



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**COLUMBIA SHUSWAP REGIONAL
DISTRICT TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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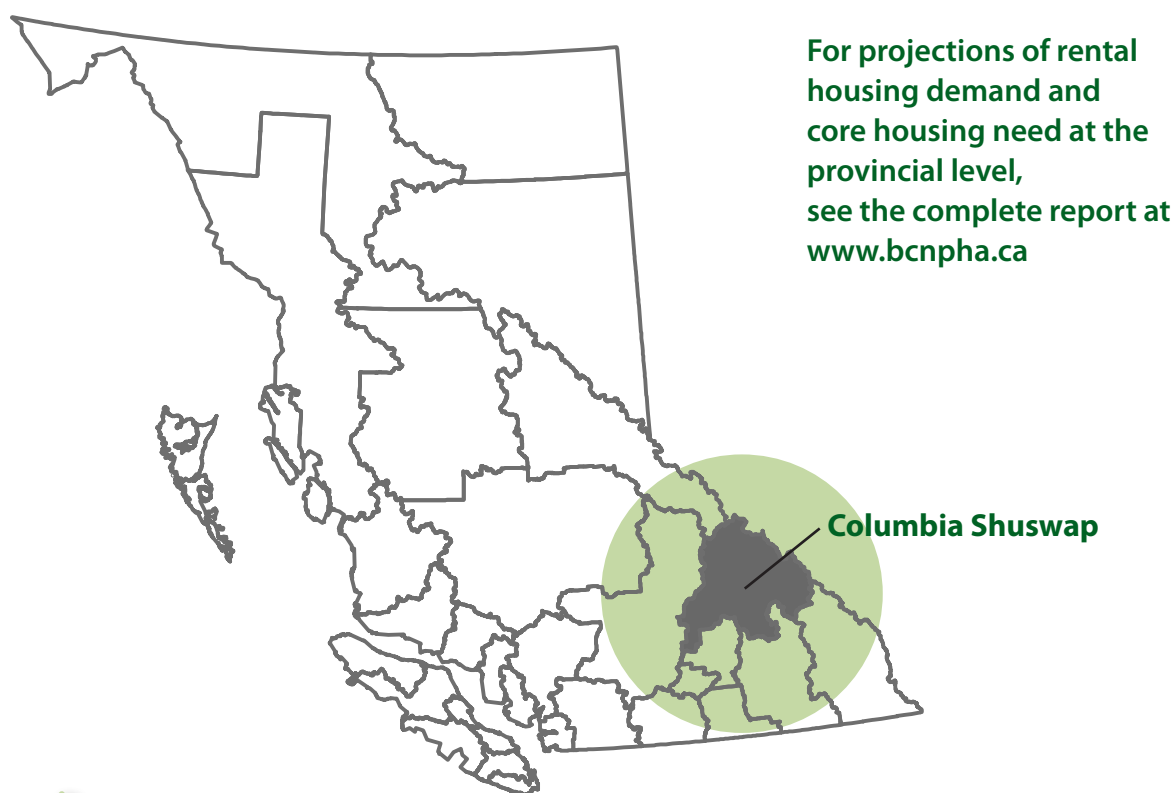
A vision for sustainable housing in communities across British Columbia

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 Columbia Shuswap Regional District is situated in the southeast.



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 Columbia-Shuswap. Rental housing demand is estimated to range between 4,950 and 5,206 households by 2036, an increase of between 821 and 1,078 households, as seen in Table 1 below. Core housing need among renters is projected to range from 1,373 to 1,457 households by 2036, an increase of between 256 and 340 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 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.

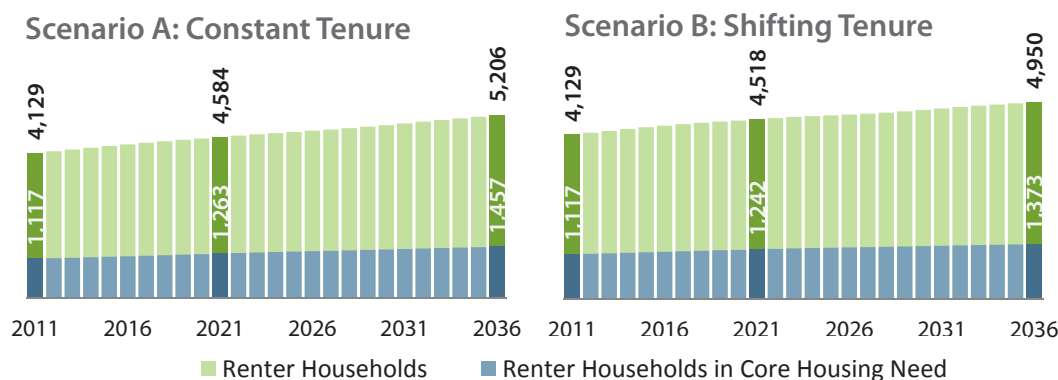


FIGURE 1
Rental Housing Demand and Core Housing Need (Columbia Shuswap, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	4,129	1,117	4,129	1,117
2021	4,584	1,263	4,518	1,242
2036	5,206	1,457	4,950	1,373
Increase 2011-2036	1,078	340	821	256

TABLE 1
Rental Housing Demand and Core Housing Need (Columbia Shuswap, 2011 to 2036)



context

Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Columbia Shuswap Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 24%, from 51,101 in 2011 to 63,367 in 2036.

Between 1986 and 2006 the population grew by 9,020 people, fluctuating between a 1.0% annual decrease and a 4.4% annual increase. Recent growth has averaged around 0.1% annually and is projected to grow to 0.6% in 2036.

Based on 2006 Census data (the most recent available) Columbia Shuswap's population is older than the provincial population. In 2006, the median age in the region was 45.7 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be significant growth for those aged 65 and over, and those aged 25 to 49, while decline is forecast for those aged 50 to 64 and 20 to 24. Overall, the population will age over the next 25 years.

Rental maintainer rates in Columbia-Shuswap are highest among those aged 20 to 34. The rates decline before again beginning to rise among those aged 75 and over. An aging population will account for much of the growth in rental housing demand in Columbia Shuswap.

By 2036 there will be significant growth in the population over 65, while younger age groups will experience decline.

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

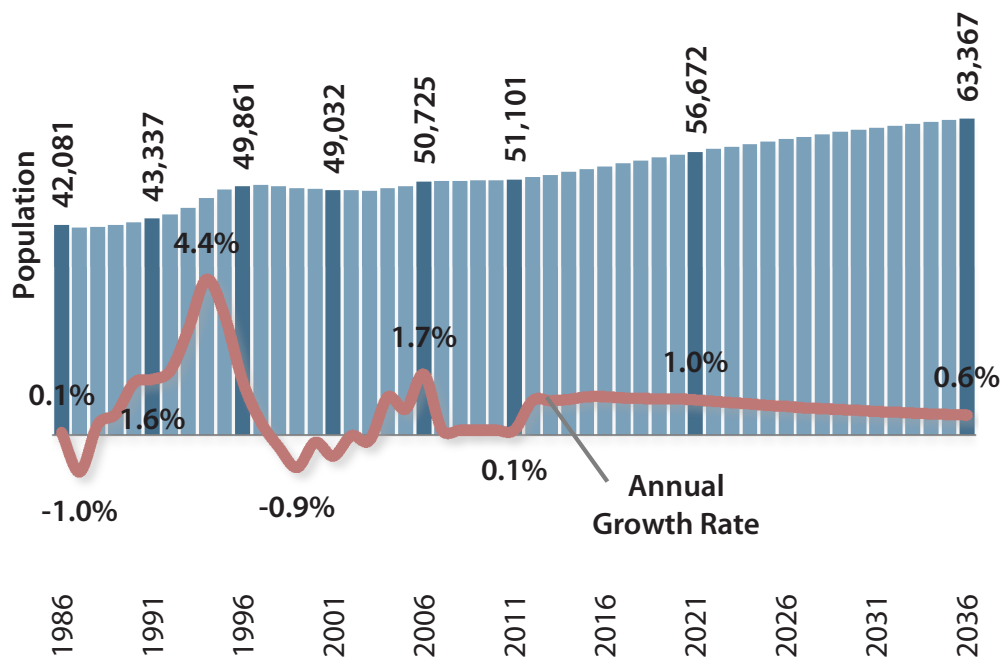


FIGURE 2

Total Population Change
(Columbia Shuswap,
1986 to 2036)

Population will grow 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
Columbia Shuswap	51,101	56,672	63,367	1.0%	0.7%	0.9%

TABLE 2

Population Change
(Columbia Shuswap,
2011 to 2036)

Columbia Shuswap will experience an average annual growth rate of 0.9% over the next 25 years.

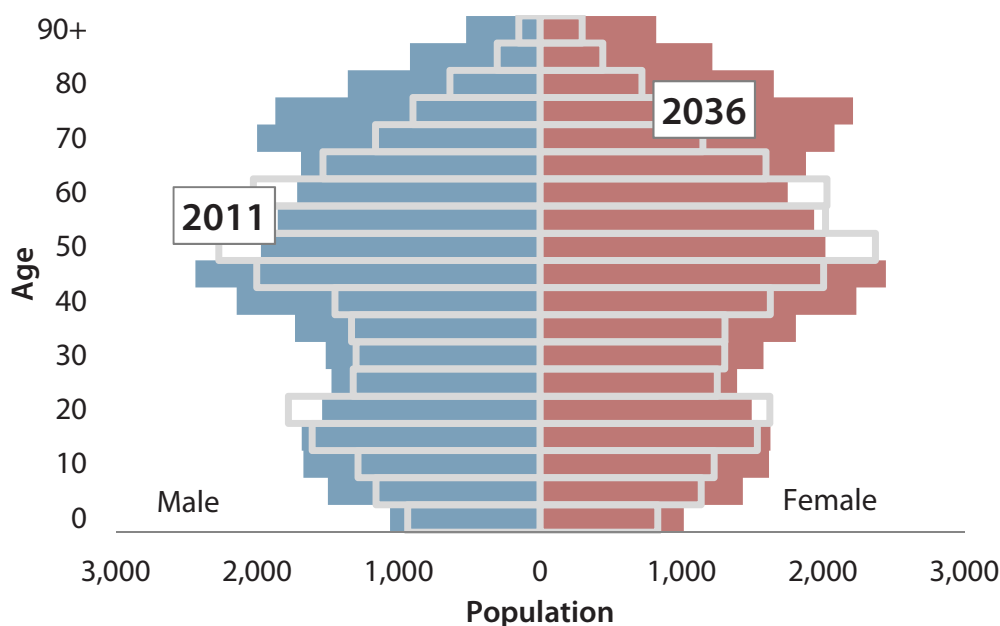


FIGURE 3

Regional Age Profile
(Columbia Shuswap, 2011
and 2036)

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



projections

Rental Housing Demand

Rental housing demand in Columbia Shuswap is projected to increase by 20% to 26% over the next 25 years through two different scenarios, compared to population growth of 24% over the same period.

Figure 4 shows that rental housing demand declined from 2001 to 2006, which reflects demographic changes. The population grew only very slightly during this period, and rental housing maintainer rates dropped, causing an overall decline in rental housing demand.

Figure 5 depicts the age breakdown of rental housing demand in 2011 and 2036, showing the large growth projected for rental demand among senior households.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase from 4,129 households in 2011 to 5,206 households in 2036 if tenure patterns are held constant.¹ This translates to an average annual increase in rental housing demand of 43 households between 2011 and 2036, a total increase of 26%.

Scenario B: Shifting Tenure

Total rental household maintainer rates for BC declined from 16.4% in 1996 to 14.4% in 2006. The shift can be seen as an overall trend and in some age groups in Columbia Shuswap, while in others the shift is in the opposite direction. Scenario B assumes these trends 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 4,129 in 2011 to 4,950 by 2036, a 20% increase. This slower growth translates into an average annual increase of 33 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	4,129	4,584	5,206	456	622	1,078	46	41	43
Scenario B: Shifting Tenure	4,129	4,518	4,950	389	432	821	39	29	33

TABLE 3
Rental Housing Demand
(Columbia Shuswap, 2011 to 2036)

Rental housing demand is projected to increase by 39 to 46 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

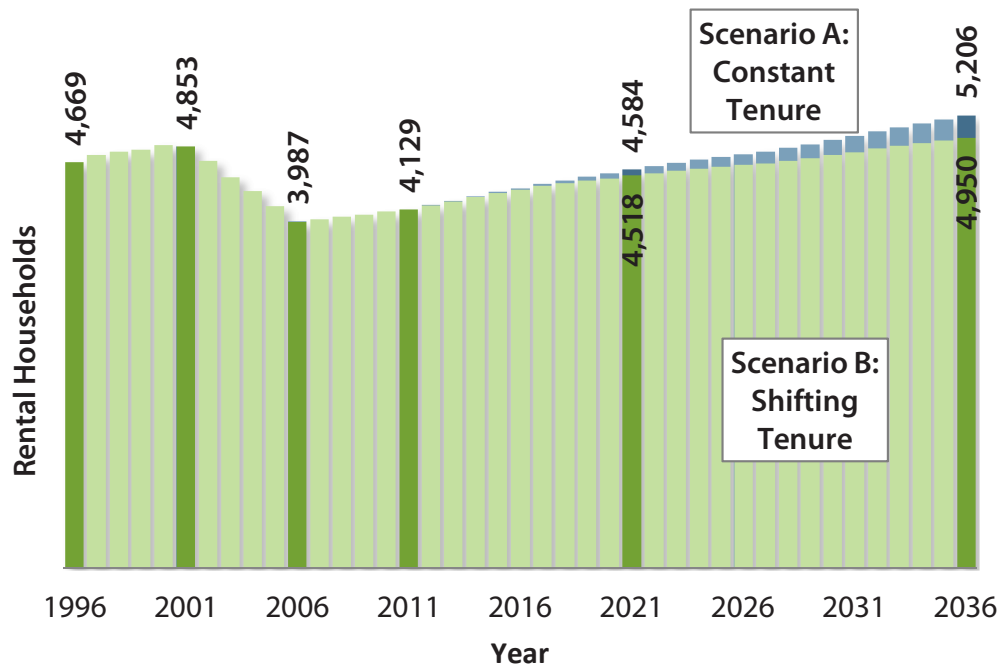


FIGURE 4

Rental Housing Demand (Columbia Shuswap, 1996 to 2036)

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

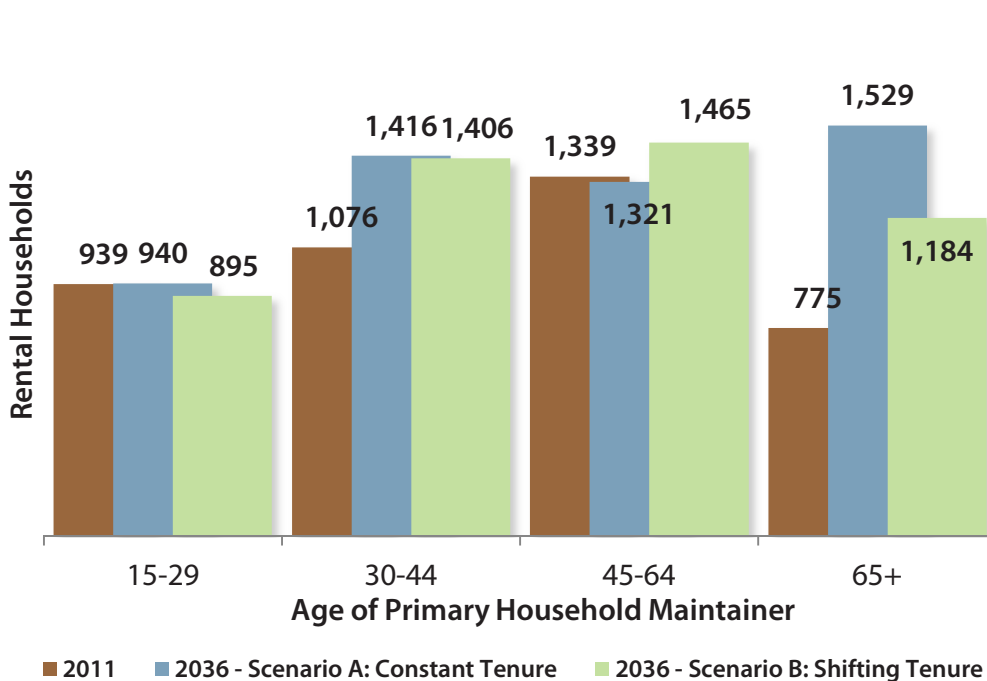


FIGURE 5

Rental Housing Demand by Age (Columbia Shuswap, 2011, 2036)

By 2036 both scenarios project a large increase in demand by seniors for rental housing.



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 23% to 30% over the next 25 years.

Figure 6 shows that the number of renter households in core housing need declined in Columbia-Shuswap between 2001 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 1,117 renter households in Columbia Shuswap were in core housing need in 2011.²

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 will increase significantly by 2036, while other age groups will experience less growth.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 340 renter households in core need, from 1,117 households in 2011 to 1,457 households by 2036, a 30% increase. This is an average annual increase of 14 households.

Scenario B: Shifting Tenure

Scenario B reveals a smaller overall increase of 256 renter households in core housing need by 2036. The annual increase in renter households in core housing need is projected to be 10 households over the next 25 years. This is a total increase of 1,373 households in 2036, a 23% total increase.

Core housing need among renters is projected to increase by 125 to 145 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	1,117	1,263	1,457	145	195	340	15	13	14
Scenario B: Shifting Tenure	1,117	1,242	1,373	125	131	256	13	9	10

TABLE 4

Renter Households in Core Housing Need (Columbia Shuswap, 2011 to 2036)

Core housing need is projected to increase between 13 and 15 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

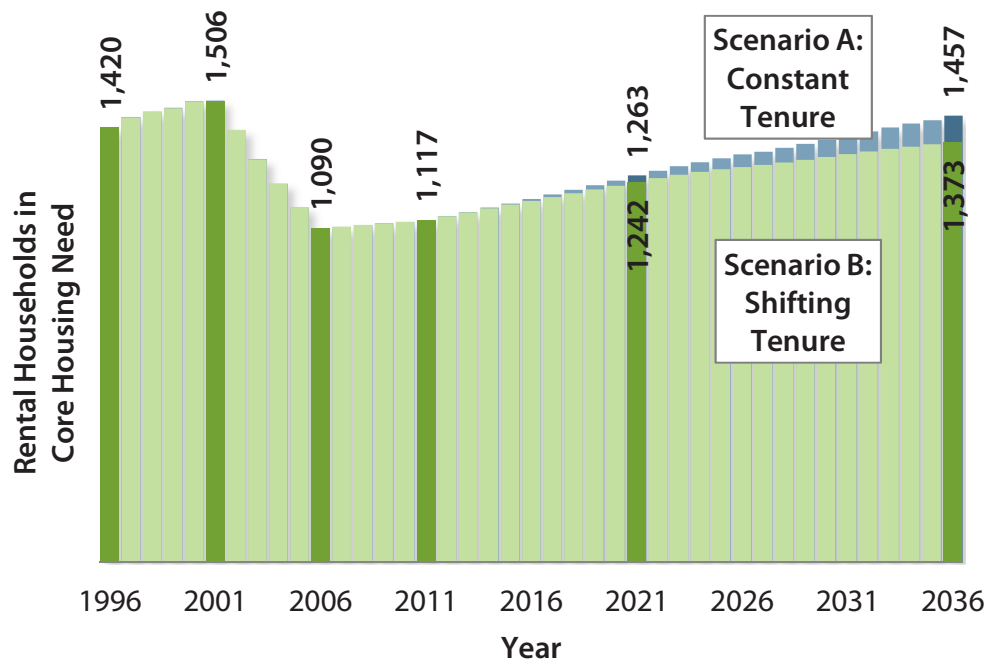


FIGURE 6

Core Housing Need
(Columbia Shuswap,
1996 to 2036)

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

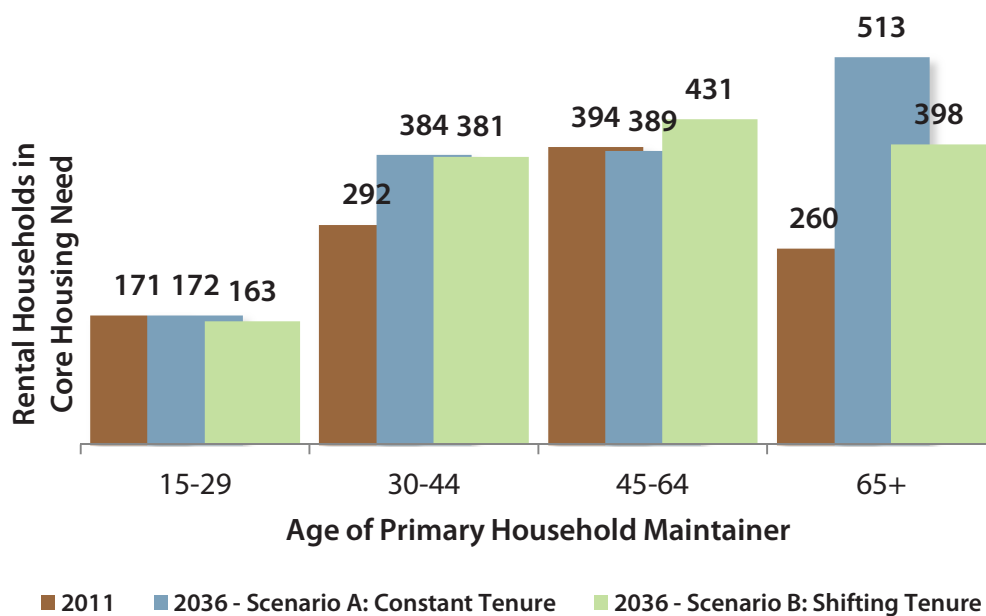


FIGURE 7

Renter Households
in Core Housing
Need by Age
(Columbia Shuswap,
2011, 2036)

There will be a large increase in senior renter 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 Columbia Shuswap. 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.

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

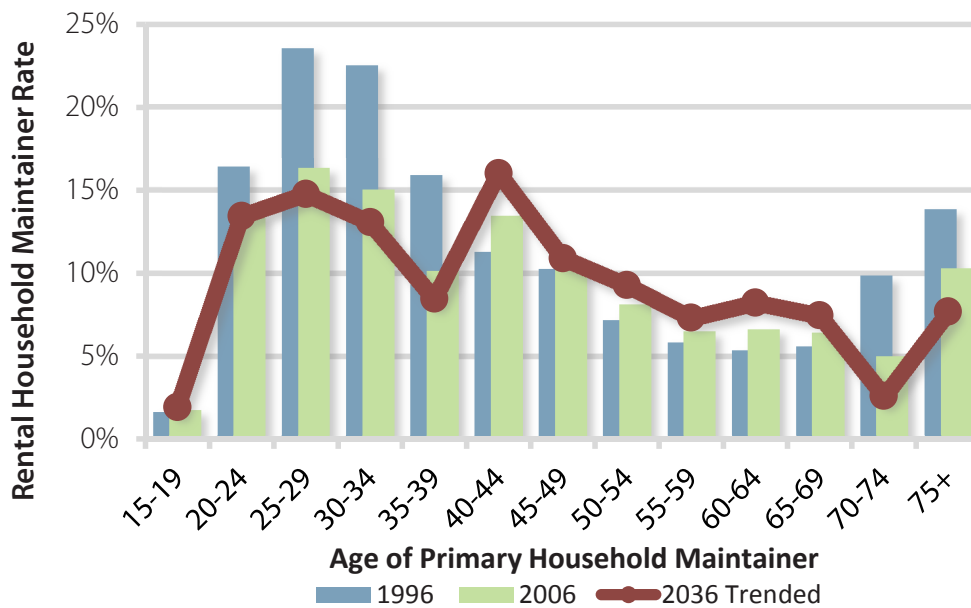


FIGURE 8

Rental Household Maintainer Rates (Columbia Shuswap, 1996, 2006, 2036)

Rental household maintainer rates are projected to increase among many 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.)

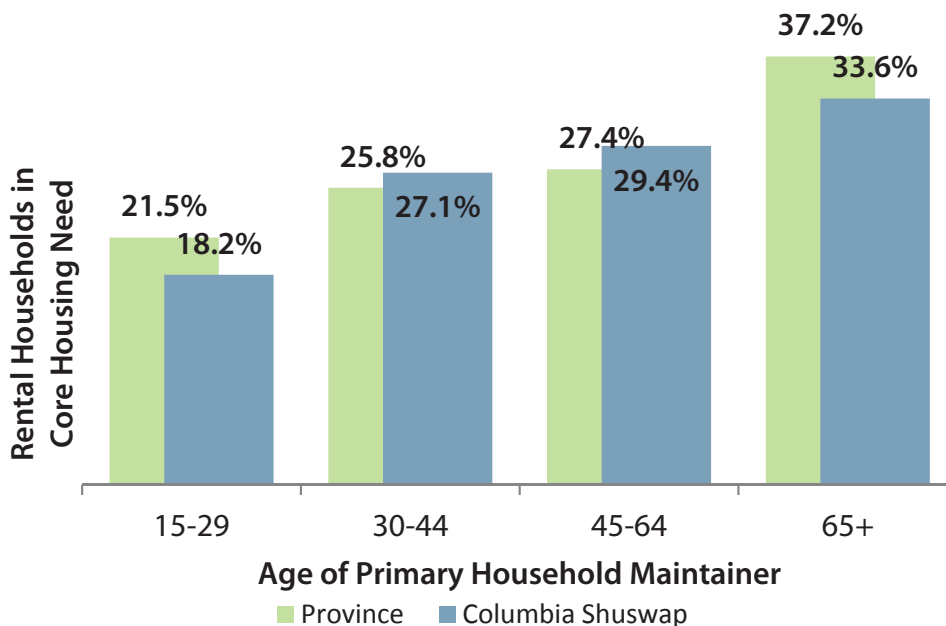


FIGURE 9

Share of Renter Households in Core Housing Need (BC and Columbia Shuswap, 2011)

In Columbia Shuswap fewer renter households are in core housing need than 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 (Columbia
Shuswap, 2011 to 2036)

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011- 2021	2021- 2036	2011- 2036
0-14	7,023	8,121	8,789	1.5%	0.5%	0.9%
15-29	9,123	8,211	9,213	-1.0%	0.8%	0.0%
30-44	8,321	10,475	11,012	2.3%	0.3%	1.1%
45-64	16,779	15,493	16,129	-0.8%	0.3%	-0.2%
65+	9,855	14,372	18,224	3.8%	1.6%	2.5%
All Ages	51,101	56,672	63,367	1.0%	0.7%	0.9%

TABLE 7

Household Projections
(Columbia Shuswap,
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	4,129	4,584	5,206	456	622	1,078	46	41	43
	Scenario B: Shifting Tenure	4,129	4,518	4,950	389	432	821	39	29	33
Ownership	Scenario A: Constant Tenure	17,647	20,430	23,024	2,783	2,594	5,377	278	173	215
	Scenario B: Shifting Tenure	17,647	20,497	23,280	2,849	2,784	5,633	285	186	225
Total	Both Scenarios	21,776	25,015	28,230	3,238	3,216	6,454	324	214	258

TABLE 8

Households in
Core Housing Need
Projections (Columbia
Shuswap, 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	1,117	1,263	1,457	145	195	340	15	13	14
	Scenario B: Shifting Tenure	1,117	1,242	1,373	125	131	256	13	9	10
Ownership	Scenario A: Constant Tenure	1,661	1,877	2,079	216	202	418	22	13	17
	Scenario B: Shifting Tenure	1,661	1,881	2,096	220	215	435	22	14	17
Total	Scenario A: Constant Tenure	2,778	3,139	3,537	361	398	759	36	27	30
	Scenario B: Shifting Tenure	2,778	3,123	3,469	345	346	691	35	23	28

