



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

**THOMPSON-NICOLA REGIONAL
DISTRICT TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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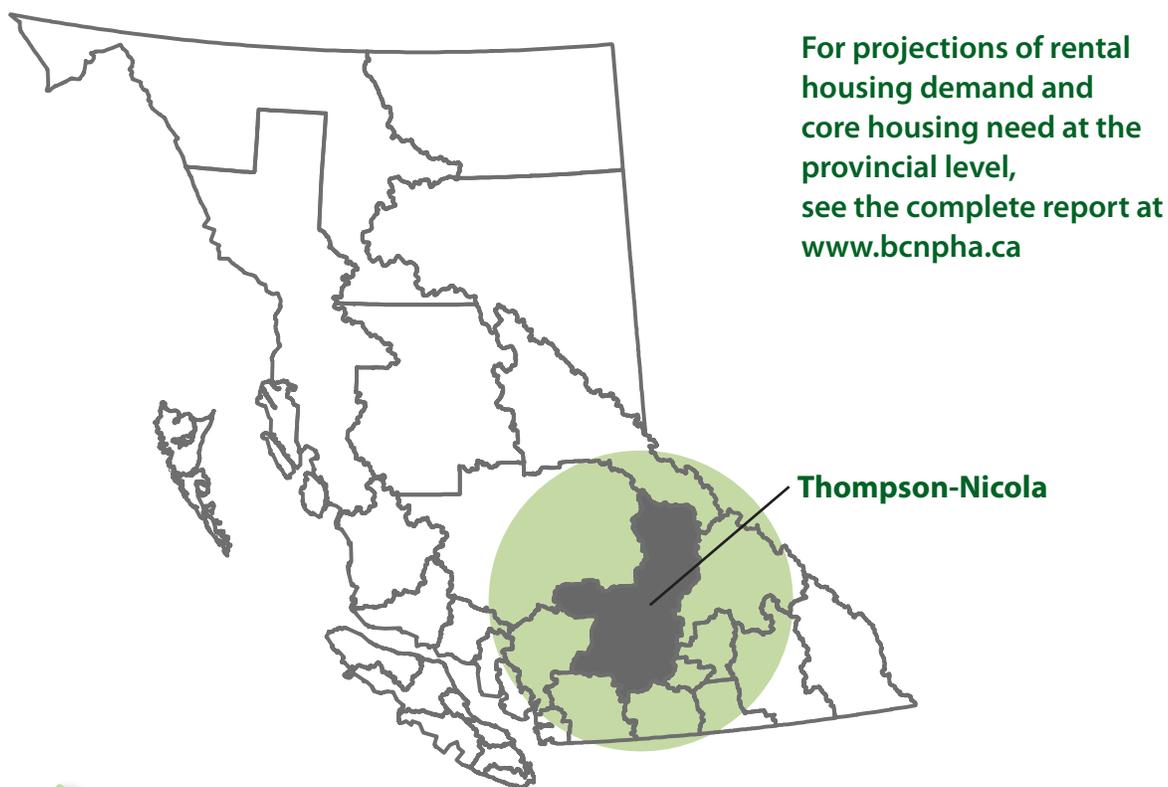
A vision for sustainable housing in communities across British Columbia

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 28 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 Thompson-Nicola Regional District is situated in the central region of the province.



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 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.

Both scenarios suggest that rental housing demand will grow into the future in Thompson-Nicola. Rental housing demand is estimated to range between 15,249 and 16,777 households in 2036, an increase of between 1,885 and 3,414 households, as seen in Table 1 below. Core housing need among renters is projected to range from 4,470 to 4,957 households by 2036, an increase of between 652 and 1,139 households.

In Scenario A: Constant Tenure, rental housing demand grows at a similar rate to population growth. In Scenario B: Shifting Tenure the growth in rental housing demand is less than the growth in population. 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.

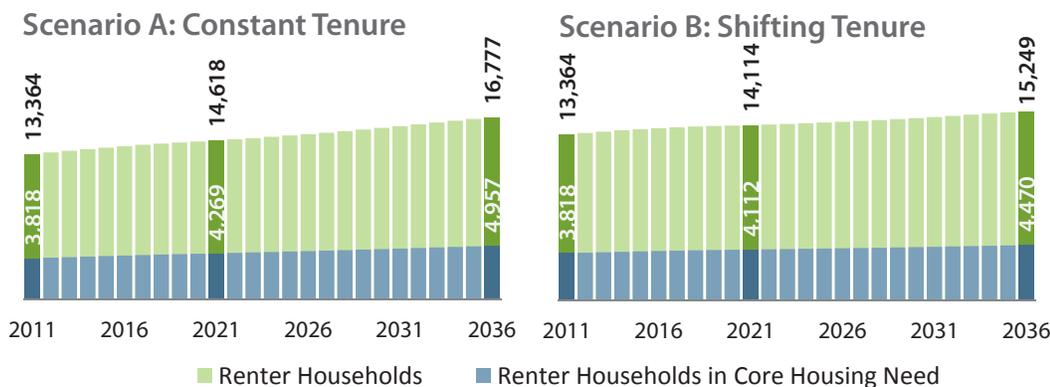


FIGURE 1
Rental Housing Demand and Core Housing Need (Thompson-Nicola, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	13,364	3,818	13,364	3,818
2021	14,618	4,269	14,114	4,112
2036	16,777	4,957	15,249	4,470
Increase 2011-2036	3,414	1,139	1,885	652

TABLE 1
Rental Housing Demand and Core Housing Need (Thompson-Nicola, 2011 to 2036)



The projections for rental housing demand and renter households in core housing need in the Thompson-Nicola Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 25%, from 132,006 in 2011 to 164,694 in 2036.

Between 1986 and 2006 the population grew by 24,406 people, fluctuating between a 0.6% annual decline and a 3.5% annual increase. Annual growth is projected to slow from 1.0% in 2011 to 0.8% in 2036.

Based on 2006 Census data (the most recent available), Thompson-Nicola's population is slightly older than the provincial population. In 2006, the median age in Thompson-Nicola was 42.4 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be significant growth in the population of people aged over 65, and those aged 30 to 54.

Rental maintainer rates in Thompson-Nicola are highest among those aged 20 to 34. The rates then decline before rising again among seniors. The relatively steady population composition in Thompson-Nicola, in combination with steady population growth, will lead to steady growth in rental housing demand.

By 2036 there will be significant growth in the population aged 30 to 54 and 65 and older.

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

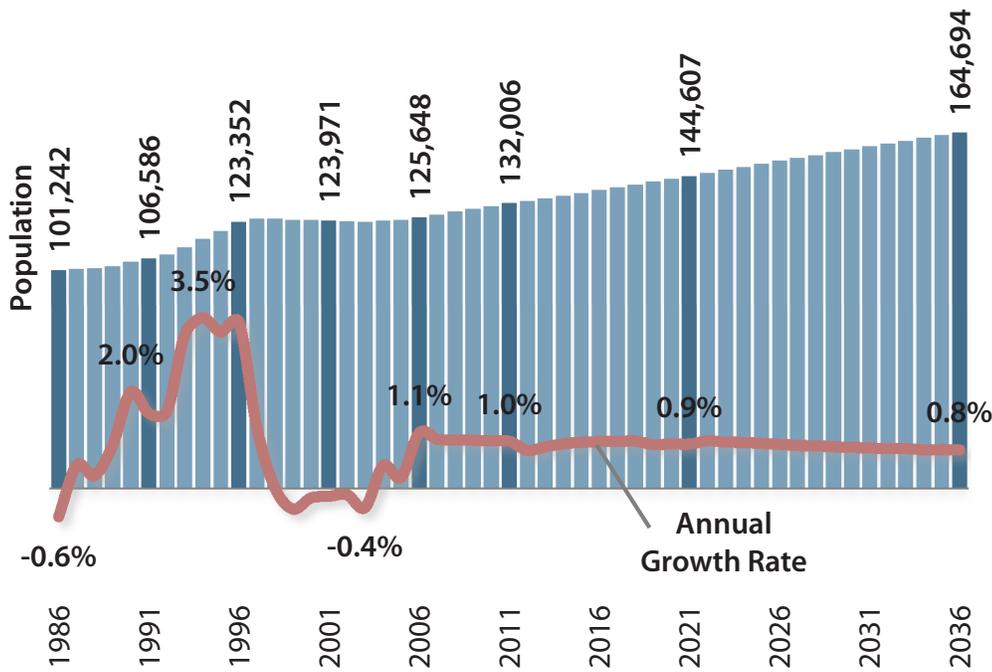


FIGURE 2

Total Population Change (Thompson-Nicola, 1986 to 2036)

Population will grow over the next 25 years, while the annual growth rate will decline over the same period.

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Thompson-Nicola	132,006	144,607	164,694	0.9%	0.9%	0.9%

TABLE 2

Population Change (Thompson-Nicola, 2011 to 2036)

Thompson-Nicola will experience an average annual growth rate of 0.9% over the next 25 years.

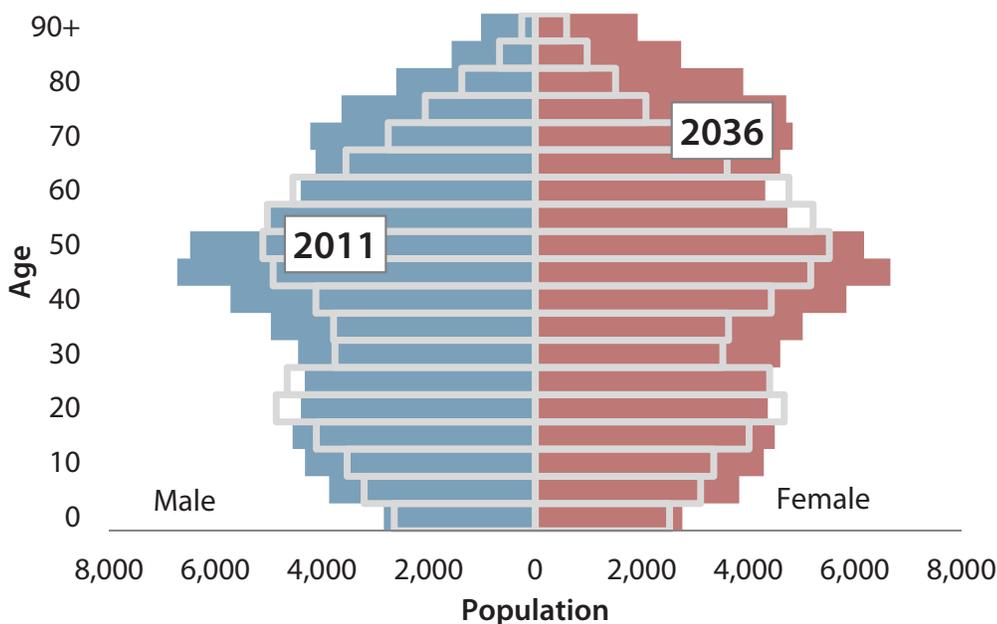


FIGURE 3

Regional Age Profile (Thompson-Nicola, 2011 and 2036)

Over the next 25 years Thompson-Nicola will experience a large increase in those aged 65 and over.



projections

Rental Housing Demand

Rental housing demand in Thompson-Nicola is projected to increase by 14% to 26% over the next 25 years through two different scenarios, compared to population growth of 25% over the same period.

Figure 4 shows that rental housing demand declined from 2001 to 2006, reflecting demographic changes. The decline in rental housing was caused by overall population decline and a decline in rental household maintainer rates.

Figure 5 depicts the age breakdown of rental housing demand in 2011 and 2036. Growth in rental housing demand will occur in all age groups except 15 to 29. Growth in rental housing demand will be strongest for those aged 65 and above.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 26% from 13,364 households in 2011 to 16,777 households in 2036 when tenure patterns are held constant.¹ This translates to an average annual increase in rental housing demand of 137 households between 2011 and 2036.

Scenario B: Shifting Tenure

Total rental household maintainer rates for BC declined from 16.4% in 1996 to 14.4% in 2006. The shift can be seen in Thompson-Nicola and is consistent across most age groups. Scenario B assumes this trend will continue to 2036, thereby slowing the growth in rental housing demand. Since the overall population is projected to grow, however, total rental housing demand is projected to increase by 14%, from 13,364 households in 2011 to 15,249 households by 2036. This growth translates into an average annual increase of 75 rental households between 2011 and 2036.

Rental housing demand is projected to increase by 1,885 to 3,414 households over the next 25 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	13,364	14,618	16,777	1,254	2,160	3,414	125	144	137
Scenario B: Shifting Tenure	13,364	14,114	15,249	750	1,135	1,885	75	76	75

TABLE 3
Rental Housing Demand (Thompson-Nicola, 2011 to 2036)
 Rental housing demand is projected to increase by 75 to 137 households annually over the next 25 years.

² 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

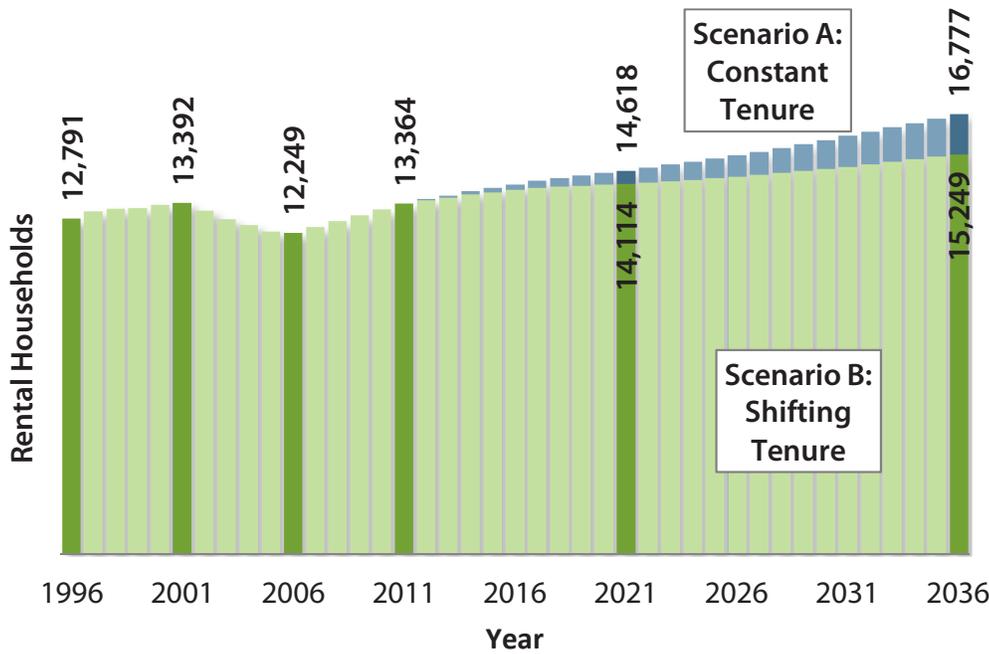


FIGURE 4

Rental Housing Demand (Thompson-Nicola, 1996 to 2036)

Both scenarios project growth in rental housing demand.

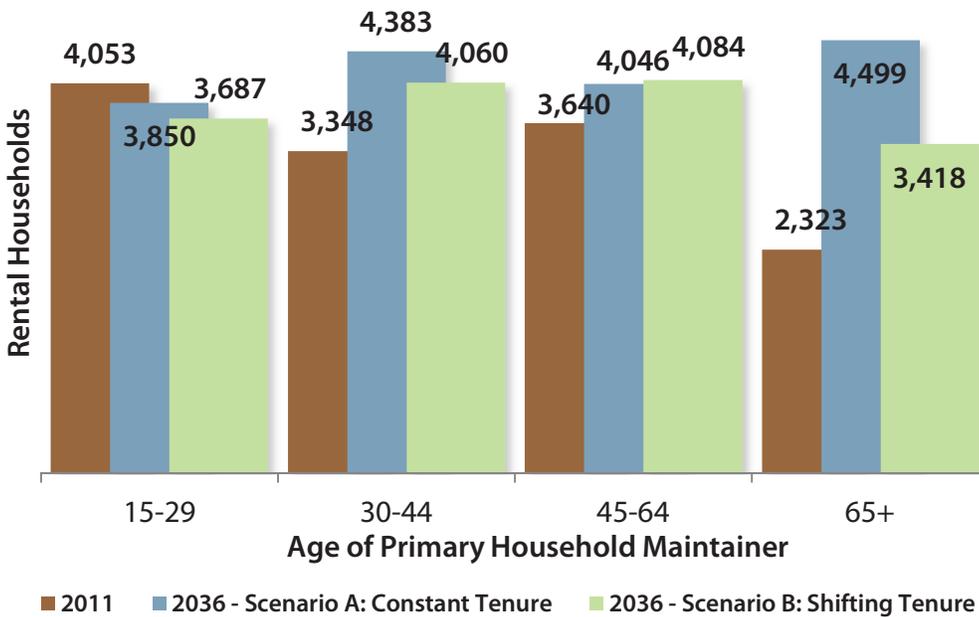


FIGURE 5

Rental Housing Demand by Age (Thompson-Nicola, 2011, 2036)

By 2036 both scenarios project a large increase in demand by seniors for rental housing.



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 in Thompson-Nicola is projected to increase by 17% to 30% over the next 25 years, as seen in Table 4.

Figure 6 shows that the number of renter households in core housing need declined in Thompson-Nicola between 1996 and 2001, because of a decline in incidence of core housing need among renters. The incidence of core housing need stayed steady from 2001 to 2006, but overall core housing need continued to decline, mirroring the decline in rental housing demand.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 3,818 renter households in Thompson-Nicola were in core housing need in 2011.²

Figure 7 depicts the age-specific breakdown of renter households in core housing need. The number of senior households in core housing need will increase significantly by 2036, while declining among the youngest age group.

Scenario A: Constant Tenure

Scenario A reveals an increase of 1,139 renter households in core need, from 3,818 households in 2011 to 4,957 households by 2036, an increase of 30%. This is an average annual increase of 46 renter households.

Scenario B: Shifting Tenure

Scenario B reveals a smaller overall increase of 652 renter households in core housing need by 2036. The annual increase in renter households in core housing need is projected to be 26 households over the next 25 years, for a total of 4,470 renter households in 2036, an increase of 17%.

Core housing need among renters is projected to increase by 652 to 1,139 households over the next 25 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	3,818	4,269	4,957	451	688	1,139	45	46	46
Scenario B: Shifting Tenure	3,818	4,112	4,470	294	358	652	29	24	26

TABLE 4
Renter Households in Core Housing Need (Thompson-Nicola, 2011 to 2036)
 Core housing need is projected to increase by between 26 and 45 renter households annually over the next 25 years.

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

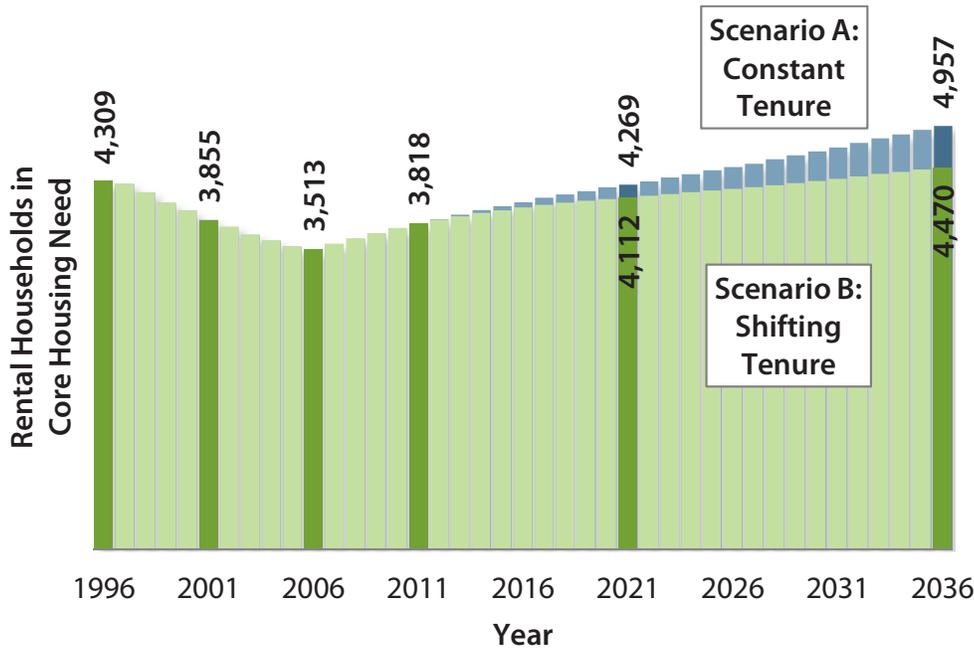


FIGURE 6

Core Housing Need (Thompson-Nicola, 1996 to 2036)

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

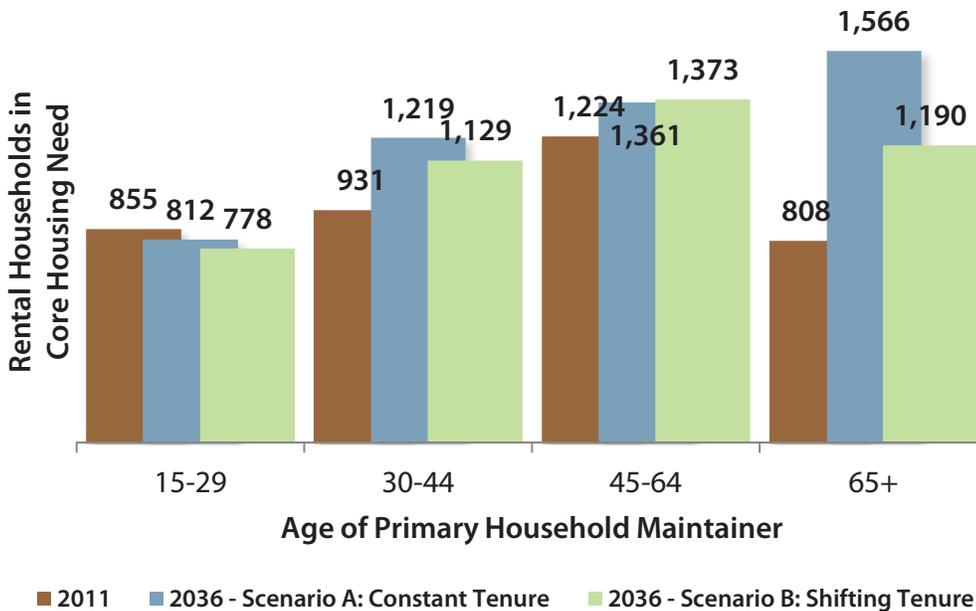


FIGURE 7

Renter Households in Core Housing Need by Age (Thompson-Nicola, 2011, 2036)

There will be a large increase in senior 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 Thompson-Nicola. 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.

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



methods

Our Model

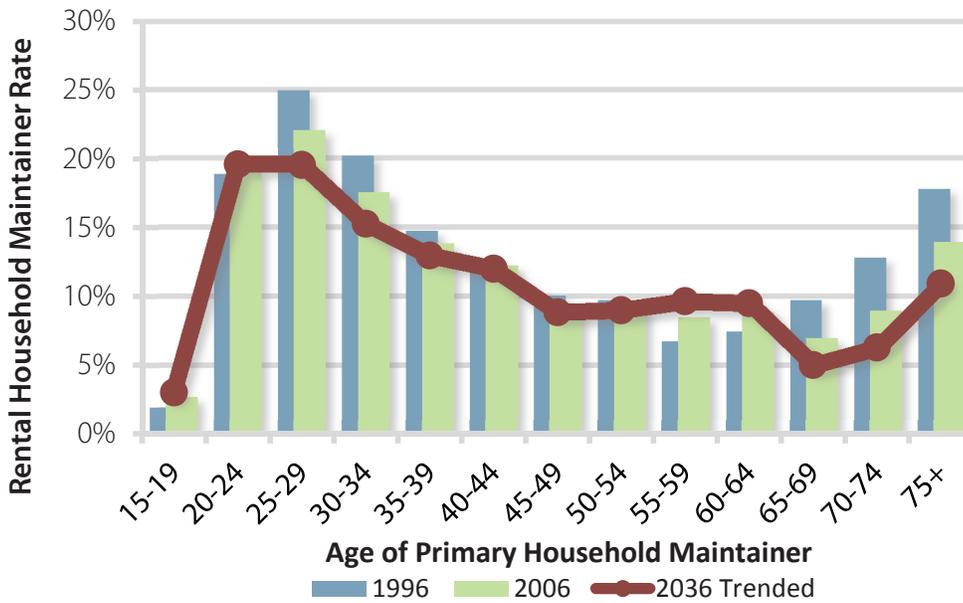


FIGURE 8

Rental Household Maintainer Rates (Thompson-Nicola, 1996, 2006, 2036)

Rental household maintainer rates are projected to decline among many age groups by 2036. (For detailed age-specific maintainer rates used to build the projections, see the appendix in the full report at www.bcnpha.ca.)

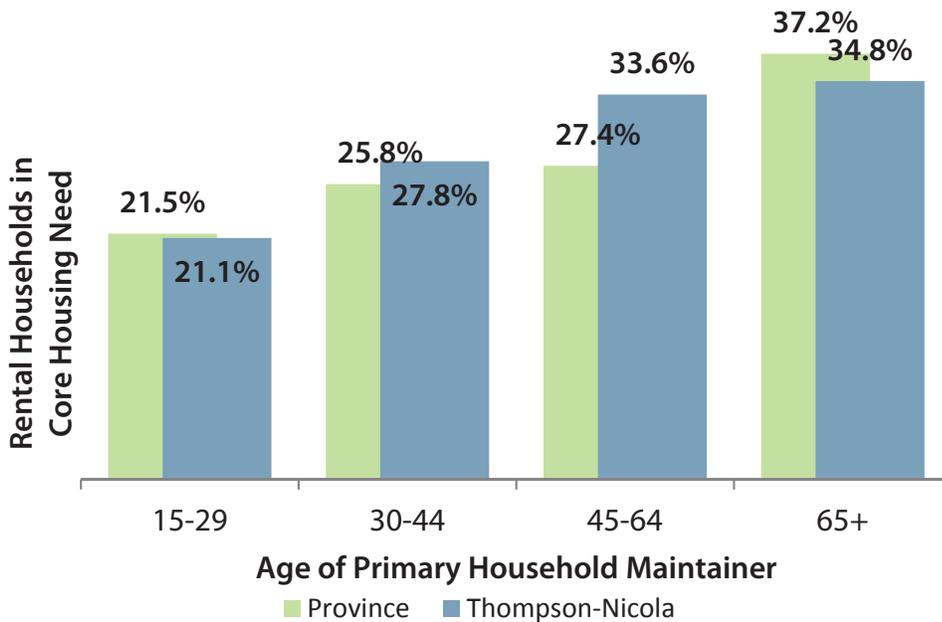


FIGURE 9

Share of Renter Households in Core Housing Need (BC and Thompson-Nicola, 2011)

The share of renter households in core housing need in Thompson-Nicola closely reflects provincial levels.



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	19,578	21,992	23,239	1.2%	0.4%	0.7%
15-29	26,707	22,544	26,498	-1.7%	1.1%	0.0%
30-44	23,230	30,381	30,581	2.7%	0.0%	1.1%
45-64	40,263	38,075	44,506	-0.6%	1.0%	0.4%
65+	22,228	31,615	39,870	3.6%	1.6%	2.4%
All Ages	132,006	144,607	164,694	0.9%	0.9%	0.9%

TABLE 6
Population Projections by Age Group (Thompson-Nicola, 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	13,364	14,618	16,777	1,254	2,160	3,414	125	144	137
	Scenario B: Shifting Tenure	13,364	14,114	15,249	750	1,135	1,885	75	76	75
Ownership	Scenario A: Constant Tenure	42,081	48,274	55,830	6,193	7,556	13,749	619	504	550
	Scenario B: Shifting Tenure	42,081	48,778	57,358	6,697	8,580	15,277	670	572	611
Total	Both Scenarios	55,445	62,892	72,608	7,447	9,716	17,163	745	648	687

TABLE 7
Household Projections (Thompson-Nicola, 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	3,818	4,269	4,957	451	688	1,139	45	46	46
	Scenario B: Shifting Tenure	3,818	4,112	4,470	294	358	652	29	24	26
Ownership	Scenario A: Constant Tenure	2,511	2,971	3,454	460	483	943	46	32	38
	Scenario B: Shifting Tenure	2,511	3,007	3,562	495	556	1,051	50	37	42
Total	Scenario A: Constant Tenure	6,329	7,240	8,411	911	1,171	2,082	91	78	83
	Scenario B: Shifting Tenure	6,329	7,119	8,032	790	913	1,703	79	61	68

TABLE 8
Households in Core Housing Need Projections (Thompson-Nicola, 2011 to 2036)

