



# Council Report

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**Date:** April 7, 2026  
RMS/6440-01

**To:** Anthony Haddad, City Manager

**From:** Steven Collyer, Housing & Policy Initiatives Manager

**Subject:** **Housing Target Order 6-Month Interim Report**

File No:

## Staff Recommendation

THAT Council receive into the record the report dated April 7, 2026 titled "Housing Target Order 6-Month Interim Report";

AND THAT Council direct staff to publish the report (Attachment 'A') on the City website and send the report to the Province, as required by the *Housing Supply Act*.

## 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

### *Provincial Legislation*

In 2023, the *Housing Supply Act* and associated regulations were implemented by the Province. The *Housing Supply Act* gives the B.C. government the authority to make Housing Target Orders in municipalities with the greatest need and highest projected growth. The Province uses its standard method for completing housing projections and sets Housing Target Orders at 75% of the total required number of units.

In 2025, Penticton was assigned a Housing Target Order as part of the fourth round of municipalities. The order officially came into effect on September 1, 2025. Penticton's Housing Target Order is for 908 "net new units" over 5 years. "Net new units" means the number of new housing units occupied minus the number of housing units demolished. That target is categorized into units by size, tenure, and affordability, with milestone targets for reporting in years 1-4 (Figure 1).

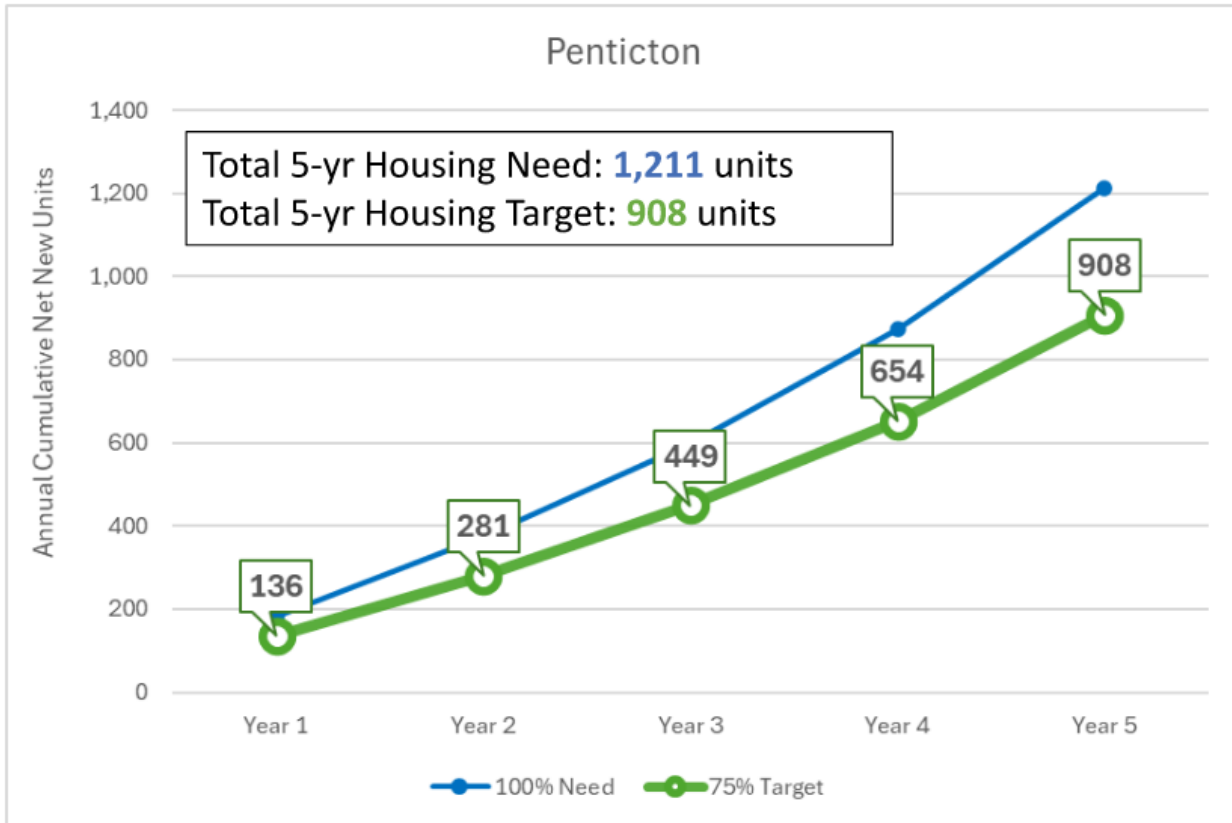


Figure 1 - Penticton's Housing Target Order with Annual Milestones.

Municipalities issued Housing Target Orders must prepare progress reports that include permit and application data as well as other actions taken toward meeting their target for each reporting period. If municipalities fall short of their target and are not demonstrating sufficient actions towards supporting local housing supply, the Province has authority to intervene by hiring an advisor or mandating specific changes.

*6-Month Interim Report Key Findings*

Attachment 'A' contains Penticton's 6-month interim report (September 1, 2025 to February 28, 2026). This interim report will be published on the City website and forwarded to the Province following Council receiving it. As required by the *Housing Supply Act*, Council must receive the report within 45 days of the reporting period end date (February 28, 2026).

A summary of progress towards Penticton's Housing Target Order is included below:

Housing Target Order Metric (Net New Units)	6-Month Interim Report (Sept 2025-Feb 2026)	Year 5 Target (Sept 2025-Sept 2030)	Progress (%)
<b>Total</b>	<b>126</b>	<b>908</b>	<b>14%</b>
Studio	11	721 (studio/one bed)	6%
One Bedroom	30		
Two Bedroom	25	97 (two bed)	26%
Three Bedroom	54	90 (three or more bed)	67%
Four or More Bedroom	6		
Rental – Total	97	691	14%
• Purpose-Built	87		
• Secondary Suite	5		
• Accessory Dwelling (Carriage House)	5		
Owned Units	29	217	13%
Market Rental	97	224	43%
Below-Market Rental	0	467	0%
Below-Market Rental with On-Site Supports	0	76	0%

A summary of the city's actions to support housing supply and affordability in the last 12 months is included below:

- Streamlining development approvals processes:
  - OCP design guidelines review; streamlining design guidelines from 169 to 119.
  - Delegating more variances to staff based on application and approvals data.
  - Removed development permit requirement for carriage houses, now advancing straight to building permit process.
  - Pursuing UBCM Local Government Development Approvals Program funding for an external Development Services approvals process review.
- Advancing housing development on City-owned land:
  - Zoning and Development Permit approved for 60-unit BC Builds development at 995 Eckhardt Ave W (funded).
  - Zoning approved for 60-unit affordable housing development at 10 Galt Ave (unfunded).
  - Launched review of City-owned sites for affordable homeownership development opportunities.
- New or updated housing policies:
  - Endorsed the Social Housing and Infrastructure Plan (SHIP).
  - Implemented provincial legislation requirements (upzoning to align with housing needs report).

- Made the affordable housing pre-development funding program ongoing.
- Allowed secondary suites in townhomes, in addition to single detached homes and duplexes.

Attachment 'A' contains the all the interim report data and more details on the actions taken by the city to support housing supply and affordability.

### **Financial Implication**

No provincial funding support is attached to Housing Target Order progress.

### **Analysis**

#### *Housing Target Order Progress*

Penticton is making strong progress on the Housing Target Order with 126 net new units in the first 6 months, almost meeting the entire Year 1 milestone target of 136 net new units.

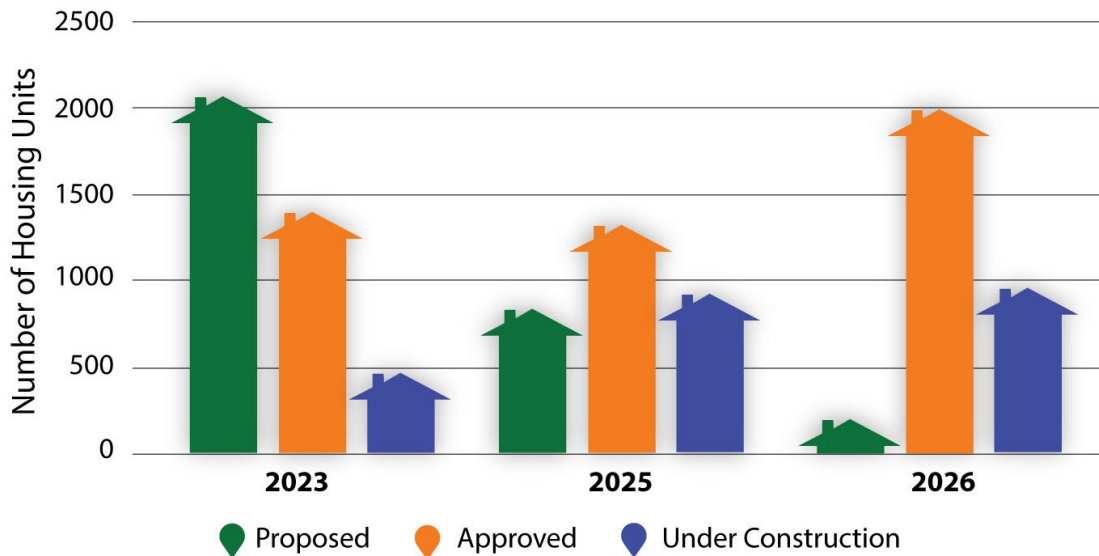
As of February 2026, there were over 960 new housing units under construction in Penticton. If those units currently under construction achieve occupancy by September 1, 2030, staff expect to exceed the 5-year Housing Target Order, without accounting for new projects starting construction and achieving occupancy within that timeframe.

#### *Housing Permit Data Trends*

The nature of the development industry means that projects under construction today were driven by investment decisions made years prior. While the 'under construction' projects are significant, staff note the trend since 2023 of fewer new development applications coming in and many projects getting approved but not proceeding to construction (Figure 2). This highlights a trend seen across the province as economic constraints continue to impede housing construction in many markets.

## 2026 Penticton is Growing

### Housing Supply in Development Pipeline



*Figure 2 - Development Services Permit Data (Sept 2023, June 2025, Feb 2026)*

Various external economic factors impact the viability of new construction (i.e. interest rates, construction costs, demographic shifts, etc.). This application data suggests the need to continue reviewing Development Services processes, policies, and bylaws to support housing supply in areas that are within the City's control to support the construction, not just approval, of new homes.

#### *Housing Affordability*

The Housing Target Order of 908 net new units is categorized into units by size, tenure, and affordability, recognizing the wide range of housing needs across the continuum. There is substantial need in Penticton for more below-market rental housing, with over half of the Housing Target Order units within this category (467 of 908). There were zero net new below-market rental units during the initial 6-month reporting period. Below-market rental developments rely on provincial or federal capital funding and financing, and a number of planned BC Housing-funded projects are now paused based on Budget 2026.

Staff do not expect to achieve the target for below-market rental units unless more provincial investments occur to get these planned projects moving forward, including mixed affordability projects like Skaha Assembly with over 600 units, 10 Galt Ave with 60 units, and other opportunities identified in the Social Housing and Infrastructure Plan that are in the pre-development stage.

*Future Reports*

Moving forward, staff will continue to monitor Housing Target Order progress through upcoming annual Housing Target Order reports and investigate opportunities to further support enabling more housing supply to meet Penticton’s housing supply and affordability needs.

**Attachments**

Attachment A – Housing Target Order 6 Month Interim Report

Respectfully submitted,

Steven Collyer, RPP, MCIP  
Housing & Policy Initiatives Manager

Concurrence

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