC), Modular BC is developing a standardized provincial approach to factory-built housing intended to streamline approvals, improve quality, and accelerate housing delivery. This work includes exploration of a manufacturing and research hub to support innovation, automation, training, and applied research in the modular housing sector. The hub would focus on manufactured housing innovation, education, research, and advocacy.

Penticton and the broader Okanagan have been identified as a potential location for this initiative due to the region's existing modular manufacturing presence, trades programs through Okanagan College, and its role as a service and employment centre for the Interior. Modular BC has also expressed interest in a joint pilot opportunity with the City to demonstrate modular housing technologies and delivery approaches.

## **Financial implication**

There are no financial implications associated with providing a letter of support.

## **Analysis**

Modular BC has requested a letter of support encouraging the NRC to continue its collaboration with Modular BC and regional partners to advance factory-built and modular housing in British Columbia, with a specific interest in establishing a manufacturing and research hub and pilot opportunity in Penticton.

The request is framed in the context of ongoing housing affordability challenges and the need to increase housing delivery more quickly and cost-effectively. Modular BC has identified factory automation and advanced manufacturing as key opportunities to improve efficiency, scalability, and affordability within the modular housing sector, particularly in regions with existing manufacturing capacity.

Penticton is well positioned for this manufacturing and research hub. The community already has a robust and active modular manufacturing sector, and Modular BC and NRC have engaged with local manufacturers as part of their exploratory work. Locating a hub in Penticton would build on this existing base and support workforce development through training related to advanced manufacturing processes and equipment.

Modular BC has identified NRC's potential role as particularly valuable in helping de-risk the adoption and scaling of automation within the industry through applied research, technical expertise, and innovation support. Establishing a research and development hub in Penticton is described as an opportunity to improve manufacturing efficiency, accelerate housing delivery, and create more skilled manufacturing jobs in the region.

At a policy level, the initiative aligns with federal housing objectives that emphasize faster delivery of housing through modern construction approaches, including the goals of Build Canada Homes. The City is currently advocating for housing development on federally held lands near Okanagan College, where modular construction has been identified as a potential approach to support timely and scalable housing delivery.

This request is limited to an expression of support for Penticton as a preferred location for continued collaboration between Modular BC, NRC, and regional partners. It does not involve approval of a specific project, site, funding commitment, or operational role for the City. Any future proposals related to the establishment of a hub, pilot project, land use, funding, or formal partnership would be subject to further analysis and separate Council consideration.

Respectfully submitted,

Cheryl Hardisty  
Intergovernmental Relations Manager

Concurrence

<p>General Manager of Development Services</p> <p><b><i>BL</i></b></p>	<p>City Manager</p> <p><i>CH</i></p>
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