



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**FRASER VALLEY REGIONAL
DISTRICT TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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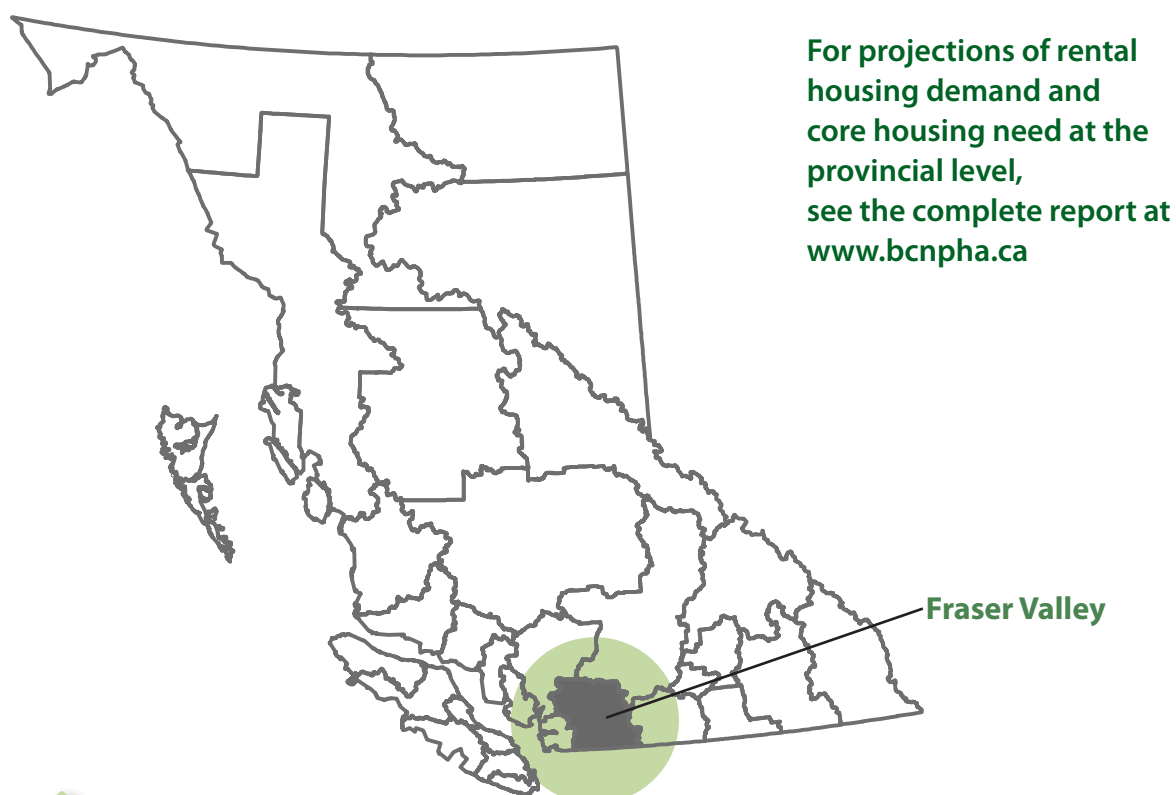
A vision for sustainable housing in communities across British Columbia

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 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 Fraser Valley Regional District is situated in the southwest.



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 Fraser Valley. Rental housing demand is estimated to range between 39,019 and 40,397 households in 2036, an increase of between 11,602 and 12,980 households, as seen in Table 1 below. Core housing need is projected to range from 11,063 to 11,468 renter households by 2036, an increase of between 3,428 and 3,833 households.

In Scenario A: Constant Tenure, rental housing demand grows consistent with 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.

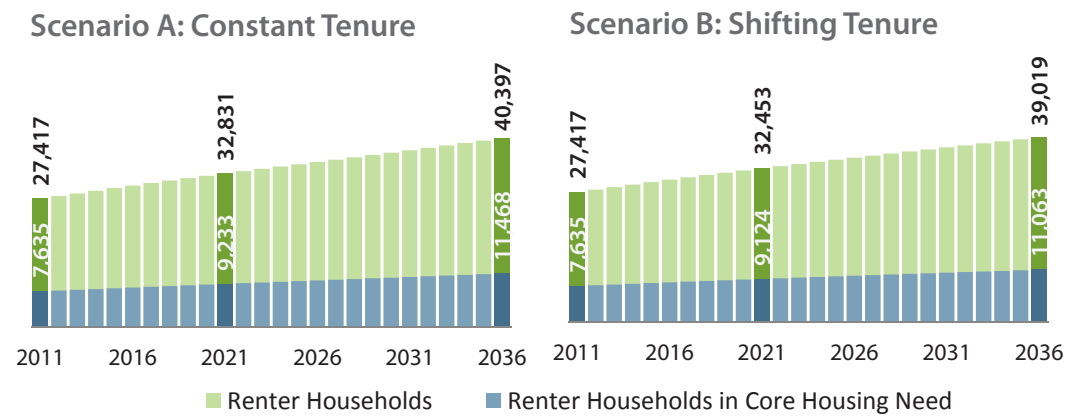


FIGURE 1
Rental Housing Demand and Core Housing Need (Fraser Valley, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	27,417	7,635	27,417	7,635
2021	32,831	9,233	32,453	9,124
2036	40,397	11,468	39,019	11,063
Increase 2011-2036	12,980	3,833	11,602	3,428

TABLE 1
Rental Housing Demand and Core Housing Need (Fraser Valley, 2011 to 2036)



context

Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Fraser Valley Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 46%, from 288,064 in 2011 to 419,962 in 2036, as seen in Figure 2.

Between 1986 and 2006 the population grew by 111,558 people, fluctuating between a 0.9% and a 6.4% annual increase. Recent growth has averaged around 1.5% annually and is projected to slow to 1.2% in 2036.

Based on 2006 Census data (the most recent available), Fraser Valley's population is younger than the provincial population. In 2006, the median age in Fraser Valley was 38.2 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be significant growth in the population in all age groups.

Rental maintainer rates in Fraser Valley are highest among those aged 25 to 39. The rates steadily decline before rising slightly among seniors. Significant population growth across all age groups will account for much of the growth in rental housing demand in Fraser Valley.

By 2036 there will be significant growth in all age groups of the population.

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

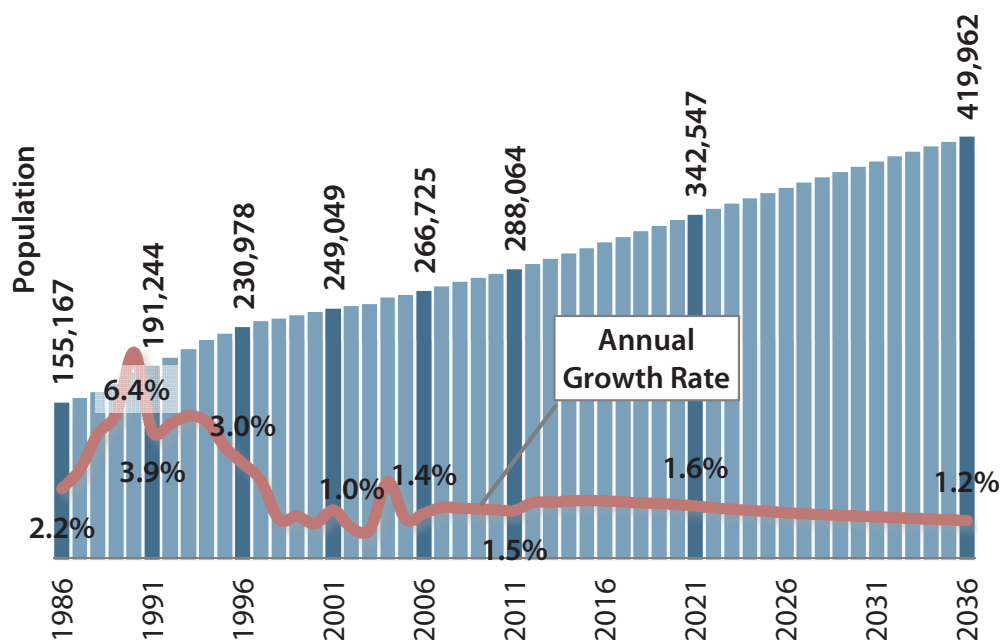


FIGURE 2

Total Population Change
(Fraser Valley,
1986 to 2036)

Population will grow quickly over
the next 25 years.

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Fraser Valley	288,064	342,547	419,962	1.7%	1.4%	1.5%

TABLE 2

Population Change
(Fraser Valley, 2011 to
2036)

Fraser Valley will experience an
average annual growth rate of
1.5% over the next 25 years.

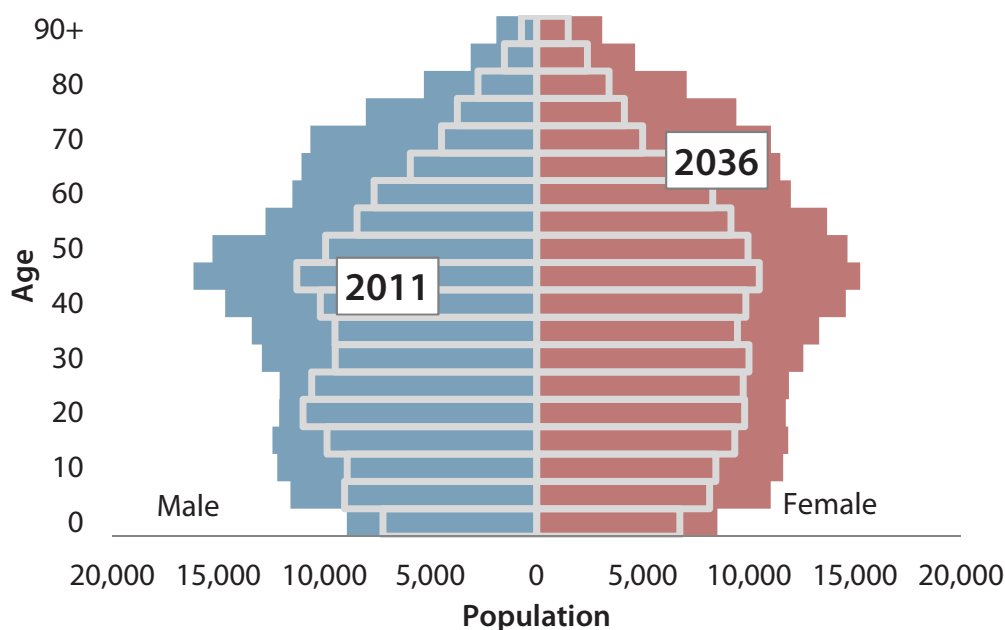


FIGURE 3

Regional Age Profile
(Fraser Valley, 2011
and 2036)

Over the next 25 years, all age
groups will grow in Fraser Valley.



projections

Rental Housing Demand

Rental housing demand in Fraser Valley is projected to increase by 42% to 47% over the next 25 years through two different scenarios, compared to population growth over 46% over the same period.

Figure 4 shows that rental housing demand declined from 2001 to 2006. Population growth was slower and rental maintainer rates declined in all age groups during this period, causing an overall decline in rental housing demand.

Figure 5 depicts the age breakdown of rental housing demand in 2011 and 2036. Growth is strong among all households with primary maintainers over the age of 30, with slower growth in the 15 to 29 age group.

Scenario A: Constant Tenure

As seen in Table 3, rental housing demand is projected to increase from 27,417 households in 2011 to 40,397 households in 2036 when tenure patterns are held constant.¹ This translates to an average annual increase in rental housing demand of 519 households between 2011 and 2036, and a total increase of 47%.

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 in Fraser Valley 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 will still increase from 27,417 households in 2011 to 39,019 households by 2036, an increase of 42%. This translates into an average annual increase of 464 rental households between 2011 and 2036.

Rental housing demand is projected to increase by 5,036 to 5,414 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	27,417	32,831	40,397	5,414	7,566	12,980	541	504	519
Scenario B: Shifting Tenure	27,417	32,453	39,019	5,036	6,566	11,602	504	438	464

TABLE 3
Rental Housing Demand (Fraser Valley, 2011 to 2036)
Rental housing demand is projected to increase by 504 to 541 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

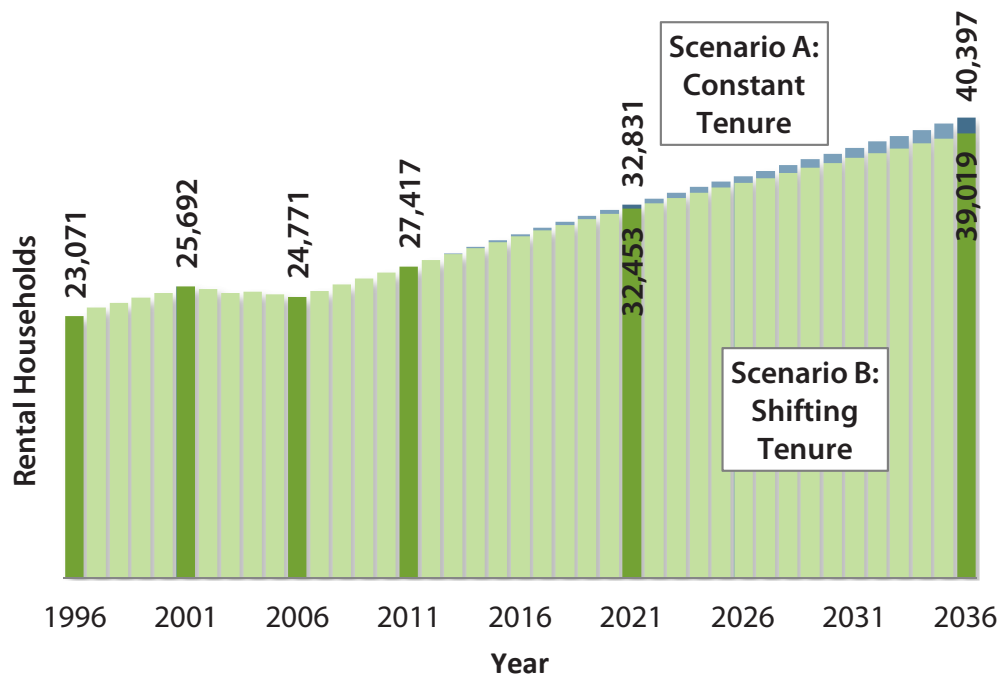


FIGURE 4

Rental Housing Demand
(Fraser Valley,
1996 to 2036)

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

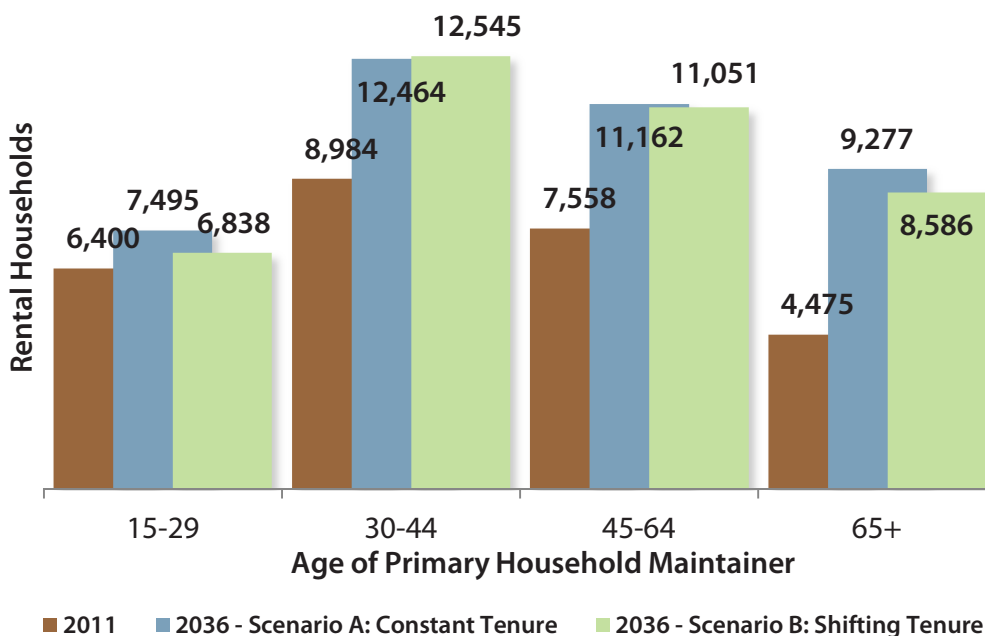


FIGURE 5

Rental Housing
Demand by Age
(Fraser Valley, 2011, 2036)

By 2036 both scenarios project increase in rental housing demand among households maintained by all age groups.



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 45% to 50% over the next 25 years, as seen in Table 4.

Despite an increase in rental housing demand from 1996 to 2001, the number of rental households in core housing need declined slightly during this period in Fraser Valley. This was due to a declining incidence of core housing need amongst renters. As shown in Figure 6, core housing need continued to decline from 2001 to 2006, mirroring the decrease in rental housing demand and amplified by a slight decrease in incidence of core housing need amongst renters.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 7,635 renter households in Fraser Valley were in core housing need in 2011.²

Figure 7 depicts the age-specific breakdown of renter households in core housing need. Significant growth is projected for renter households with primary maintainers aged 30 and over. Core housing need is projected to double among seniors.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 3,833 renter households in core need, from 7,635 households in 2011 to 11,468 households by 2036, an increase of 50%. This is an average annual increase of 153 renter households.

Scenario B: Shifting Tenure

Scenario B projects an annual increase of 137 renter households in core housing need, for a total of 11,063 renter households by 2036. This is an increase of 45%.

Core housing need among renters is projected to increase by 1,489 to 1,598 households 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	7,635	9,233	11,468	1,598	2,235	3,833	160	149	153
Scenario B: Shifting Tenure	7,635	9,124	11,063	1,489	1,939	3,428	149	129	137

TABLE 4

Renter Households in Core Housing Need (Fraser Valley, 2011 to 2036)

Core housing need is projected to increase between 149 and 160 renter households annually over the next 10 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

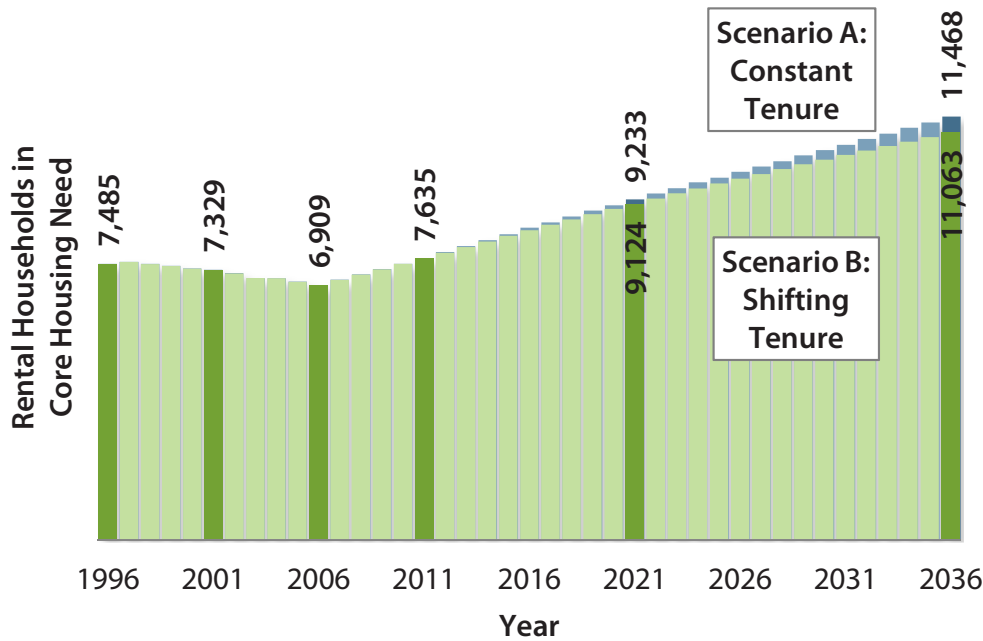


FIGURE 6

Core Housing Need (Fraser Valley, 1996 to 2036)

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

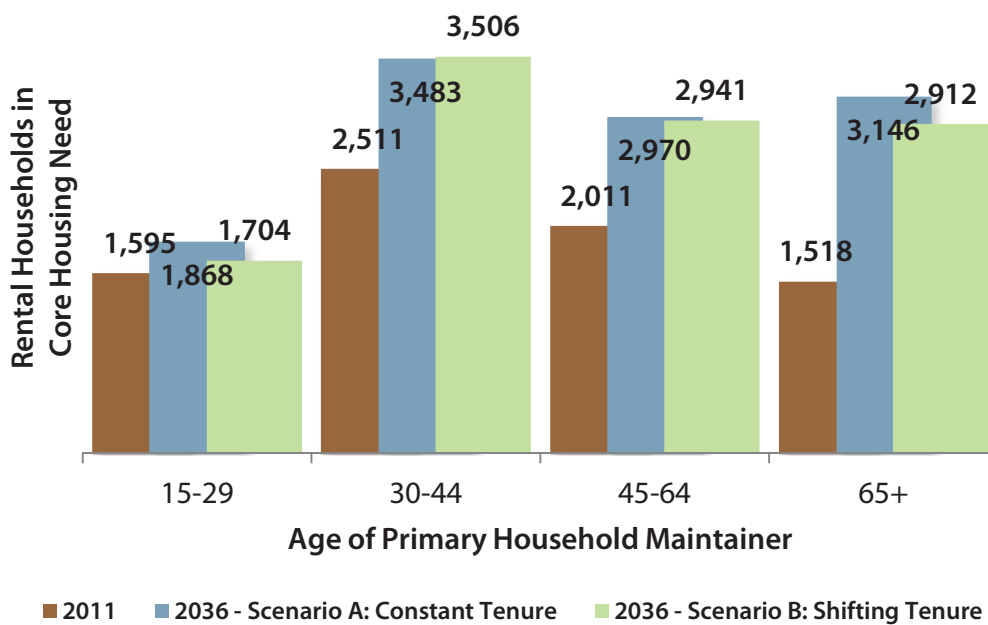


FIGURE 7

Renter Households in Core Housing Need by Age (Fraser Valley, 2011, 2036)

There will be a large increase in senior 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 Fraser Valley. 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

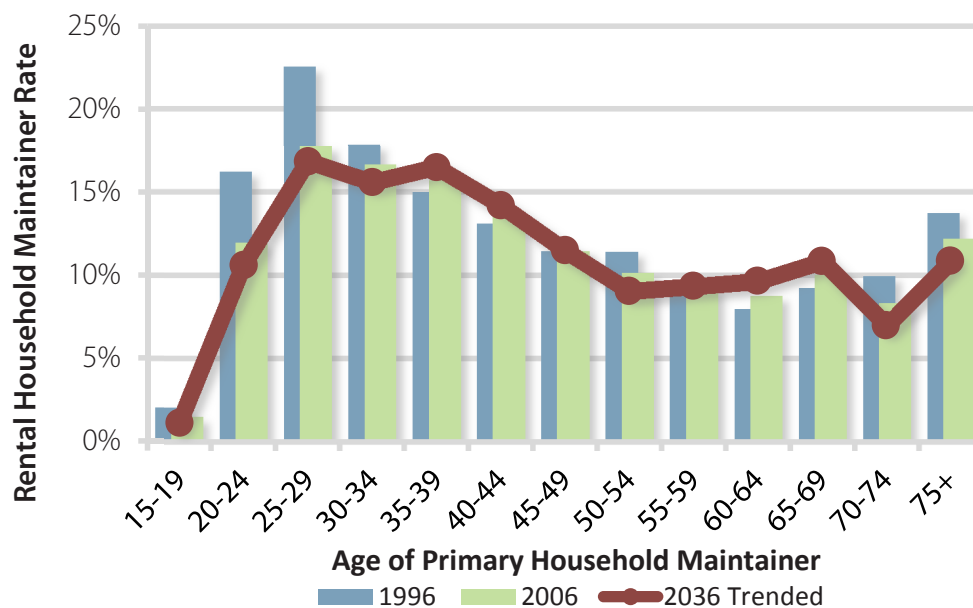


FIGURE 8

Rental Household Maintainer Rates (Fraser Valley, 1996, 2006, 2036)

Rental household maintainer rates are projected to increase among some age groups and decline among 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.)

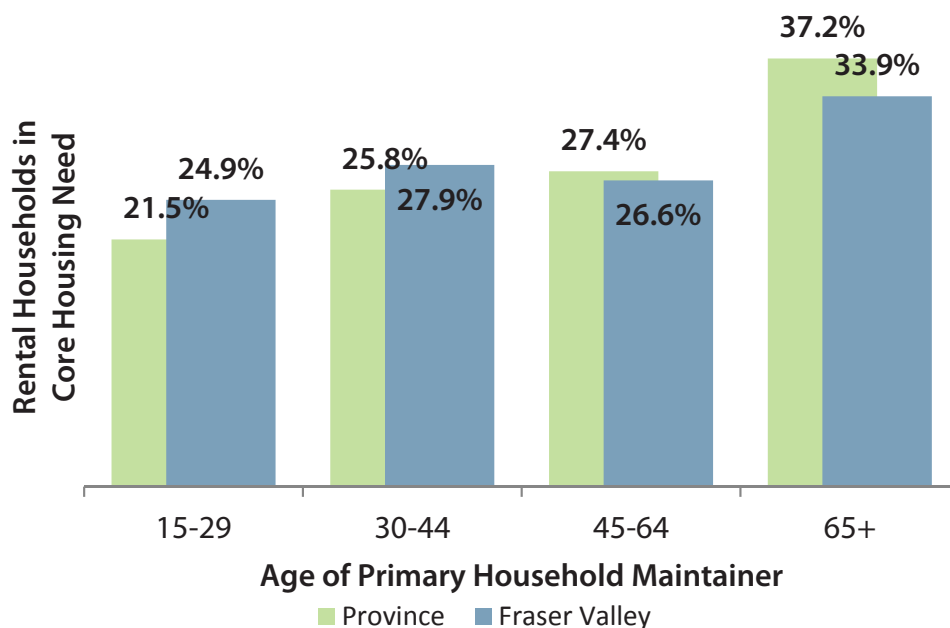


FIGURE 9

Share of Renter Households in Core Housing Need (BC and Fraser Valley, 2011)

In Fraser Valley the share of renter households in core housing need reflects 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

TABLE 6

Population Projections
by Age Group (Fraser
Valley, 2011 to 2036)

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011- 2021	2021- 2036	2011- 2036
0-14	52,121	61,859	68,222	1.7%	0.7%	1.1%
15-29	60,352	59,512	72,166	-0.1%	1.3%	0.7%
30-44	58,525	75,581	81,475	2.6%	0.5%	1.3%
45-64	75,262	87,419	111,273	1.5%	1.6%	1.6%
65+	41,804	58,175	86,826	3.4%	2.7%	3.0%
All Ages	288,064	342,547	419,962	1.7%	1.4%	1.5%

TABLE 7

Household Projections
(Fraser Valley,
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	27,417	32,831	40,397	5,414	7,566	12,980	541	504	519
	Scenario B: Shifting Tenure	27,417	32,453	39,019	5,035	6,566	11,602	504	438	464
Ownership	Scenario A: Constant Tenure	80,496	99,931	128,004	19,435	28,073	47,508	1,944	1,872	1,900
	Scenario B: Shifting Tenure	80,496	100,309	129,382	19,813	29,073	48,886	1,981	1,938	1,955
Total	Both Scenarios	107,913	132,762	168,401	24,849	35,639	60,488	2485	2,376	2,420

TABLE 8

Households in
Core Housing Need
Projections (Fraser
Valley, 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	7,635	9,233	11,468	1,598	2,235	3,833	160	149	153
	Scenario B: Shifting Tenure	7,635	9,124	11,063	1,489	1,939	3,428	149	129	137
Ownership	Scenario A: Constant Tenure	4,994	6,205	7,849	1,211	1,644	2,855	121	110	114
	Scenario B: Shifting Tenure	4,994	6,230	7,936	1,236	1,706	2,942	124	114	118
Total	Scenario A: Constant Tenure	12,629	15,438	19,317	2,809	3,880	6,688	281	259	268
	Scenario B: Shifting Tenure	12,629	15,354	18,999	2,725	3,645	6,370	272	243	255

