



# **Our Home, Our Future:**

## Projections of Rental Housing Demand and Core Housing Need

**REGIONAL DISTRICT OF EAST  
KOOTENAY TO 2036**

**SEPTEMBER 2012**



**BCNPHA**

BC Non-Profit Housing Association

[www.bcnpha.ca](http://www.bcnpha.ca)

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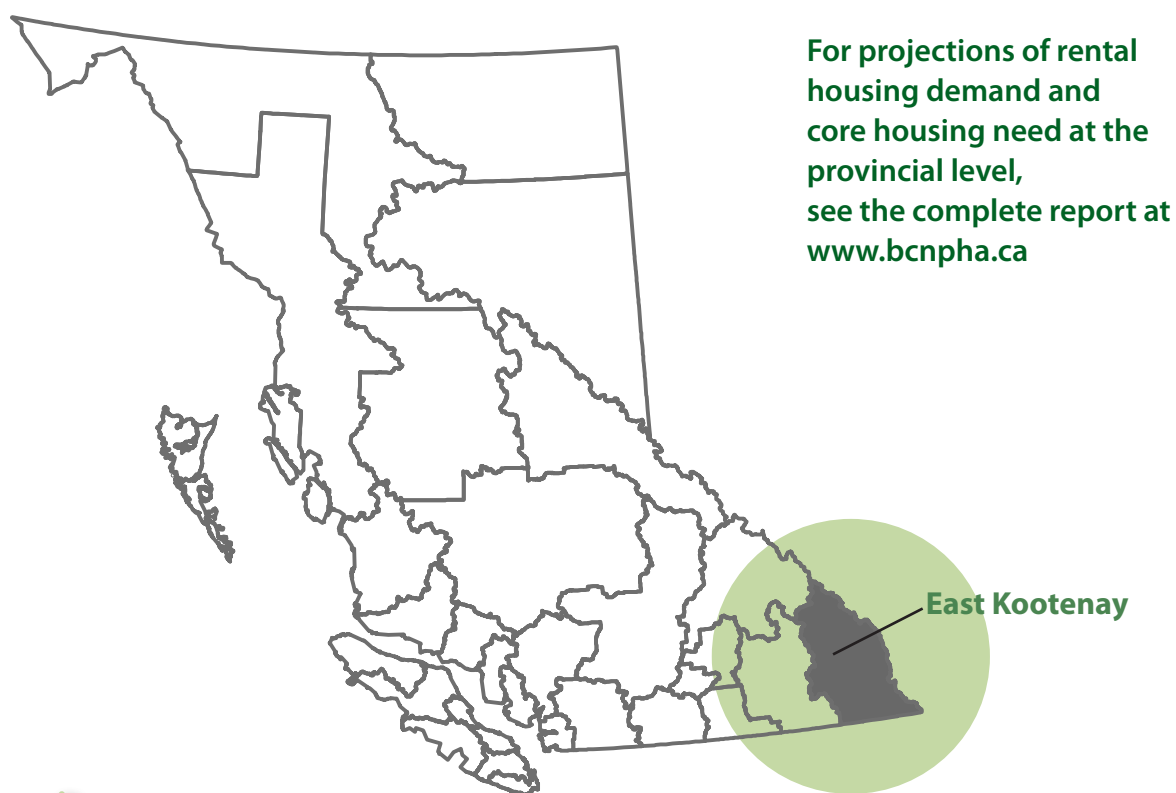
# A vision for sustainable housing in communities across British Columbia

**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 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 Regional District of East Kootenay is situated in the southeast.



# highlights

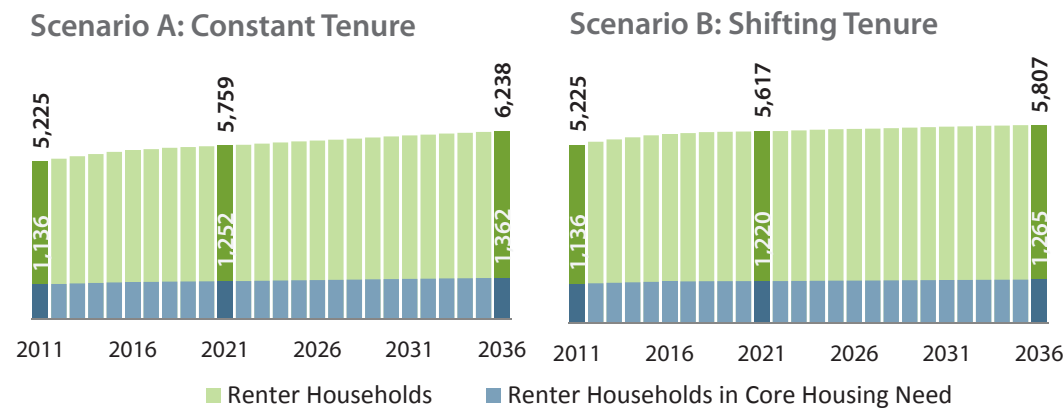
Two demographically driven scenarios were built to project rental housing demand and core housing need among renter households to 2036. These scenarios are illustrations of what might occur under certain conditions.

**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 East Kootenay. Rental housing demand is estimated to range between 5,807 and 6,238 households by 2036, an increase of between 582 and 1,013 households, as seen in Table 1 below. Core housing need among renters is projected to range from 1,265 to 1,362 renter households by 2036, an increase of between 129 and 226 households.

In Scenario A: Constant Tenure, rental housing demand grows more rapidly than population growth. In Scenario B: Shifting Tenure, the growth in rental housing demand is equal to 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 (East Kootenay, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	5,225	1,136	5,225	1,136
2021	5,759	1,252	5,617	1,220
2036	6,238	1,362	5,807	1,265
Increase 2011-2036	1,013	226	582	129

**TABLE 1**  
Rental Housing Demand and Core Housing Need (East Kootenay, 2011 to 2036)



## context

## Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Regional District of East Kootenay partly reflect anticipated demographic change in the District. The population is projected to increase by 11%, from 57,309 in 2011 to 63,456 in 2036, as seen in Figure 2.

Between 1986 and 2006 the population grew by 3,556 people, fluctuating between a 2.1% annual decline 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), East Kootenay's population is slightly older than the provincial population. In 2006, the median age in East Kootenay was 43.1 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be significant growth in the population aged 65 and over, and aged 40 to 49, while other age groups will experience decline.

Rental maintainer rates in East Kootenay are highest among those aged 25 to 29. The rates then steadily decline before rising slightly among those aged 70 and over. An aging population will account for much of the growth in rental housing demand in East Kootenay.

**By 2036 there will be significant growth in the population aged 40 to 49 and 65 and over, while other age groups will experience decline.**

## 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](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](http://www.statcan.gc.ca))



## context

## Demographic Drivers

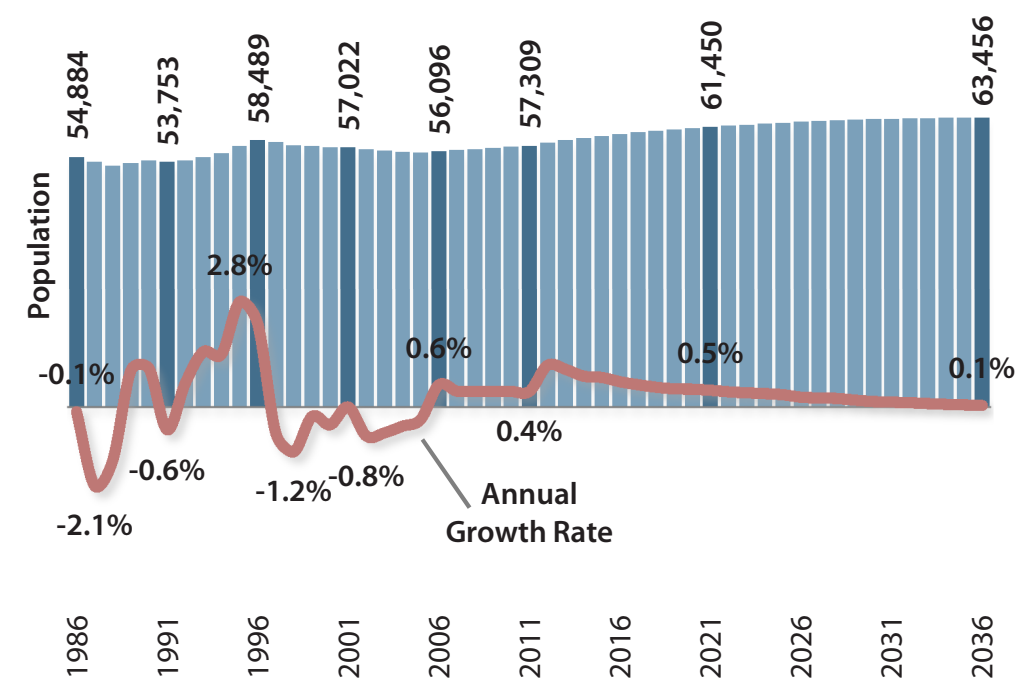


FIGURE 2

Total Population Change  
(East Kootenay,  
1986 to 2036)

Population will grow slowly 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
East Kootenay	57,309	61,450	63,456	0.7%	0.2%	0.4%

TABLE 2

Population Change (East  
Kootenay, 2011 to 2036)

East Kootenay will experience an average annual growth rate of 0.4% over the next 25 years.

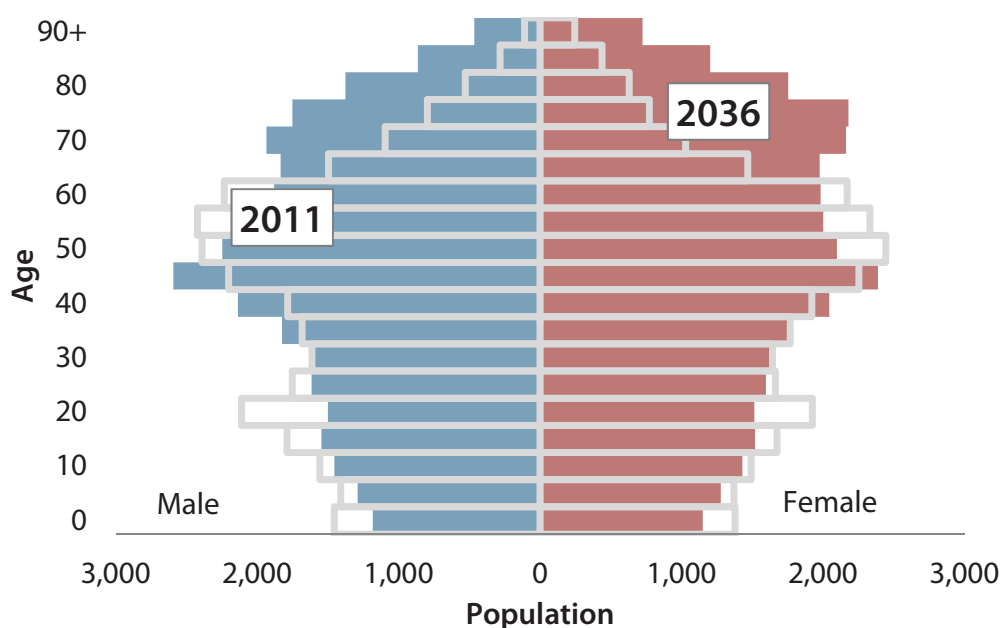


FIGURE 3

Regional Age Profile  
(East Kootenay, 2011  
and 2036)

Over the next 25 years East Kootenay will age considerably, with a large increase in those aged 65 and over.



## projections

## Rental Housing Demand

Rental housing demand in East Kootenay is projected to increase by 11% to 19% over the next 25 years through two different scenarios, compared to population growth of 11% over the same period.

Figure 4 shows that rental housing demand declined from 1996 to 2006, reflecting demographic changes. The decline in rental housing demand was caused by an 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. Rental housing demand among senior households is projected to double by 2036. Demand among other age groups is projected to remain static or decline.

### Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase from 5,225 households in 2011 to 6,238 households in 2036 when tenure patterns are held constant.<sup>1</sup> This translates to an average annual increase in rental housing demand of 41 households between 2011 and 2036, an overall increase of 19%.

### 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 East Kootenay 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 still projected to increase from 5,225 households in 2011 to 5,807 households by 2036, an increase of 11%. This slower growth translates into an average annual increase of 23 rental households between 2011 and 2036.

	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	5,225	5,759	6,238	534	479	1,013	53	32	41
Scenario B: Shifting Tenure	5,225	5,617	5,807	392	190	582	39	13	23

**Rental housing demand is projected to increase by 392 to 534 households over the next 10 years.**

**TABLE 3**  
**Rental Housing Demand**  
(East Kootenay, 2011 to 2036)

Rental housing demand is projected to increase by 39 to 53 households annually over the next 10 years.

<sup>1</sup> 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

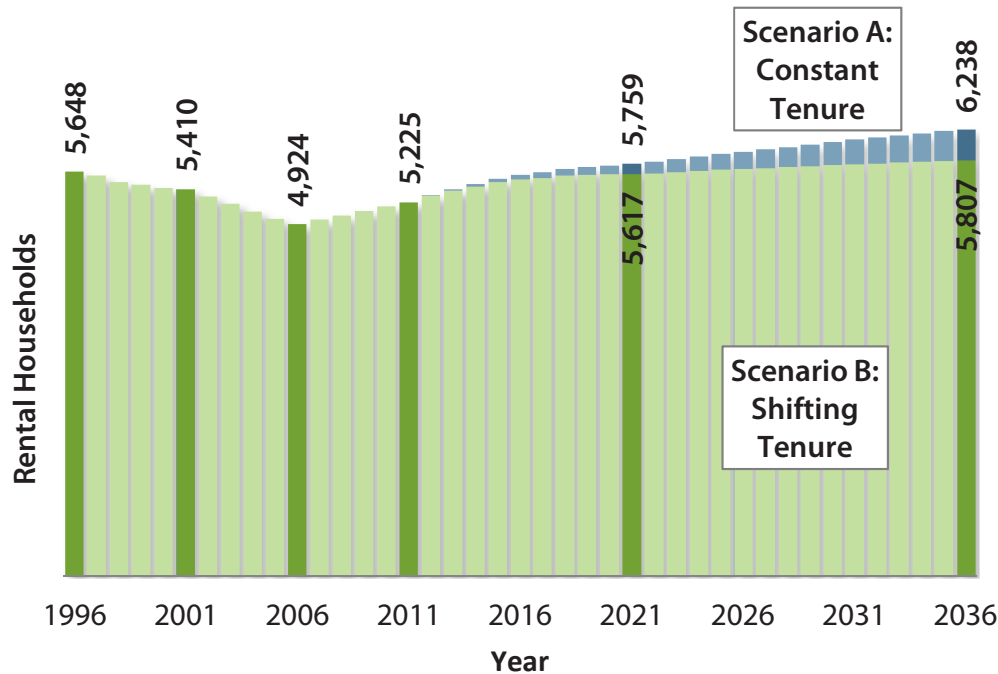


FIGURE 4

Rental Housing Demand  
(East Kootenay,  
1996 to 2036)

Both scenarios project growth in rental housing demand, with Scenario A projecting greater growth over the next 25 years.

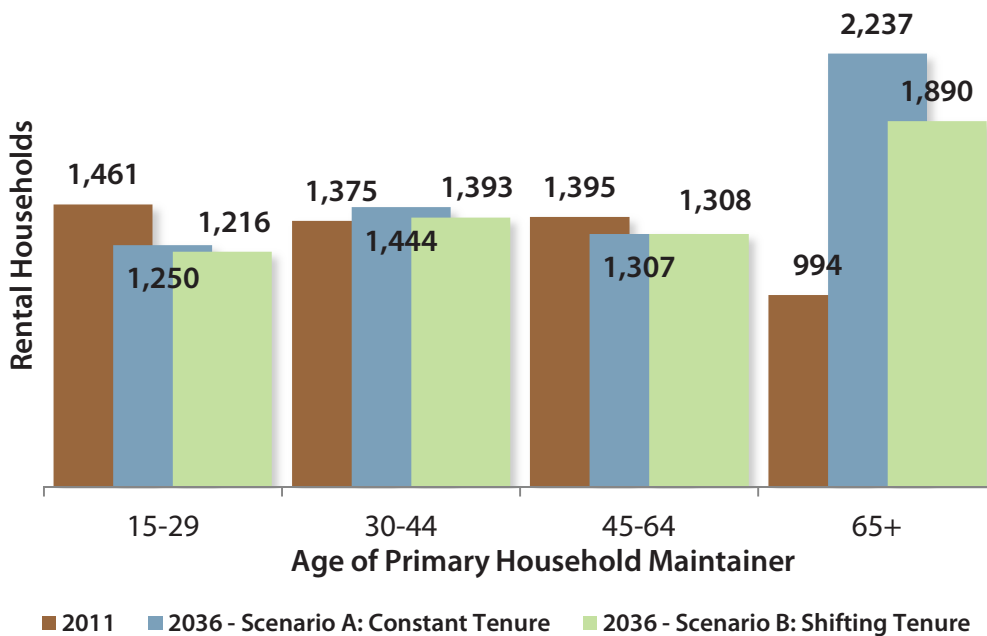


FIGURE 5

Rental Housing  
Demand by Age  
(East Kootenay, 2011,  
2036)

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





## 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 East Kootenay is projected to increase by 11% to 20% over the next 25 years.

Figure 6 shows that the number of renter households in core housing need declined dramatically in East Kootenay between 1996 and 2006. The decline reflects the population and rental housing decline but is amplified because of higher incidence of core housing need among households maintained by young people, who saw significant population decreases during the same period.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 1,136 renter households in East Kootenay were in core housing need in 2011.<sup>2</sup>

Figure 7 depicts the age-specific breakdown of renter households in core housing need. Core housing need among senior households is projected to double by 2036. Due to the aging of the population, almost all of the increase in core housing need will be among senior households.

### Scenario A: Constant Tenure

Scenario A reveals a total increase of 226 renter households in core need, from 1,136 households in 2011 to 1,362 households by 2036, an increase of 20%. This is an average annual increase of 9 households.

### Scenario B: Shifting Tenure

Scenario B reveals a smaller overall increase of 129 renter households in core housing need by 2036, an increase of 11%. The annual increase in renter households in core housing need is projected to be 5 households over the next 25 years, for a total of 1,265 households in 2036.

	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	1,136	1,252	1,362	116	110	226	12	7	9
Scenario B: Shifting Tenure	1,136	1,220	1,265	84	45	129	8	3	5

TABLE 4

#### Renter Households in Core Housing Need (East Kootenay, 2011 to 2036)

Core housing need is projected to increase between 8 and 12 renter households annually over the next 10 years.

<sup>2</sup> 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

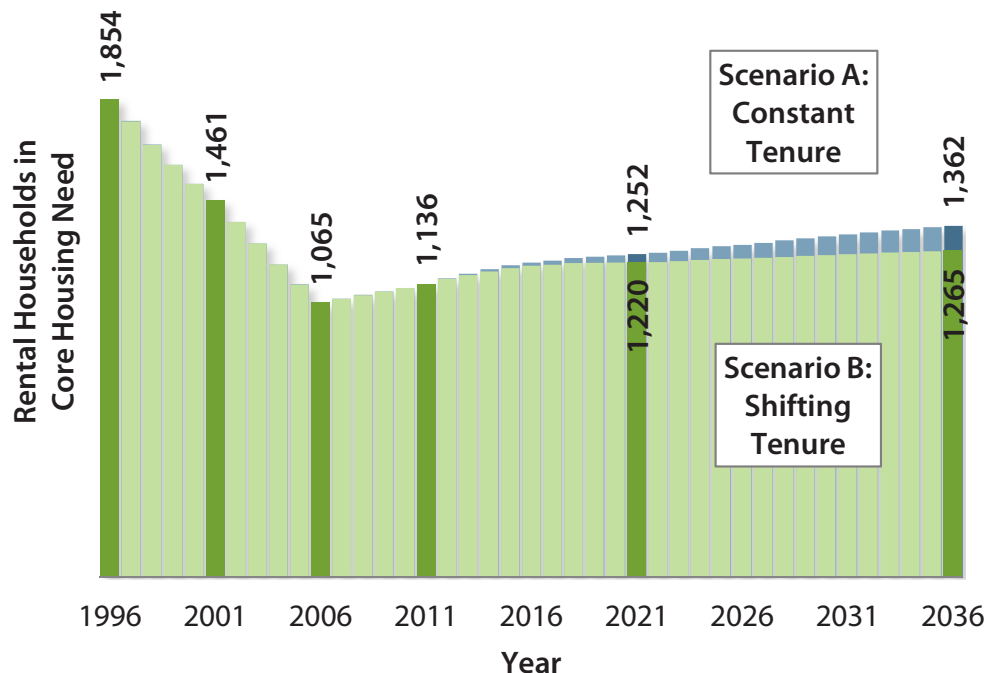


FIGURE 6

### Core Housing Need (East Kootenay, 1996 to 2036)

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

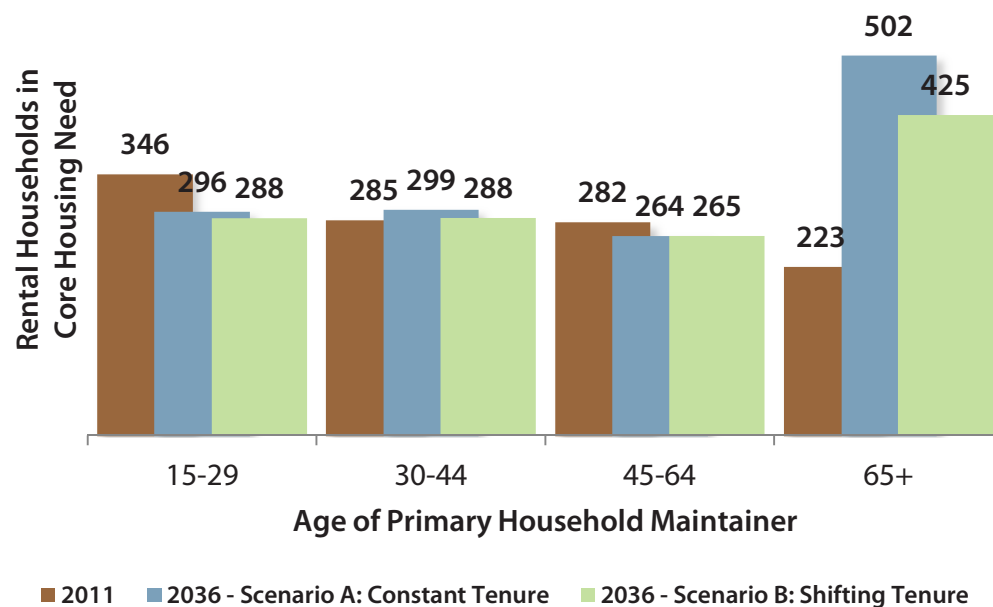


FIGURE 7

### Renter Households in Core Housing Need by Age (East Kootenay, 2011, 2036)

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



# methods

## Our Model

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 East Kootenay. 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.<sup>3</sup>

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

<sup>3</sup> 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](http://www.bcpnha.ca).

**Projections created** with technical support from Urban Futures.

**Contact** BCNPHA Research Department for more information: [jill@bcnpha.ca](mailto:jill@bcnpha.ca).

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



# methods

## Our Model

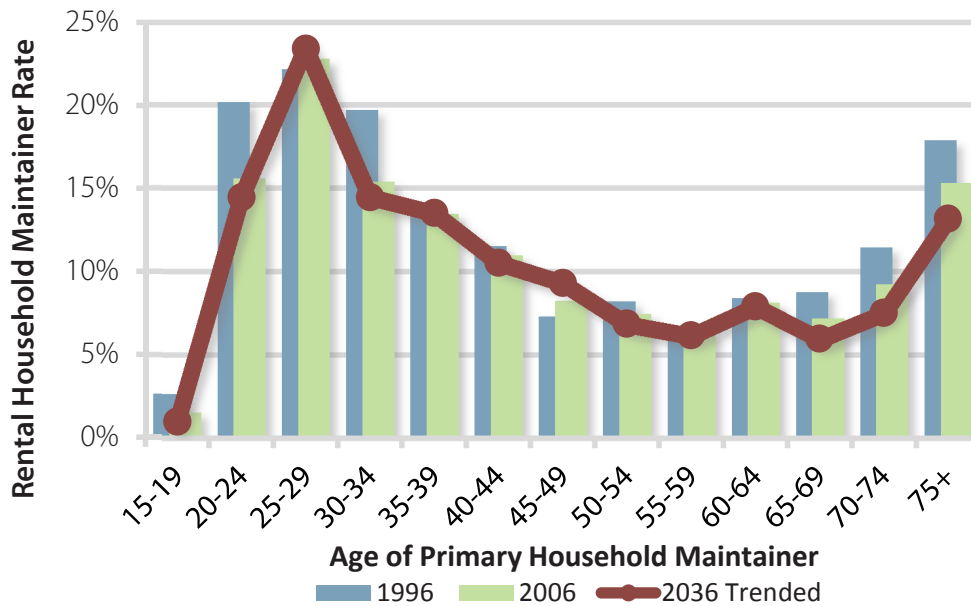


FIGURE 8

### Rental Household Maintainer Rates (East Kootenay, 1996, 2006, 2036)

Rental household maintainer rates are projected to increase among some age groups and decline for others by 2036.

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

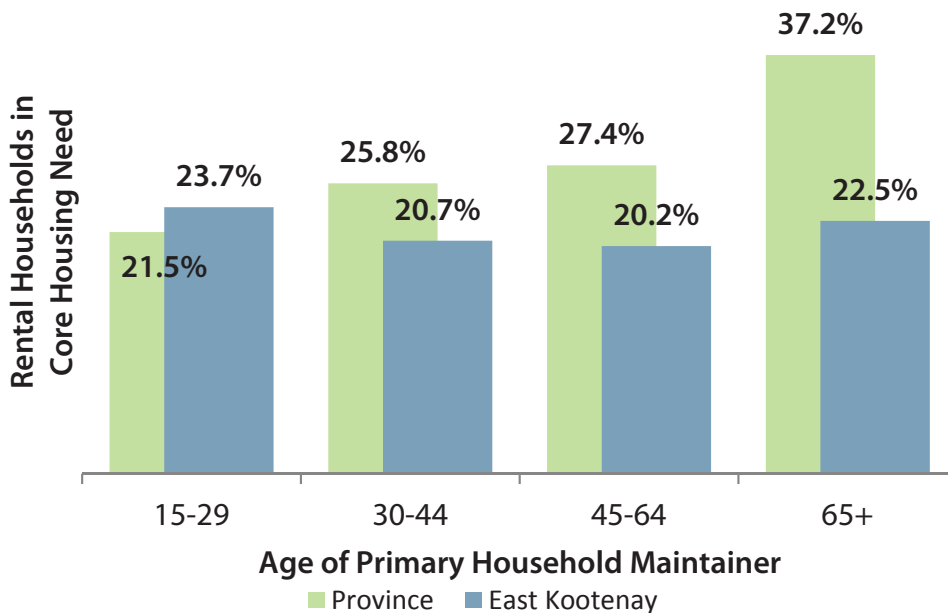


FIGURE 9

### Share of Renter Households in Core Housing Need (BC and East Kootenay, 2011)

In East Kootenay fewer renter households are in core housing need than the provincial average.



# 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](http://www.bcnpha.ca)

TABLE 6

Population Projections  
by Age Group (East  
Kootenay, 2011 to 2036)

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011- 2021	2021- 2036	2011- 2036
0-14	8,661	8,859	7,781	0.2%	-0.9%	-0.4%
15-29	10,910	9,234	9,290	-1.7%	0.0%	-0.6%
30-44	10,408	12,265	11,011	1.7%	-0.7%	0.2%
45-64	18,442	16,872	17,152	-0.9%	0.1%	-0.3%
65+	8,888	14,220	18,222	4.8%	1.7%	2.9%
All Ages	57,309	61,450	63,456	0.7%	0.2%	0.4%

TABLE 7

Household Projections  
(East Kootenay,  
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	5,225	5,759	6,238	534	479	1,013	53	32	41
	Scenario B: Shifting Tenure	5,225	5,617	5,807	392	190	582	39	13	23
Ownership	Scenario A: Constant Tenure	19,324	21,991	23,546	2,667	1,555	4,222	267	104	169
	Scenario B: Shifting Tenure	19,324	22,133	23,977	2,809	1,844	4,653	281	123	186
Total	Both Scenarios	24,549	27,750	29,784	3,201	2,034	5,235	320	136	209

TABLE 8

Households in  
Core Housing Need  
Projections (East  
Kootenay, 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	1,136	1,252	1,362	116	110	226	12	7	9
	Scenario B: Shifting Tenure	1,136	1,220	1,265	84	45	129	8	3	5
Ownership	Scenario A: Constant Tenure	1,002	1,162	1,237	160	75	235	16	5	9
	Scenario B: Shifting Tenure	1,002	1,170	1,262	168	91	259	17	6	10
Total	Scenario A: Constant Tenure	2,138	2,414	2,599	276	185	461	28	12	18
	Scenario B: Shifting Tenure	2,138	2,390	2,527	252	137	389	25	9	16

