



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**MOUNT WADDINGTON REGIONAL
DISTRICT TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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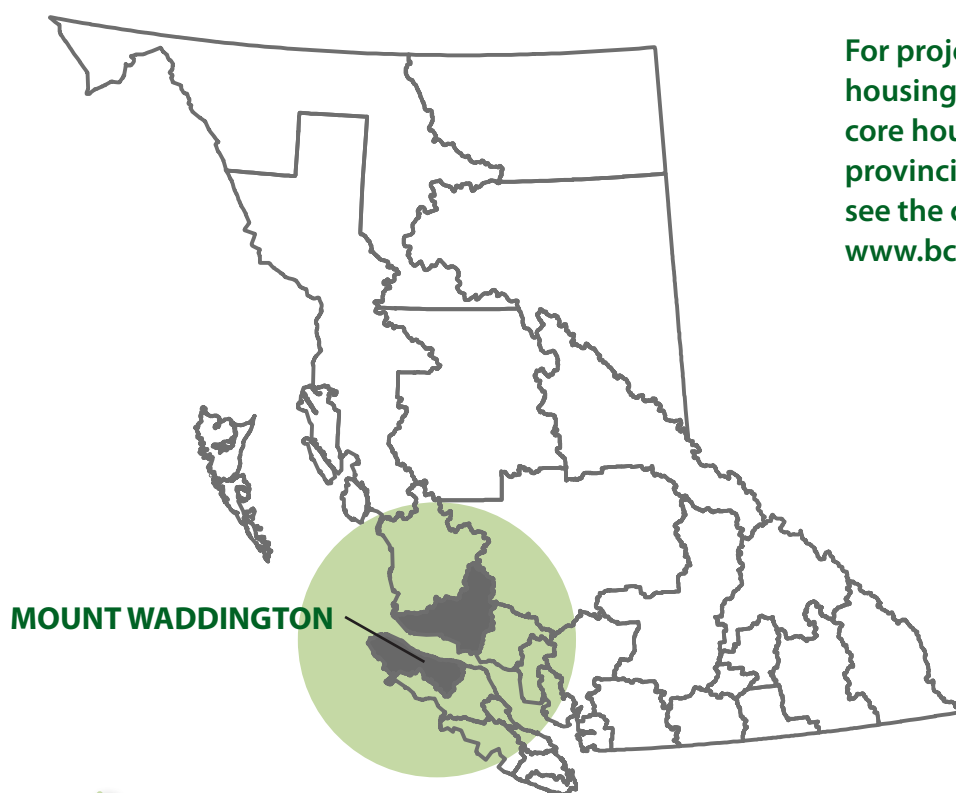
A vision for sustainable housing in communities across British Columbia

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 Mount Waddington Regional District is situated in the west.



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 remain relatively constant into the future in Mount Waddington. Rental housing demand is estimated to range between 1,172 to 1,280 households in 2036, an increase of 9 households in Scenario A and a decrease of 99 households in Scenario B, as seen in Table 1 below.

Core housing need among renters is also projected to remain relatively stable, increasing by 17 households in Scenario A or decreasing by 7 households in Scenario B. Additional renter households in core housing need will require some form of assistance to ensure that housing is affordable.

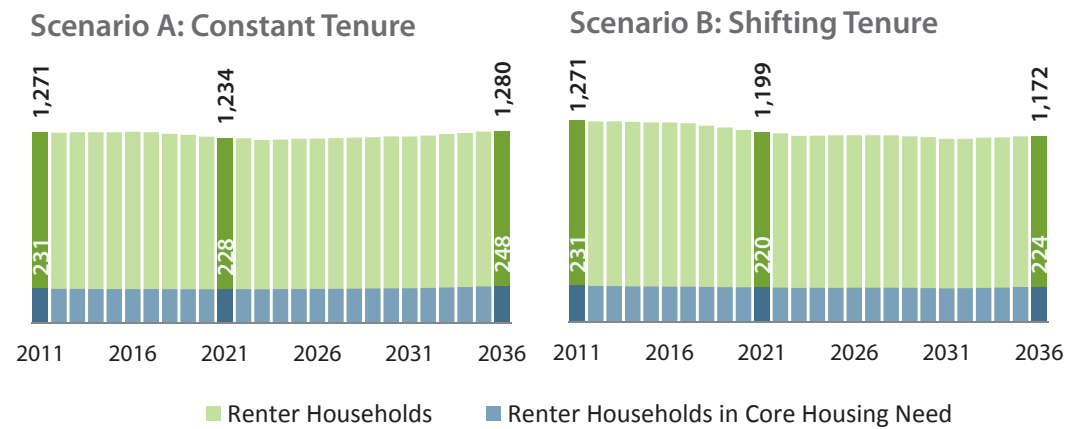


FIGURE 1
Rental Housing Demand and Core Housing Need (Mount Waddington, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	1,271	231	1,271	231
2021	1,234	228	1,199	220
2036	1,280	248	1,172	224
Increase 2011-2036	9	17	-99	-7

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



context

Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Mount Waddington Regional District partly reflect anticipated demographic change in the District. The population is projected to decrease by 4%, from 11,814 in 2011 to 11,313 in 2036.

Between 1986 and 2006 the population decreased by 3,539 people, fluctuating between a 4.0% annual decline and a 2.6% annual increase. Recent population change has averaged around -0.2%, and this is projected to remain roughly constant to 2036.

Based on 2006 Census data (the most recent available), Mount Waddington's population is marginally younger than the provincial population. In 2006, the median age in Mount Waddington was 40.0 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be a significant decline in most age groups under the age of 65. At the same time there will be considerable growth among those aged 70 and over, leading to a significantly older population overall.

Rental maintainer rates in Mount Waddington are highest among those aged 25 to 29. The rates then fluctuate among age groups. An aging population will account for all of the growth in rental housing demand in Mount Waddington, while younger populations will experience decline in demand.

By 2036 there will be significant growth in the population over 70, 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

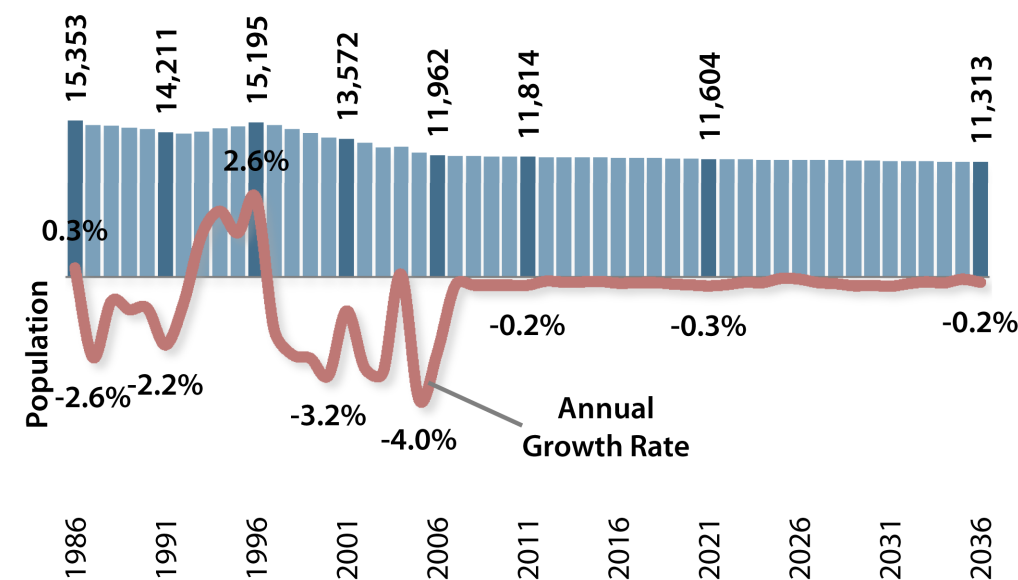


FIGURE 2

Total Population Change
(Mount Waddington,
1986 to 2036)

Population will decline slowly over the next 25 years, while the rate of decline will remain fairly constant over the same period.

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Mount Waddington	11,814	11,604	11,313	-0.2%	-0.2%	-0.2%

TABLE 2

Population Change
(Mount Waddington,
2011 to 2036)

Mount Waddington will experience an average annual growth rate of -0.2% over the next 25 years.

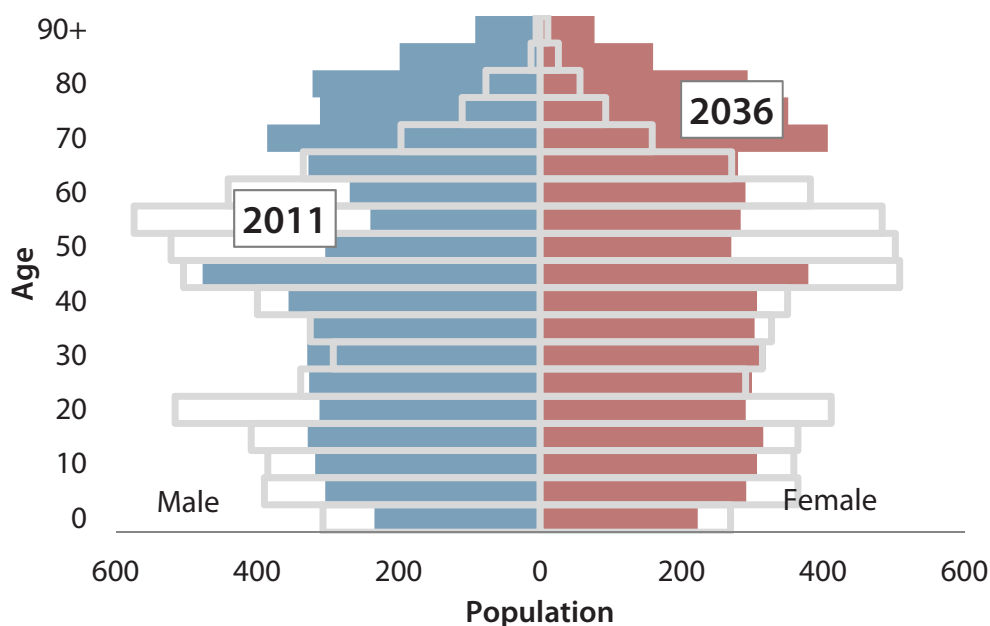


FIGURE 3

Regional Age Profile
(Mount Waddington,
2011 and 2036)

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



projections

Rental Housing Demand

Rental housing demand in Mount Waddington is projected to increase by 1% or decrease by 8% over the next 25 years, compared to population decrease of 4% over the same period.

Figure 4 shows that rental housing demand declined significantly from 1996 to 2006, which reflects 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. Rental housing demand is projected to double or triple by 2036 among senior households. Demand among all other age groups is projected to decline.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 1%, from 1,271 households in 2011 to 1,280 households in 2036, if tenure patterns are held constant.¹

Scenario B: Shifting Tenure

The propensity of households to rent in BC has declined from 16.4% of households in 1996 to 14.4% in 2006. The shift can be seen in Mount Waddington and is consistent across most age groups. Scenario B assumes this trend will continue to 2036, resulting in an 8% decline in rental housing demand. Total rental housing demand is projected to decrease from 1,271 households in 2011 to 1,172 households by 2036. This translates into an average annual decrease of 4 rental households between 2011 and 2036.

Rental housing demand is projected to increase by 9 households over the next 25 years in Scenario A.

	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	1,271	1,234	1,280	-37	46	9	-4	3	0
Scenario B: Shifting Tenure	1,271	1,199	1,172	-72	-27	-99	-7	-2	-4

TABLE 3
Rental Housing Demand (Mount Waddington, 2011 to 2036)
Rental housing demand is projected to decrease slightly in the future.

¹ All 2011 figures are projections as the 2011 Census housing tenure and income variables were unavailable at the time the projections were complete.



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Rental Housing Demand

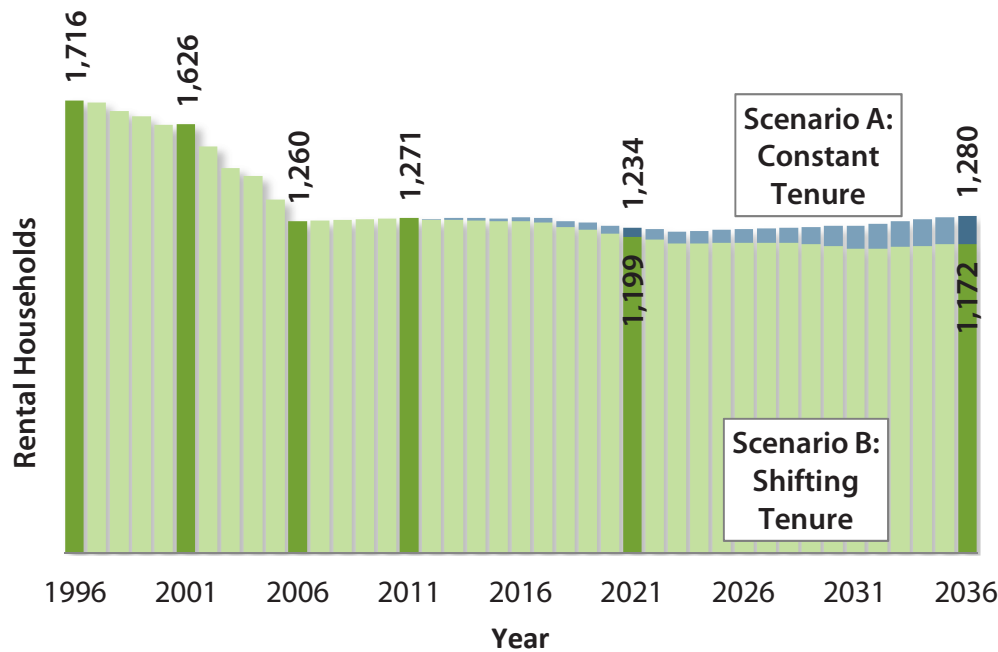


FIGURE 4

Rental Housing Demand (Mount Waddington, 1996 to 2036)

Scenario A projects slight growth in rental housing demand, while Scenario B envisions decline over the next 25 years.

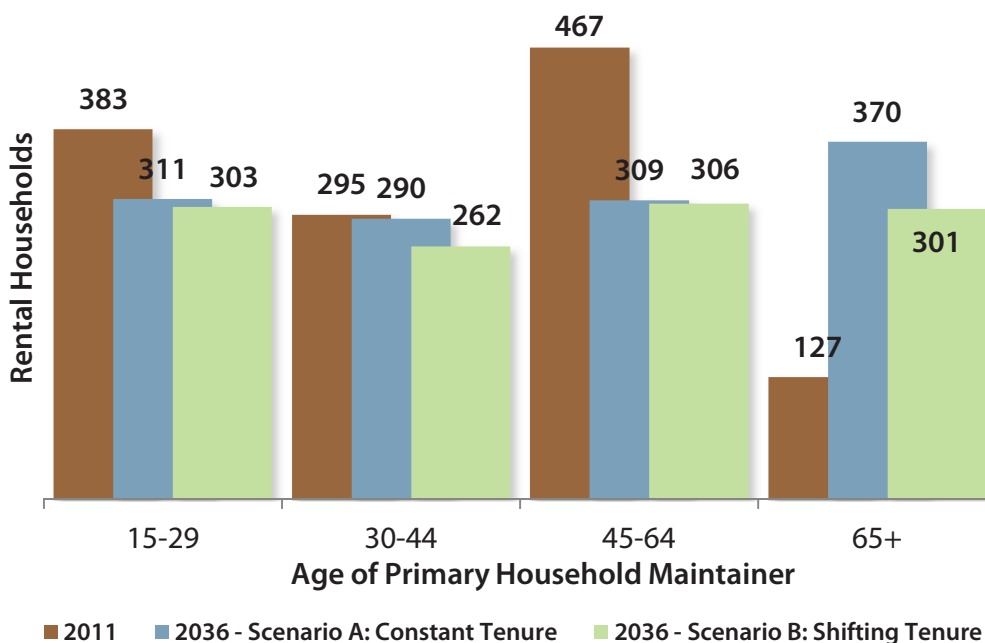


FIGURE 5

Rental Housing Demand by Age (Mount Waddington, 2011, 2036)

By 2036 both scenarios project a large increase in demand for rental housing by seniors, while demand among younger age groups will decline.



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 Mount Waddington is projected to increase by 7% or decrease by 3% over the next 25 years, as seen in Table 4.

Figure 6 shows that the number of renter households in core housing need declined in Mount Waddington between 1996 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 231 renter households in Mount Waddington were in core housing need in 2011.²

Figure 7 depicts the age-specific breakdown of renter households in core housing need. The number of senior households in core housing need will double or triple while the number of maintainers in core housing need will decline in all other age groups.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 17 renter households in core need, from 231 households in 2011 to 248 households by 2036. This is an average annual increase of 1 renter household and an overall increase of 7%.

Scenario B: Shifting Tenure

Scenario B reveals a small overall decrease of 7 renter households in core housing need by 2036, a 3% decrease. The annual decrease in renter households in core housing need is projected to be less than 1 household per year over the next 25 years, for a total of 224 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	231	228	248	-3	20	17	0	1	1
Scenario B: Shifting Tenure	231	220	224	-11	4	-7	-1	0	0

TABLE 4

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

Core housing need is projected to stay constant over the next 25 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

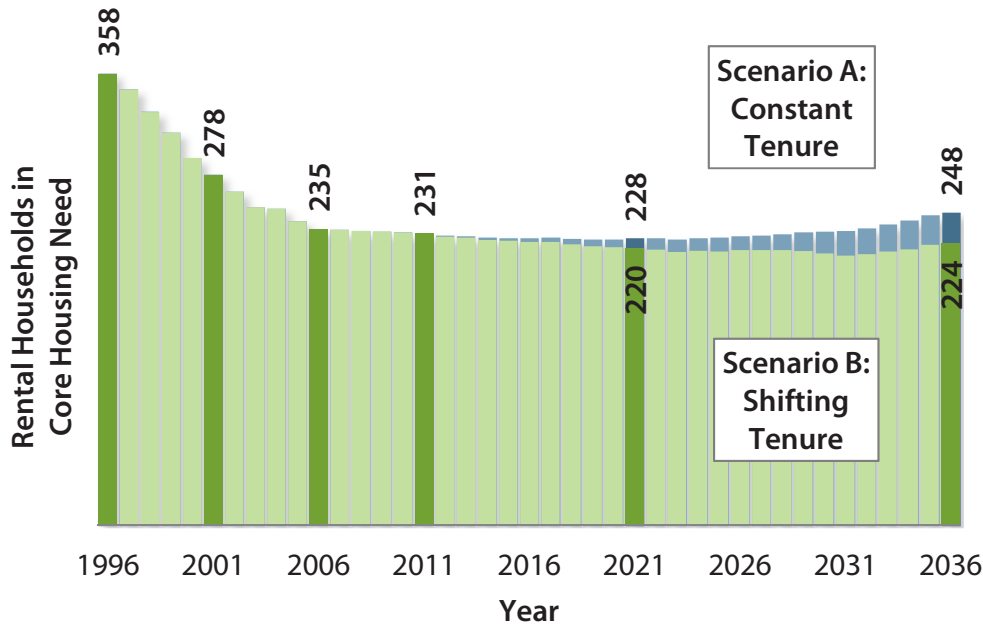


FIGURE 6

Core Housing Need (Mount Waddington, 1996 to 2036)

Scenario A projects slight growth in renter households in core housing need, while Scenario B envisions a slight decline over the next 25 years.

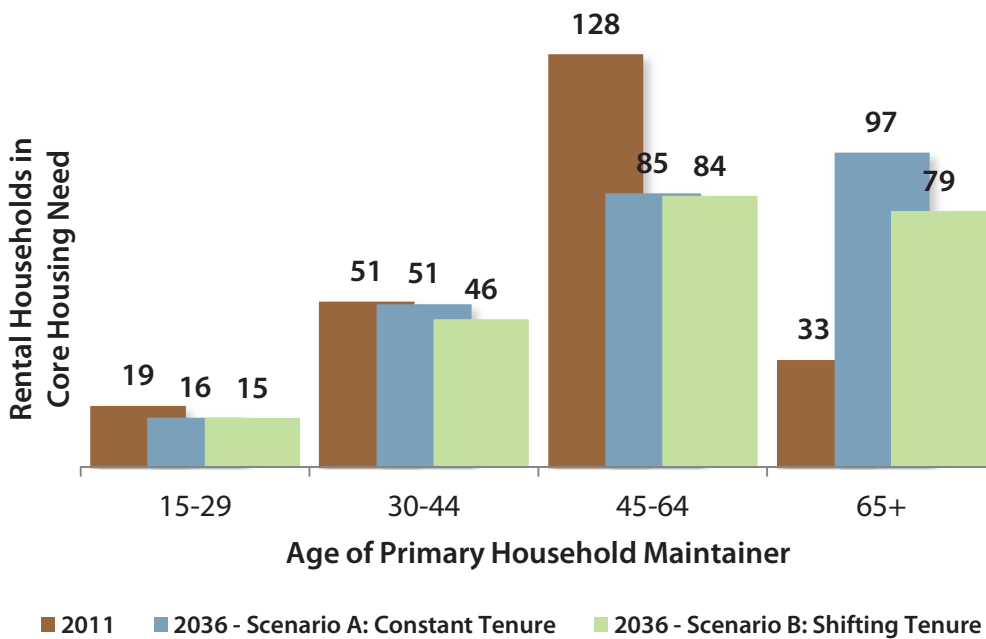


FIGURE 7

Renter Households in Core Housing Need by Age (Mount Waddington, 2011, 2036)

There will be a significant increase in senior households in core housing need by 2036, coupled with a decrease in younger households.



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 Mount Waddington. 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

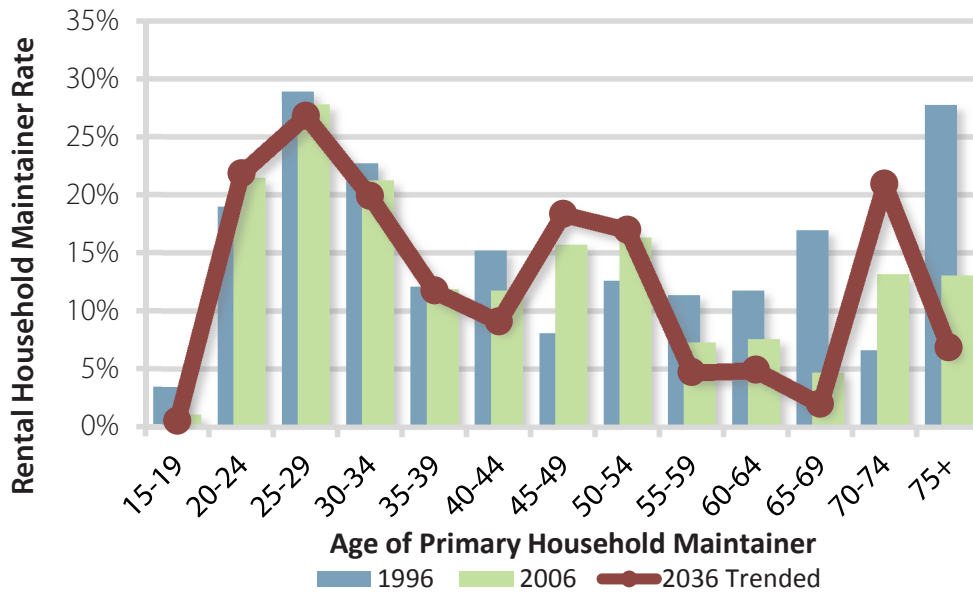


FIGURE 8

Rental Household Maintainer Rates (Mount Waddington, 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.)

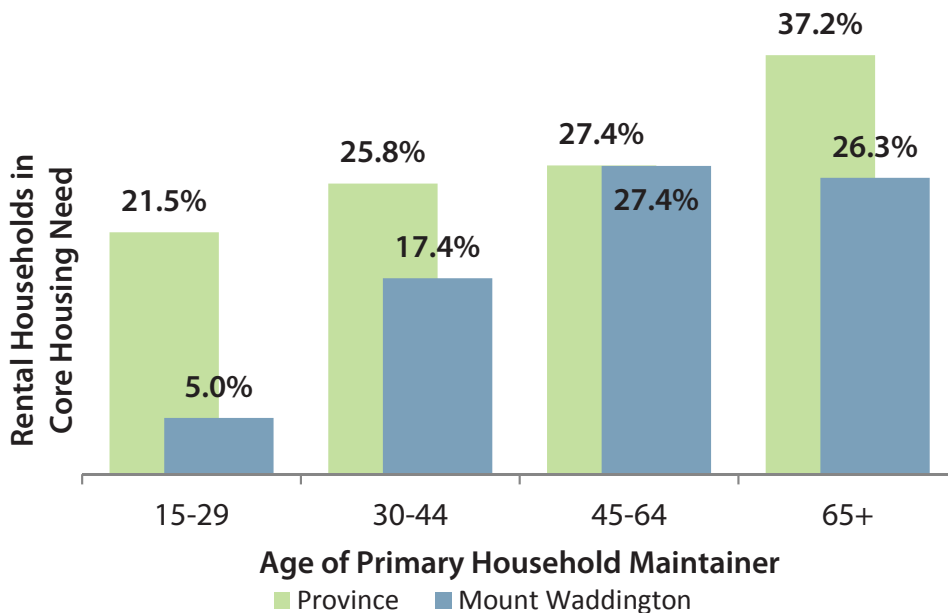


FIGURE 9

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

In Mount Waddington proportionally fewer renter households are in core housing need than the province overall.



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	2,207	2,039	1,786	-0.8%	-0.9%	-0.8%
15-29	2,330	2,030	1,873	-1.4%	-0.5%	-0.9%
30-44	2,008	2,070	1,937	0.3%	-0.4%	-0.1%
45-64	3,917	3,150	2,513	-2.2%	-1.5%	-1.8%
65+	1,352	2,315	3,204	5.5%	2.2%	3.5%
All Ages	11,814	11,604	11,313	-0.2%	-0.2%	-0.2%

TABLE 6

Population Projections by Age Group (Mount Waddington, 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	1,271	1,234	1,280	-37	46	9	-4	3	0
	Scenario B: Shifting Tenure	1,271	1,199	1,172	-72	-27	-99	-7	-2	-4
Ownership	Scenario A: Constant Tenure	3,469	3,572	3,557	103	-15	88	10	-1	4
	Scenario B: Shifting Tenure	3,469	3,607	3,665	138	58	196	14	4	8
Total	Both Scenarios	4,740	4,805	4,837	66	31	97	7	2	4

TABLE 7

Household Projections (Mount Waddington, 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	231	228	248	-3	20	17	0	1	1
	Scenario B: Shifting Tenure	231	220	224	-11	4	-7	-1	0	0
Ownership	Scenario A: Constant Tenure	303	301	291	-2	-10	-12	0	-1	0
	Scenario B: Shifting Tenure	303	304	299	1	-5	-4	0	0	0
Total	Scenario A: Constant Tenure	534	529	539	-5	10	5	-1	1	0
	Scenario B: Shifting Tenure	534	524	523	-10	-1	-11	-1	0	0

TABLE 8

Households in Core Housing Need Projections (Mount Waddington, 2011 to 2036)

