Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

SQUAMISH-LILLOOET 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 Squamish-Lillooet Regional District is situated in the southwest.
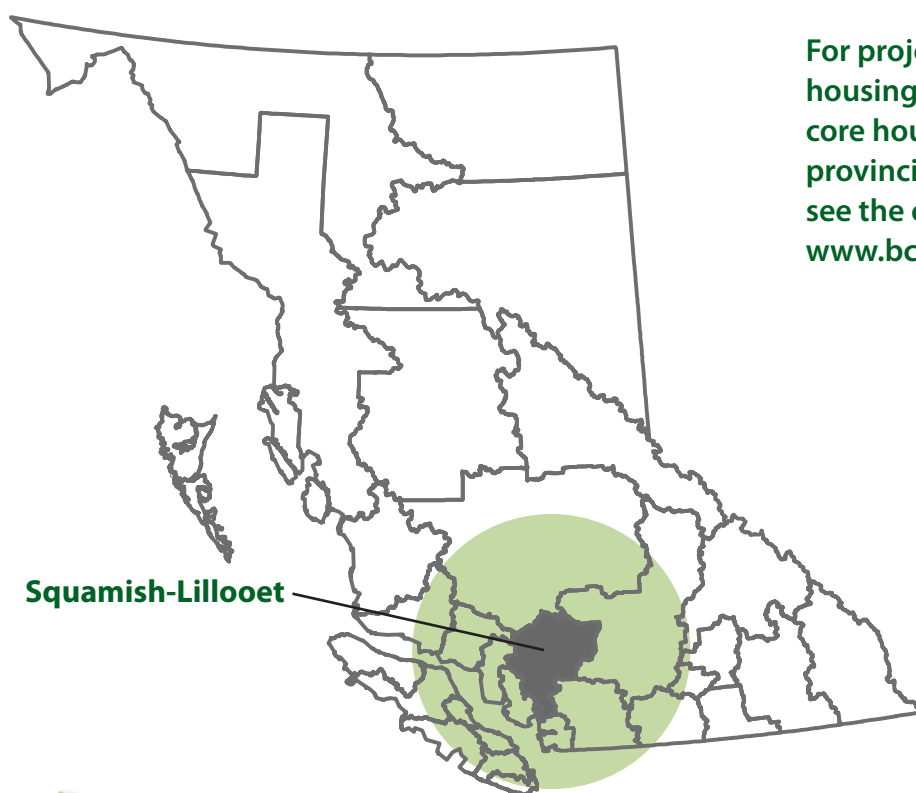
For projections of rental housing demand and core housing need at the provincial level, see the complete report at www.bcnpha.ca

Squamish-Lillooet

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 Squamish-Lillooet. Rental housing demand is estimated to range between 6,965 and 7,429 households by 2036, an increase of between 2,134 and 2,598 households, as seen in Table 1 below. Core housing need among renters is projected to range from 1,139 to 1,303 renter households by 2036, an increase of between 404 and 568 households.

In both scenarios, rental housing demand grows slower than the 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.
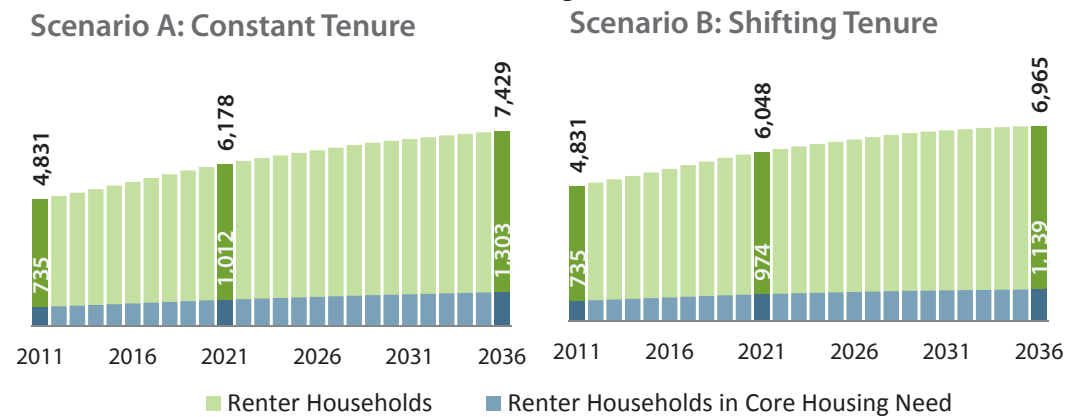
Scenario A: Constant Tenure

Scenario B: Shifting Tenure

Renter Households ■ Renter Households in Core Housing Need

FIGURE 1

Rental Housing Demand and Core Housing Need (Squamish-Lillooet, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	4,831	735	4,831	735
2021	6,178	1,012	6,048	974
2036	7,429	1,303	6,965	1,139
Increase 2011-2036	2,598	568	2,134	404

TABLE 1

Rental Housing Demand and Core Housing Need (Squamish-Lillooet, 2011 to 2036)

context | Demographic Drivers

The projections for rental housing demand and renter households in core housing need in Squamish-Lillooet Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 59%, from 39,690 in 2011 to 63,174 in 2036, as seen in Figure 2.

Between 1986 and 2006 the population grew by 16,140 people, fluctuating between a 0.3% annual decline and a 7.8% annual increase. Recent growth has averaged around 1.6% annually and is projected to slow to 1.2% in 2036.

Based on 2006 Census data (the most recent available) Squamish-Lillooet's population is younger than the provincial population. In 2006, the median age in the region was 35.1 versus 40.8 years provincially. Figure 3 shows that by 2036, there will be strong growth among all age groups, most notably among seniors and those aged 20 to 44.

Rental maintainer rates in Squamish-Lillooet are highest among those aged 25 to 29. The rates then decline before again rising among young seniors. A youthful population, in combination with steady population growth, will account for much of the growth in rental housing demand in Squamish-Lillooet.

The youthful age profile and rapid population growth in Squamish-Lillooet will increase rental housing demand.

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)
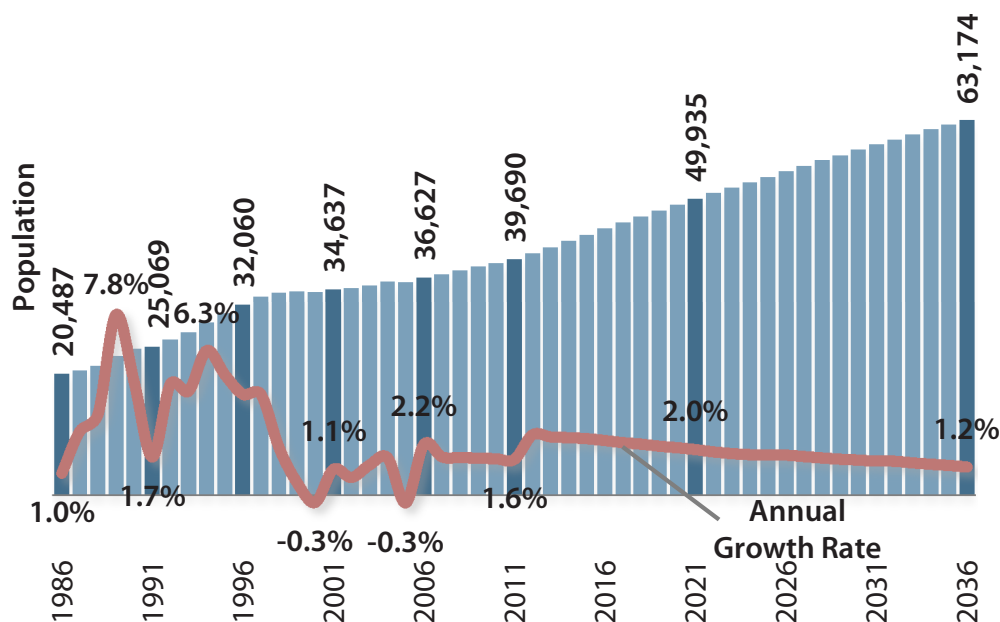
context | Demographic Drivers

FIGURE 2

Total Population Change (Squamish-Lillooet, 1986 to 2036)

Population will grow quickly over the next 25 years, while the annual growth rate will decline over the same period.

TABLE 2

Population Change (Squamish-Lillooet, 2011 to 2036)

Squamish-Lillooet will experience an average annual growth rate of 1.9% over the next 25 years.
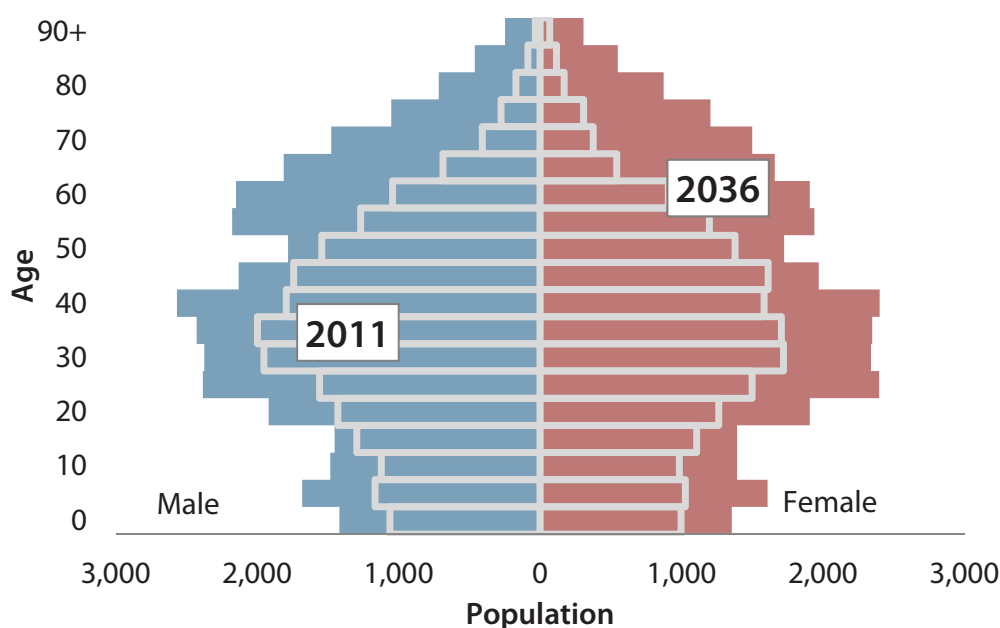
	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Squamish-Lillooet	39,690	49,935	63,174	2.3%	1.6%	1.9%

FIGURE 3

Regional Age Profile (Squamish-Lillooet, 2011 and 2036)

Squamish-Lillooet's population is younger than many parts of the province. All age groups will grow over the next 25 years.

projections | **Rental Housing Demand**

Rental housing demand in Squamish-Lillooet is projected to increase by 44% to 54% over the next 25 years through two different scenarios, compared to population growth of 59% over the same period.

Figure 5 depicts the age breakdown of household maintainers in 2011 and 2036, showing that growth in rental demand will occur across all age groups.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 54%, from 4,831 households in 2011 to 7,429 households in 2036 when tenure patterns are held constant.[1] This translates to an average annual increase in rental housing demand of 104 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 Squamish-Lillooet 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 44%, from 4,831 households in 2011 to 6,965 households by 2036. This growth translates into an average annual increase of 85 rental households between 2011 and 2036.

Rental housing demand is projected to increase by 1,217 to 1,347 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	4,831	6,178	7,429	1,347	1,251	2,598	135	83	104
Scenario B: Shifting Tenure	4,831	6,048	6,965	1,217	917	2,134	122	61	85

TABLE 3

Rental Housing Demand (Squamish-Lillooet, 2011 to 2036)

Rental housing demand is projected to increase by between 122 and 135 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.
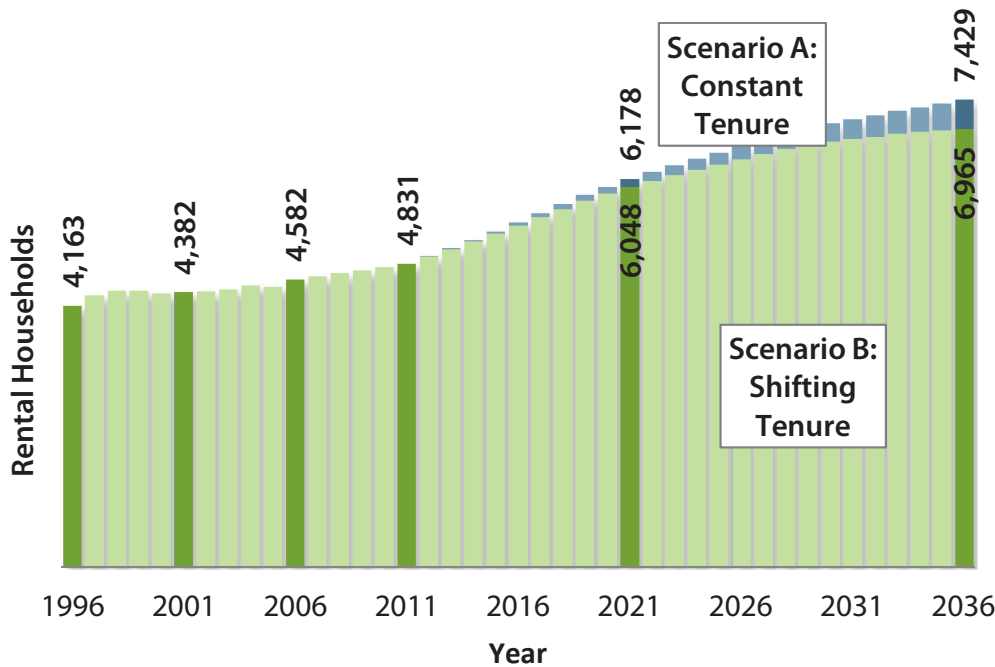
projections | **Rental Housing Demand**

FIGURE 4

Rental Housing Demand (Squamish-Lillooet, 1996 to 2036)

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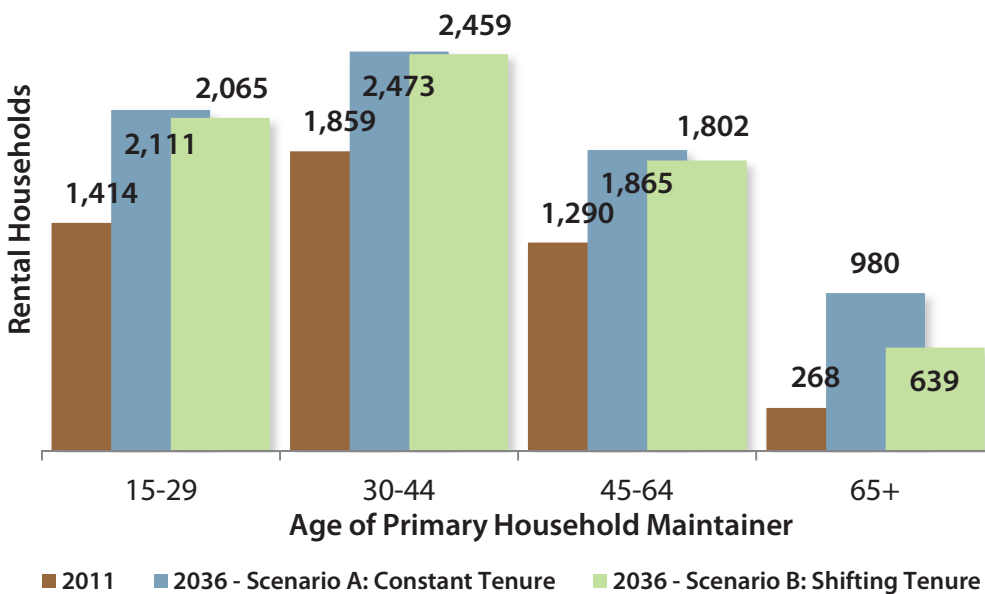

FIGURE 5

Rental Housing Demand by Age (Squamish-Lillooet, 2011, 2036)

Rental housing demand will increase among all age groups but the most demand will arise from those under age 65 years.

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 55% to 77% over the next 25 years.

Figure 6 shows that the number of households in core housing need decreased from 1996 to 2006, despite a slow increase in rental housing demand. This was due to a decline in incidence of core housing need among renters of all age groups except seniors.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 735 renter households in Squamish-Lillooet were in core housing need in 2011.[2]

Figure 7 depicts the age-specific breakdown of maintainers in core housing need. The number of renter households in core housing need will increase across all age groups by 2036, most dramatically among senior households.

Scenario A: Constant Tenure

Scenario A reveals an increase of 568 renter households in core need, from 735 households in 2011 to 1,303 households by 2036. This is a 77% increase, and an average annual increase of 23 renter households.

Scenario B: Shifting Tenure

Scenario B projects fewer renter households in core housing need by 2036 than Scenario A. It projects an annual increase of 16 households in core housing need, for a total of 1,139 renter households by 2036, a 55% increase.

Core housing need among renters is projected to increase by 239 to 277 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	735	1,012	1,303	277	291	568	28	19	23
Scenario B: Shifting Tenure	735	974	1,139	239	165	404	24	11	16

TABLE 4

Renter Households in Core Housing Need (Squamish-Lillooet, 2011 to 2036)

Core housing need is projected to increase by between 24 and 28 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.
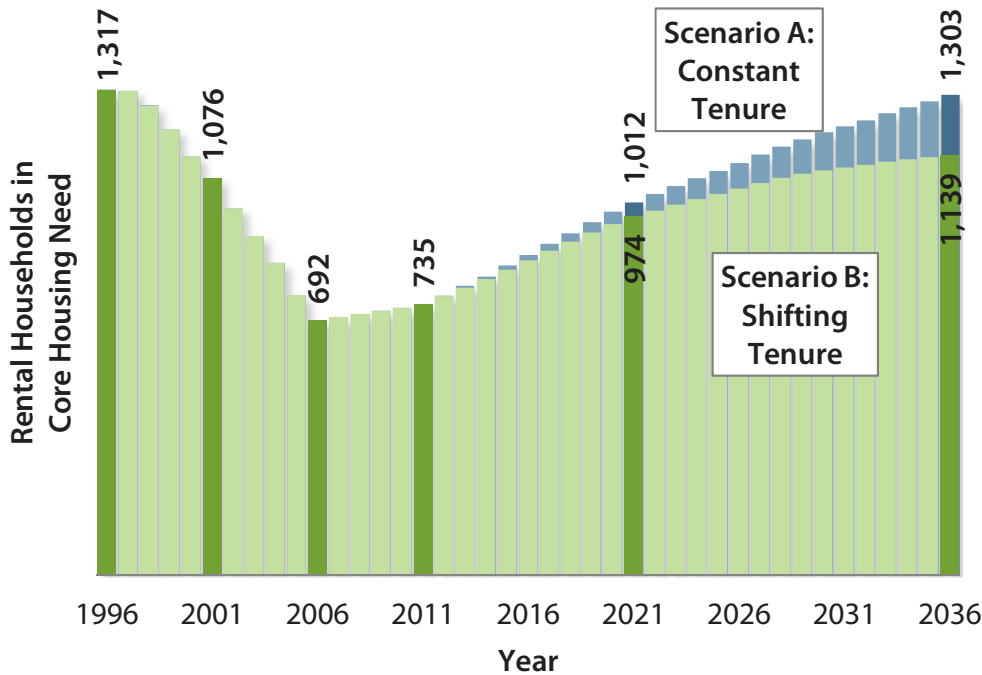
projections | **Core Housing Need**

FIGURE 6

Core Housing Need (Squamish-Lillooet, 1996 to 2036)

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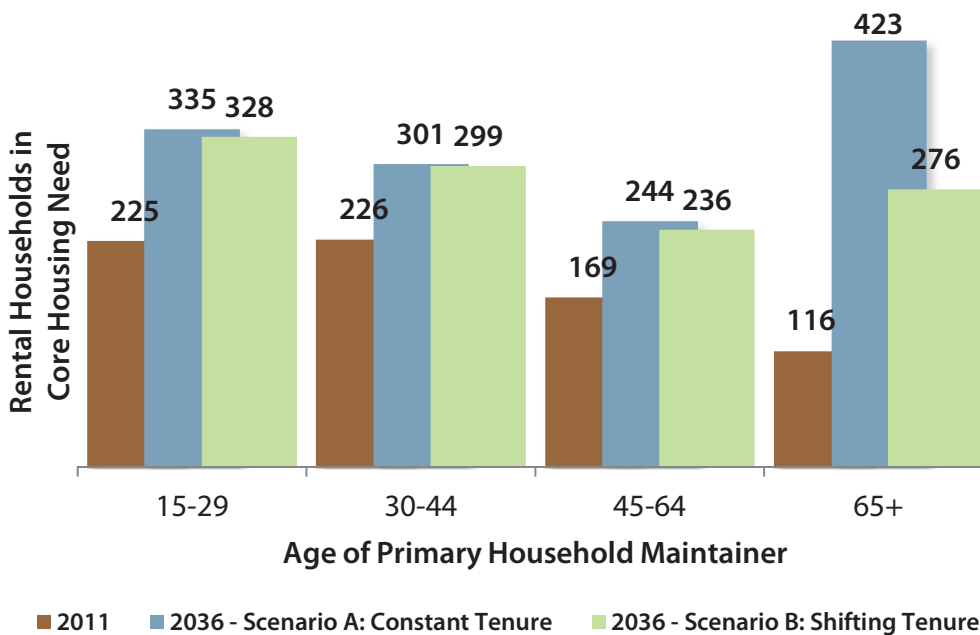

FIGURE 7

Renter Households in Core Housing Need by Age (Squamish-Lillooet, 2011, 2036)

Core housing need will increase among households maintained by all age groups, most notably among seniors.

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 Squamish-Lillooet. 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.[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.

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

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.
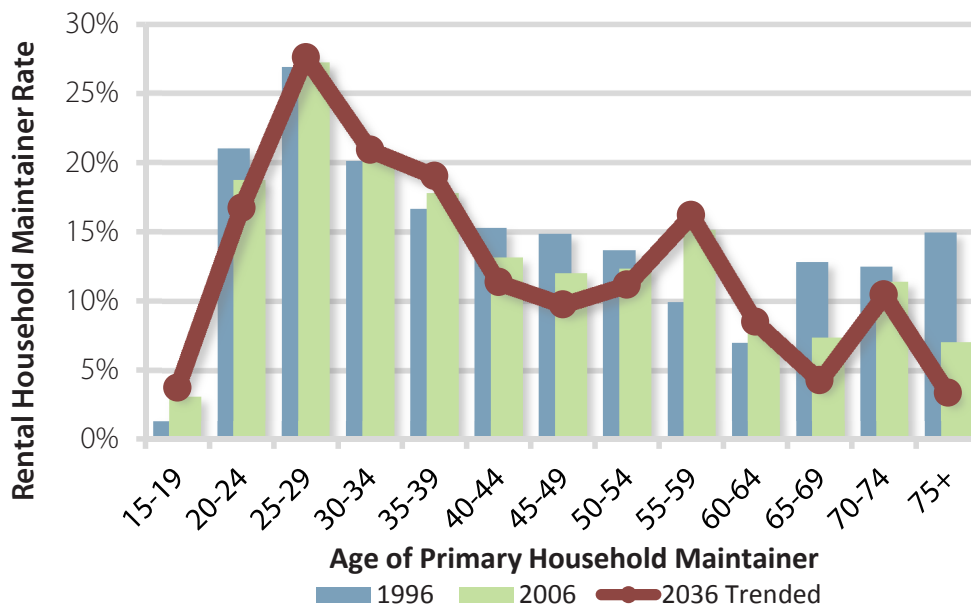
methods | **Our Model**

FIGURE 8

Rental Household Maintainer Rates (Squamish-Lillooet, 1996, 2006, 2036)

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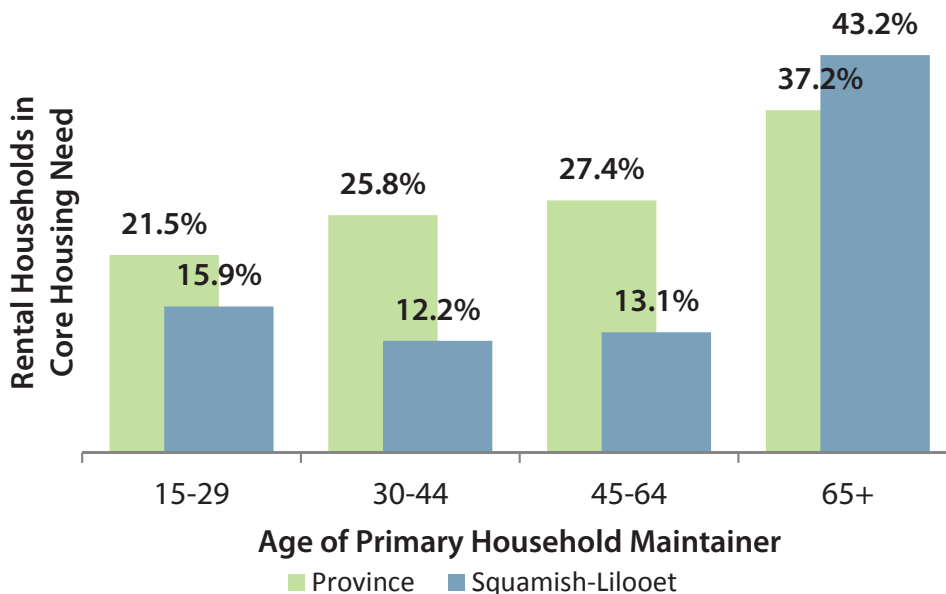

FIGURE 9

Share of Renter Households in Core Housing Need (BC and Squamish-Lillooet, 2011)

Incidence of core housing need among renters is lower in Squamish-Lillooet than in the province overall, 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

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
0-14	6,859	7,610	9,641	1.0%	1.6%	1.4%
15-29	8,147	11,124	11,449	3.2%	0.2%	1.4%
30-44	10,753	10,670	14,454	-0.1%	2.0%	1.2%
45-64	10,689	14,122	15,774	2.8%	0.7%	1.6%
65+	3,242	6,409	11,856	7.1%	4.2%	5.3%
All Ages	39,690	49,935	63,174	2.3%	1.6%	1.9%

TABLE 6

Population Projections by Age Group (Squamish-Lillooet, 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	4,831	6,178	7,429	1,347	1,251	2,598	135	83	104
	Scenario B: Shifting Tenure	4,831	6,048	6,965	1,217	917	2,134	122	61	85
Ownership	Scenario A: Constant Tenure	11,202	14,849	20,131	3,647	5,281	8,928	365	352	357
	Scenario B: Shifting Tenure	11,202	14,979	20,594	3,777	5,615	9,392	378	374	376
Total	Both Scenarios	16,033	21,027	27,559	4,994	6,532	11,526	499	435	461

TABLE 7

Household Projections (Squamish-Lillooet, 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	735	1,012	1,303	277	291	568	28	19	23
	Scenario B: Shifting Tenure	735	974	1,139	239	165	404	24	11	16
Ownership	Scenario A: Constant Tenure	857	1,110	1,519	253	410	663	25	27	27
	Scenario B: Shifting Tenure	857	1,120	1,555	263	435	698	26	29	28
Total	Scenario A: Constant Tenure	1,592	2,122	2,823	531	700	1,231	53	47	49
	Scenario B: Shifting Tenure	1,592	2,094	2,694	502	600	1,102	50	40	44

TABLE 8

Households in Core Housing Need Projections (Squamish-Lillooet, 2011 to 2036)