



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**SKEENA-QUEEN CHARLOTTE
REGIONAL DISTRICT TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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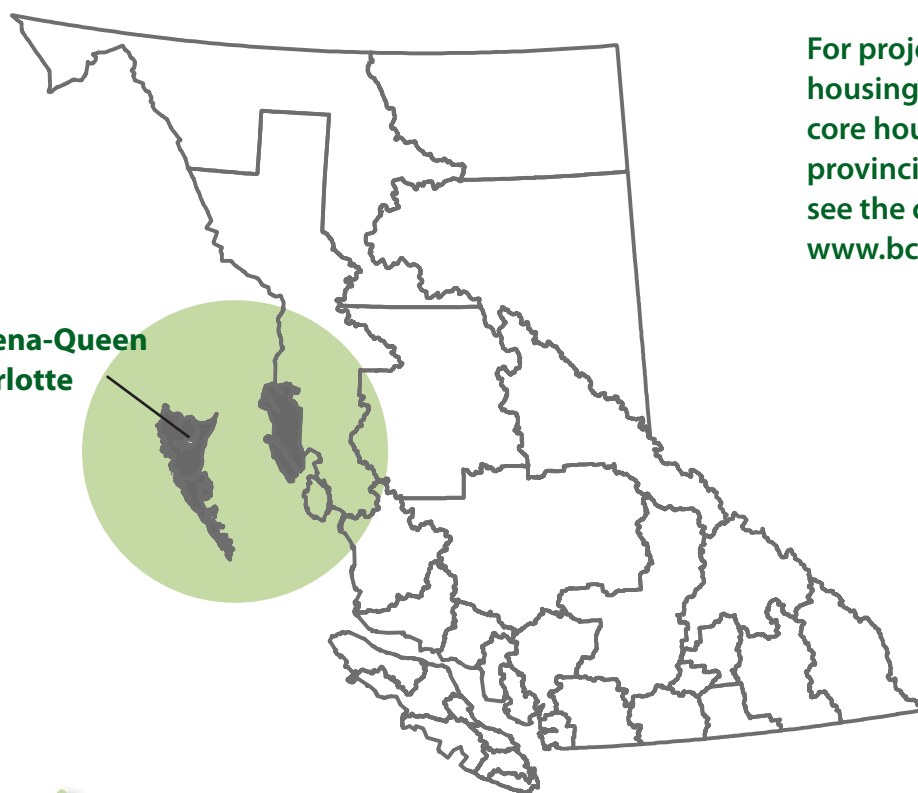
A vision for sustainable housing in communities across British Columbia

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 Skeena-Queen Charlotte 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

**Skeena-Queen
Charlotte**



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 Skeena-Queen Charlotte. Rental housing demand is estimated to range between 2,720 and 2,778 households in 2036, an increase of between 135 and 193 households, as seen in Table 1 below. Core housing need among renters is projected to range from 663 to 676 renter households by 2036, an increase of between 24 and 37 households.

Rental housing demand is projected to grow at roughly the same rate as population growth. 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.

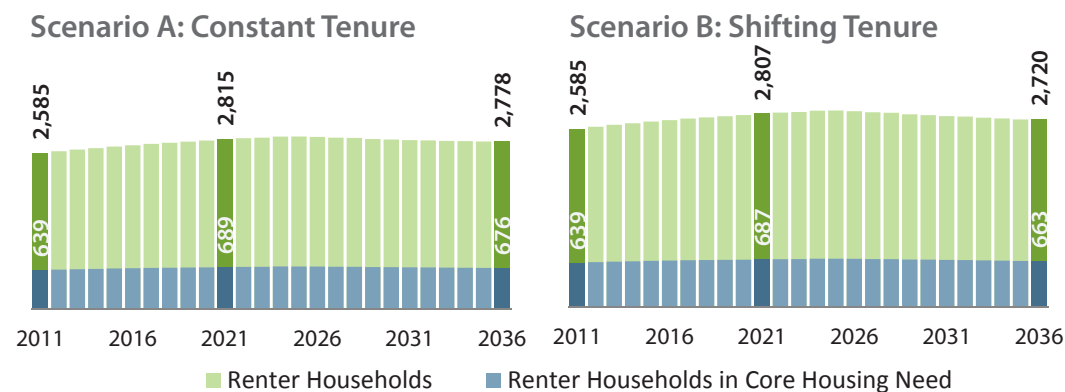


FIGURE 1
Rental Housing Demand and Core Housing Need (Skeena-Queen Charlotte, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	2,585	639	2,585	639
2021	2,815	689	2,807	687
2036	2,778	676	2,720	663
Increase 2011-2036	193	37	135	24

TABLE 1
Rental Housing Demand and Core Housing Need (Skeena-Queen Charlotte, 2011 to 2036)



context

Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the the Skeena-Queen Charlotte Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 6%, from 19,085 in 2011 to 20,163 in 2036, as seen in Figure 2.

Between 1996 and 2006 the population declined by 5,833 people, fluctuating between a 4.6% annual decrease and a 1.2% annual decrease. Recent population change has averaged around -0.9% annually and is projected to grow to -0.1% in 2036.

Based on 2006 Census data (the most recent available), Skeena-Queen Charlotte's population is younger than the provincial population. In 2006, the median age in the region was 38.4 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be significant growth in the population of people over 70, as well as growth in those aged 25 to 49. Slow population growth overall will result in slow growth in rental housing demand.

The changing population profile and slow population growth will translate to slow growth in 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

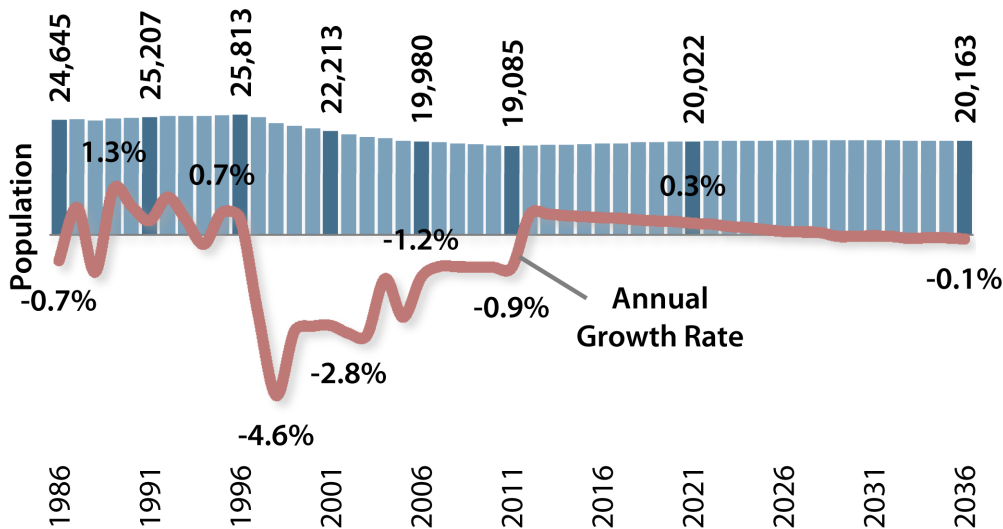


FIGURE 2

Total Population Change (Skeena-Queen Charlotte, 1986 to 2036)

Population will grow slowly 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
Skeena-Queen Charlotte	19,085	20,022	20,163	0.5%	0.0%	0.2%

TABLE 2

Population Change (Skeena-Queen Charlotte, 2011 to 2036)

Skeena-Queen Charlotte will experience an average annual growth rate of 0.2% over the next 25 years.

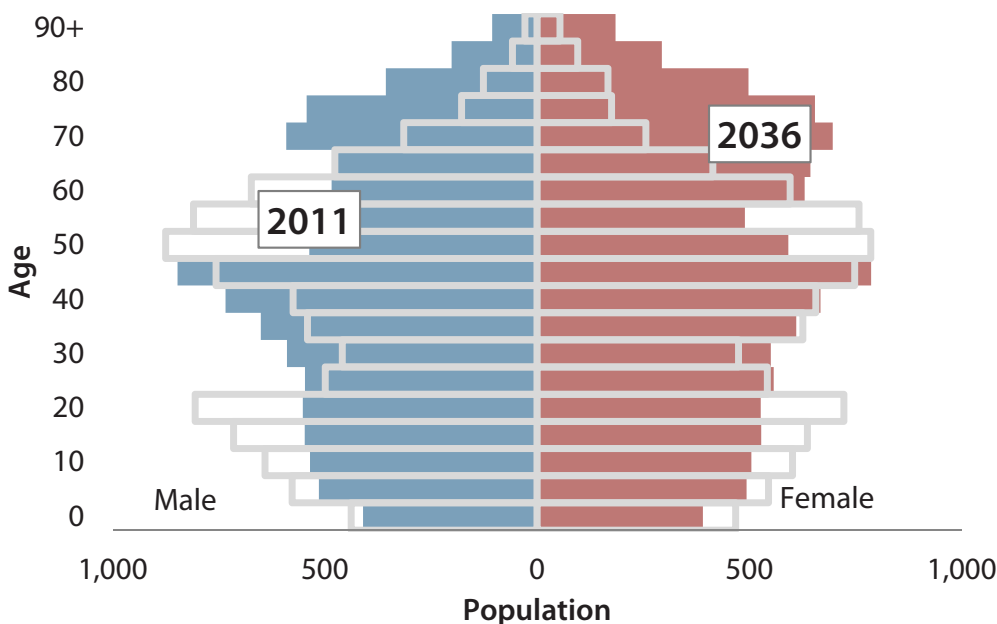


FIGURE 3

Regional Age Profile (Skeena-Queen Charlotte, 2011 and 2036)

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



projections

Rental Housing Demand

Rental housing demand in Skeena-Queen Charlotte is projected to increase gradually until 2025 and subsequently decline slowly to 2036, with an overall increase of 5% to 7% over the next 25 years through two different scenarios. Population growth is projected at 6% over the same period.

Figure 4 shows that rental housing demand declined from 1996 to 2006, reflecting demographic changes. The population declined during this period, as did rental household maintainer rates, causing a rapid overall decline in rental housing demand.

Figure 5 depicts the age breakdown of rental housing demand in 2011 and 2036. Rental housing demand is projected to grow for households maintained by 30 to 44 year olds and 65 and over.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase from 2,585 households in 2011 to 2,815 households in 2021 if tenure patterns are held constant.¹ This translates to an average annual increase in rental housing demand of approximately 23 households per year between 2011 and 2021. From 2021 to 2036 demand for rental housing will decline, and by 2036 demand is projected to be 2,778 households. Between 2011 and 2036, rental housing demand is projected to increase by 7%.

Scenario B: Shifting Tenure

Total rental household maintainer rates for BC declined from 16.4% in 1996 to 14.4% in 2006. This shift can be seen in some age groups in Skeena-Queen Charlotte, while in others the trend reverses. Scenario B assumes these trends will continue to 2036. Rental household demand is projected to increase slightly from 2,585 households in 2011 to 2,720 households by 2036, an increase of 5%. This growth translates into an average annual increase of 5 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	2,585	2,815	2,778	230	-37	193	23	-2	8
Scenario B: Shifting Tenure	2,585	2,807	2,720	222	-87	135	22	-6	5

TABLE 3

Rental Housing Demand (Skeena-Queen Charlotte 2011 to 2036)

Rental housing demand is projected to increase by 22 to 23 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

Rental Housing Demand

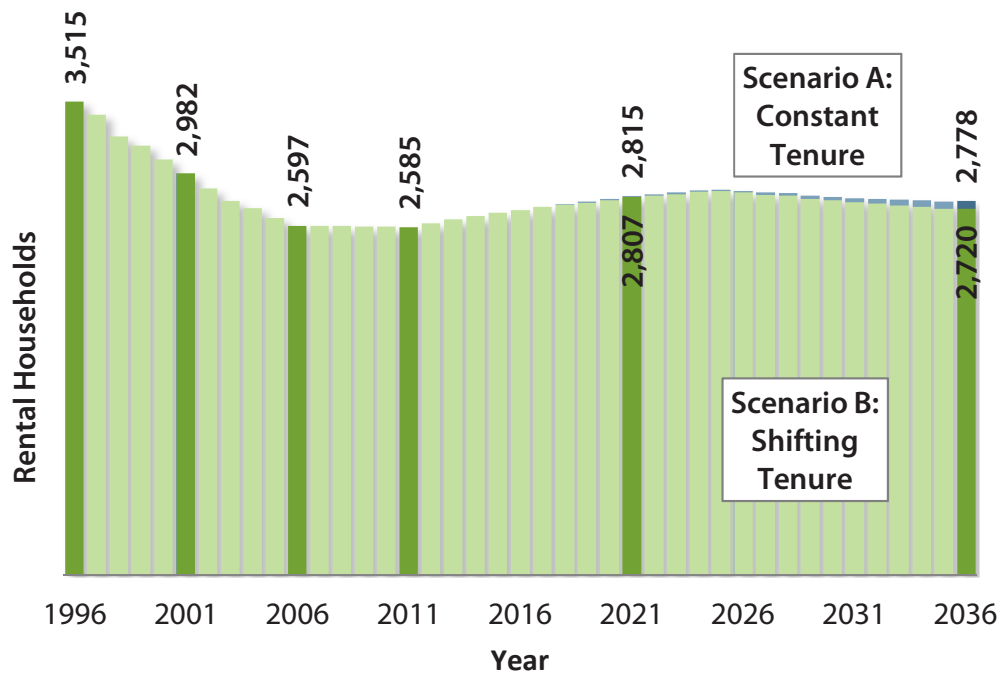


FIGURE 4

Rental Housing Demand (Skeena-Queen Charlotte, 1996 to 2036)

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

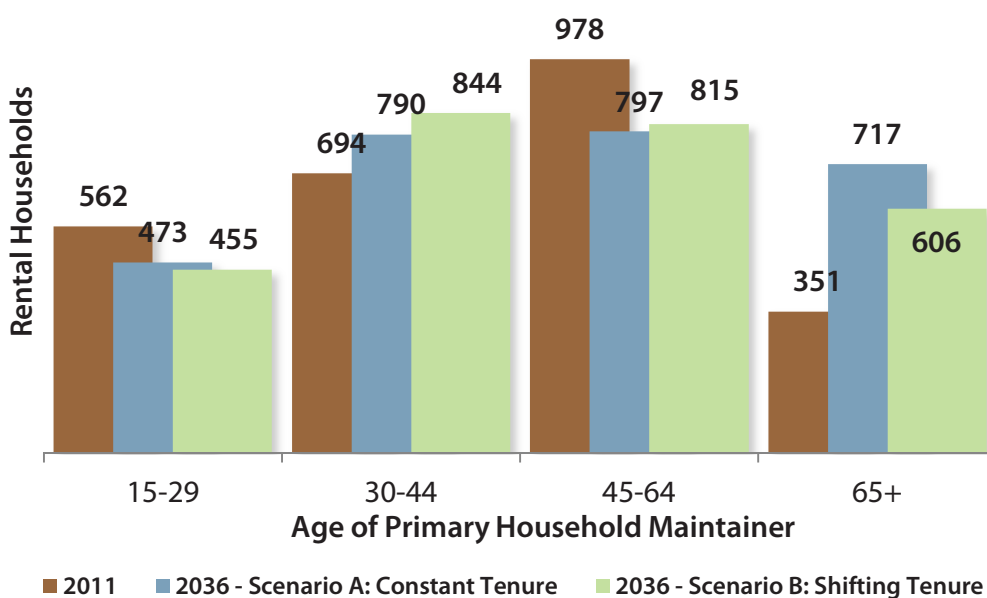


FIGURE 5

Rental Housing Demand by Age (Skeena-Queen Charlotte, 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 Skeena-Queen Charlotte is projected to increase by 4% to 6% over the next 25 years, as seen in Table 4. This is consistent with overall growth in rental housing demand.

Figure 6 shows that the number of renter households in core housing need declined in Skeena-Queen Charlotte between 1996 and 2006. The decline mirrors 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 639 renter households in Skeena-Queen Charlotte 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 increase significantly by 2036, and moderately for those aged 30 to 44.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 37 renter households in core need, from 639 households in 2011 to 676 households by 2036. This is an increase of 6% over the next 25 years. As with rental housing demand, growth in core housing need is more rapid in the next 10 years and then begins to decline.

Scenario B: Shifting Tenure

Scenario B projects that the total number of renter households in core need by 2036 will be fewer than in Scenario A. It projects a total increase of 25 renter households in core housing need, reaching 663 households by 2036, an increase of 4%.

	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	639	689	676	50	-13	37	5	-1	1
Scenario B: Shifting Tenure	639	687	663	48	-24	24	5	-2	1

Core housing need among renters is projected to increase by 48 to 50 households over the next 10 years.

TABLE 4

Renter Households in Core Housing Need (Skeena-Queen Charlotte, 2011 to 2036)

Core housing need is projected to increase by 5 renter household 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

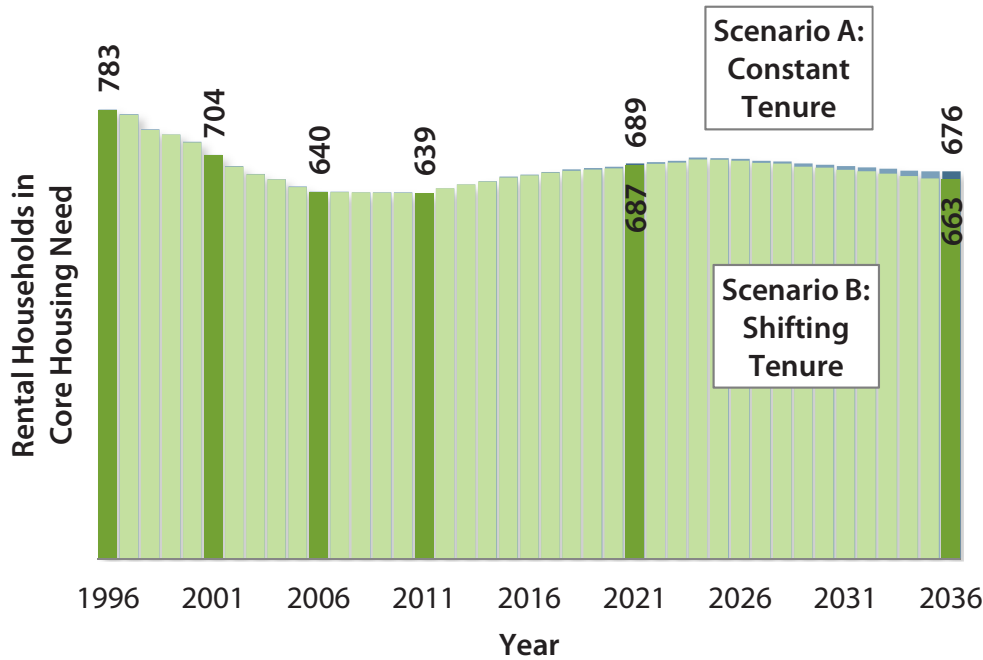


FIGURE 6

Core Housing Need (Skeena-Queen Charlotte, 1996 to 2036)

Both scenarios project a gradual increase in the number of renter households in core housing need, with growth in the first ten years followed by decline to 2036

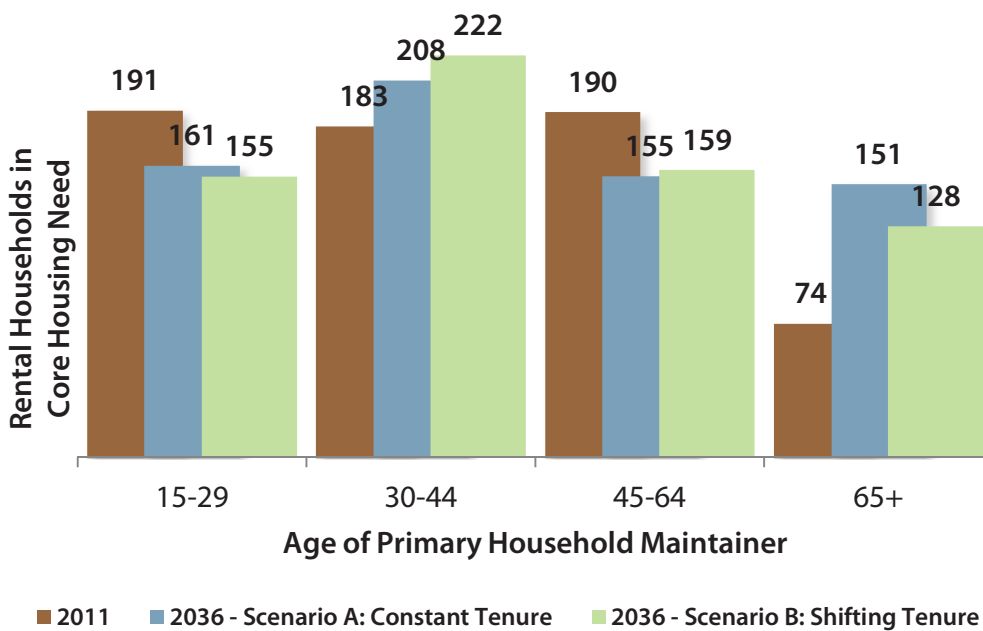


FIGURE 7

Renter Households in Core Housing Need by Age (Skeena-Queen Charlotte, 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 Skeena-Queen Charlotte. 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

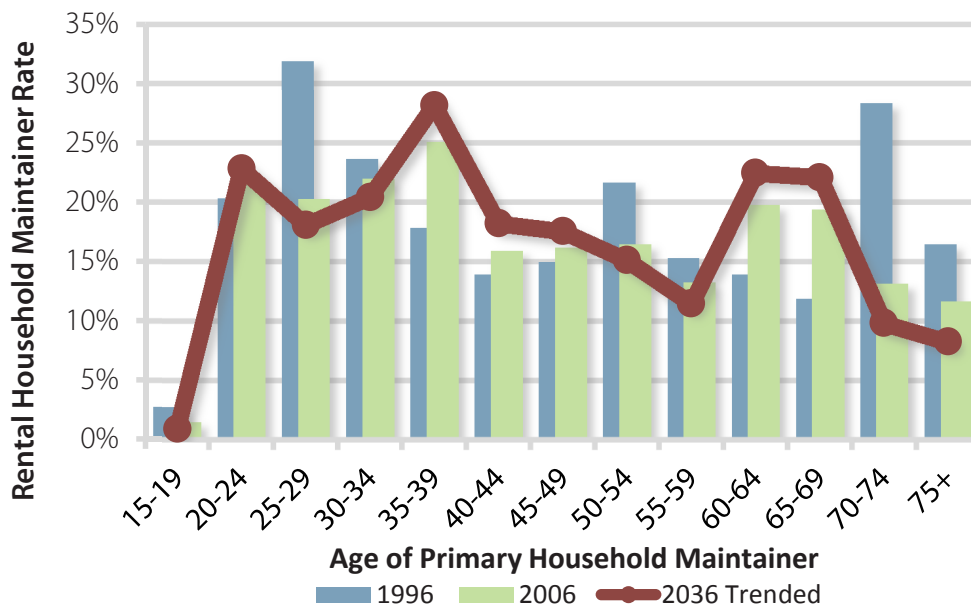


FIGURE 8

Rental Household Maintainer Rates (Skeena-Queen Charlotte, 1996, 2006, 2036)

Rental household maintainer rates are projected to increase among some age groups and decline in others.

(For detailed age-specific maintainer rates used to build the projections, see the appendix in the full report at www.bcnpha.ca.)

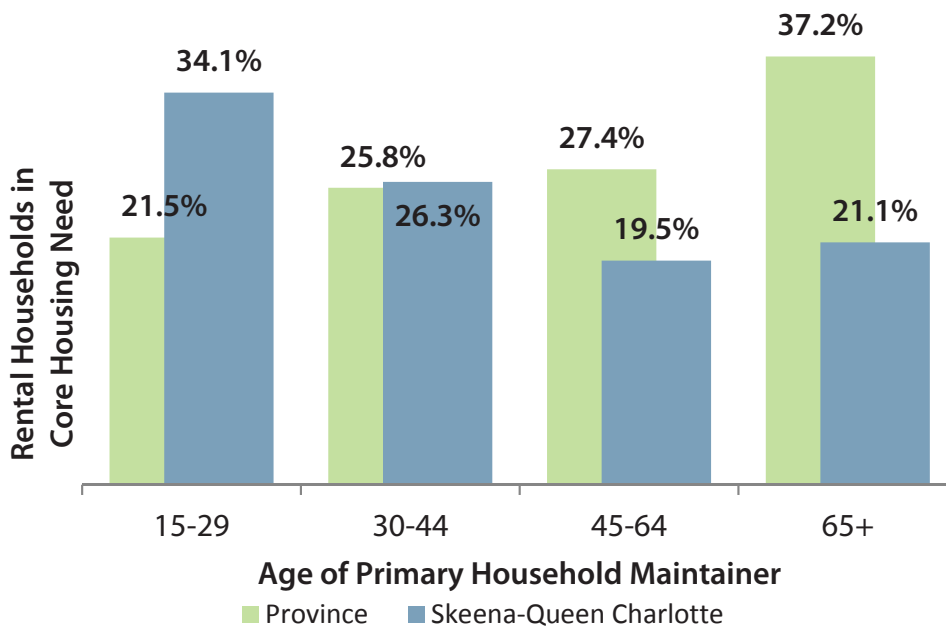


FIGURE 9

Share of Renter Households in Core Housing Need (BC and Skeena-Queen Charlotte, 2011)

In Skeena-Queen Charlotte 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	3,485	3,329	3,044	-0.5%	-0.6%	-0.5%
15-29	3,922	3,574	3,258	-0.9%	-0.6%	-0.7%
30-44	3,332	3,674	3,802	1.0%	0.2%	0.5%
45-64	6,002	5,441	4,819	-1.0%	-0.8%	-0.9%
65+	2,344	4,004	5,240	5.5%	1.8%	3.3%
All Ages	19,085	20,022	20,163	0.5%	0.0%	0.2%

TABLE 6

Population Projections by Age Group (Skeena-Queen Charlotte, 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	2,585	2,815	2,778	230	-37	193	23	-2	8
	Scenario B: Shifting Tenure	2,585	2,807	2,720	222	-87	135	22	-6	5
Ownership	Scenario A: Constant Tenure	5,283	5,940	6,289	657	349	1006	66	23	40
	Scenario B: Shifting Tenure	5,283	5,948	6,347	665	399	1064	66	27	43
Total	Both Scenarios	7,869	8,755	9,067	887	312	1199	89	21	48

TABLE 7

Household Projections (Skeena-Queen Charlotte, 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	639	689	676	50	-13	37	5	-1	1
	Scenario B: Shifting Tenure	639	687	663	48	-24	24	5	-2	1
Ownership	Scenario A: Constant Tenure	324	366	385	42	20	62	4	1	2
	Scenario B: Shifting Tenure	324	367	390	43	23	66	4	2	3
Total	Scenario A: Constant Tenure	963	1,055	1,061	92	6	98	9	0	4
	Scenario B: Shifting Tenure	963	1,053	1,054	90	0	91	9	0	4

TABLE 8

Households in Core Housing Need Projections (Skeena-Queen Charlotte, 2011 to 2036)

