

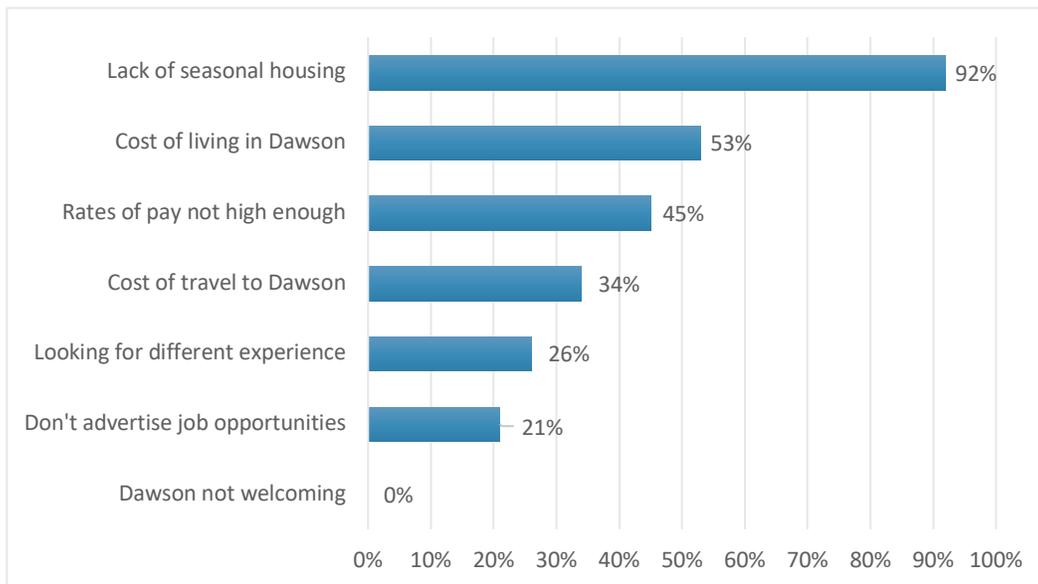
Introduction

During the months of August and September, KDO conducted a survey of businesses about the summer worker housing situation, and interviews with a handful of individual business owners who have seasonal staff about the problem and potential solutions. We also had a survey for seasonal workers themselves, but as this was not launched until late August, after many summer workers had left the community, response rate was very low.

Survey data has been supported by other KDO studies and information gathering to outline the general feasibility of several types of seasonal worker housing.

Data Summary: Survey of Dawson re: Summer Worker Housing

Factors local business operators (both seasonal and year-round) believe contribute to Dawson City's general summer worker shortages:

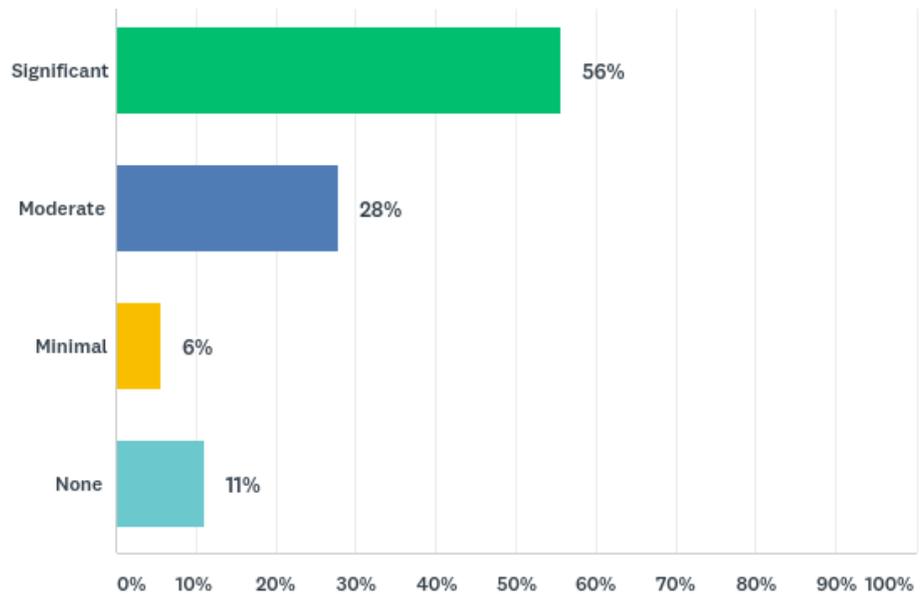


Other reasons noted by businesses in the comments:

- Minimum wage rates (and wage rates in general) are not or may not be outcompeting other provinces
- There are lots of job opportunities where students already live (and cheaper living enabling savings)
- Wage competition with government jobs in Yukon
- Shortage of workers across the country & businesses not adapting to changed labour availability

Do you have access to summer housing that you offer to some or all of your employees?
 41% of respondents offer staff housing, and of those, most have 4 spots or more.

Businesses who hire seasonal staff were asked to rate the role of access to housing in difficulties hiring summer positions, and in this case housing ranks at a lesser importance:

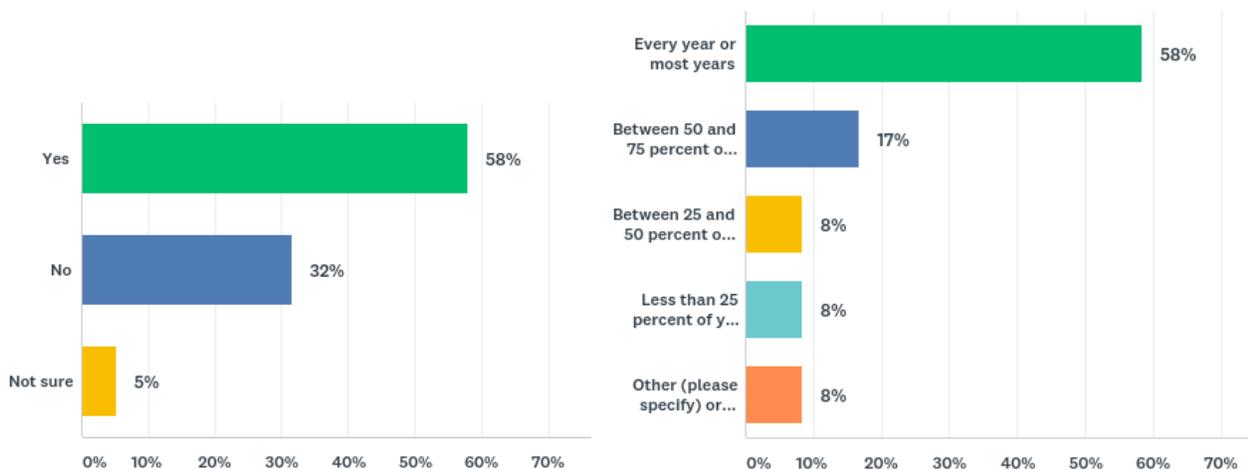


How many summer seasonal employees?

54% of respondent businesses that have seasonal staff are hiring 1 to 3 summer positions. The rest are hiring 4 or more.

Although only about 45% of these businesses are sourcing their labour from non-residents, some of these hire such high numbers of staff that even from our small sample we are looking at [more than 160 jobs for seasonal residents](#). A handful of businesses hire upwards of 20 and 50 summer staff (one business is closer to 100).

Do you experience difficulties hiring adequate summer staff at your business? How often?



Which positions?

Almost all categories of job reported some difficulty, reflecting the diversity of businesses responding to the survey. No category really rose to the top as most difficult, with serving staff, housekeeping, retail and cooks/kitchen staff registering between 14 and 30% higher than all other positions.

How many positions were you UNABLE to fill this summer?

From 44 respondent businesses, 23 positions are reported to have gone unfilled this summer.

Summer Worker Earnings

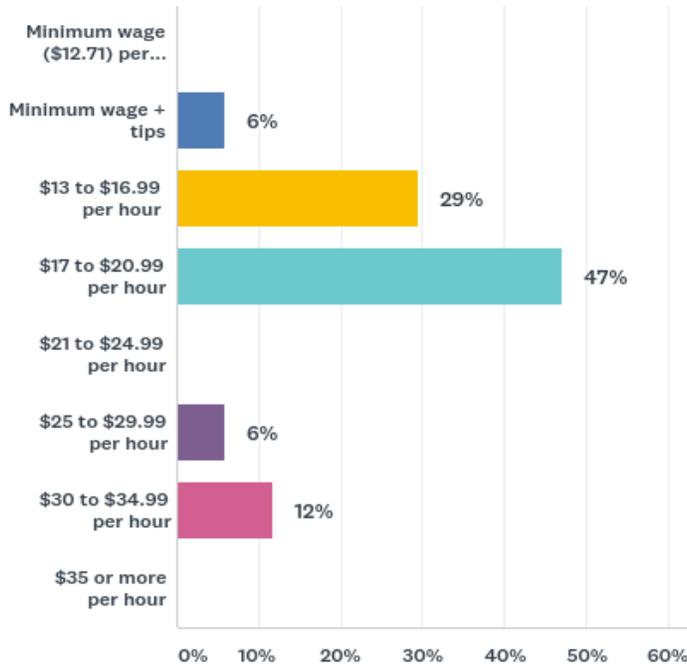
What rate of pay do your seasonal employees earn (before deductions)?



Full time or part time?

56% of the respondent businesses are offering full time jobs, and the remainder are offering a mix of full and part-time.

53% report their staff work more than 1 job.



WHAT RENT RATE IS AFFORDABLE?

Affordability must be taken into consideration when discussing potential seasonal worker housing solutions. If we consider housing affordable at 25% of gross income or less (CMHC standard), then:

- At minimum wage in Yukon of \$12.71, working 40 hours/week, affordable rent is \$500/month.
- At \$13 to \$17/hour working 40 hours/week, affordable rent is \$520 to \$640 per month.
- At \$17 to \$21/hour working 40 hours per week, affordable rent is between \$640 and \$840/month.
- Full-time employees earning over \$21/hour are close to or can afford some market rentals as individuals.

For all of the above, low availability across the housing spectrum means workers of all kinds have little to choose from, resulting in tenants needing to take housing that is more costly than they can afford or alternatively, of quality that is lower than they would choose.

Current median rent for Dawson City (Yukon Bureau of Statistics, April 2019):

	Yukon	Whitehorse	Dawson
Number of Buildings with Rental Units	1,052	941	44
Median Rent			
All	\$1,041	\$1,050	\$975
Bachelor	\$800	\$750	\$833
1 Bedroom	\$980	\$980	\$1,000
2 Bedrooms	\$1,175	\$1,180	\$1,400
3-4 Bedrooms	\$1,512	\$1,516	...
5+ Bedrooms	\$2,500	\$2,900	\$2,121 [†]

Other types of housing available in summer:

- An RV site with water, sewer, power, internet included is \$900/month (+ Bring Your Own RV)
- A tenting site is \$240/month
- Off-grid or out of town cabins (price depending on size, degree of ‘rustic’, etc.) \$500 to \$900/month

Acknowledging there is some variation in quality and associated pricing, the following generally summarizes the affordability of housing options available for an individual in Dawson working 40 hours per week (affordability increases for a couple sharing, or any shared situation). Yellow=affordable:

Wage Rate	\$12.71	\$15/hr	\$17/hr	\$20/hr	\$22/hr	\$24/hr	\$26/hr
Individual monthly affordable rent	\$500	\$600	\$680	\$800	\$880	\$960	\$1,040
Bachelor							
1 BR							
2 BR							
RV site all included							
Room in someone’s house (\$650)							
Room in shared rental house or apt. (2BR)							
Room in shared rental house (3BR +) or rooming house							
Rustic off-grid cabin							
Tenting Site							

What kind of housing do you think would be most suitable for your summer employees specifically or summer workers in general?

The survey collected a spectrum of answers as diverse as the jobs and employers in this town: no dominant recommendation for seasonal worker housing emerged. The following were suggested:

- 1 Bedroom or Bachelor apartments
- Most important factor is being cheap, less than market rate or less than 1/4 of income
- Wall tents or trailer with shared shower/cooking facilities
- Most important factor is being located in town and with amenities
- Rooms in shared house
- Tenting sites
- Dorms

Business interest in contributing financially to a housing solution:

A few businesses expressed interest in each of the ideas proposed:

- Guaranteeing rent for staff rooms
- Purchase shares in cooperative housing
- Purchase wall tents or trailers if land available to place them
- Contribute to construction

No interest in financially contributing in any way: 28%

Other notable comments and ideas from the survey:

- Suggestions for getting more summer workers to come here:
 - Dawson City could make an effort to market our job opportunities to students across Canada and international working visa travellers. Encourage young workers to come to Dawson for the adventure and the wilderness. In the same way we promote the Yukon and Dawson specifically

to tourists, we could do some simple and cost-effective group marketing to seasonal workers (posters, Instagram ads, other).

- Other observations from survey respondents:
 - Labour shortages are widespread and there is competition with other provinces for workers: businesses must adapt to that (by offering higher wages, or 'perks' such as help with housing).
 - Affordability is a huge challenge- wages businesses can offer against cost of living + travel to get here are factors that summer workers do consider. There's no cheap Greyhound to get to the Yukon from southern cities anymore either.
 - Securing housing for year-round employees is difficult as well- not just a seasonal problem.
 - Competition with visitors to Dawson for housing- some accommodations that could or would in the past be used for monthly rentals are now rented on a nightly basis to tourists.

Survey Results Summary:

Additional lower-than-market rent housing solutions are needed if Dawson wants to be able to offer the affordable housing necessary to attract workers for positions earning \$20/hour and lower. However, what form that housing should take, who could take this on and how it could be financed remains unclear. No one type of seasonal worker housing emerged as a dominant preference in the survey, and no available land or other resources came to light either.

Feasibility Considerations

Feasibility shifts based on the type of housing solution (samples described below). Despite a desire in the community for more seasonal housing, there are several barriers to its development. There are a few opportunities too however.

- **Cost to Build**

- **New Year-Round Housing:** KDO's recent housing construction projects indicate that even with access to affordable housing funding programs and significant tax incentives, new 1-bedroom and bachelor suites cannot be built and then operated on a cost-recovery basis while providing rent rates lower than \$900/month.

In order to produce newly built units that would be affordable to a majority of summer workers, projects would need to be shared living spaces of some variety: dorm-style dwellings with shared living, kitchen and wash facilities, or units with 2 or more bedrooms. A 2-bedroom apartment for example at \$1285 to \$1400/month divided by two incomes means individuals would pay \$640 to \$700 per month.

Calculations indicate a similar price point could be achieved for dorms, quads and other shared configurations. Funding programs based on per unit amounts shift cost-effectiveness for builders, and has to be factored in, however early cost estimates indicate these could still be financially feasible.

Cost to Buy: Dawson City's real estate market currently favors the seller due to extremely low availability. It is rare to see a house of any size for sale under \$300,000 these days, and while other communities have trailer parks that offer more affordable home options, Dawson doesn't.

- **New 1-Season Housing:** Building sturdy, walled structures or cabins intended for one season does not sufficiently reduce costs because winterizing is just a fraction of construction expenses – such that if you are going to the trouble of building you may as well build for year-round living.
- **Retrofitting a Heritage Structure:** Financials produced by KDO based on recent construction projects, feasibility investigations of particular heritage structure renovations, and gathering estimates from contractors indicate that retrofitting heritage buildings for year-round housing costs at least as much as building new. A heritage renovation could cost anywhere from \$325/square foot in a clean building or much more, especially if hazardous materials are present. Often necessary site preparation and foundation costs such as moving a building off site in order to do an engineered backfill pose additional costs.

Renovating for 1 season could prove less expensive in a structurally sound building, however as soon as a heating source is introduced into a space, building codes require proper insulation, etc. for year-round occupancy. Renovating heritage structures for a very short dwelling season where heating is not needed (shorter than the tourism season) would not only do little to provide for Dawson's summer workers, it would also not be financially feasible due to the curtailed rent revenues versus operational costs. Additionally, 1-season housing would be ineligible for all known housing funding programs.

Retrofitting heritage structures for seasonal occupancy can make financial sense for a business offering all or a strong majority of the rooms using a hotel, B&B or other model that generates higher revenues during the summer, but the capacity to offer lower-than-market rent suitable for workers concurrently in these projects is limited, as demonstrated by current projects on 3rd avenue geared towards nightly rentals. Small backyard suites using heritage structures could also make financial sense for property/home owners, especially if sweat equity is available to offset labour costs. There is room for Dawson as a whole to add summer worker housing to the market very gradually in this way.

Retrofitting heritage structures for seasonal or year-round tenancy could fall under the purview of a government body such as Parks Canada if cost-recovery is not required, or if other aspects of their mandate are being met through such activity. Most heritage structures in town are owned by the Federal Government and not for sale, nor currently available to other users.

- **Camping Options:** 'Bring back tent city' is a statement heard frequently when it comes to low-cost summer worker housing, but there are a few barriers to that. Firstly, the owner of the site of the former tent city does not want that activity happening on that land. If a new location must be found... then where, and who would operate it? The fact that tent city has been closed for over a decade with no private business springing up to take its place speaks to this not being a very viable business, and no property owner has come forward offering a site for this. Out of town land options might be more realistic from an access/availability perspective but introduce logistical issues for an operator in terms of managing waste and providing washing and cooking facilities of some kind without municipal water/sewer services, and for workers/tenants of additional transportation requirements. Additionally, our survey respondents indicate that camping and limited access to showers is not something that would be a good match for all employees and jobs. There is a local business that offers tent camping sites on a monthly rate (\$240), but has seen demand for this decline over the past 15 years (from about 20/year to less than 5/year).

Wall tents with floors, basic frames and bed platforms have been suggested as a camping upgrade- something that is still low-cost, but provides a bit more comfort for the tenant. At \$700, an 8x10' wall tent could offer reasonable digs for intrepid souls, but again, the question of

location remains to be solved. These could be accommodated at a private campground across the river and off-grid, but on City services, the only campground that offers monthly rentals or are set up for RVs that hook up to all their electrical and water/sewer systems, and these are rented out at \$900/month, which does not improve on affordability over an apartment. Land is at a premium in Dawson City's townsite and even if you could obtain access to lots, finance building of a cook and wash-house, get permission for that use from the municipality and the neighbours, would such a location leave workers vulnerable to having their belongings stolen? Backyard wall-tent dwellings for summer workers might be do-able and provide a bit more security, but homeowners would need to either install expensive infrastructure for washroom facilities or share their household facilities in order to make this possible.

- **Property Management Considerations**

Landlords must consider the added property management costs of a higher turnover client base, and risk of vacancies if the summer worker housing does not overlap with a winter housing need.

While hitting the desired affordability for summer workers, a 2-bedroom (or more) apartment is less in demand from the year-round client base (according to KDO's Apartment Demand Surveys 2018 and 2014 and observed tenancy applications) and this mis-match poses a risk of vacancies during the winter.

- **Market Considerations**

By the start of the next tourism season Dawson's rental housing stock will have increased by nearly 40 bedrooms since May of 2019. Between the completion of KDO's latest 8-plex (1 and 2-bedroom units), Klondike Visitors Association's 4-plex (all 2-bedroom units) and Chief Isaac Inc.'s 14-plex (Bachelor, 1- and 2-bedroom units), our small town will have opened up 37 new bedrooms of quality year-round housing. These projects plus 2 to 5 units of private developments make for a significant addition of new rentals, and while not targeted at the seasonal worker population, may nevertheless benefit them.

Since Dawson is a small market (population a little over 2000 people year-round, with approximately 55% renting (according to Canada's 2016 Census profile for Dawson), non-profit and private developers need to be cautious about over-building for the demand and over-extending operations which are already marginal.

- **Student and Seasonal Worker Tenancy Opportunities**

A demand for housing for students of the Yukon School of Visual Arts (SOVA) from September through April creates an interesting potential for lease terms that begin as the summer workers are heading south in the fall, and vice versa in the spring. There is some overlap between the commencement of the school semester and the end of the tourism season, however, this housing demand overlap should not be overstated: although much of Dawson's seasonal work force does remain into late September or early October, another portion are students themselves, attending academic institutions across Canada, and their housing need is a perfect match for SOVA. As well, during September and October some B&Bs and hotels will rent rooms for longer terms/reasonable rates which can help cover that overlap period.

Conversations with the School of Visual Arts staff and Advisory Board members indicate the need for affordable housing from September to May for their students could be a good match against the summer seasonal worker tenancies, however to date this has not been enacted despite community goodwill. Klondike Visitors Association is constructing four 2-Bedroom apartments which have been earmarked for their contract dance staff in summer and students in winter, providing a case-study for this model in 2019/20.

A 2018 cost comparison (conducted by SOVA administration) of attending different art schools across Canada show that when tuition, rent and general living expenses such as food and transportation are calculated as a whole, Dawson City actually out-competes locations such as Calgary and Vancouver in terms of overall affordability. This is relevant because if our community's housing organizations and businesses can accommodate students at standard market rent rates, then our existing business models can include this segment and all that is required is an operational change. This would involve offering lease terms that alternate between students and summer workers, and focusing on 2 bedroom or more shared living configurations rather than 1-bedroom accommodations to pitch rents into the \$640 to \$840/month window that the majority of Dawson seasonal workers earning \$17 to \$21/hour and students can readily afford. It should be noted however that current attendance at SOVA is approximately 15 students per year, making this a fairly small renter pool. The school would like to expand by adding another cohort, but there is no timeline or budget attached to this expansion.

- **Co-operative Efforts as Opportunity**

One potential solution explored briefly via a single survey question centres around the idea that smaller businesses with similar summer staff housing needs could pool their resources in some way. There was some indication that businesses may be open to co-operative efforts. Purchasing real estate with another business or via a co-op structure may be possible, but an even simpler solution might be for a couple of businesses to rent an available house themselves and then manage rentals to individual staff, or guarantee rents for the season to a landlord in order to secure housing for employees. This could offer benefits to the businesses needing housing, but also to the landlord since they would be able to fill their units without having to advertise their rental to the open market. This option does not result in a net increase in housing, but could allow some businesses to at least carve out some of that housing for their staff.

Summary

Despite indications of a need for seasonal worker housing and a will in the business community to obtain this as a means of improving our ability to attract summer staff for local jobs, no clear and immediately actionable model for provision of this housing has emerged as feasible from the survey, interviews and information gathering undertaken around this subject. Challenges to addressing this unique housing demand include lack of available suitable land, cost to build structures and install infrastructure against revenue potential of below market rent rates, and others. Business risks inherent in our small rental market make delving into provision of housing for a very particular and low-cost housing market something that most organizations and developers would not consider in a concerted way at this time. There is room for private businesses, organizations and individuals to offer temporary housing of various kinds and through partnerships or other means on a smaller scale, but no 'one size fits all' solution. Interest shown by businesses in financially supporting co-operative solutions could hold promise for smaller businesses to pool their resources to secure if not build or buy housing for their staff.