



Our Home, Our Future: Projections of Rental Housing Demand and Core Housing Need

**POWELL RIVER REGIONAL
DISTRICT TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

LEADING, SUPPORTING AND
SERVING THE NON-PROFIT
HOUSING SECTOR

303 - 3680 E. Hastings Street
Vancouver, BC V5K 2A9

TEL 604.291.2600

TOLL-FREE (BC) 1.800.494.8859

FAX 604.291.2636

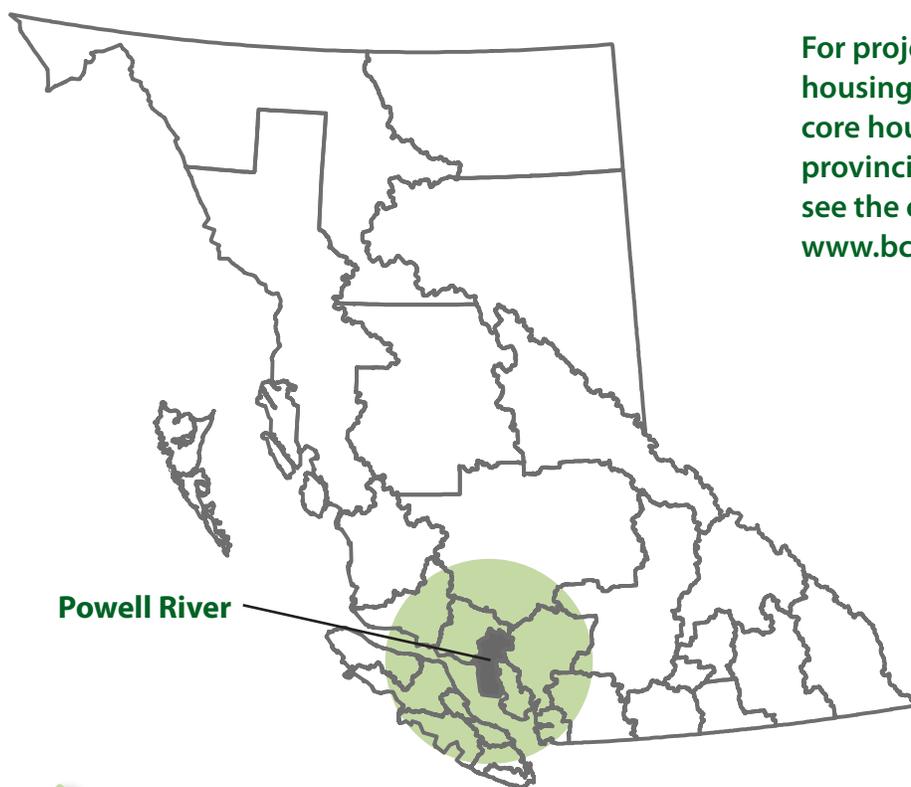
A vision for sustainable housing in communities across British Columbia

BC Non-Profit Housing Association's vision is that all households in the province have access to safe, secure and affordable housing.

Understanding future demand for housing in BC is critical to realizing our vision, so BCNPHA has created rental housing demand projections and core housing need projections to 2036 for the province as a whole and for each regional district.

These estimates will assist the public, private and non-profit sectors in their efforts to plan for affordable housing options that meet the needs of all citizens.

There are 29 regional districts in the province, with boundaries shown in the map below. The Powell River Regional District is situated on the west coast.



For projections of rental housing demand and core housing need at the provincial level, see the complete report at www.bcnpha.ca



highlights

Two demographically driven scenarios were built to project rental housing demand and core housing need among renter households to 2036. These scenarios are illustrations of what might occur if under certain conditions.

Scenario A: Constant Tenure considers how rental housing demand will change if tenure patterns stay constant and age-specific renter household maintainer rates are held at 2006 levels.

Scenario B: Shifting Tenure assumes tenure patterns will follow the trend seen over the preceding decade, to 2036. In many cases this is a shift away from rental and towards ownership. In Powell River, the historic trend is a shift towards rental tenure.

Both scenarios suggest that rental housing demand will grow into the future in Powell River. Rental housing demand is estimated to range between 2,059 and 2,273 households in 2036, an increase of between 96 and 310 households, as seen in Table 1 below. Core housing need among renters is projected to range from 617 to 675 renter households by 2036, an increase of between 12 and 70 households.

In both scenarios, rental housing demand grows whereas the population is projected to decline. To the extent that vacancies cannot accommodate the additional demand, new stock will need to be developed. Additional renter households in core housing need will require some form of assistance to ensure that housing is affordable.

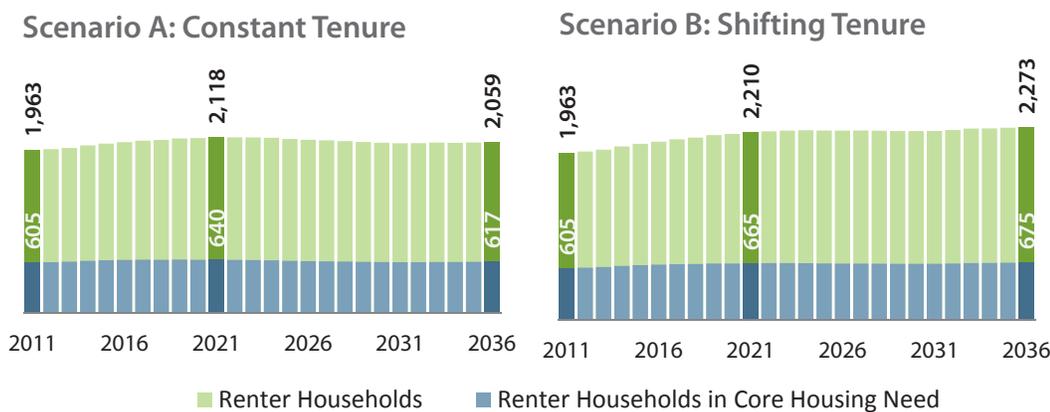


FIGURE 1
Rental Housing Demand and Core Housing Need (Powell River, 2011 to 2036)

| Year | Scenario A: Constant Tenure | | Scenario B: Shifting Tenure | |
|--------------------|-----------------------------|-----------|-----------------------------|-----------|
| | Rental Demand | Core Need | Rental Demand | Core Need |
| 2011 | 1,963 | 605 | 1,963 | 605 |
| 2021 | 2,118 | 640 | 2,210 | 665 |
| 2036 | 2,059 | 617 | 2,273 | 675 |
| Increase 2011-2036 | 96 | 12 | 310 | 70 |

TABLE 1
Rental Housing Demand and Core Housing Need (Powell River, 2011 to 2036)



The projections for rental housing demand and renter households in core housing need in the Powell River Regional District partly reflect anticipated demographic change in the District. The population is projected to decrease by 2%, from 20,019 in 2011 to 19,605 in 2036.

Between 1986 and 2006 the population grew by 861 people, fluctuating between a 1.7% annual decrease and a 2.8% annual increase. Recent growth has averaged around 0.5% annually and is projected to slow to -0.1% in 2036.

Based on 2006 Census data (the most recent available), Powell River's population is significantly older than the provincial population. In 2006, the median age in the region was 47.5 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be strong growth in the population aged 70 and over, some growth for those aged 30 to 44, and a significant decline in those aged 50 to 69 and 15 to 24 years.

Rental maintainer rates in Powell River are highest among those aged 25 to 34. The rates generally decline before again rising among those aged 70 and over. An aging population will account for much of the growth in rental housing demand in Powell River.

By 2036 there will be significant growth in the population aged 70 and over and those aged 30 to 44, and significant decline among those aged 50 to 69 and 15 to 24.

DEFINITIONS

Rental Housing Demand

Rental housing demand is a measure of the number of renter households. Because of potential vacancies in the rental stock and the demand for second homes, rental housing demand does not necessarily equate with demand for units.

Core Housing Need

Canada Mortgage and Housing Corporation defines a household as being in core housing need if "its housing does not meet one or more of the adequacy, suitability or affordability standards and it would have to spend 30% or more of its before-tax income to pay the median rent of alternative local market housing that meets all three standards." (http://cmhc.beyond2020.com/HiCODefinitions_EN.html)

Household Maintainer Rates

Age-specific household maintainer rates are the percent of the population within a particular age cohort that identifies as a primary household maintainer. This number is useful for calculating the number of households in the region.

Statistics Canada defines the primary household maintainer as the "first person in the household identified as the one who pays the rent or the mortgage, or the taxes, or the electricity bill, and so on, for the dwelling." (www.statcan.gc.ca)



context

Demographic Drivers

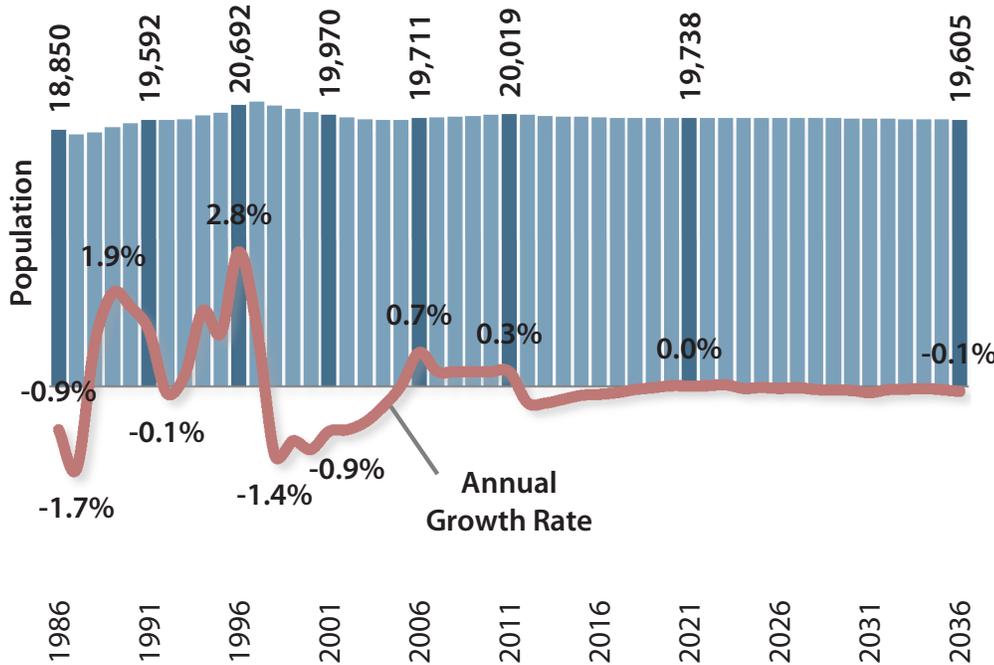


FIGURE 2

Total Population Change (Powell River, 1986 to 2036)

Population will decrease slowly over the next 25 years.

| | Total Population | | | Avg Annual Growth | | |
|--------------|------------------|--------|--------|-------------------|-----------|-----------|
| | 2011 | 2021 | 2036 | 2011-2021 | 2021-2036 | 2011-2036 |
| Powell River | 20,019 | 19,738 | 19,605 | -0.1% | 0.0% | -0.1% |

TABLE 2

Population Change (Powell River, 2011 to 2036)

Powell River will experience an average annual growth rate of -0.1% over the next 25 years.

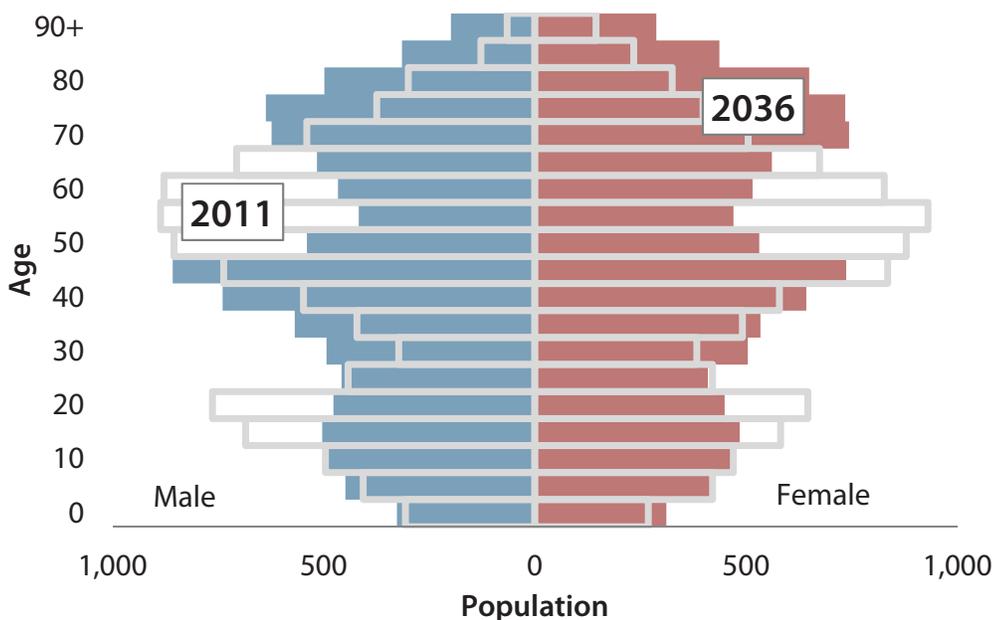


FIGURE 3

Regional Age Profile (Powell River, 2011 and 2036)

Powell River's population age 70 and over is projected to increase significantly, as is the population aged 30 to 49.



projections

Rental Housing Demand

Rental housing demand in Powell River is projected to increase by 5% to 16% over the next 25 years through two different scenarios, compared to a population decrease of 2% over the same period.

Figure 4 shows that rental housing demand declined from 1997 to 2006, which reflects demographic changes. The population declined slightly during this period, and rental household maintainer rates also declined, causing an overall decline in rental housing demand.

Figure 5 depicts the age breakdown of rental housing demand in 2011 and 2036. Most of the growth in rental demand will occur among senior households, while demand decreases in households maintained by 45 to 64 year olds and 15 to 29 year olds.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 5%, from 1,963 households in 2011 to 2,059 households by 2036 when tenure patterns are held constant.¹ The total change will be an increase of 96 renter households over the next 25 years, an annual increase of 4 households.

Scenario B: Shifting Tenure

Total rental household maintainer rates for BC declined from 16.4% of households in 1996 to 14.4% in 2006. The shift can be seen in Powell River in some age groups, but overall there has been a shift towards rental housing in this region. Scenario B assumes this trend will continue to 2036, thereby increasing the growth in rental housing demand. Rental housing demand is projected to increase by 16%, from 1,963 households in 2011 to 2,273 households in 2036, a yearly increase of 12 households.

Rental housing demand is projected to increase by 155 to 247 households over the next 10 years.

| | Total Households | | | Additional Households | | | Avg Annual Additional Households | | |
|-----------------------------|------------------|-------|-------|-----------------------|-----------|-----------|----------------------------------|-----------|-----------|
| | 2011 | 2021 | 2036 | 2011-2021 | 2021-2036 | 2011-2036 | 2011-2021 | 2021-2036 | 2011-2036 |
| Scenario A: Constant Tenure | 1,963 | 2,118 | 2,059 | 155 | -59 | 96 | 15 | -4 | 4 |
| Scenario B: Shifting Tenure | 1,963 | 2,210 | 2,273 | 247 | 63 | 310 | 25 | 4 | 12 |

TABLE 3
Rental Housing Demand (Powell River, 2011 to 2036)
 Rental housing demand is projected to increase by 15 to 25 households annually over the next 10 years.

¹ All 2011 figures are projections as the 2011 Census housing tenure and income variables were unavailable at the time the projections were complete.



projections

Rental Housing Demand

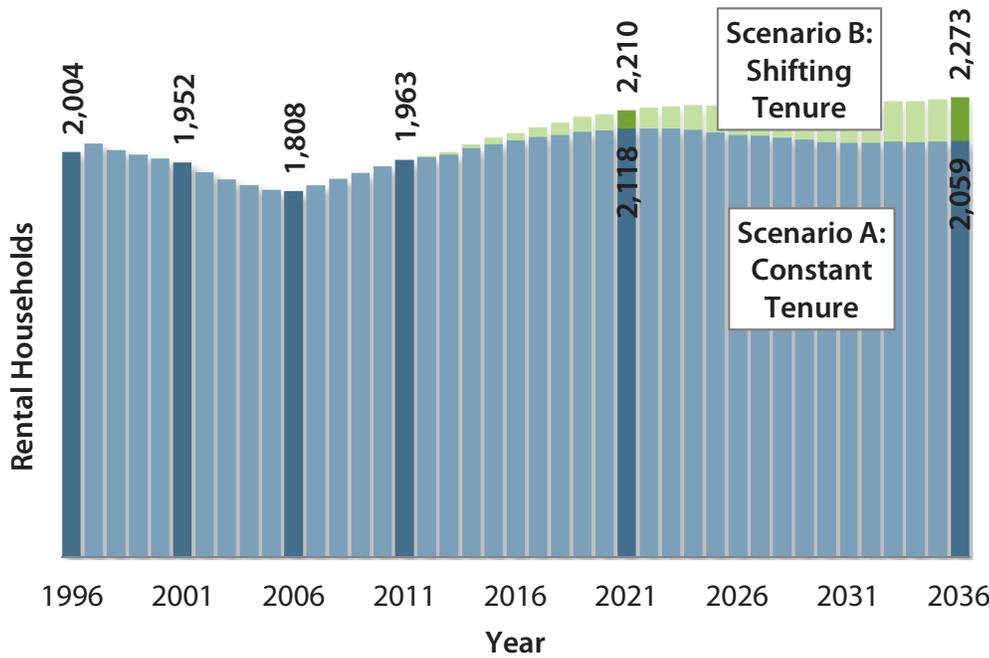


FIGURE 4

Rental Housing Demand (Powell River, 1996 to 2036)

Both scenarios project growth in rental housing demand to 2021 followed by relative stability, with Scenario B envisioning greater growth over the next 25 years.

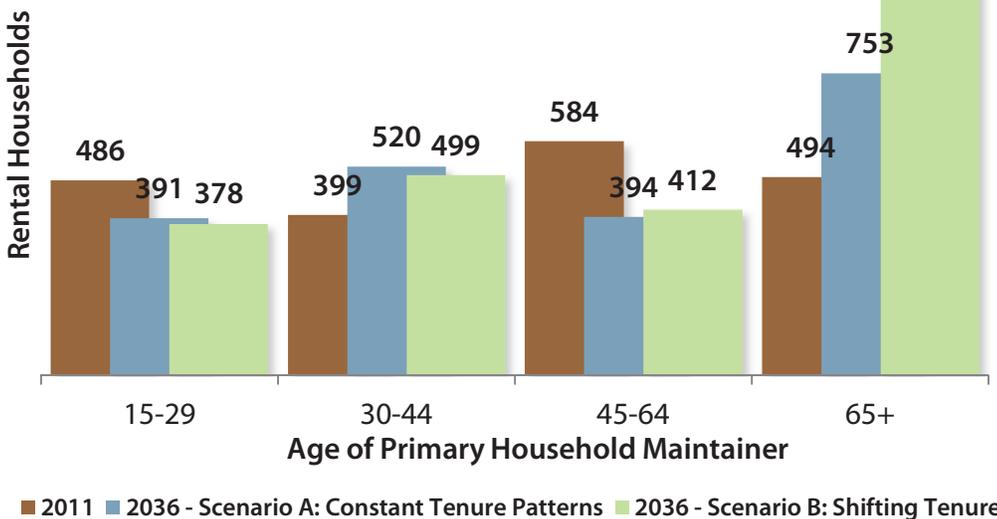


FIGURE 5

Rental Housing Demand by Age (Powell River, 2011, 2036)

Rental housing demand will increase most significantly among senior households.



projections

Core Housing Need

Some renter households will be in core housing need due to affordability, adequacy or suitability problems. Core housing need among renters is projected to increase by 2% to 12% over the next 25 years.

Figure 6 shows that the number of renter households in core housing need declined in Powell River between 2001 and 2006, mirroring population and rental housing demand.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 605 renter households in Powell River were in core housing need in 2011.²

Figure 7 depicts the age-specific breakdown of renter households in core housing need, showing that the number of senior households in core housing need will increase significantly by 2036, while declining among some younger age groups.

Scenario A: Constant Tenure

Scenario A, with constant tenure patterns, reveals an increase of 12 renter households in core need, increasing from 605 in 2011 to 617 by 2036. This is an average annual increase of 4 households over the next 10 years.

Scenario B: Shifting Tenure

Scenario B trends the maintainer rates toward rental and projects that the total number of renter households in core housing need by 2036 will be higher than in Scenario A. It projects a total of 675 renter households in core housing need by 2036, a 12% total increase. The initial 10 years (2011 to 2021) project a more rapid increase of 60 renter households, or an annual increase of 6 households.

Core housing need among renters is projected to increase by 35 to 60 households over the next 10 years.

TABLE 4
Renter Households in Core Housing Need (Powell River, 2011 to 2036)
 Core housing need is projected to increase between 4 to 6 renter households annually over the next 10 years.

| | Total Households in Core Need | | | Additional Households in Core Need | | | Avg Annual Additional Households in Core Need | | |
|-----------------------------|-------------------------------|------|------|------------------------------------|-----------|-----------|---|-----------|-----------|
| | 2011 | 2021 | 2036 | 2011-2021 | 2021-2036 | 2011-2036 | 2011-2021 | 2021-2036 | 2011-2036 |
| Scenario A: Constant Tenure | 605 | 640 | 617 | 35 | -23 | 12 | 4 | -2 | 0 |
| Scenario B: Shifting Tenure | 605 | 665 | 675 | 60 | 10 | 70 | 6 | 1 | 3 |

² 2011 figures are projections as the 2011 Census housing tenure and income variables were unavailable at the time the projections were complete.



projections

Core Housing Need

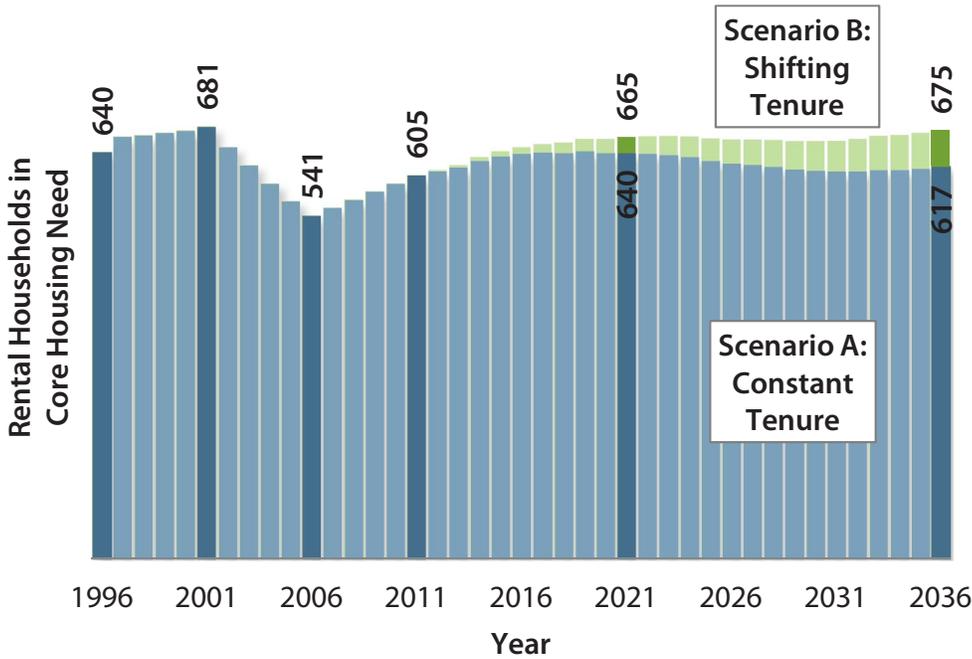


FIGURE 6

Core Housing Need (Powell River, 1996 to 2036)

Both scenarios project a gradual overall increase in the number of renter households in core housing need.

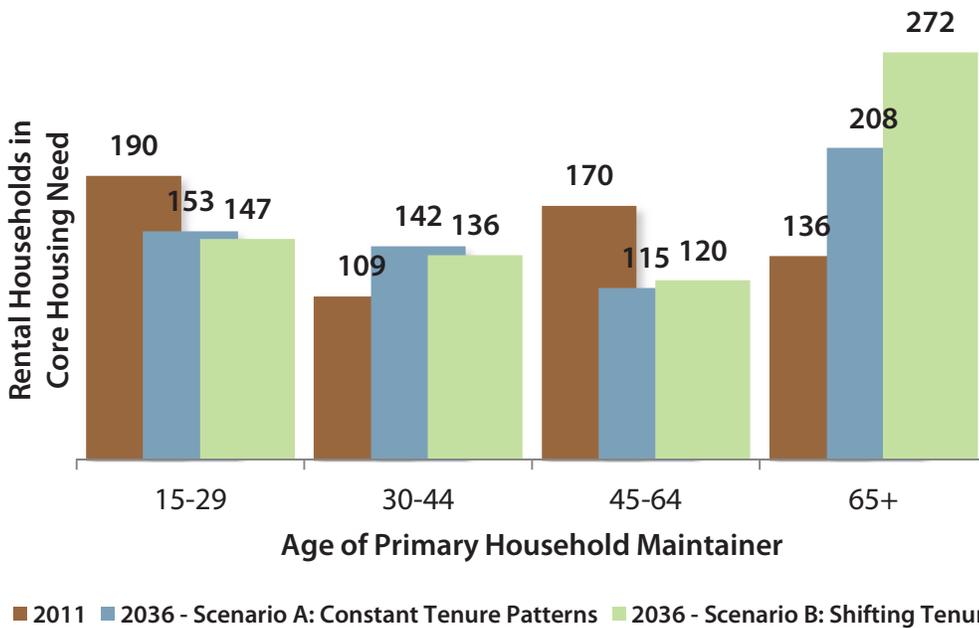


FIGURE 7

Renter Households in Core Housing Need by Age (Powell River, 2011, 2036)

There will be a large increase in senior renter households in core housing need by 2036.



The projections for rental housing demand and core housing need are the output of models built with particular assumptions, and are intended as illustrations of what might occur if certain trends continue.

Rental housing demand estimates were built using a demographic approach. Changes in demographics and tenure patterns are the main drivers in this model. The BC Stats PEOPLE 36 model projecting population growth in regional districts was used as a base, and adjusted using total population numbers released in February 2012 from the 2011 Census. The PEOPLE projections incorporate regional migration assumptions that are influenced by historical migration trends as well as information on future developments like resource sector activities, transportation infrastructure investment and planning policies.

Historical age-specific Census household maintainer numbers were used to calculate historical household maintainer rates (the portion of the age group that considers itself a primary household maintainer). Figure 8 illustrates the historical rates in Powell River. These rates were then applied to the total population to calculate an estimate of future rental household demand. All 2011 figures are projections as the 2011 Census housing tenure and income variable were unavailable at the time the projections were completed.

Scenario A calculated future renter households holding the estimated 2011 rates constant. Scenario B considered what would happen if trends in renter maintainer rates, visible in the different historic rates, continued through to 2036.

Core housing need estimates were calculated by applying the share of renter households in core housing need in 2006, held constant to 2011 and shown in Figure 9, to the two rental housing scenarios, and holding it constant over the projection period. This assumption is a conservative one, as the incidence of core housing need in BC in 2006 was the lowest it has been since the figures have been produced.³

Additional data tables are available in the appendix of this report.

³ CMHC 2011. Canadian Housing Observer. Households in Core Housing Need, Canada, Provinces, Territories and Metropolitan Areas, 1991-2006.

More detail on the methodology behind these projections is available in the full report at www.bcpnha.ca.

Projections created with technical support from Urban Futures.

Contact BCNPHA Research Department for more information: jill@bcnpha.ca.

Reproduction of this report in whole or in part without the permission of BCNPHA is prohibited. Brief extracts for review purposes may be made with due acknowledgment of the source. The information contained in this report has been compiled from sources believed to be reliable but the accuracy of the information is not guaranteed. E&OE

Changes in demographics and tenure patterns are the main drivers in this model.



methods

Our Model

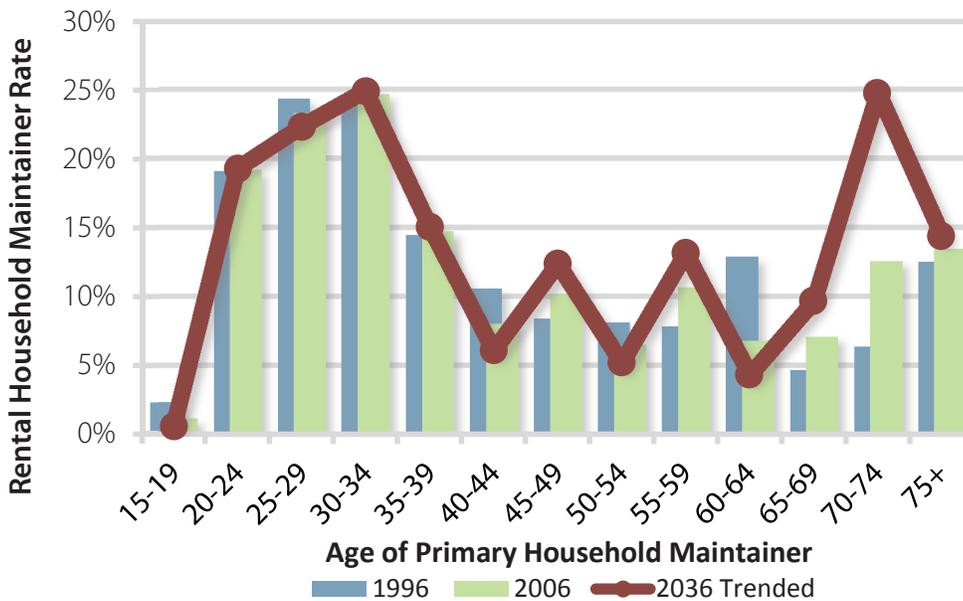


FIGURE 8

Rental Household Maintainer Rates (Powell River, 1996, 2006, 2036)

Rental household maintainer rates are projected to increase for many age groups.

(For detailed age-specific maintainer rates used to build the projections, see the appendix in the full report at www.bcnpha.ca.)

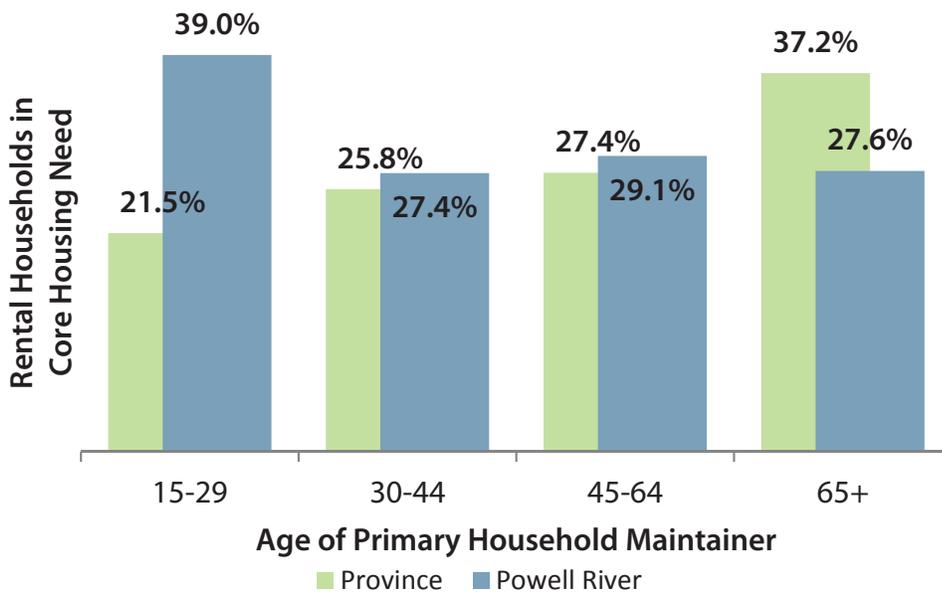


FIGURE 9

Share of Renter Households in Core Housing Need (BC and Powell River, 2011)

In Powell River, households maintained by residents aged 15 to 29 have a significantly higher incidence of core housing need than in BC overall.



appendix **Data**

This appendix contains additional detailed projections generated by our model, including population projections by age group, renter and owner household projections, and renter and owner core housing need projections.

For projections of rental housing demand and core housing need at the provincial level, and more detail about the methodology employed, see the complete report at www.bcnpha.ca

| Age Group | Total Projected Population | | | Avg Annual Growth | | |
|-----------|----------------------------|--------|--------|-------------------|-----------|-----------|
| | 2011 | 2021 | 2036 | 2011-2021 | 2021-2036 | 2011-2036 |
| 0-14 | 2,515 | 2,537 | 2,605 | 0.1% | 0.2% | 0.1% |
| 15-29 | 3,538 | 2,821 | 2,782 | -2.2% | -0.1% | -1.0% |
| 30-44 | 2,745 | 3,196 | 3,482 | 1.5% | 0.6% | 1.0% |
| 45-64 | 6,827 | 5,360 | 4,534 | -2.4% | -1.1% | -1.6% |
| 65+ | 4,394 | 5,824 | 6,202 | 2.9% | 0.4% | 1.4% |
| All Ages | 20,019 | 19,738 | 19,605 | -0.1% | 0.0% | -0.1% |

TABLE 6
Population Projections by Age Group (Powell River, 2011 to 2036)

| Tenure | Scenario | Total Households | | | Additional Households | | | Avg Annual Additional Households | | |
|-----------|-----------------------------|------------------|------|------|-----------------------|-----------|-----------|----------------------------------|-----------|-----------|
| | | 2011 | 2021 | 2036 | 2011-2021 | 2021-2036 | 2011-2036 | 2011-2021 | 2021-2036 | 2011-2036 |
| Rental | Scenario A: Constant Tenure | 1963 | 2118 | 2059 | 155 | -59 | 96 | 15 | -4 | 4 |
| | Scenario B: Shifting Tenure | 1963 | 2210 | 2273 | 247 | 63 | 310 | 25 | 4 | 12 |
| Ownership | Scenario A: Constant Tenure | 7066 | 7298 | 7110 | 232 | -188 | 44 | 23 | -13 | 2 |
| | Scenario B: Shifting Tenure | 7066 | 7205 | 6896 | 139 | -309 | -170 | 14 | -21 | -7 |
| Total | Both Scenarios | 9029 | 9416 | 9169 | 387 | -247 | 140 | 39 | -16 | 6 |

TABLE 7
Household Projections (Powell River, 2011 to 2036)

| Tenure | Scenario | Total Households in Core Need | | | Additional Households in Core Need | | | Avg Annual Additional Households in Core Need | | |
|-----------|-----------------------------|-------------------------------|-------|-------|------------------------------------|-----------|-----------|---|-----------|-----------|
| | | 2011 | 2021 | 2036 | 2011-2021 | 2021-2036 | 2011-2036 | 2011-2021 | 2021-2036 | 2011-2036 |
| Rental | Scenario A: Constant Tenure | 605 | 640 | 617 | 35 | -23 | 12 | 4 | -2 | 0 |
| | Scenario B: Shifting Tenure | 605 | 665 | 675 | 60 | 10 | 70 | 6 | 1 | 3 |
| Ownership | Scenario A: Constant Tenure | 517 | 493 | 452 | -24 | -41 | -65 | -2 | -3 | -3 |
| | Scenario B: Shifting Tenure | 517 | 491 | 446 | -26 | -45 | -71 | -3 | -3 | -3 |
| Total | Scenario A: Constant Tenure | 1,122 | 1,133 | 1,070 | 11 | -63 | -52 | 1 | -4 | -2 |
| | Scenario B: Shifting Tenure | 1,122 | 1,156 | 1,121 | 34 | -35 | -1 | 3 | -2 | 0 |

TABLE 8
Households in Core Housing Need Projections (Powell River, 2011 to 2036)

