



# **Our Home, Our Future:**

## Projections of Rental Housing Demand and Core Housing Need

**COWICHAN VALLEY REGIONAL  
DISTRICT TO 2036**

**SEPTEMBER 2012**



**BCNPHA**

BC Non-Profit Housing Association

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

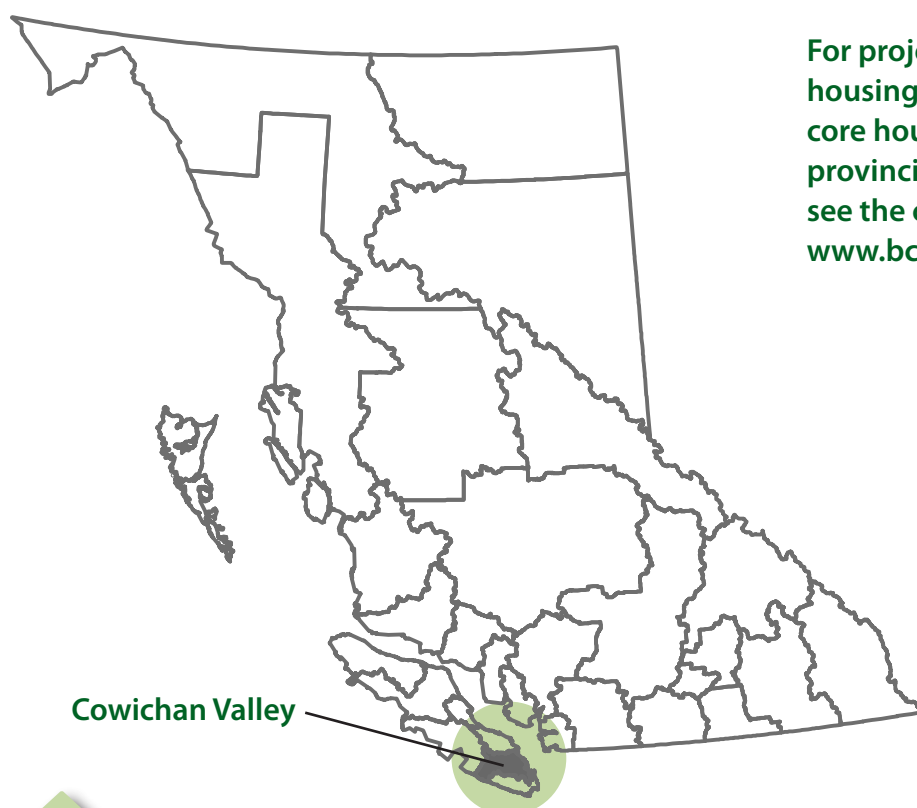
# A vision for sustainable housing in communities across British Columbia

**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 Cowichan Valley Regional District is situated in the southwest on Vancouver Island.



**For projections of rental housing demand and core housing need at the provincial level, see the complete report at [www.bcnpha.ca](http://www.bcnpha.ca)**



# highlights

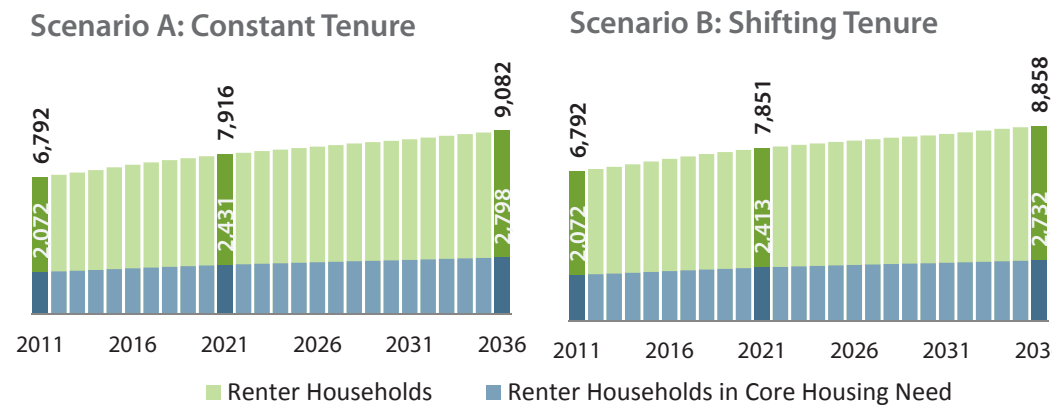
Two demographically driven scenarios were built to project rental housing demand and core housing need among renter households to 2036. These scenarios are illustrations of what might occur under certain consitions.

**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 Cowichan Valley. Rental housing demand is estimated to range between 8,858 and 9,082 households in 2036, an increase of between 2,066 and 2,290 households, as seen in Table 1 below. Core housing need is projected to range from 2,732 to 2,798 renter households by 2036, an increase of between 660 and 726 households.

Rental housing demand is projected to grow at the same or slightly quicker pace 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 (Cowichan Valley, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	6,792	2,072	6,792	2,072
2021	7,916	2,431	7,851	2,413
2036	9,082	2,798	8,858	2,732
Increase 2011-2036	2,290	726	2,066	660

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



## context

## Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Cowichan Valley Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 30%, from 81,941 in 2011 to 106,435 in 2036, as seen in Figure 2.

Between 1986 and 2006 the population grew by 24,069 people, fluctuating between a 0.5% annual decline and a 4.9% annual increase. Recent growth has averaged around 1.0% annually and is projected to slow to 0.7% in 2036.

Based on 2006 Census data (the most recent available), Cowichan Valley's population is older than the provincial population. In 2006, the median age in Cowichan Valley was 44.4 versus 40.8 years provincially. By 2036, as shown in Figure 3, the region's population is expected to age considerably, with significantly more people aged 65 and over and aged 25 to 49.

Rental maintainer rates in Cowichan Valley are highest among those aged 25 to 29. The rates steadily decline before again beginning to rise among seniors over 70. An aging population will account for much of the growth in rental housing demand in Cowichan Valley.

**By 2036 there will be significant growth in the population aged 65 and over and those aged 25 to 49.**

## 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/HiCOTDefinitions\\_EN.html](http://cmhc.beyond2020.com/HiCOTDefinitions_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

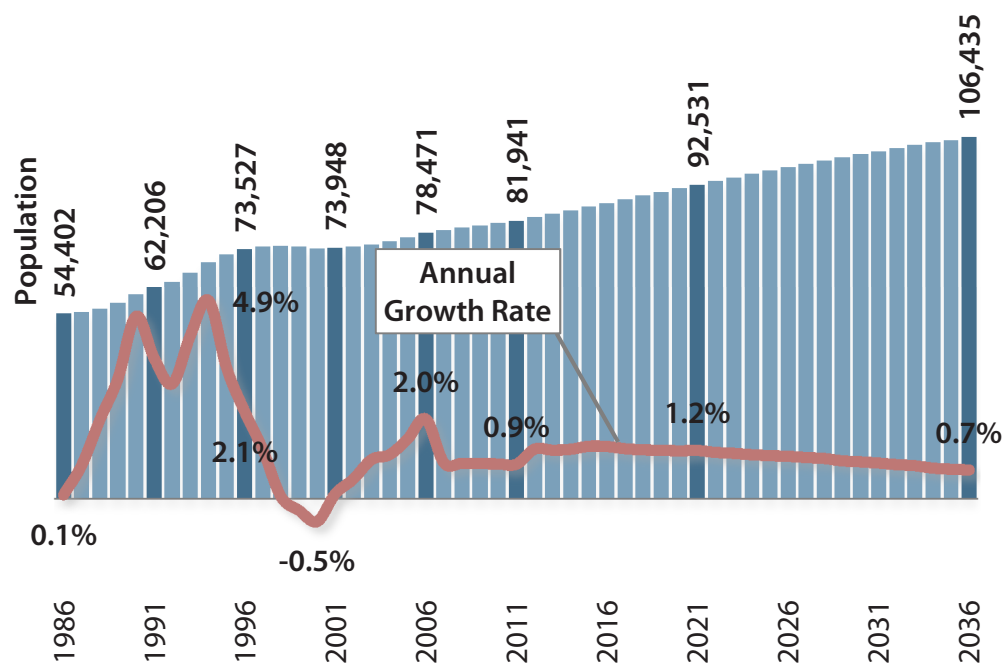


FIGURE 2

Total Population Change  
(Cowichan Valley,  
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
Cowichan Valley	81,941	92,531	106,435	1.2%	0.9%	1.1%

TABLE 2

Population Change  
(Cowichan Valley, 2011 to  
2036)

Cowichan Valley will experience an average annual growth rate of 1.1% over the next 25 years.

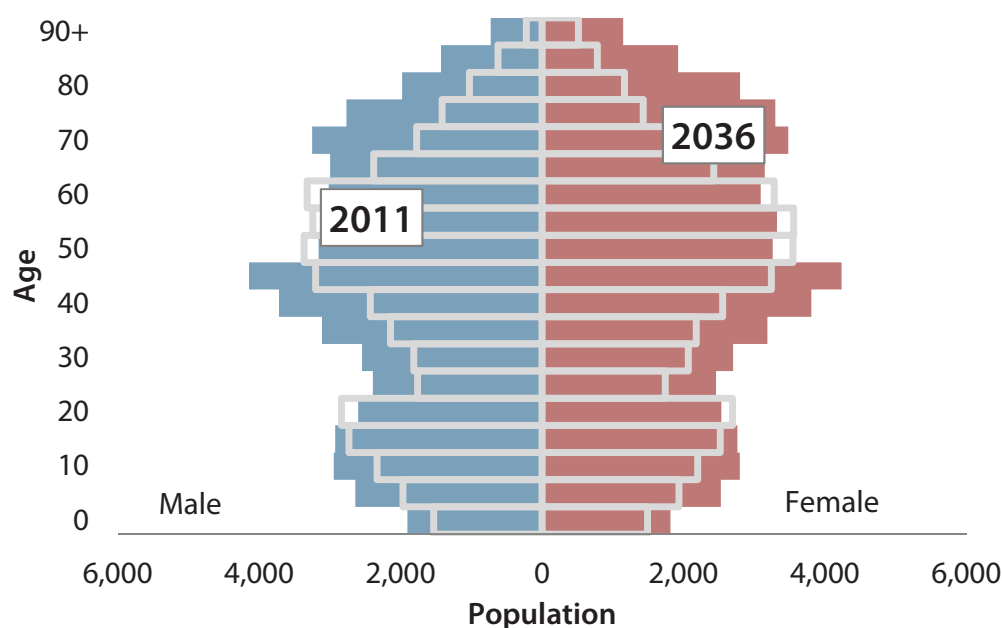


FIGURE 3

Regional Age Profile  
(Cowichan Valley, 2011  
and 2036)

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



## projections

## Rental Housing Demand

Rental housing demand in Cowichan Valley is projected to increase by 30% to 34% over the next 25 years through two different scenarios, compared to population growth of 30% 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, from 1996 to 2001, 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 is generally projected to increase for all age groups. Demand among seniors is projected to double.

### Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 34% from 6,792 households in 2011 to 9,082 households in 2036 when tenure patterns are held constant.<sup>1</sup> This translates to an average annual increase in rental housing demand of 92 households between 2011 and 2036.

### 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 Cowichan 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 by 30%, from 6,792 households in 2011 to 8,858 households by 2036. This translates into an average annual increase of 83 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	6,792	7,916	9,082	1,124	1,166	2,290	112	78	92
Scenario B: Shifting Tenure	6,792	7,851	8,858	1,059	1,007	2,066	106	67	83

**Rental housing demand is projected to increase by 1,059 to 1,124 households over the next 10 years.**

**TABLE 3**  
**Rental Housing Demand (Cowichan Valley, 2011 to 2036)**  
Rental housing demand is projected to increase by 106 to 112 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

## Rental Housing Demand

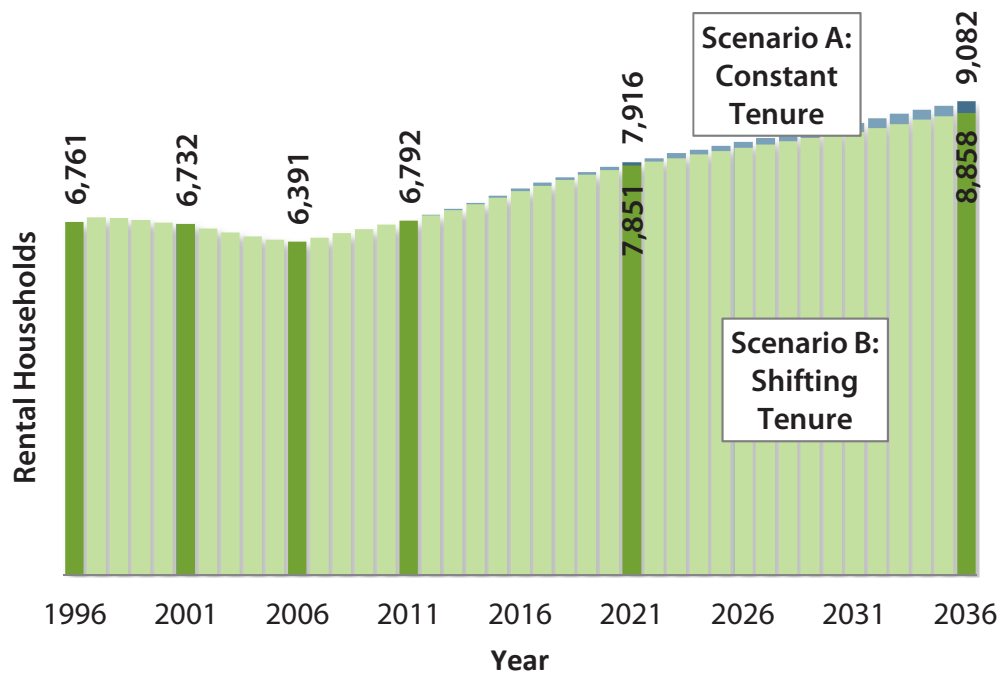


FIGURE 4

Rental Housing Demand  
(Cowichan Valley,  
1996 to 2036)

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

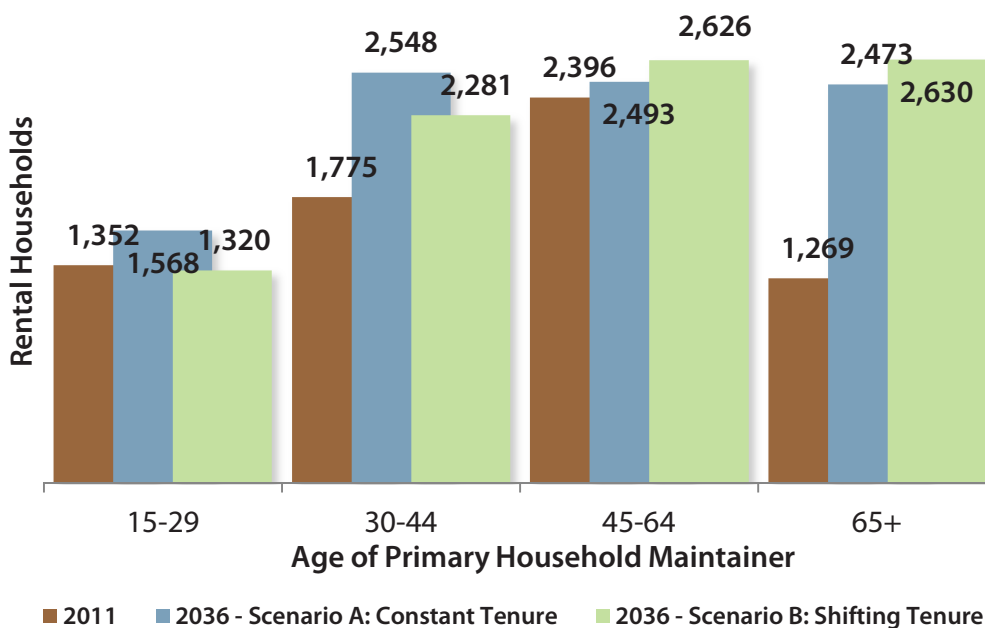


FIGURE 5

Rental Housing  
Demand by Age  
(Cowichan Valley, 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 Cowichan Valley is projected to increase by 32% to 35% over the next 25 years, seen in Table 4.

Figure 6 shows that the number of renter households in core housing need declined in Cowichan Valley between 1996 and 2006, mirroring the decline in rental housing demand and amplified by a decreasing incidence of core housing need among renters.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 2,072 renter households in Cowichan Valley were in core housing need in 2011.<sup>2</sup>

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 is projected to double by 2036. The large increase in senior renter households in core housing need reflects both the aging population and the higher incidence of core housing need among this age group.

### Scenario A: Constant Tenure

Scenario A reveals a total increase of 726 renter households in core need, from 2,072 households in 2011 to 2,798 households by 2036, an increase of 35%. This is an average annual increase of 29 renter households.

### Scenario B: Shifting Tenure

Scenario B reveals a smaller increase of 660 renter households in core housing need by 2036, an increase of 32%. 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 2,732 renter 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	2,072	2,431	2,798	359	367	726	36	24	29
Scenario B: Shifting Tenure	2,072	2,413	2,732	341	319	660	34	21	26

TABLE 4

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

Core housing need is projected to increase between 34 and 36 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

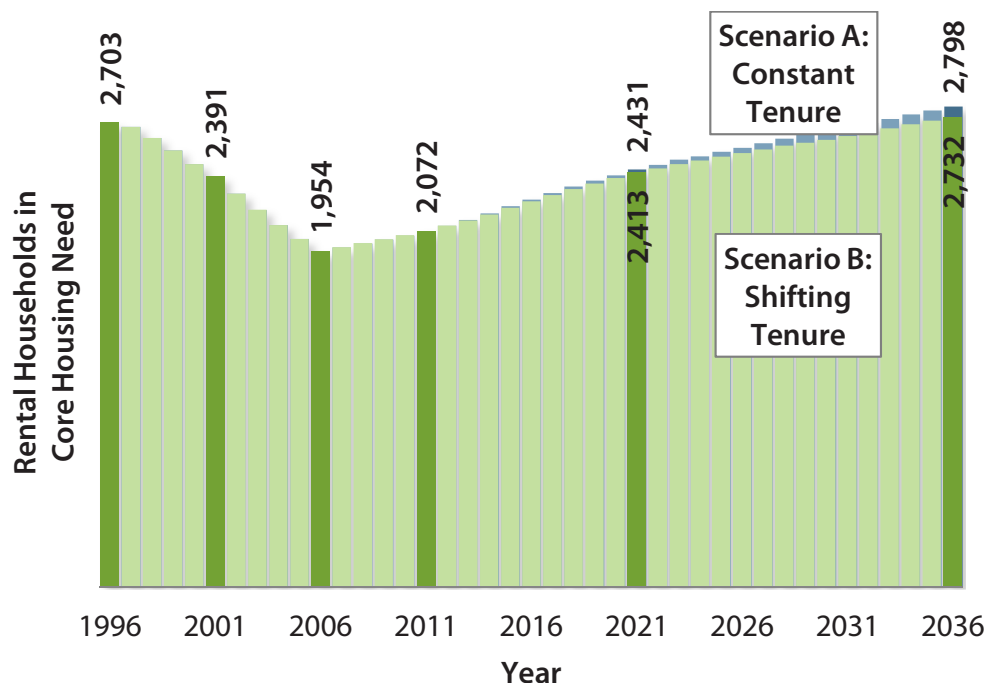


FIGURE 6

**Core Housing Need**  
(Cowichan Valley,  
1996 to 2036)

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

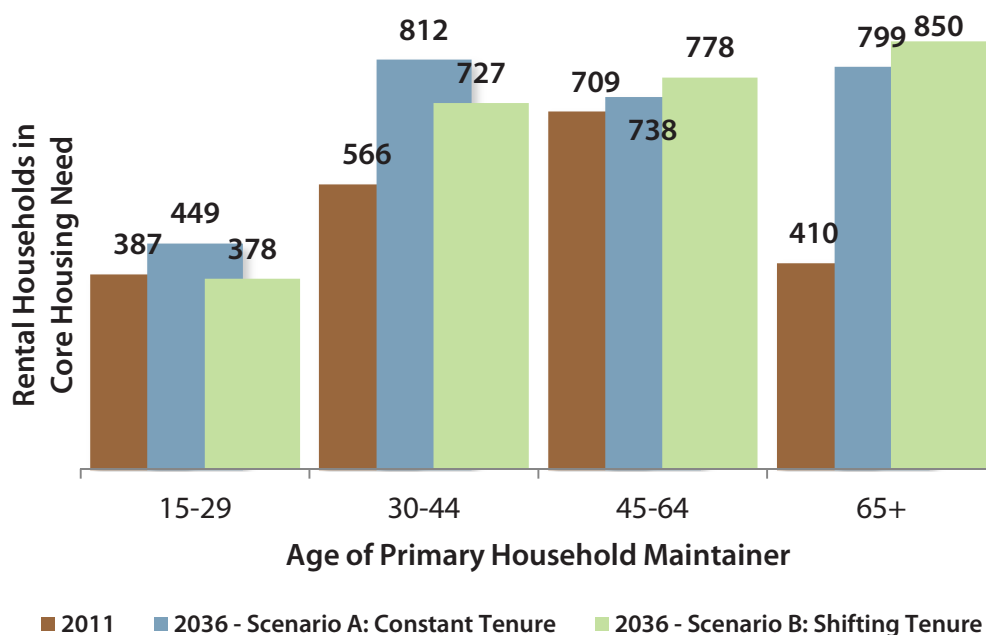


FIGURE 7

**Renter Households**  
**in Core Housing**  
**Need by Age**  
(Cowichan 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 Cowichan 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 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).

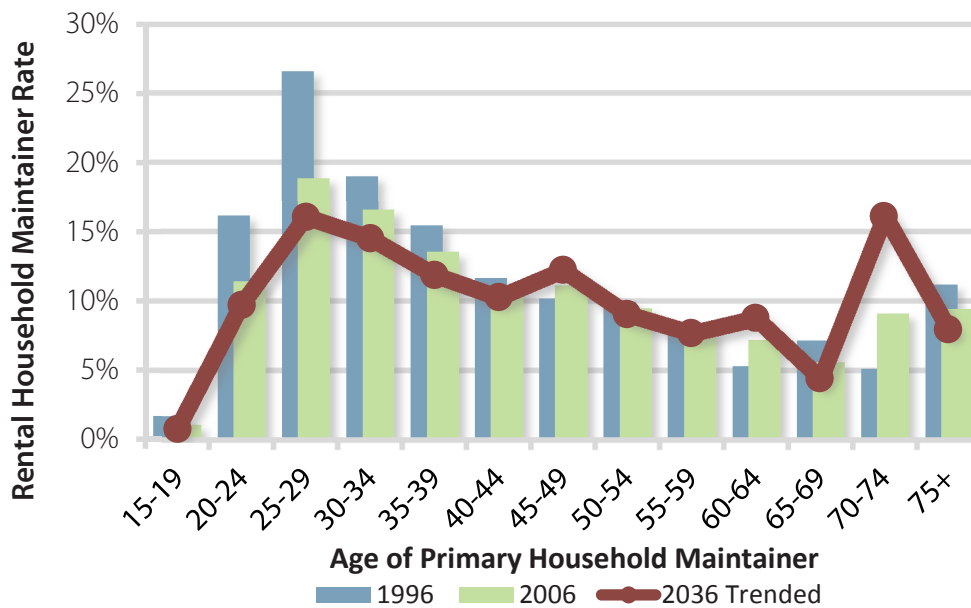
Reproduction of this report in whole or in part without the permission of BCNPHA is prohibited. Brief extracts for review purposes may be made with due acknowledgment of the source. The information contained in this report has been compiled from sources believed to be reliable but the accuracy of the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

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



# methods

## Our Model

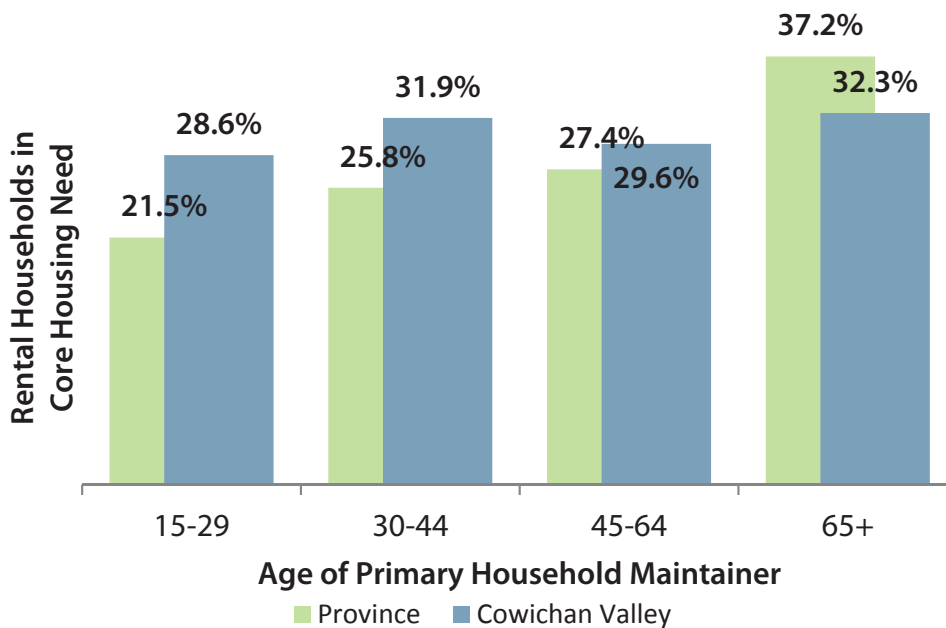


**FIGURE 8**

### Rental Household Maintainer Rates (Cowichan Valley, 1996, 2006, 2036)

Rental household maintainer rates are projected to decline 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 Cowichan Valley, 2011)

In the Cowichan Valley, incidence of core housing need is higher than provincial levels except among seniors.



# 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 (Cowichan  
Valley, 2011 to 2036)

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011- 2021	2021- 2036	2011- 2036
0-14	12,215	13,953	15,512	1.3%	0.7%	1.0%
15-29	14,272	14,131	15,670	-0.1%	0.7%	0.4%
30-44	13,183	16,588	19,066	2.3%	0.9%	1.5%
45-64	26,750	25,143	27,247	-0.6%	0.5%	0.1%
65+	15,521	22,716	28,940	3.9%	1.6%	2.5%
All Ages	81,941	92,531	106,435	1.2%	0.9%	1.1%

TABLE 7

Household Projections  
(Cowichan 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	6,792	7,916	9,082	1,124	1,166	2,290	112	78	92
	Scenario B: Shifting Tenure	6,792	7,851	8,858	1,059	1,007	2,066	106	67	83
Ownership	Scenario A: Constant Tenure	26,988	31,520	37,167	4,532	5,647	10,179	453	376	407
	Scenario B: Shifting Tenure	26,988	31,585	37,392	4,597	5,807	10,404	460	387	416
Total	Both Scenarios	33,781	39,436	46,249	5,655	6,813	12,468	566	454	499

TABLE 8

Households in  
Core Housing Need  
Projections (Cowichan  
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	2,072	2,431	2,798	359	367	726	36	24	29
	Scenario B: Shifting Tenure	2,072	2,413	2,732	341	319	660	34	21	26
Ownership	Scenario A: Constant Tenure	1,949	2,206	2,571	257	365	622	26	24	25
	Scenario B: Shifting Tenure	1,949	2,211	2,588	262	376	638	26	25	26
Total	Scenario A: Constant Tenure	4,021	4,637	5,369	616	732	1,348	62	49	54
	Scenario B: Shifting Tenure	4,021	4,624	5,320	603	696	1,299	60	46	52

