



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**COMOX-STRATHCONA REGIONAL
DISTRICT TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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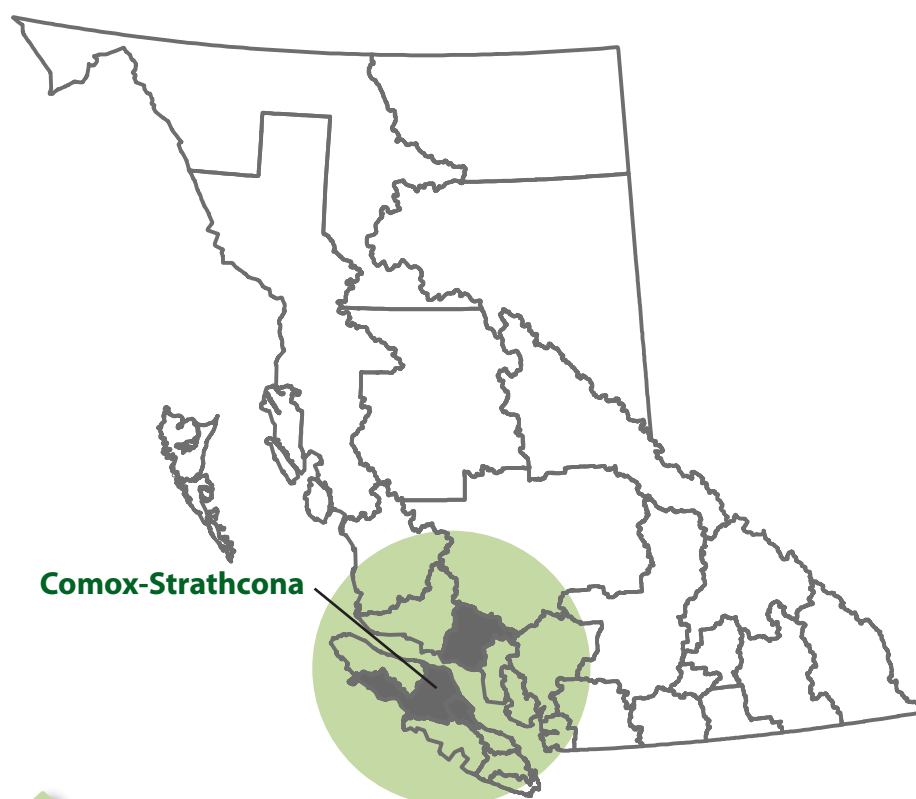
A vision for sustainable housing in communities across British Columbia

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 Comox-Strathcona Regional District is located on the west coast, partially on Vancouver Island.



Comox-Strathcona was a single regional district until 2008 and has since split into the Comox Valley Regional District and the Strathcona Regional District. Because this report builds on 2006 Census data, projections were built for the combined region.

For projections of rental housing demand and core housing need at the provincial level, see the complete report at 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 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 Comox-Strathcona, this shift varies across age groups.

Both scenarios suggest that rental housing demand will grow into the future in Comox-Strathcona. Rental housing demand is estimated to range between 14,316 and 14,726 households in 2036, an increase of between 3,504 and 3,914 households, as seen in Table 1 below. Core housing need is projected to range from 3,689 to 3,722 renter households by 2036, an increase of between 865 and 898 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 consistent with 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.

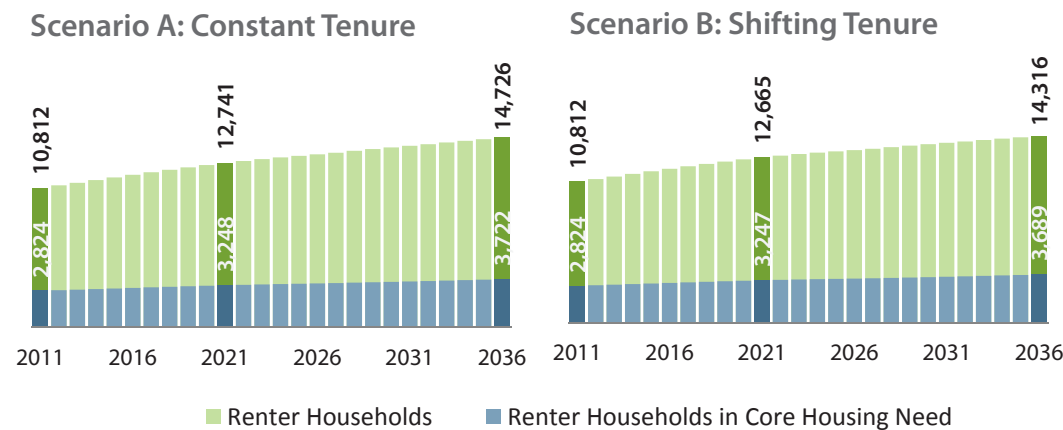


FIGURE 1
Rental Housing Demand and Core Housing Need (Comox-Strathcona, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	10,812	2,824	10,812	2,824
2021	12,741	3,248	12,665	3,247
2036	14,726	3,722	14,316	3,689
Increase 2011-2036	3,914	898	3,504	865

TABLE 1
Rental Housing Demand and Core Housing Need (Comox-Strathcona, 2011 to 2036)



context

Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Comox-Strathcona Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 33%, from 108,401 in 2011 to 143,694 in 2036.

Between 1986 and 2006 the population grew by 29,429 people, fluctuating between a 1.5% annual decline to a 5.2% annual increase. Recent growth has averaged around 1.0% annually and is projected to slow to 0.9% in 2036.

Based on 2006 Census data (the most recent available), Comox-Strathcona's population is older than the provincial population. In 2006, the median age in the region was 44.3 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be significant growth in those aged 65 and over and those aged 49 and under. This changing age composition will result in relatively strong growth in rental housing demand.

By 2036 there will be significant growth in most population age groups, with the exception of those aged 50 to 64 and 20 to 24.

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

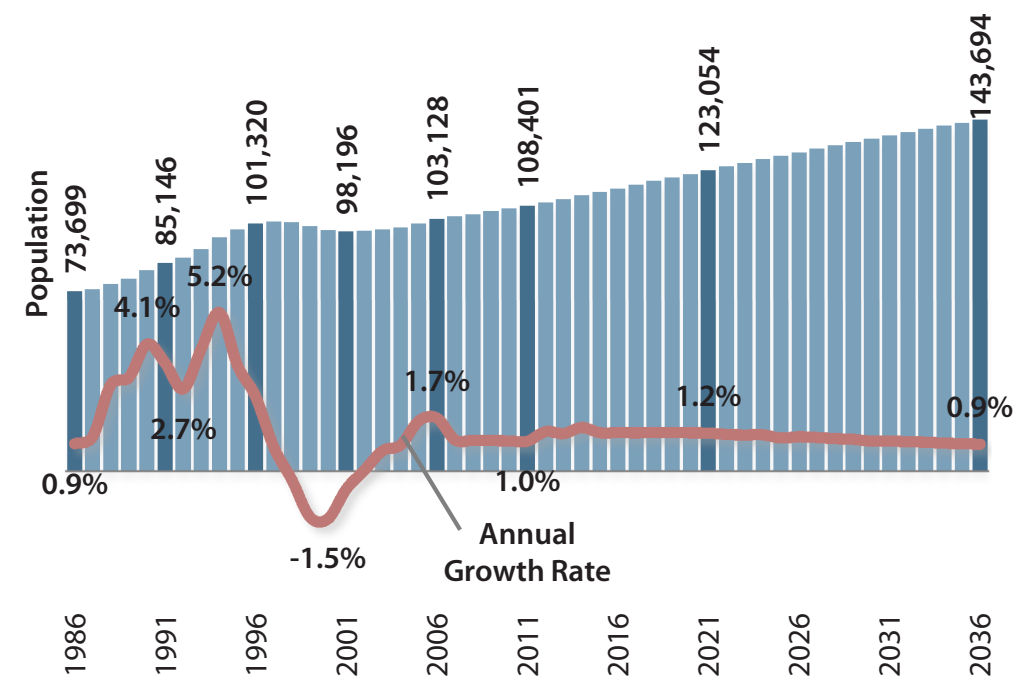


FIGURE 2

Total Population Change
(Comox-Strathcona,
1986 to 2036)

Population will grow steadily over
the next 25 years.

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Comox-Strathcona	108,401	123,054	143,694	1.3%	1.0%	1.1%

TABLE 2

Population Change
(Comox-Strathcona, 2011
to 2036)

Comox-Strathcona will experience
an average annual growth rate of
1.1% over the next 25 years.

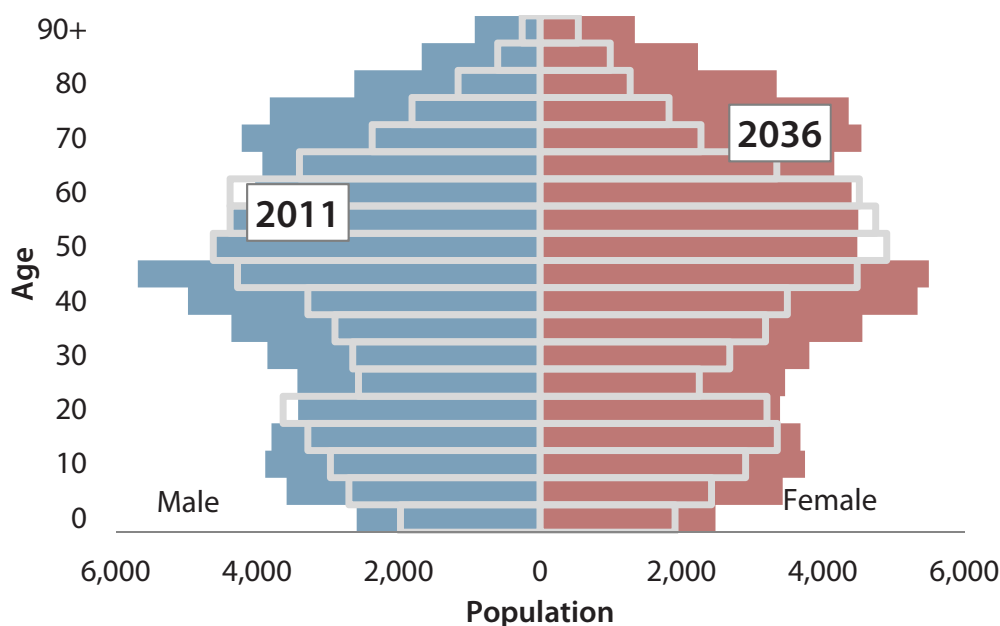


FIGURE 3

Regional Age Profile
(Comox-Strathcona, 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 Comox-Strathcona is projected to increase by 32% to 36% over the next 25 years through two different scenarios, compared to population growth of 33% over the same period. The two scenarios are closer than they are in other regional districts.

Figure 4 shows that rental housing demand declined from 1997 to 2006, which reflects demographic changes. The population declined slightly between 1997 and 2001, and rental household maintainer rates declined between 1996 and 2006, causing an overall decline in rental housing demand.

Figure 5 depicts the age breakdown of rental housing demand in 2011 and 2036, showing that there will be significant growth in rental housing 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 36%, from 10,812 households in 2011 to 14,726 households in 2036 when tenure patterns are held constant.¹ This translates to an average annual increase in rental housing demand of 157 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 Comox-Strathcona overall, but varies across age groups. Scenario B assumes this trend will continue to 2036, thereby slightly slowing the growth in rental housing demand. Since the overall population is projected to grow, however, total rental housing demand will still increase from 10,812 households in 2011 to 14,316 households by 2036, a 32% increase. This growth translates into an average annual increase of 140 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	10,812	12,741	14,726	1,929	1,985	3,914	193	132	157
Scenario B: Shifting Tenure	10,812	12,665	14,316	1,853	1,651	3,504	185	110	140

Both scenarios project rental housing demand growth of approximately 1900 households over the next 10 years.

TABLE 3

Rental Housing Demand (Comox-Strathcona, 2011 to 2036)

Rental housing demand is projected to increase by 185 to 193 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

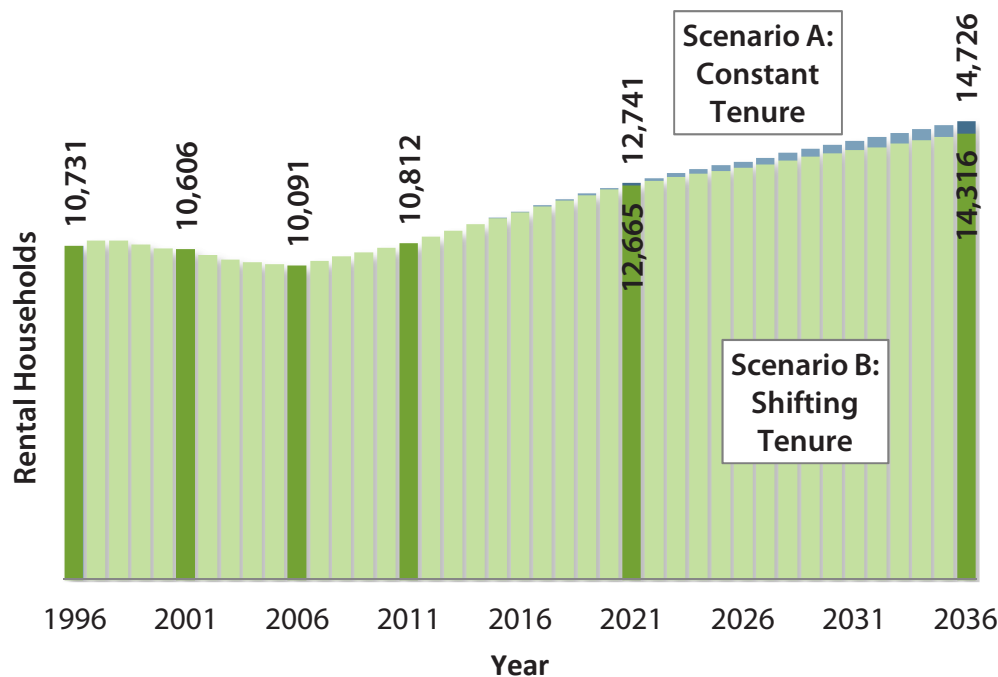


FIGURE 4

Rental Housing Demand (Comox-Strathcona, 1996 to 2036)

Both scenarios project similar growth in rental housing demand over the next 25 years.

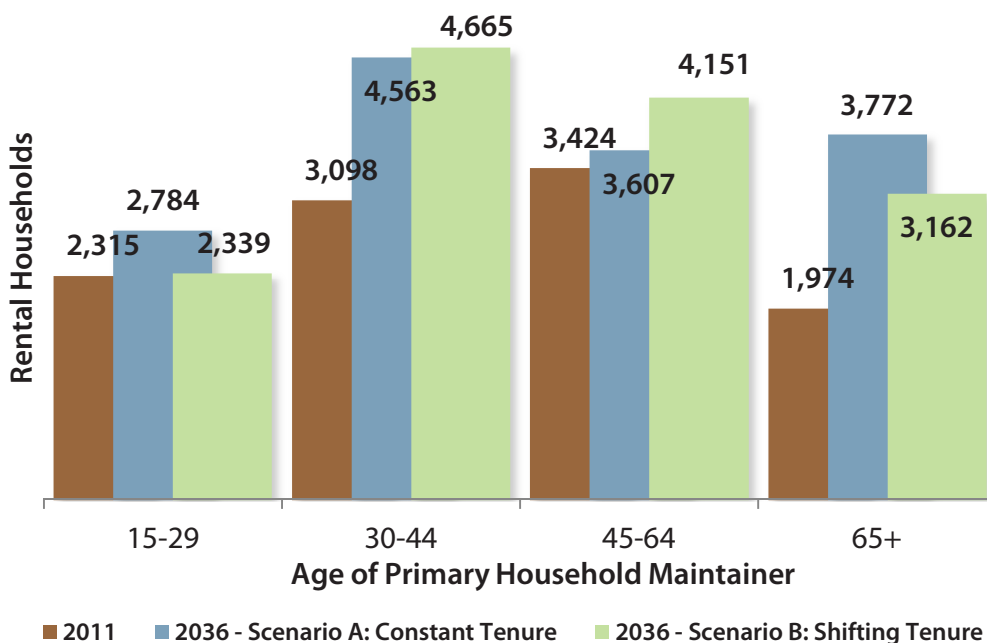


FIGURE 5

Rental Housing Demand by Age (Comox-Strathcona, 2011, 2036)

By 2036 both scenarios project a large increase in demand for rental housing by those aged 30 to 44 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 31% to 32% over the next 25 years. The two scenarios are nearly identical.

Figure 6 also shows that the number of renter households in core housing need declined in Comox-Strathcona between 1997 and 2006, mirroring the decline in rental housing demand.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 2,824 renter households in Comox-Strathcona were in core housing need in 2011.²

Figure 7 depicts the age-specific breakdown of renter households in core housing need. The increase in need is most pronounced for the 30 to 44 and 65 and over age groups.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 898 renter households in core need, from 2,824 households in 2011 to 3,722 households by 2036. This is a 32% increase, and an average annual increase of 36 renter households.

Scenario B: Shifting Tenure

Scenario B projects that the total number of renter households by 2036 will increase by 31%, nearly identical to Scenario A. The number of renter households in core housing need will increase by 35 households per year, for a total of 3,689 households by 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	2,824	3,248	3,722	424	474	898	42	32	36
Scenario B: Shifting Tenure	2,824	3,247	3,689	423	442	865	42	29	35

Both scenarios project core housing need among renters to increase by approximately 420 households over the next 10 years.

TABLE 4

Renter Households in Core Housing Need (Comox-Strathcona, 2011 to 2036)

Core housing need is projected to increase by 42 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

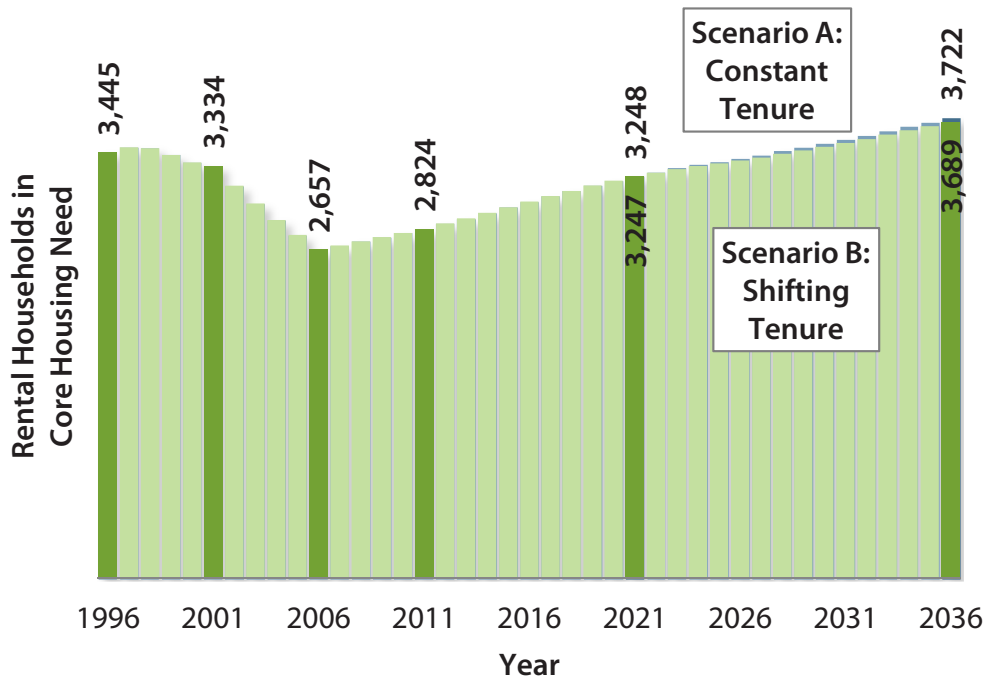


FIGURE 6

Core Housing Need
(Comox-Strathcona,
1996 to 2036)

Both scenarios project similar growth in the number of renter households in core housing need.

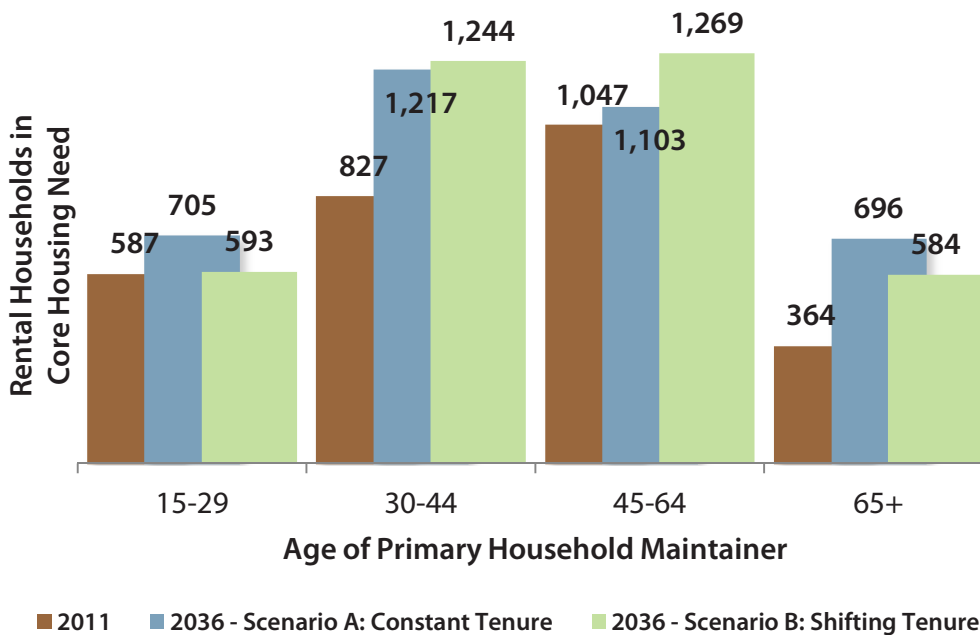


FIGURE 7

Renter Households
in Core Housing
Need by Age
(Comox-Strathcona,
2011, 2036)

The increase in renter households in core housing need will be spread across households maintained by different age groups.



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.

In 2008 the Comox Valley Regional District and the Strathcona Regional District were combined into the Comox-Strathcona Regional District. Because the Census population and household numbers up to 2006 reflect the combined region, the PEOPLE 36 population data together for the two regional districts and produced a projection for the two regional districts combined.

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 Comox-Strathcona. 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

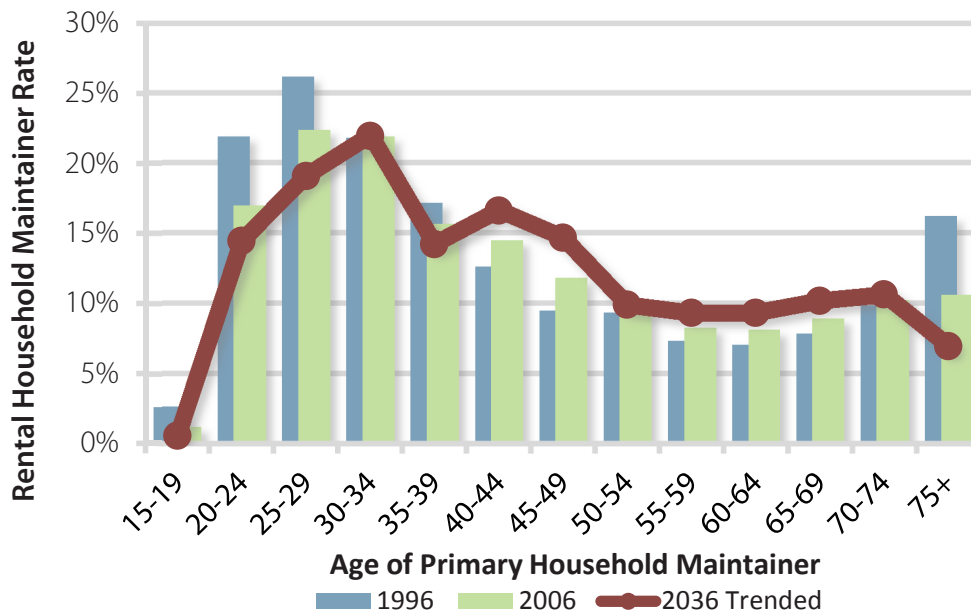


FIGURE 8

Rental Household Maintainer Rates (Comox-Strathcona, 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.)

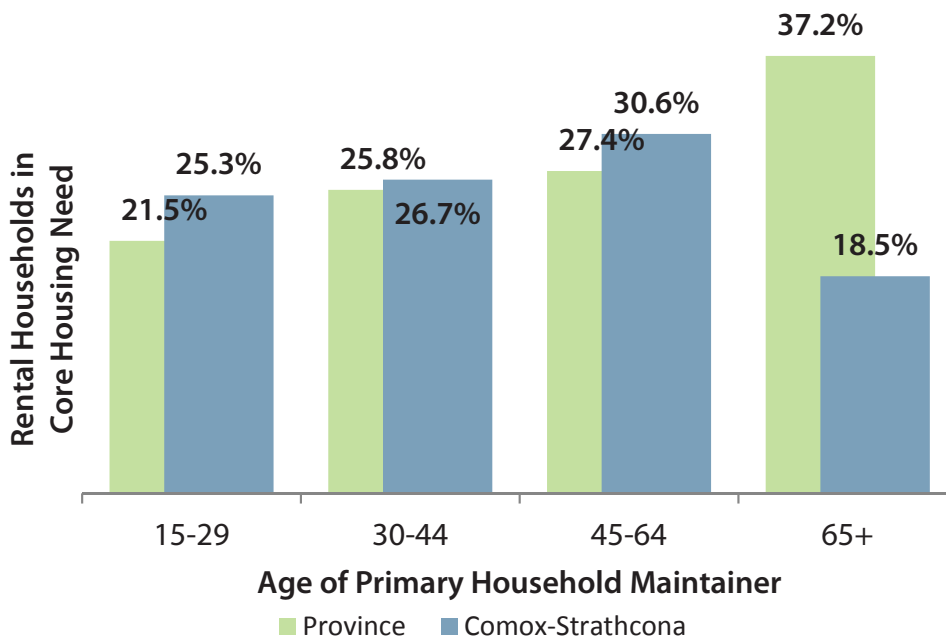


FIGURE 9

Share of Renter Households in Core Housing Need (BC and Comox-Strathcona, 2011)

In Comox-Strathcona, more renter households are in core housing need than at the BC level, except among seniors where the share of core need is half 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

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
0-14	15,777	17,719	20,921	1.2%	1.1%	1.1%
15-29	18,292	18,938	21,179	0.3%	0.7%	0.6%
30-44	18,191	22,535	26,890	2.2%	1.2%	1.6%
45-64	36,297	34,546	37,539	-0.5%	0.6%	0.1%
65+	19,844	29,316	37,165	4.0%	1.6%	2.5%
All Ages	108,401	123,054	143,694	1.3%	1.0%	1.1%

TABLE 6

Population Projections by Age Group (Comox-Strathcona, 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	10,812	12,741	14,726	1,929	1,985	3,914	193	132	157
	Scenario B: Shifting Tenure	10,812	12,665	14,316	1,853	1,651	3,504	185	110	140
Ownership	Scenario A: Constant Tenure	36,205	42,497	49,945	6,292	7,448	13,740	629	497	550
	Scenario B: Shifting Tenure	36,205	42,573	50,355	6,368	7,782	14,150	637	519	566
Total	Both Scenarios	47,017	55,238	64,671	8,221	9,433	17,654	822	629	706

TABLE 7

Household Projections (Comox-Strathcona, 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	2,824	3,248	3,722	424	474	898	42	32	36
	Scenario B: Shifting Tenure	2,824	3,247	3,689	423	442	865	42	29	35
Ownership	Scenario A: Constant Tenure	1,930	2,172	2,501	243	329	572	24	22	23
	Scenario B: Shifting Tenure	1,930	2,177	2,520	248	342	590	25	23	24
Total	Scenario A: Constant Tenure	4,754	5,420	6,223	666	803	1,469	67	54	59
	Scenario B: Shifting Tenure	4,754	5,424	6,209	670	785	1,455	67	52	58

TABLE 8

Households in Core Housing Need Projections (Comox-Strathcona, 2011 to 2036)

