



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

CARIBOO REGIONAL DISTRICT TO 2036

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

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

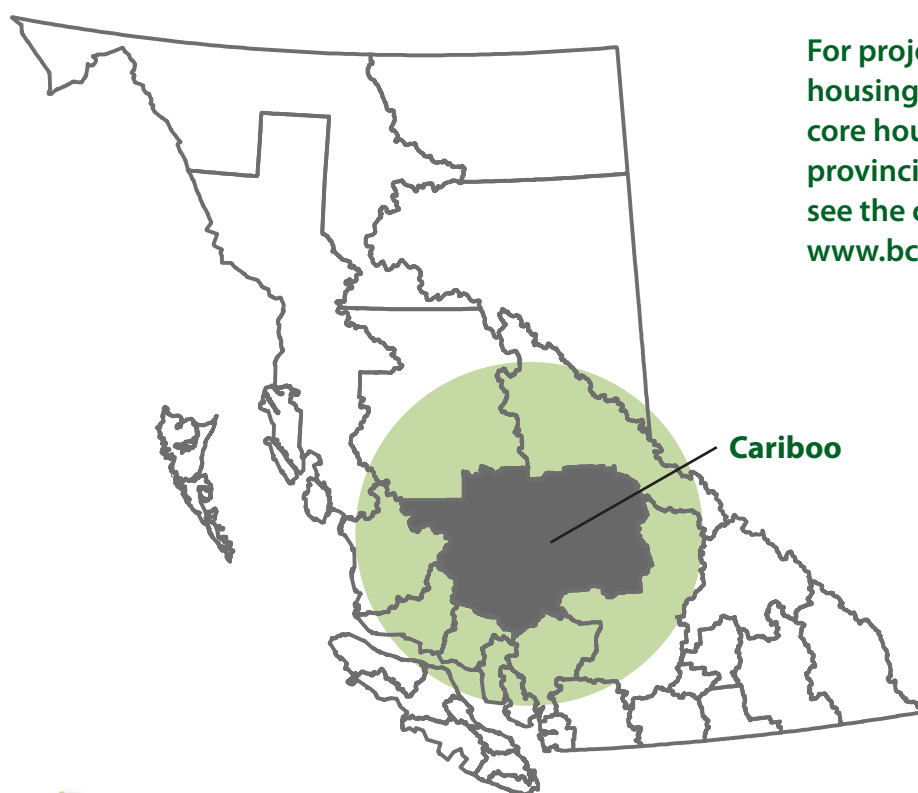
A vision for sustainable housing in communities across British Columbia

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 Cariboo Regional District is situated in the central region of the province.



For projections of rental housing demand and core housing need at the provincial level, see the complete report at www.bcnpha.ca



highlights

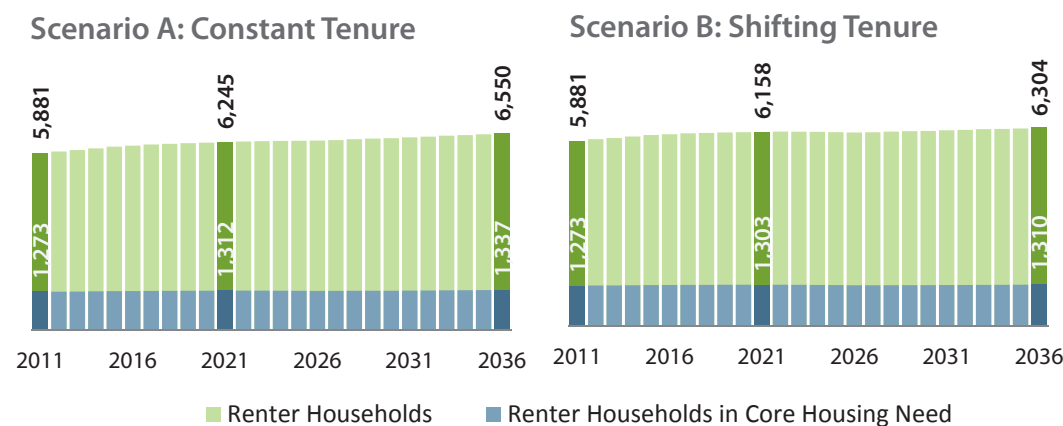
Two demographically driven scenarios were built to project rental housing demand and core housing need among renter households to 2036. These scenarios are illustrations of what might occur under certain conditions.

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.

Both scenarios suggest that rental housing demand will grow into the future in Cariboo. Rental housing demand is estimated to range between 6,304 and 6,550 households in 2036, an increase of between 423 and 669 households, as seen in Table 1 below. Core housing need among renters is projected to range from 1,310 to 1,337 renter households by 2036, an increase of between 37 and 64 households.

Rental housing demand is projected to grow constant with population growth or slightly more rapidly. 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.



Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	5,881	1,273	5,881	1,273
2021	6,245	1,312	6,158	1,303
2036	6,550	1,337	6,304	1,310
Increase 2011-2036	669	64	423	37

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

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



context

Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Cariboo Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 7%, from 63,422 in 2011 to 67,736 in 2036.

Between 1996 and 2006 the population decreased by 6,620 people, fluctuating between a 2.0% annual decline and a 3.0% annual increase, as shown in Figure 2. Recent growth has averaged around 0.1% annually and is projected to grow slightly to 0.2% in 2036.

Based on 2006 Census data (the most recent available), Cariboo's population is slightly older than the provincial population. In 2006, the median age in Cariboo was 42.4 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be significant growth in the population of people aged 70 and over and those aged 30 to 49, while decline is forecast for those aged 50 to 64 and 15 to 29.

Rental maintainer rates in Cariboo are highest among those aged 25 to 29. The rates then steadily decline before rising slightly among seniors. An aging population will account for much of the growth in rental housing demand in Cariboo.

By 2036 there will be significant growth in the population aged over 70 and 30 to 44.

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

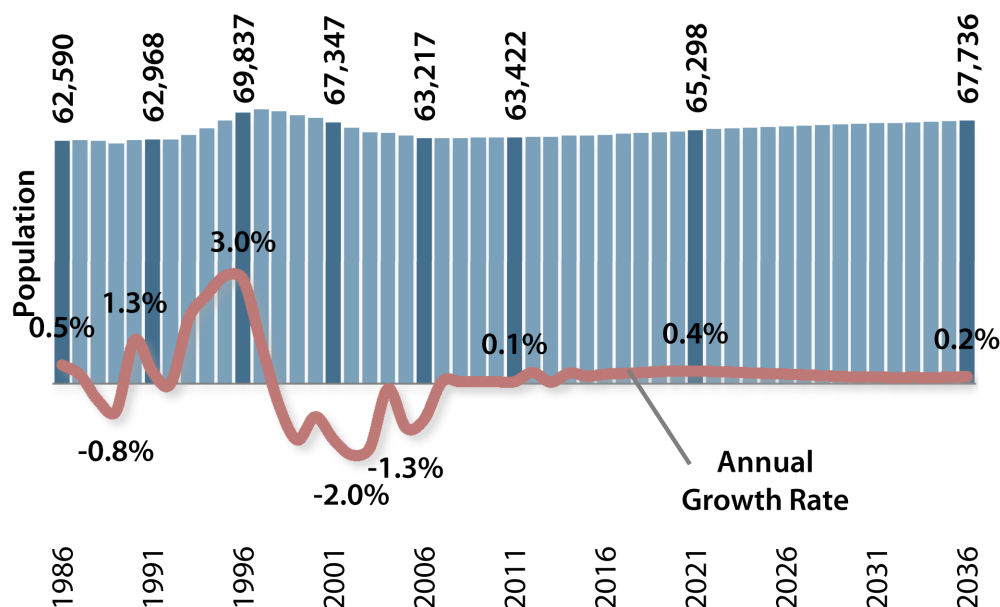


FIGURE 2

Total Population Change
(Cariboo,
1986 to 2036)

Population will grow slowly over the next 25 years, and the annual growth rate will remain largely constant over the same period.

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Cariboo	63,422	65,298	67,736	0.3%	0.2%	0.3%

TABLE 2

Population Change
(Cariboo, 2011 to 2036)

Cariboo will experience an average annual growth rate of 0.3% over the next 25 years.

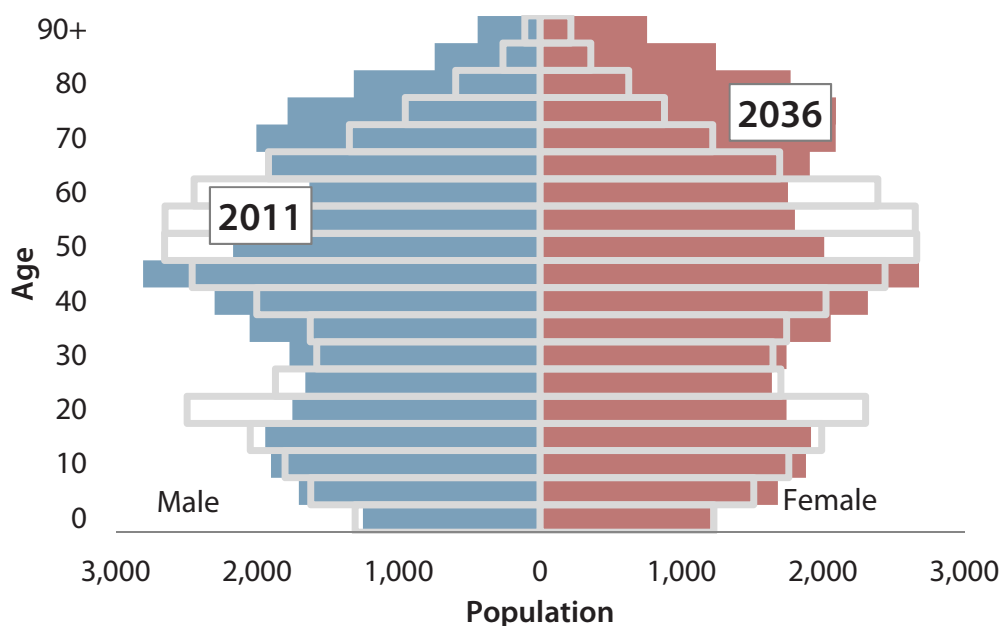


FIGURE 3

Regional Age Profile
(Cariboo, 2011
and 2036)

Over the next 25 years Cariboo will age considerably, with a large increase in those aged 70 and over.



projections

Rental Housing Demand

Rental housing demand in Cariboo is projected to increase by 7% to 11% over the next 25 years through two different scenarios, compared to population growth of 7% over the same period.

Figure 4 shows that rental housing demand declined from 1997 to 2006, reflecting demographic changes. The decline in rental housing demand was caused by an overall population decline and a decline in rental household maintainer rates.

Figure 5 depicts the age breakdown of rental housing demand in 2011 and 2036 showing that most of the growth in rental demand will occur among senior households.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 11% from 5,881 households in 2011 to 6,550 households in 2036 if tenure patterns are held constant.¹ This translates to an average annual increase in rental housing demand of 27 households between 2011 and 2036.

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 in Cariboo and is consistent across many 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 from 5,881 households in 2011 to 6,304 households by 2036, a 7% increase. This slower growth translates into an average annual increase of 17 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	5,881	6,245	6,550	364	305	669	36	20	27
Scenario B: Shifting Tenure	5,881	6,158	6,304	277	146	423	28	10	17

Rental housing demand is projected to increase by 277 to 364 households over the next 10 years.

TABLE 3
Rental Housing Demand (Cariboo, 2011 to 2036)

Rental housing demand is projected to increase by 28 to 36 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

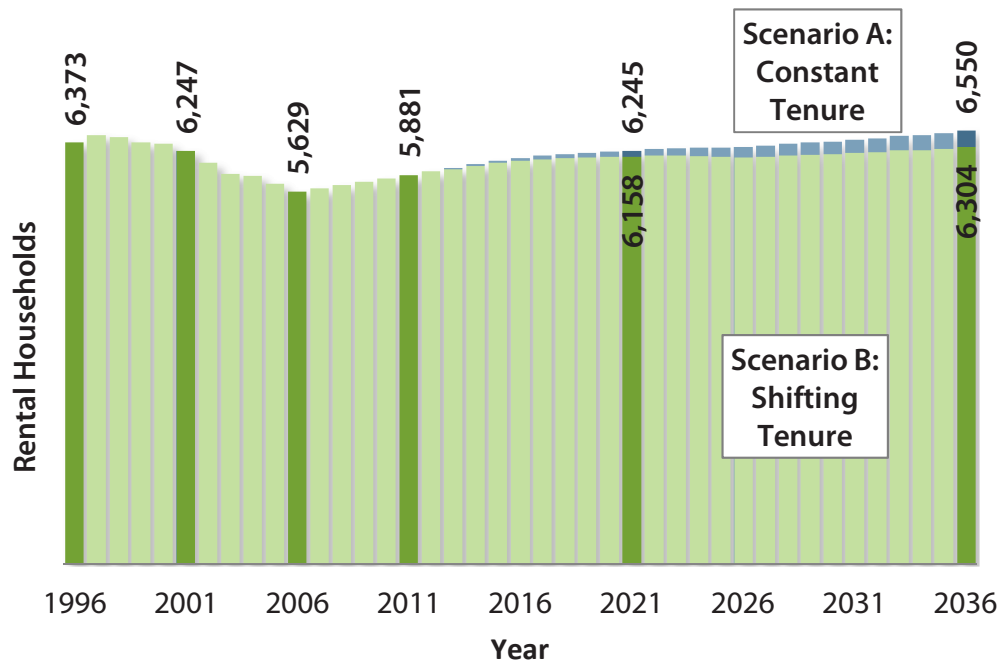


FIGURE 4

Rental Housing Demand
(Cariboo,
1996 to 2036)

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

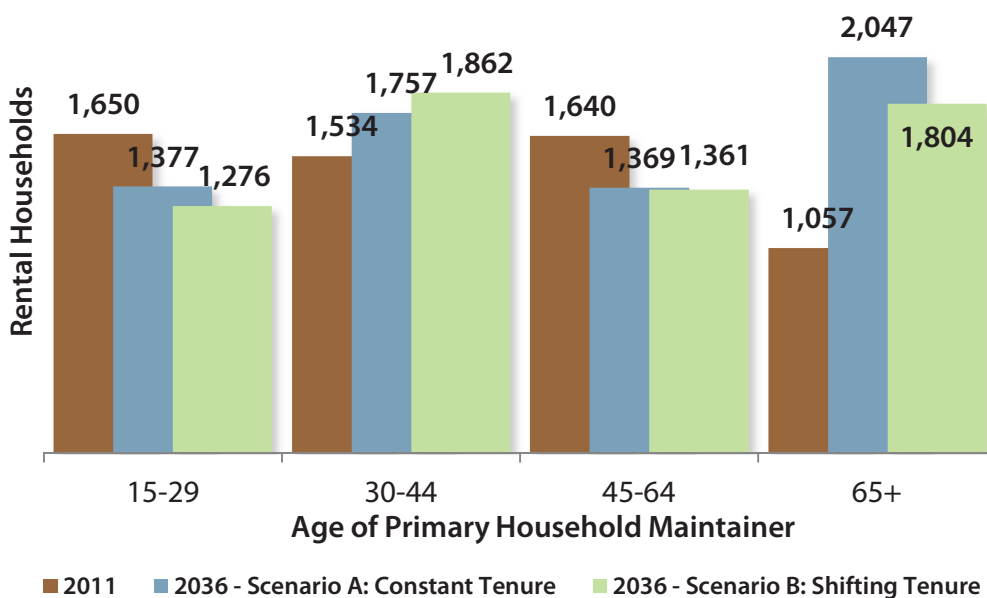


FIGURE 5

Rental Housing
Demand by Age
(Cariboo, 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 Cariboo is projected to increase by 3% to 5% over the next 25 years.

Figure 6 shows a sharp decline in overall core housing need among renter households between 2001 and 2006. This was caused by a decline in incidence of core housing need during this period.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 1,273 renter households in Cariboo were in core housing need in 2011.²

Figure 7 depicts the age-specific breakdown of renter households in core housing need. Core housing need among seniors and those aged 30 to 44 will increase by 2036. Other age groups will see a decline.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 64 renter households in core housing need, from 1,273 households in 2011 to 1,337 households in 2036, a 5% increase. This is an average annual increase of 3 renter households.

Scenario B: Shifting Tenure

Scenario B reveals a smaller overall increase of 37 renter households in core housing need by 2036, a 3% increase. The annual increase in renter households in core housing need is projected to be 1 household per year over the next 25 years, for a total of 1,310 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	1,273	1,312	1,337	39	25	64	4	2	3
Scenario B: Shifting Tenure	1,273	1,303	1,310	30	7	37	3	0	1

Core housing need among renters is projected to increase by 30 to 39 households over the next 10 years.

TABLE 4

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

Core housing need is projected to increase between 3 and 4 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

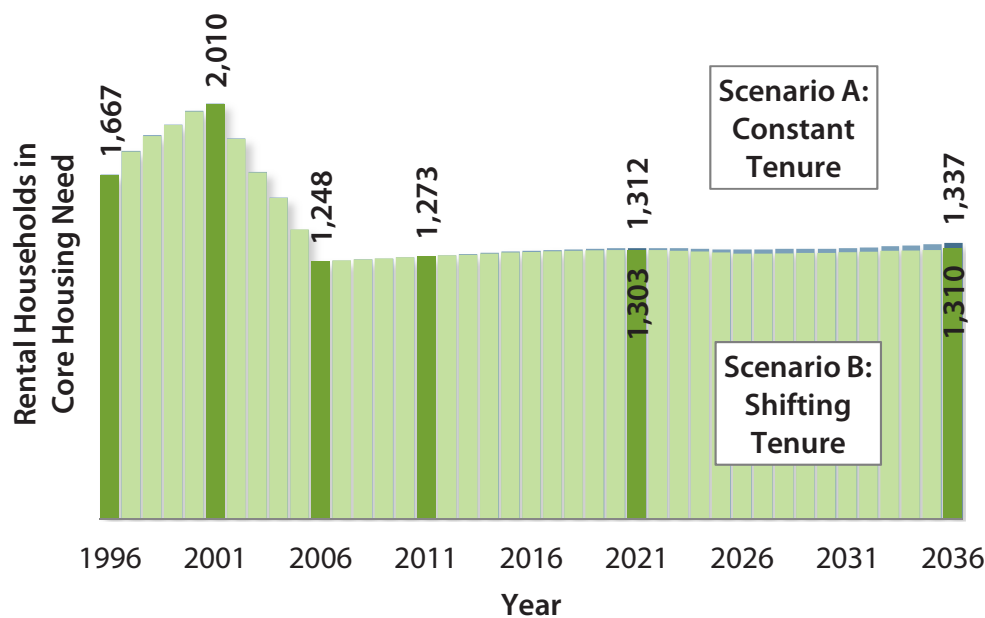


FIGURE 6

Core Housing Need
(Cariboo,
1996 to 2036)

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

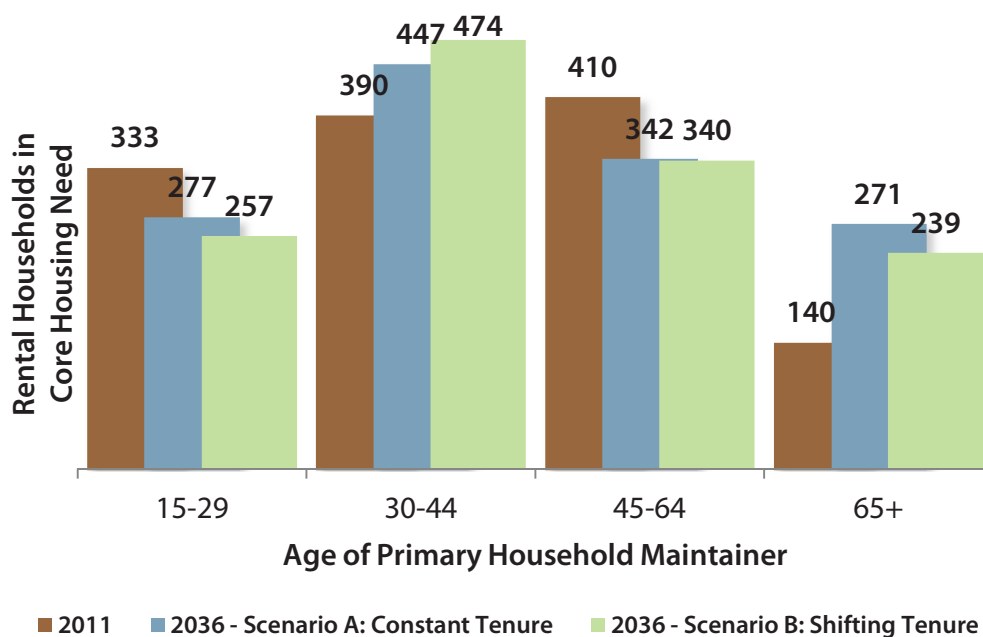


FIGURE 7

Renter Households
in Core Housing
Need by Age
(Cariboo,
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 Cariboo. 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.bcnpha.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

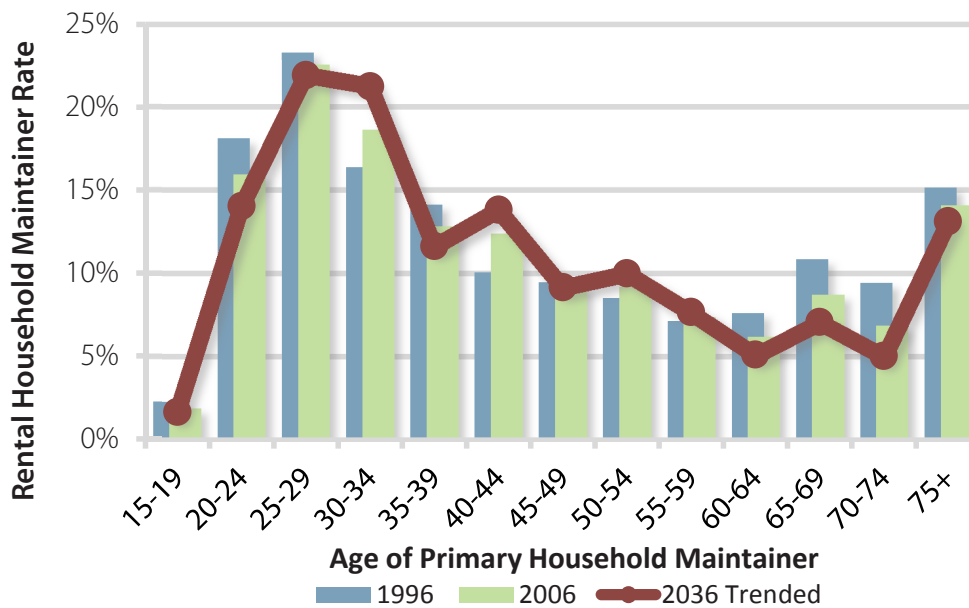


FIGURE 8

Rental Household Maintainer Rates (Cariboo, 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.)

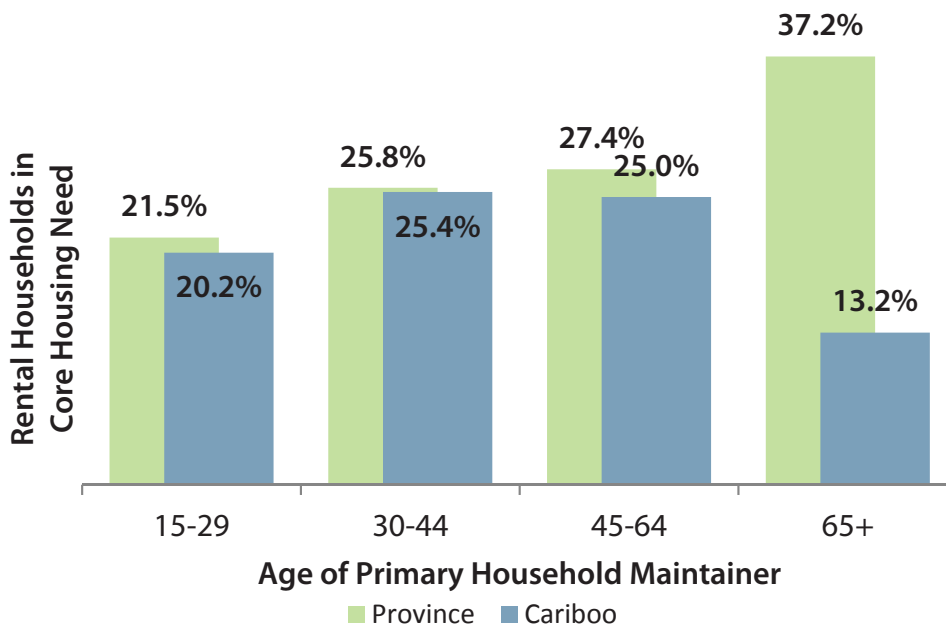


FIGURE 9

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

In Cariboo proportionally fewer renter households are in core housing need than the provincial average. This is most pronounced for 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

TABLE 6

Population Projections
by Age Group (Cariboo,
2011 to 2036)

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011- 2021	2021- 2036	2011- 2036
0-14	9,874	10,264	10,214	0.4%	0.0%	0.1%
15-29	12,407	10,194	10,647	-1.9%	0.3%	-0.6%
30-44	10,612	12,230	12,236	1.4%	0.0%	0.6%
45-64	20,348	17,279	16,589	-1.6%	-0.3%	-0.8%
65+	10,181	15,331	18,051	4.2%	1.1%	2.3%
All Ages	63,422	65,298	67,736	0.3%	0.2%	0.3%

TABLE 7

Household Projections
(Cariboo,
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	5,881	6,245	6,550	364	305	669	36	20	27
	Scenario B: Shifting Tenure	5,881	6,158	6,304	277	146	423	28	10	17
Ownership	Scenario A: Constant Tenure	20,065	21,776	22,593	1,711	817	2,528	171	54	101
	Scenario B: Shifting Tenure	20,065	21,862	22,839	1,797	977	2,774	180	65	111
Total	Both Scenarios	25,946	28,020	29,143	2,075	1,122	3,197	207	75	128

TABLE 8

Households in
Core Housing Need
Projections (Cariboo,
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	1,273	1,312	1,337	39	25	64	4	2	3
	Scenario B: Shifting Tenure	1,273	1,303	1,310	30	7	37	3	0	1
Ownership	Scenario A: Constant Tenure	1,302	1,406	1,458	104	52	156	10	3	6
	Scenario B: Shifting Tenure	1,302	1,413	1,478	111	65	176	11	4	7
Total	Scenario A: Constant Tenure	2,575	2,718	2,796	143	78	221	14	5	9
	Scenario B: Shifting Tenure	2,575	2,716	2,788	141	72	213	14	5	9

