



# **Our Home, Our Future:**

## Projections of Rental Housing Demand and Core Housing Need

**REGIONAL DISTRICT OF CENTRAL  
KOOTENAY TO 2036**

**SEPTEMBER 2012**



**BCNPHA**

BC Non-Profit Housing Association

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

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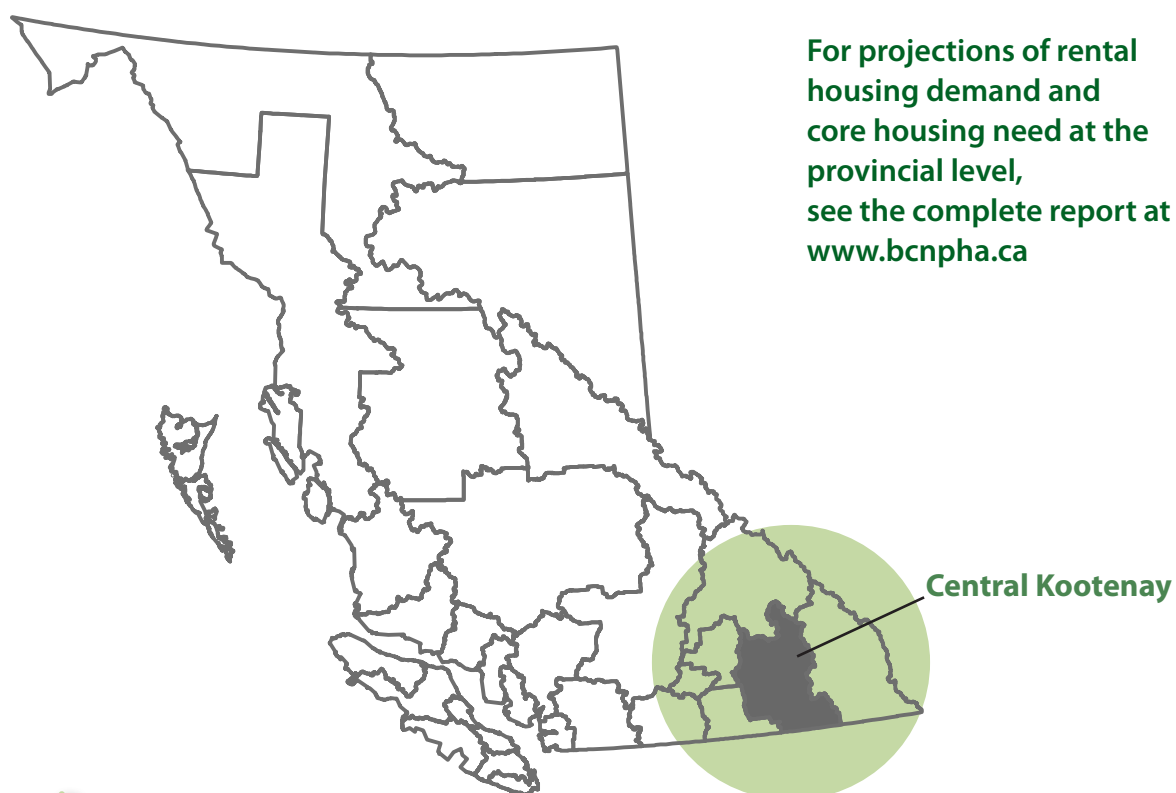
# A vision for sustainable housing in communities across British Columbia

**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 Central Kootenay is situated in the southeast.



# highlights

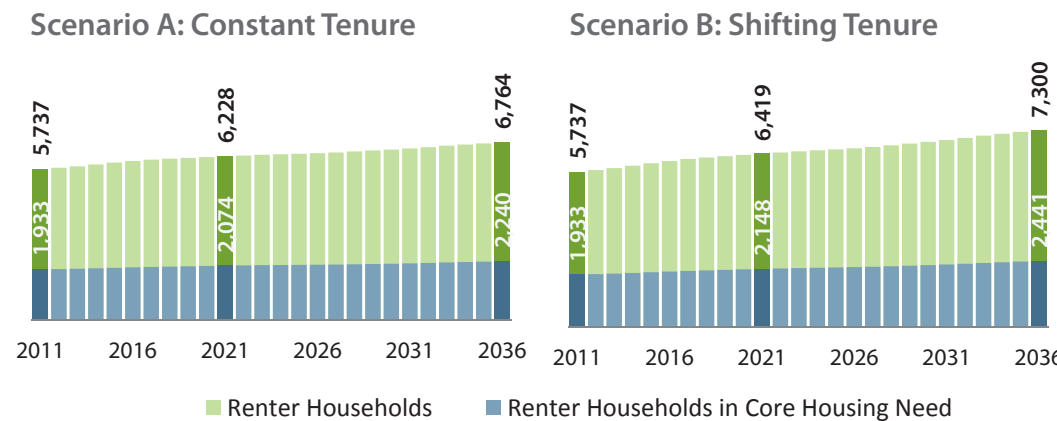
Two demographically driven scenarios were built to project rental housing demand and core housing need among renter households to 2036. These scenarios are illustrations of what might occur under certain conditions

**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. In Central Kootenay, however, the shift has been towards rental.

Both scenarios suggest that rental housing demand will grow into the future in Central Kootenay. Rental housing demand is estimated to range between 6,764 and 7,300 households in 2036, an increase of between 1,027 and 1,563 households, as seen in Table 1 below. Core housing need among renters is projected to range between 2,240 and 2,441 renter households by 2036, an increase of between 307 and 508 households.

In both scenarios, rental housing demand grows more rapidly than population growth. 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 (Central Kootenay, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	5,737	1,933	5,737	1,933
2021	6,228	2,074	6,419	2,148
2036	6,764	2,240	7,300	2,441
Increase 2011-2036	1,027	307	1,563	508

**TABLE 1**  
Rental Housing Demand and Core Housing Need (Central 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 Central Kootenay partly reflect anticipated demographic change in the District. The population is projected to increase by 16%, from 59,073 in 2011 to 68,340 in 2036.

Between 1986 and 2006 the population grew by 5,572 people, fluctuating between a 1.8% annual decline and a 3.7% annual increase. Recent growth has averaged around 1% annually and is projected to slow to 0.4% in 2036.

Based on 2006 Census data (the most recent available), Central Kootenay's population is slightly older than the provincial population. In 2006, the median age in Central Kootenay was 45.3 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be significant growth in the population of people over 70, along with growth in people aged 25 to 49. There will be a decline in the 20 to 24 and 50 to 64 age groups.

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

**Central Kootenay's changing population composition will lead to strong growth in rental demand relative to population growth.**

**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/HiCOWDefinitions\\_EN.html](http://cmhc.beyond2020.com/HiCOWDefinitions_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

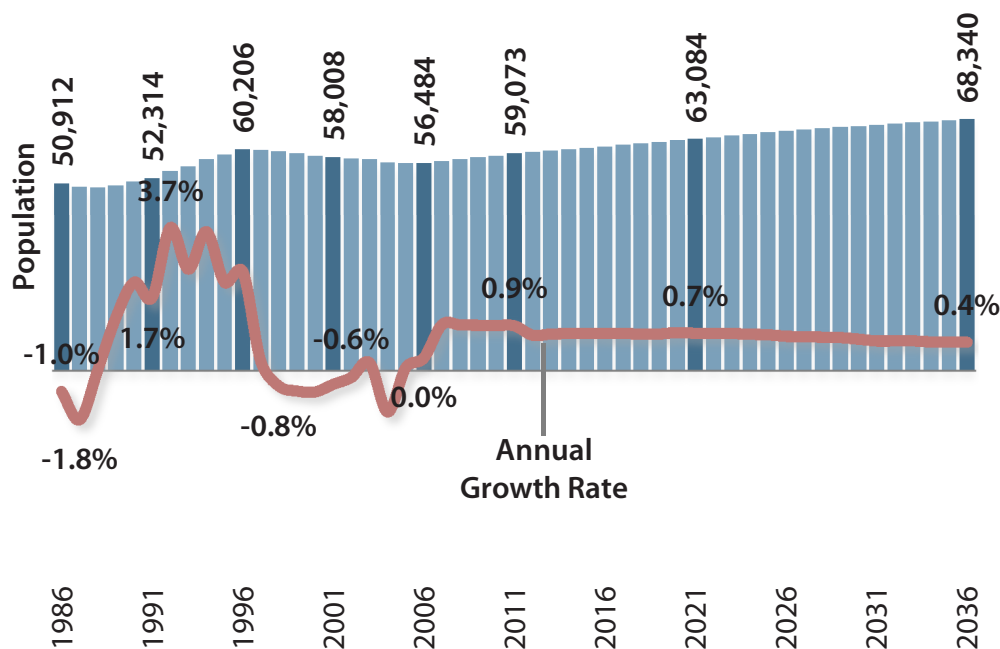


FIGURE 2

**Total Population Change  
(Central Kootenay,  
1986 to 2036)**

Population will grow moderately 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
Central Kootenay	59,073	63,084	68,340	0.7%	0.5%	0.6%

TABLE 2

**Population Change  
(Central Kootenay, 2011  
to 2036)**

Central Kootenay will experience an average annual growth rate of 0.6% over the next 25 years.

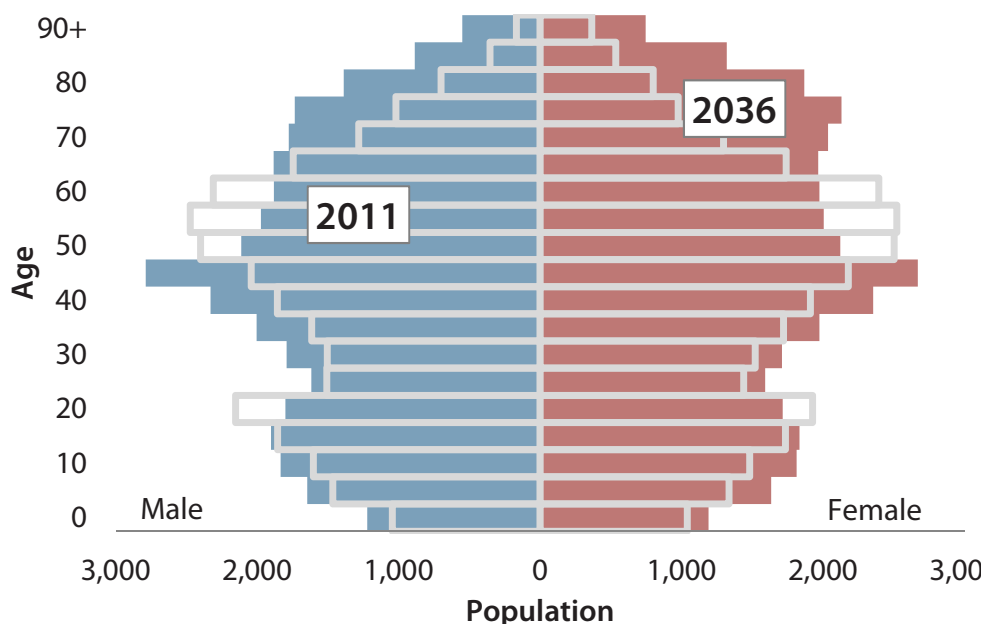


FIGURE 3

**Regional Age Profile  
(Central Kootenay, 2011  
and 2036)**

Over the next 25 years Central Kootenay will age considerably, with a large increase in those aged 70 and over.



## projections

## Rental Housing Demand

Rental housing demand in Central Kootenay is projected to increase by 18% to 27% over the next 25 years through two different scenarios, compared to population growth of 16% over the same period.

Figure 4 shows that rental housing demand declined from 2001 to 2006, reflecting demographic changes. Figure 5 depicts the age breakdown of rental housing demand in 2011 and 2036. The highest growth in rental demand will come from senior households.

### Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 18% from 5,737 households in 2011 to 6,764 households in 2036 when tenure patterns are held constant. This translates to an average annual increase in rental housing demand of 41 households between 2011 and 2036.

### Scenario B: Shifting Tenure

Total renter household maintainer rates for BC declined from 16.4% of households in 1996 to 14.4% in 2006. The shift can be seen among youth and senior headed households in Central Kootenay. In most age groups, however, the shift has been towards rental tenure. Scenario B assumes these trends will continue to 2036, thereby increasing the growth in rental housing demand. Total rental housing demand will increase from 5,737 households in 2011 to 7,300 households by 2036, an increase of 27%. This faster growth translates into an average annual increase of 63 rental households between 2011 and 2036.

**Rental housing demand is projected to increase by 491 to 682 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	5,737	6,228	6,764	491	536	1,027	49	36	41
Scenario B: Shifting Tenure	5,737	6,419	7,300	682	881	1,563	68	59	63

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

Rental housing demand is projected to increase by 49 to 68 households annually over the next 25 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

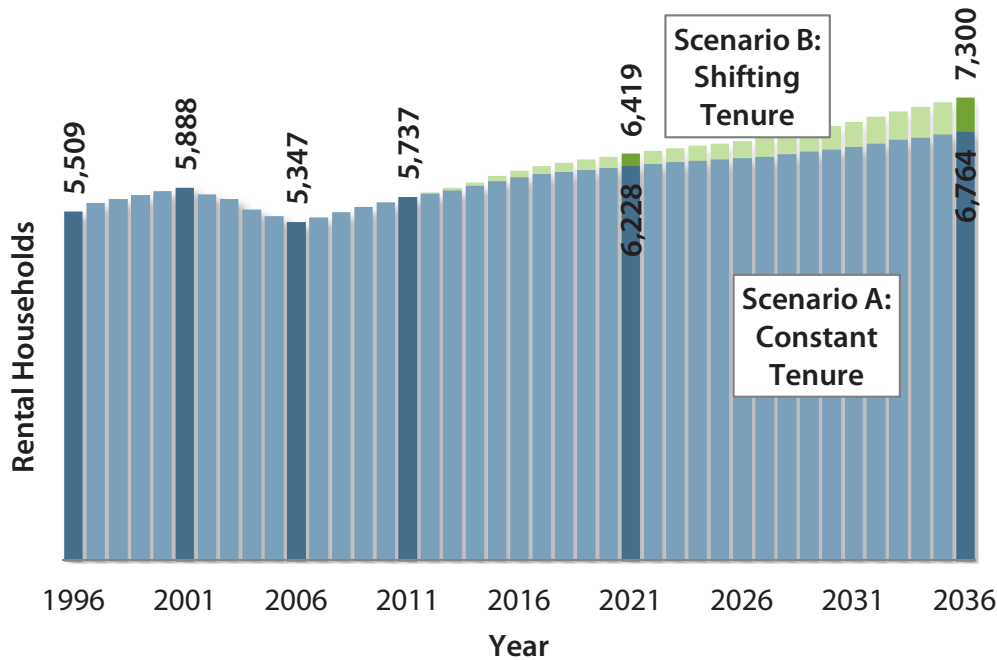


FIGURE 4

**Rental Housing Demand (Central Kootenay, 1996 to 2036)**

Both scenarios project growth in rental housing demand.

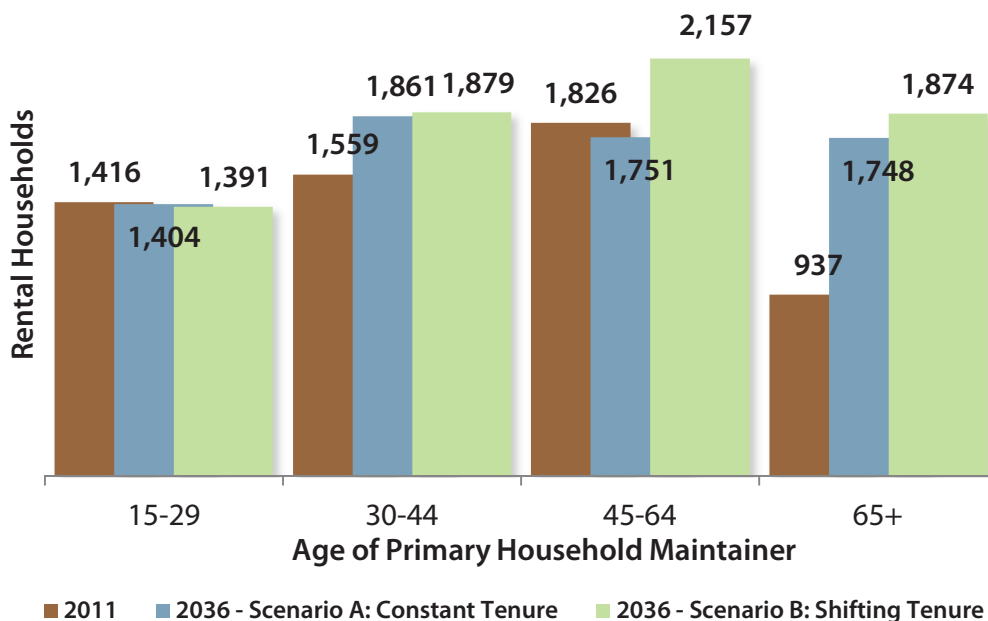


FIGURE 5

**Rental Housing Demand by Age (Central 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 Central Kootenay is projected to increase by 16% to 26% over the next 25 years.

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

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 1,933 renter households in Central 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. The number of senior households in core housing need is projected to increase significantly by 2036.

### Scenario A: Constant Tenure

Scenario A reveals a total increase of 307 renter households in core need, from 1,933 households in 2011 to 2,240 households by 2036. This is an average annual increase of 12 renter households and an overall increase of 16%.

### Scenario B: Shifting Tenure

Scenario B projects the total number of renter households in core housing need by 2036 to be higher than Scenario A. It projects an annual increase of 20 renter households in core housing need for a total of 2,441 households by 2036. This represents an overall increase of 26%.

	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	1,933	2,074	2,240	141	166	307	14	11	12
Scenario B: Shifting Tenure	1,933	2,148	2,441	215	293	508	21	20	20

TABLE 4

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

Core housing need will increase by between 14 and 21 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

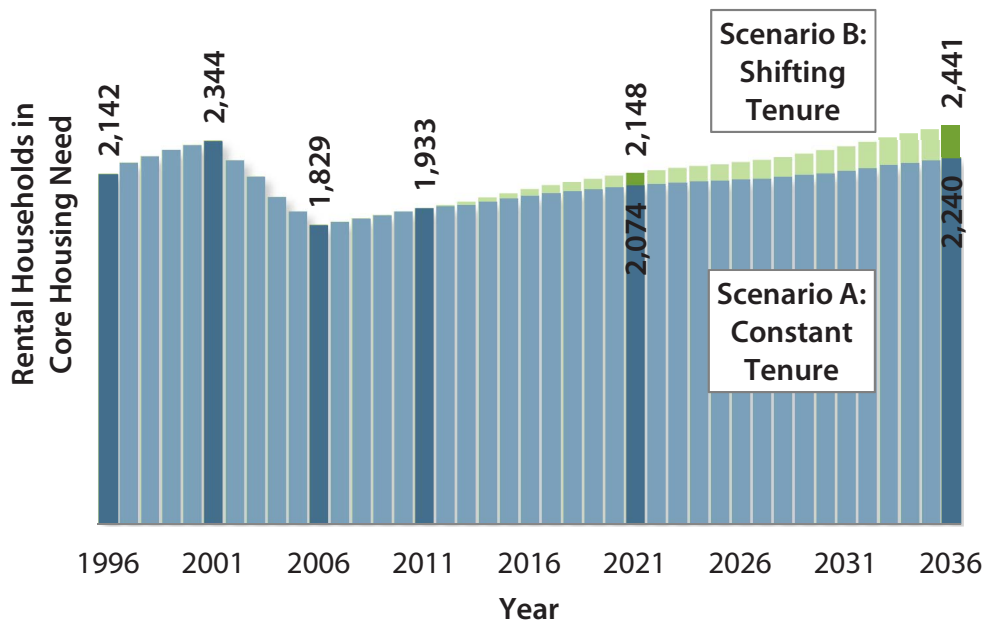


FIGURE 6

**Core Housing Need**  
(Central Kootenay,  
1996 to 2036)

Both scenarios project an increase  
in core housing need to 2036.

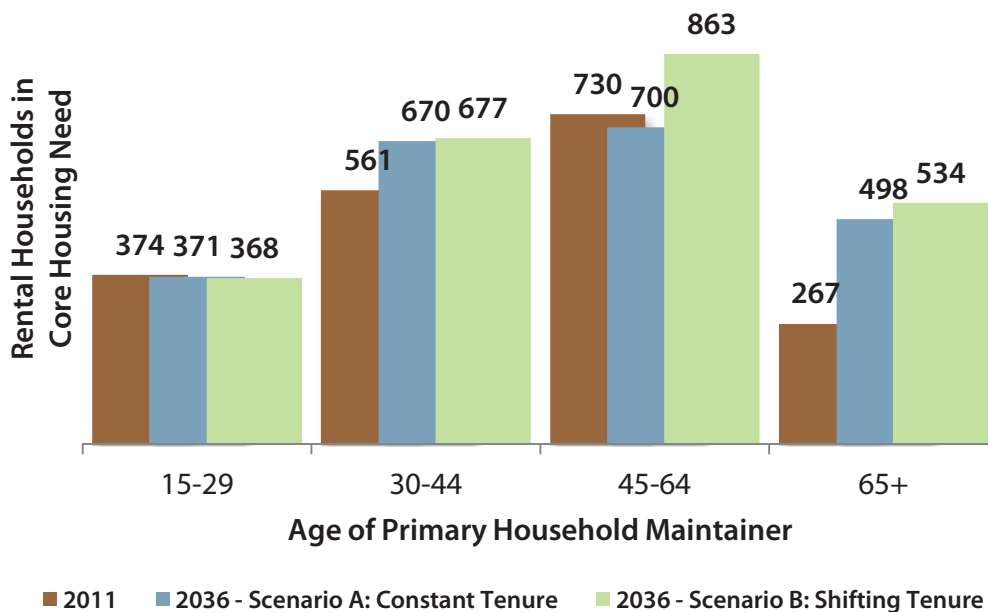


FIGURE 7

**Total Renter Households**  
**in Core Housing**  
**Need by Age**  
(Central Kootenay,  
2011, 2036)

There will be a large increase in  
senior rental 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 Central 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

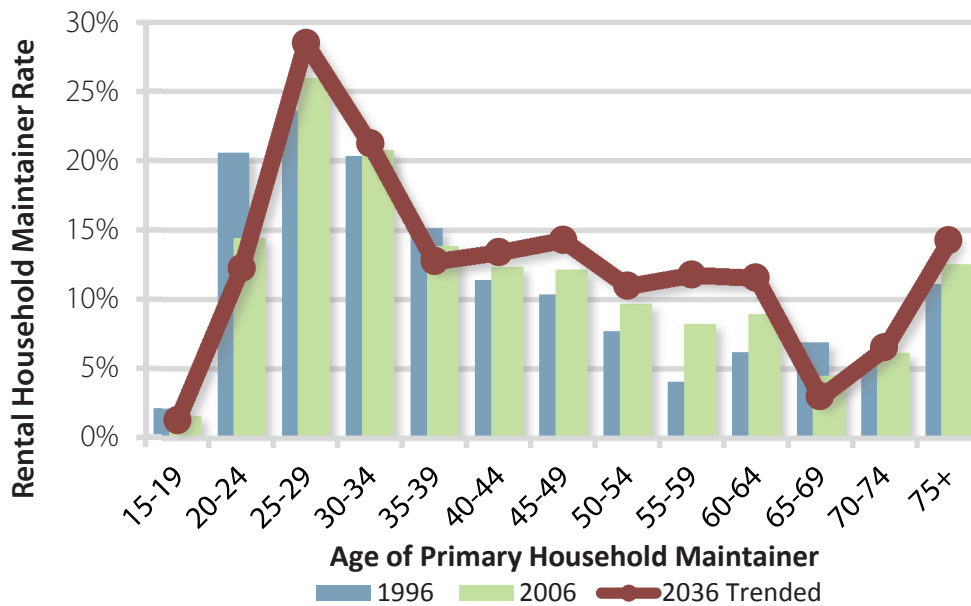


FIGURE 8

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

Rental household maintainer rates are projected to increase among most 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](http://www.bcnpha.ca).)

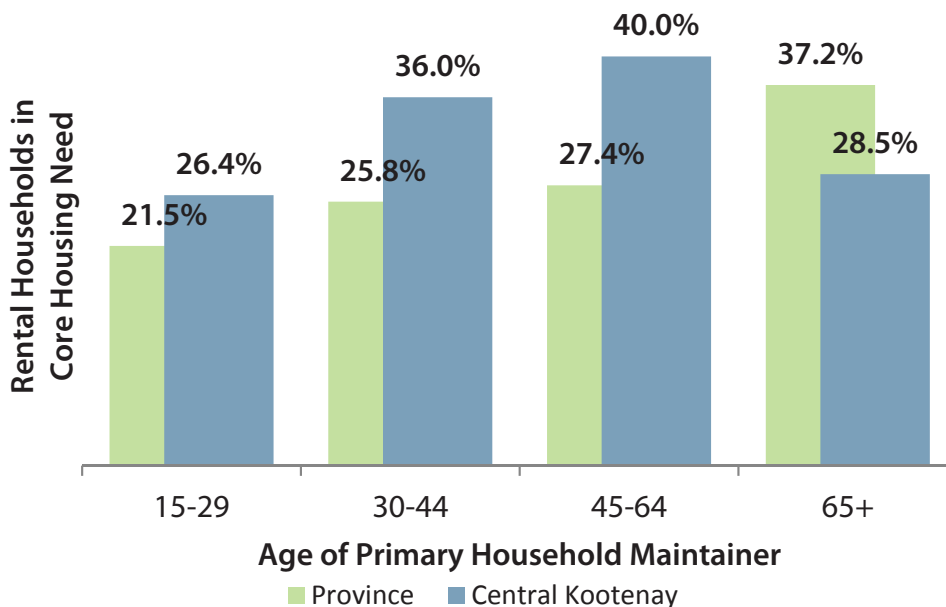


FIGURE 9

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

In Central Kootenay proportionally more renter households are in core housing need than the provincial average, except among senior households.



# 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 (Central  
Kootenay, 2011 to 2036)

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011- 2021	2021- 2036	2011- 2036
0-14	8,533	9,327	9,922	0.9%	0.4%	0.6%
15-29	10,615	9,577	10,457	-1.0%	0.6%	-0.1%
30-44	10,125	11,619	12,161	1.4%	0.3%	0.7%
45-64	18,820	16,878	17,521	-1.1%	0.2%	-0.3%
65+	10,979	15,682	18,278	3.6%	1.0%	2.1%
All Ages	59,072	63,084	68,340	0.7%	0.5%	0.6%

TABLE 7

Household Projections  
(Central 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	5,737	6,228	6,764	491	536	1,027	49	36	41
	Scenario B: Shifting Tenure	5,737	6,419	7,300	682	881	1,563	68	59	63
Ownership	Scenario A: Constant Tenure	20,404	22,673	24,647	2,269	1,973	4,243	227	132	170
	Scenario B: Shifting Tenure	20,404	22,482	24,111	2,078	1,629	3,707	208	109	148
Total	Both Scenarios	26,141	28,902	31,411	2,761	2,509	5,270	276	167	211

TABLE 8

Households in  
Core Housing Need  
Projections (Central  
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	1,933	2,074	2,240	141	166	307	14	11	12
	Scenario B: Shifting Tenure	1,933	2,148	2,441	215	293	508	21	20	20
Ownership	Scenario A: Constant Tenure	2,689	2,903	3,114	214	211	425	21	14	17
	Scenario B: Shifting Tenure	2,689	2,879	3,051	190	172	362	19	11	14
Total	Scenario A: Constant Tenure	4,622	4,978	5,353	356	375	731	36	25	29
	Scenario B: Shifting Tenure	4,622	5,026	5,492	404	466	870	40	31	35

