Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

ALBERNI-CLAYQUOT REGIONAL DISTRICT TO 2036

SEPTEMBER 2012

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 Alberni-Clayoquot Regional District is situated in the southwest, on Vancouver Island.
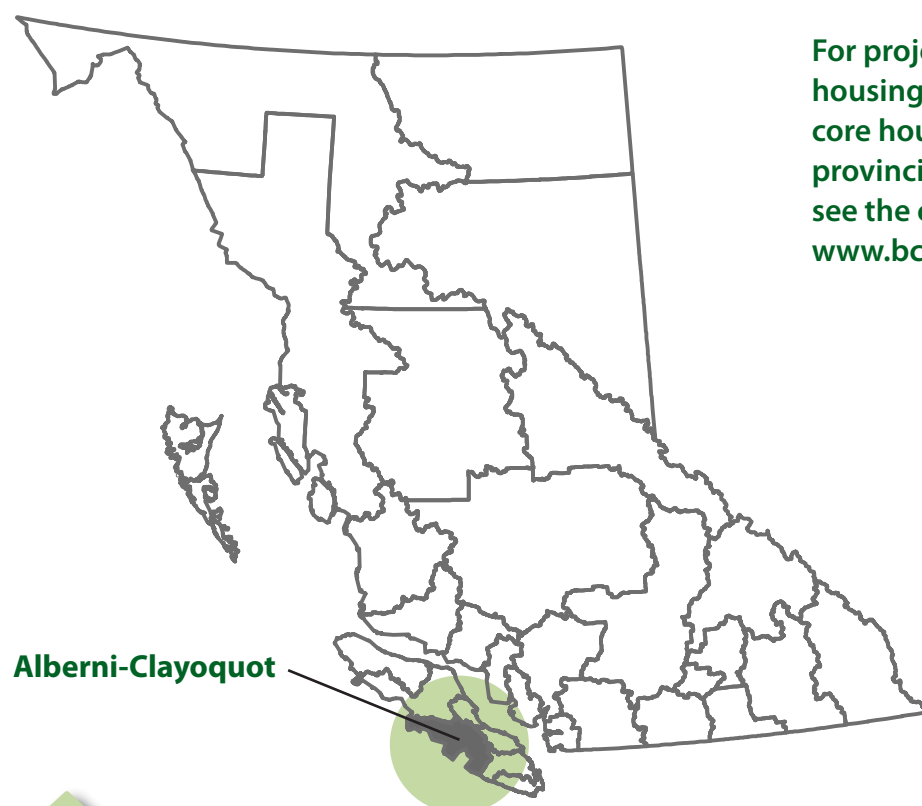
For projections of rental housing demand and core housing need at the provincial level, see the complete report at www.bcnpha.ca
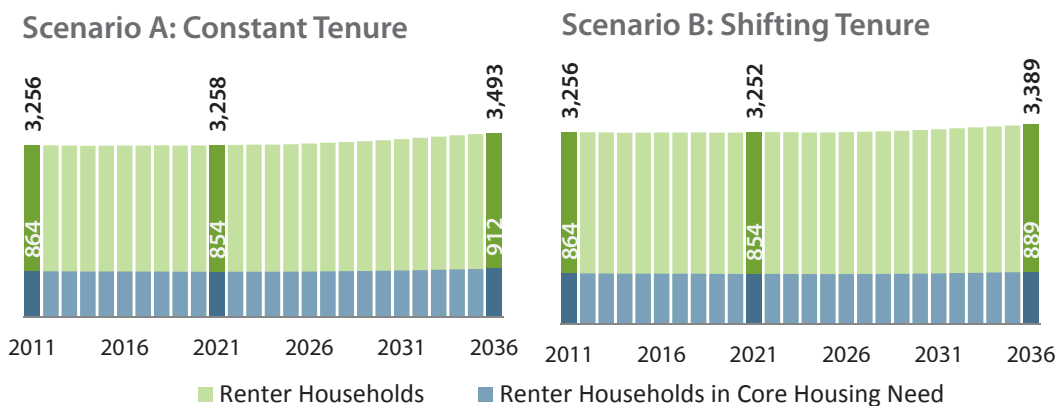
Alberni-Clayoquot

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 Alberni-Clayoquot. Rental housing demand is estimated to range between 3,389 and 3,493 households in 2036, an increase of between 133 and 237 households, as seen in Table 1 below. Core housing need among renters is projected to range from 889 to 912 renter households by 2036, an increase of between 25 and 48 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 (Alberni-Clayoquot, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	3,256	864	3,256	864
2021	3,258	854	3,252	854
2036	3,493	912	3,389	889
Increase 2011-2036	237	48	133	25

TABLE 1

Rental Housing Demand and Core Housing Need (Alberni-Clayoquot, 2011 to 2036)

context | Demographic Drivers

The projections for rental housing demand and renter households in core housing need in Alberni-Clayoquot Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 2%, from 31,478 in 2011 to 32,222 in 2036, as seen in Figure 2.

Between 1986 and 2006 the population declined by 272 people, with change fluctuating between a 1.8% annual decline and a 3.1% annual increase. Recent growth has averaged around 0.5% annually and is projected to grow from -0.3% in 2011 to 0.4% in 2036.

Based on 2006 Census data (the most recent available) Alberni-Clayoquot's population is older than the provincial population. In 2006, the median age in the region was 43.3 versus 40.8 years provincially. Figure 3 shows a significant increase in those aged 70 and older and those aged 25 to 44 by 2036. Those aged 45 to 69 will experience a significant decline in numbers.

Although there will be growth in the family forming and seniors age groups, slow population growth will mean growth in rental housing demand will also be relatively slow.

By 2036 there will be significant growth in the population aged 70 and over and those aged 25 to 44, and significant decline among those aged 45 to 69.

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

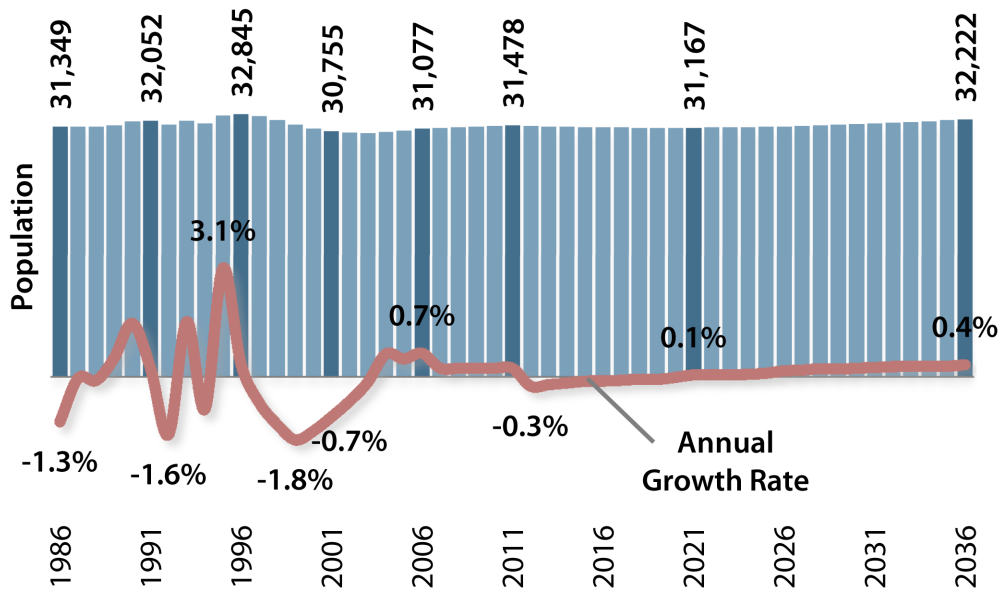**Total Population Change (Alberni-Clayoquot, 1986 to 2036)**

Population will grow slowly over the next 25 years.

TABLE 2

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Alberni-Clayoquot	31,478	31,167	32,222	-0.1%	0.2%	0.1%

Population Change (Alberni-Clayoquot, 2011 to 2036)

Alberni-Clayoquot will experience an average annual growth rate of 0.1% over the next 25 years.
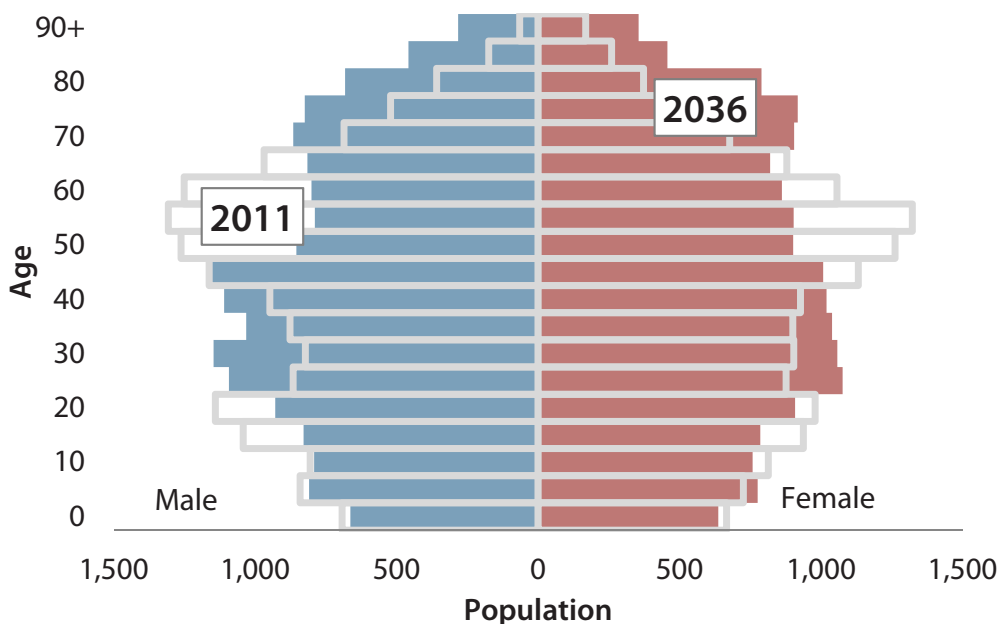

FIGURE 3

Regional Age Profile (Alberni-Clayoquot, 2011 and 2036)

Over the next 25 years Alberni Clayoquot's population composition will change. There will be fewer 45 to 69 year olds, and more 25 to 44 year olds and seniors.

projections | Rental Housing Demand

Rental housing demand in Alberni-Clayoquot is projected to increase by 4% to 7% over the next 25 years, compared to population growth of 2% over the same period.

Figure 4 shows that rental housing demand declined from 1996 to 2006, which reflects demographic changes. The population declined slightly from 1996 to 2003, as did rental household maintainer rates, which resulted in an overall decline in rental housing demand.

Figure 5 depicts the age breakdown of household maintainers in 2011 and 2036, showing growth in rental demand among households maintained by those aged 30 to 44 and seniors.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 7%, from 3,256 households in 2011 to 3,493 households in 2036 when tenure patterns are held constant.[1] This translates to an average annual increase in rental housing demand of 9 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. This shift can also be seen in Alberni-Clayoquot. 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 modestly from 3,256 households in 2011 to 3,389 households by 2036, a 4% increase. This translates into an average annual increase of 5 rental households between 2011 and 2036.

Rental housing demand is projected to increase by 133 to 237 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	3,256	3,258	3,493	2	235	237	0	16	9
Scenario B: Shifting Tenure	3,256	3,252	3,389	-4	137	133	0	9	5

TABLE 3

Rental Housing Demand (Alberni-Clayoquot, 2011 to 2036)

Rental housing demand is projected to stay flat over the next 10 years and increase by an average of 5 to 9 households annually over the next 25 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.
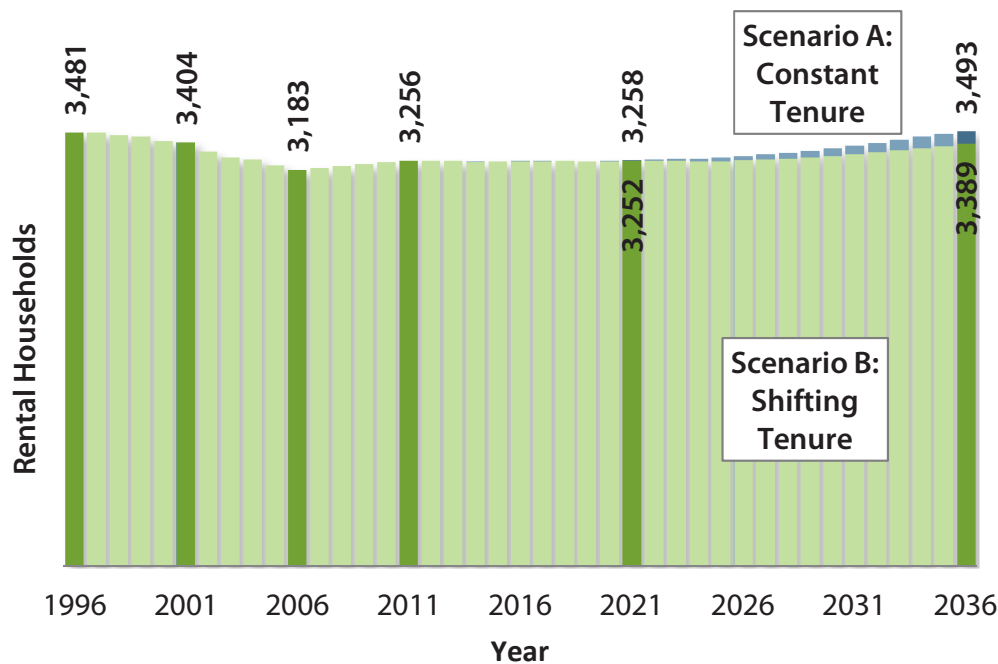
projections | **Rental Housing Demand**

Scenario A: Constant Tenure

Scenario B: Shifting Tenure

3,481 3,404 3,183 3,256 3,258 3,493

3,252 3,389

1996 2001 2006 2011 2016 2021 2026 2031 2036

Year

Rental Households

FIGURE 4

Rental Housing Demand (Alberni-Clayoquot, 1996 to 2036)

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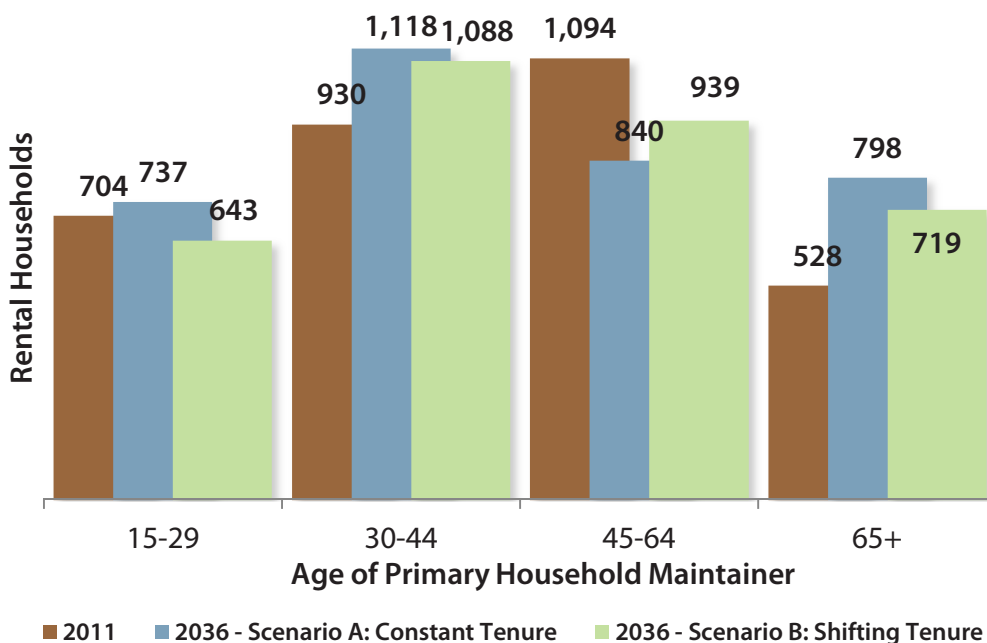

704 737 643 930 1,118 1,088 1,094 840 939 528 798 719

15-29 30-44 45-64 65+

Age of Primary Household Maintainer

Rental Households

■ 2011 ■ 2036 - Scenario A: Constant Tenure ■ 2036 - Scenario B: Shifting Tenure

FIGURE 5

Rental Housing Demand by Age (Alberni-Clayoquot, 2011, 2036)

Rental housing demand is projected to increase most substantially amongst 30 to 44 year olds and 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 is projected to increase by 3% to 6% over the next 25 years.

Figure 6 shows that the number of renter households in core housing need increased in Alberni-Clayoquot from 1996 to 2001, despite a decrease in rental housing demand during this period. Core housing need decreased from 2001 to 2006, reflecting the continued decline in rental housing demand and amplified by a decrease in incidence of core housing need.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 864 renter households in Alberni-Clayoquot were in core housing need in 2011.[2]

Figure 7 depicts the age-specific breakdown of maintainers in core housing need. The increase in renters living in core housing need will be greatest in households maintained by seniors and people aged 30 to 44. This concentration of core need is a result of the increase in overall rental demand in these age groups. Figure 9 shows that the incidence of core housing need is quite similar across all age groups in Alberni-Clayoquot.

Scenario A: Constant Tenure
Scenario A reveals a total increase of 48 renter households in core need, rising to 912 households by 2036, a 6% total increase.

Scenario B: Shifting Tenure
Overall rental housing demand is lower in this scenario, and it is projected that there will be 889 renter households in core housing need by 2036, an increase of 25 households by 2036, and a 3% total increase.

Core housing need among renters is projected to increase by 25 to 48 households over the next 25 years.

TABLE 4

Renter Households in Core Housing Need (Alberni-Clayoquot, 2011 to 2036)

Core housing need is projected to decline in the short term but increase by an average of 1 to 2 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	864	854	912	-10	58	48	-1	4	2
Scenario B: Shifting Tenure	864	854	889	-10	35	25	-1	2	1

[2] 2011 figures are projections as the 2011 Census housing tenure and income variables were unavailable at the time the projections were complete.
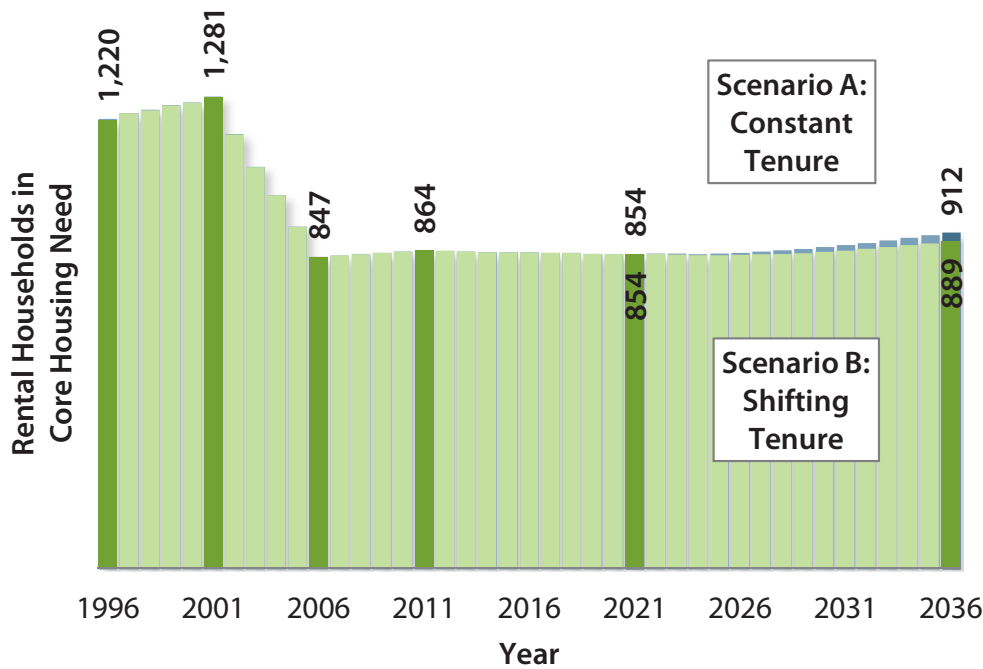
projections | **Core Housing Need**

FIGURE 6

Core Housing Need (Alberni-Clayoquot, 1996 to 2036)

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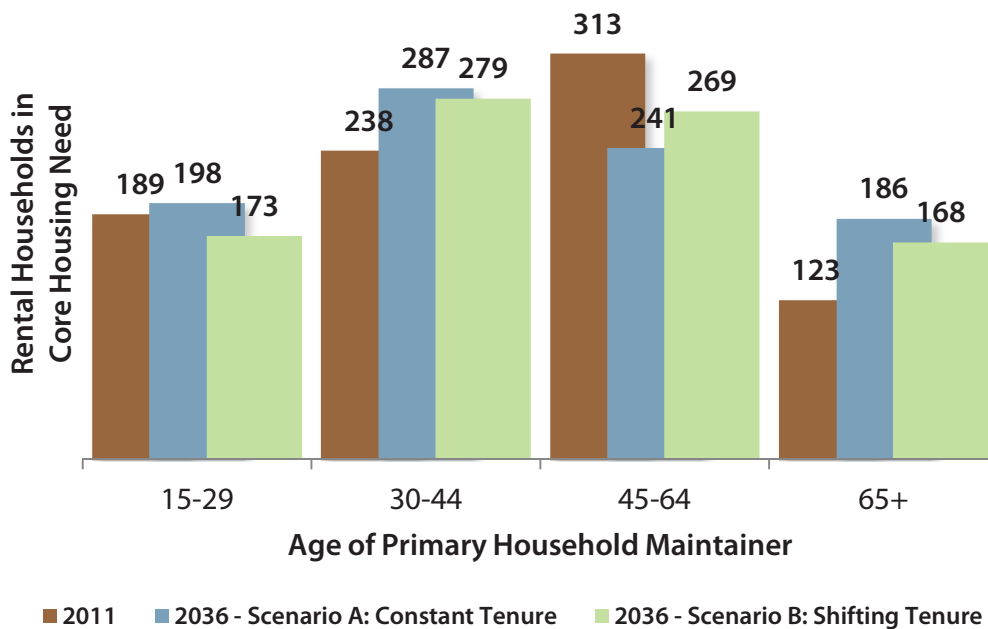

FIGURE 7

Renter Households in Core Housing Need by Age (Alberni-Clayoquot, 2011, 2036)

The increase in renters in core housing need will be greatest in households maintained by seniors and those aged 30 to 44.

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 asumptions 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 Alberni-Clayoquot. 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 renter household 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.

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

[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.

methods | **Our Model**

Rental Household Maintainer Rate

Age of Primary Household Maintainer

■ 1996　■ 2006　—●—2036 Trended

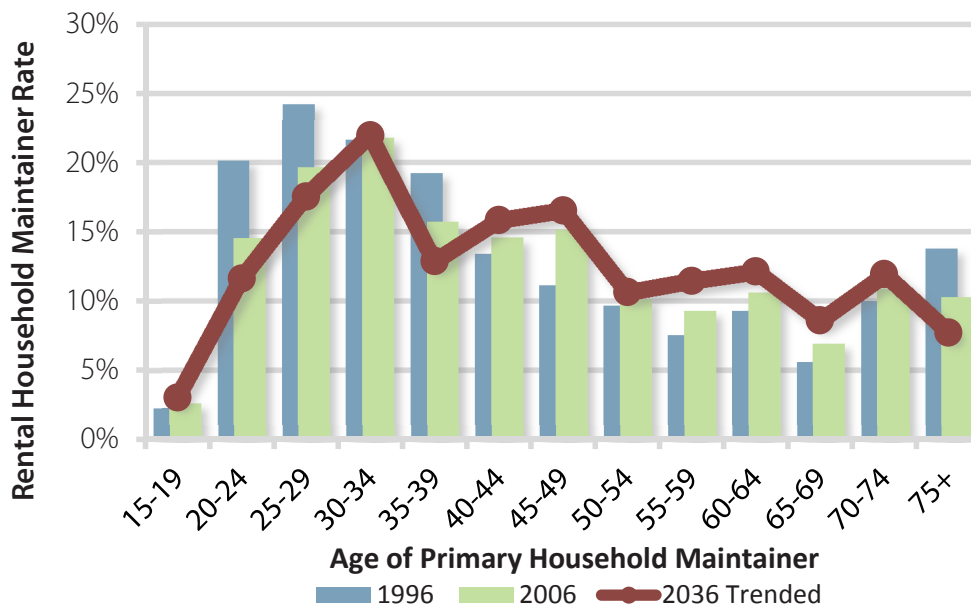**Rental Household Maintainer Rates (Alberni-Clayoquot, 1996, 2006, 2036)**

Rental household maintainer rates are projected to increase or decline depending on the age group, but will decline overall.

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

Rental Households in Core Housing Need

21.5%　26.9%　25.8%　25.6%　27.4%　28.6%　37.2%　23.3%

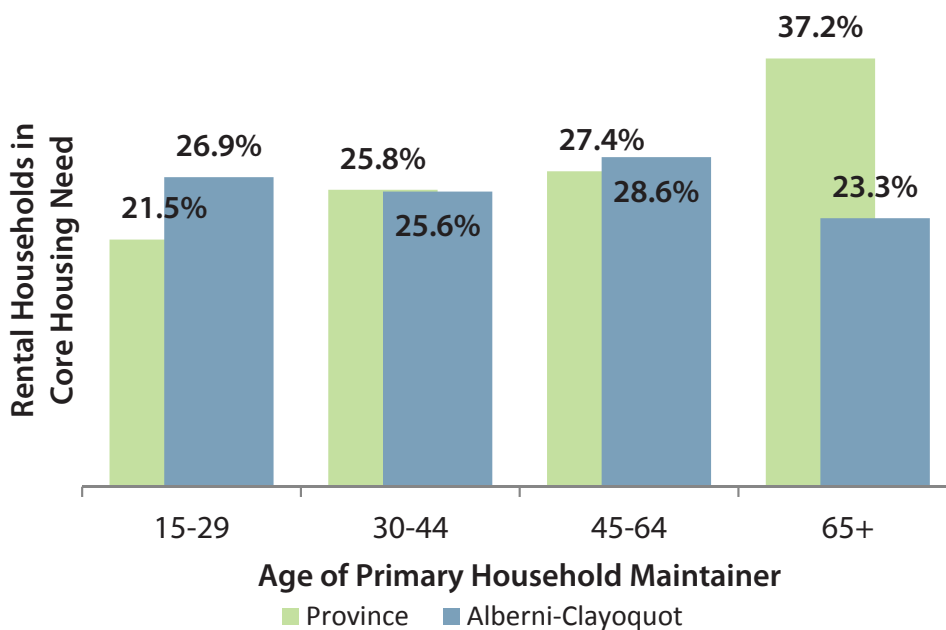**Age of Primary Household Maintainer**

■ Province　■ Alberni-Clayoquot

Share of Renter Households in Core Housing Need (BC and Alberni-Clayoquot, 2011)

In Alberni-Clayoquot, the incidence of core housing need has less variation across age groups than at the BC Level.

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	4,867	4,760	4,762	-0.2%	0.0%	-0.1%
15-29	5,840	4,912	5,619	-1.7%	0.9%	-0.2%
30-44	5,377	5,666	6,402	0.5%	0.8%	0.7%
45-64	9,751	8,211	7,269	-1.7%	-0.8%	-1.2%
65+	5,643	7,618	8,170	3.0%	0.5%	1.5%
All Ages	31,478	31,167	32,222	-0.1%	0.2%	0.1%

TABLE 6

Population Projections by Age Group (Alberni-Clayoquot, 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	3256	3258	3493	2	235	237	0	16	9
	Scenario B: Shifting Tenure	3256	3252	3389	-4	137	133	0	9	5
Ownership	Scenario A: Constant Tenure	10049	10485	10776	436	291	727	44	19	29
	Scenario B: Shifting Tenure	10049	10491	10880	442	389	831	44	26	33
Total	Both Scenarios	13305	13742	14269	437	527	964	44	35	39

TABLE 7

Household Projections (Alberni-Clayoquot, 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	864	854	912	-10	58	48	-1	4	2
	Scenario B: Shifting Tenure	864	854	889	-10	35	25	-1	2	1
Ownership	Scenario A: Constant Tenure	484	491	502	7	11	18	1	1	1
	Scenario B: Shifting Tenure	484	493	511	8	18	26	1	1	1
Total	Scenario A: Constant Tenure	1,348	1,345	1,414	-3	69	66	0	5	3
	Scenario B: Shifting Tenure	1,348	1,347	1,399	-1	52	51	0	3	2

TABLE 8

Households in Core Housing Need Projections (Alberni-Clayoquot, 2011 to 2036)