



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**REGIONAL DISTRICT OF
KITIMAT-STIKINE TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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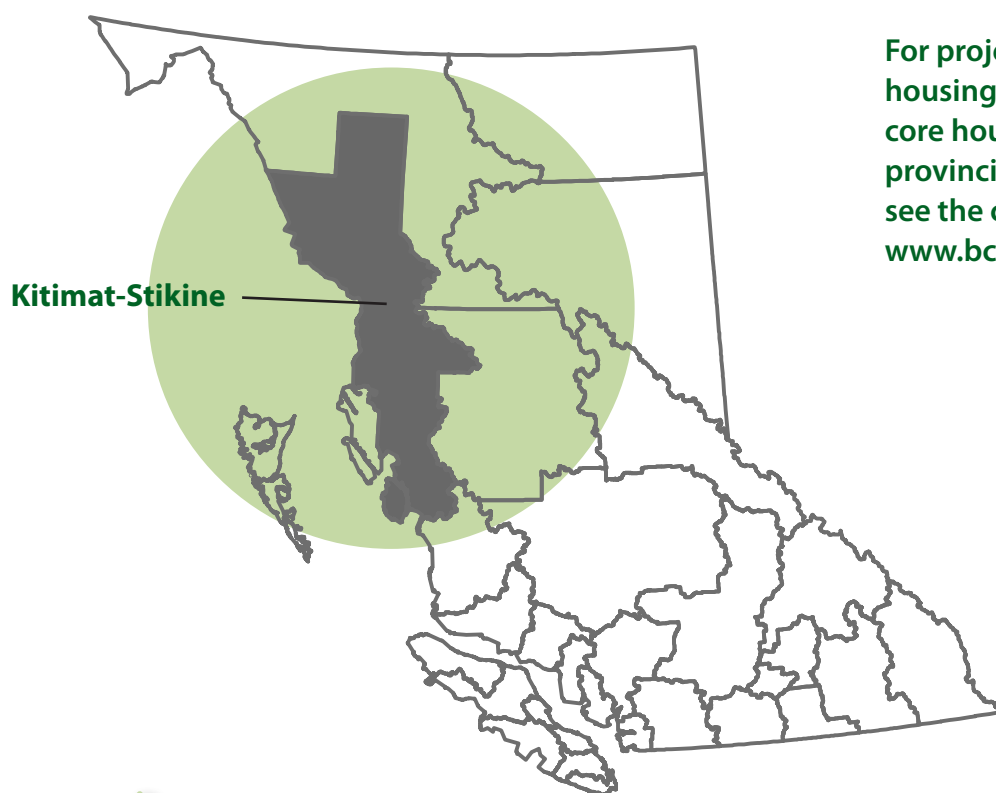
A vision for sustainable housing in communities across British Columbia

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 28 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 Regional District of Kitimat-Stikine is situated in the northwest.



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 regional districts this is a shift away from rental and towards ownership. In Kitimat-Stikine the historic trend is the opposite, towards rental tenure and away from ownership.

Both scenarios suggest that rental housing demand will grow into the future in Kitimat-Stikine. Rental housing demand is estimated to range between 3,860 and 3,887 households in 2036, an increase of between 386 and 413 households, as seen in Table 1 below. Core housing need among renters is projected to be 868 renter households by 2036, an increase of 112 households.

In both scenarios, rental housing demand grows more rapidly than 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.

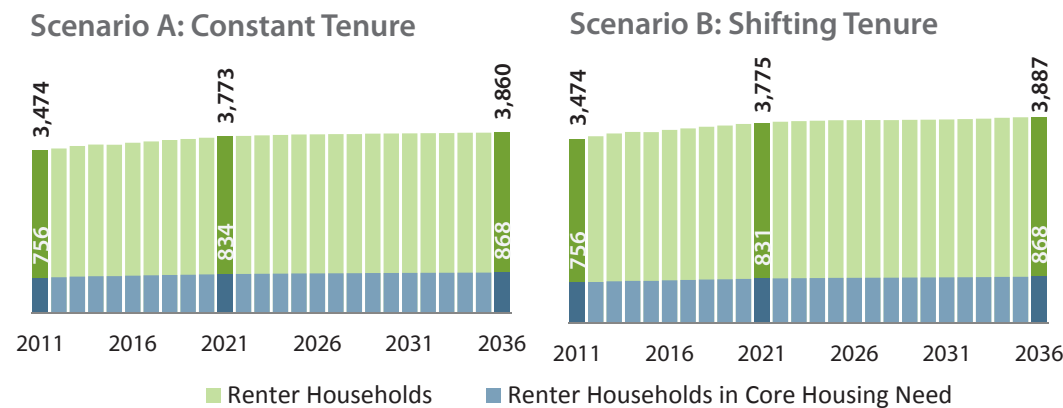


FIGURE 1
Rental Housing Demand and Core Housing Need (Kitimat-Stikine, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	3,474	756	3,474	756
2021	3,773	834	3,775	831
2036	3,860	868	3,887	868
Increase 2011-2036	386	112	413	112

TABLE 1
Rental Housing Demand and Core Housing Need (Kitimat-Stikine, 2011 to 2036)



context

Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Kitimat-Stikine Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 3% from 38,150 in 2011 to 39,242 in 2036, as seen in Figure 2.

Between 1996 and 2006 the population decreased by 6,583 people, fluctuating between a 2.2% annual decline and a 2.2% annual increase. Future growth is projected to grow from -0.3% in 2011 to 0.0% in 2036.

Based on 2006 Census data (the most recent available), Kitimat-Stikine's population is younger than the provincial population. In 2006, the median age in Kitimat-Stikine was 38.2 versus 40.8 years provincially. Figure 3 shows that by 2036, there will be a significant decrease in people under 25 years, and those aged 50 to 64. At the same time there will be strong growth among those aged 65 and over, leading to an overall significantly older population in Kitimat-Stikine.

Rental maintainer rates in Kitimat-Stikine are highest among those aged 25 to 34. The rates then decline before rising again among those aged 75 and over. An aging population will account for much of the growth in rental housing demand in Kitimat-Stikine.

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

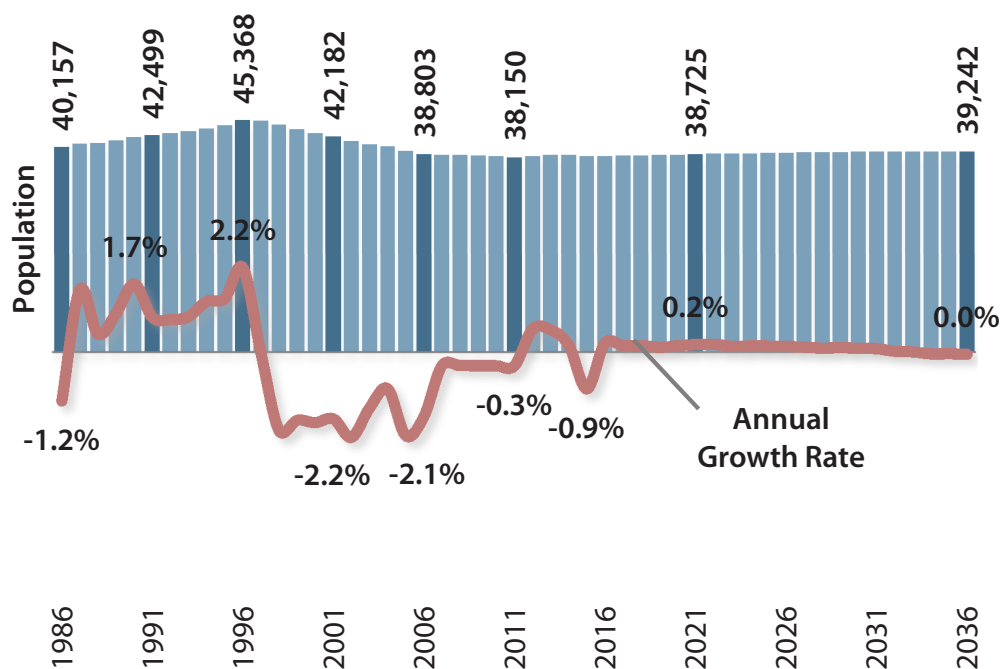


FIGURE 2

Total Population Change (Kitimat-Stikine, 1986 to 2036)

Population will grow slowly over the next 25 years, while the annual growth rate will remain almost flat over the same period.

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Kitimat-Stikine	38,150	38,725	39,242	0.1%	0.1%	0.1%

TABLE 2

Population Change (Kitimat-Stikine, 2011 to 2036)

Kitimat-Stikine will experience an average annual growth rate of 0.1% over the next 25 years.

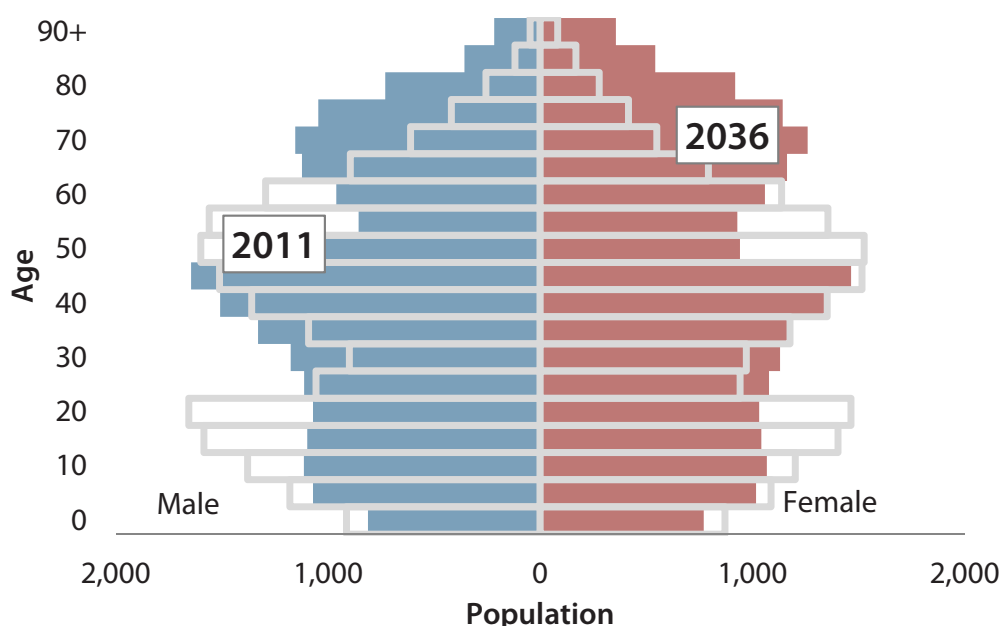


FIGURE 3

Regional Age Profile (Kitimat-Stikine, 2011 and 2036)

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



projections

Rental Housing Demand

Rental housing demand in Kitimat-Stikine is projected to increase by 11% to 12% over the next 25 years through two different scenarios, compared to population growth of 3% over the same period. The two scenarios are closer than in other regional districts.

Figure 4 shows that rental housing demand declined from 1996 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. Most of the growth in rental housing demand will occur among senior households, where rental demand will more than double by 2036.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 11% from 3,474 households in 2011 to 3,860 households in 2036 when tenure patterns are held constant.¹ This translates to an average annual increase in rental housing demand of 15 households between 2011 and 2036. Growth in rental housing demand is projected to be more rapid in the next 10 years and will slow in the subsequent 15 years.

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 Kitimat-Stikine, but there has been an overall shift towards rental tenure in the region. Scenario B assumes these trends will continue to 2036, thereby increasing the growth in rental housing demand to 12%. Total rental housing demand is projected to increase from 3,474 in 2011 to 3,887 by 2036. This faster 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	3,474	3,773	3,860	299	87	386	30	6	15
Scenario B: Shifting Tenure	3,474	3,775	3,887	301	112	413	30	7	17

Rental housing demand is projected to increase by 299 to 301 households over the next 10 years.

TABLE 3
Rental Housing Demand (Kitimat-Stikine, 2011 to 2036)

Rental housing demand is projected to increase by 30 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

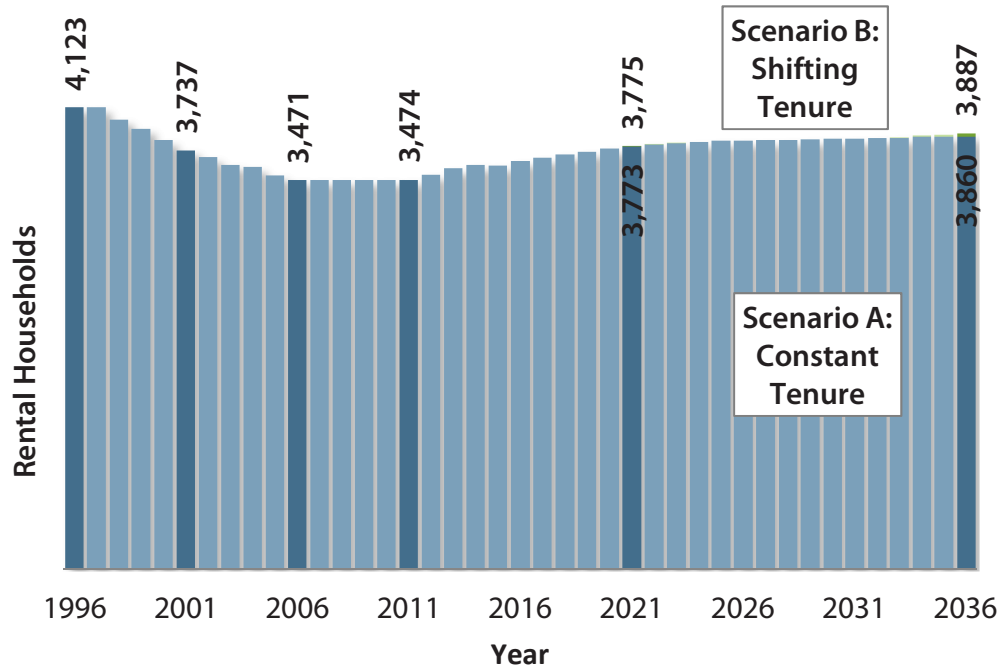


FIGURE 4

Rental Housing Demand
(Kitimat-Stikine,
1996 to 2036)

Both scenarios project slow
growth in rental housing demand.

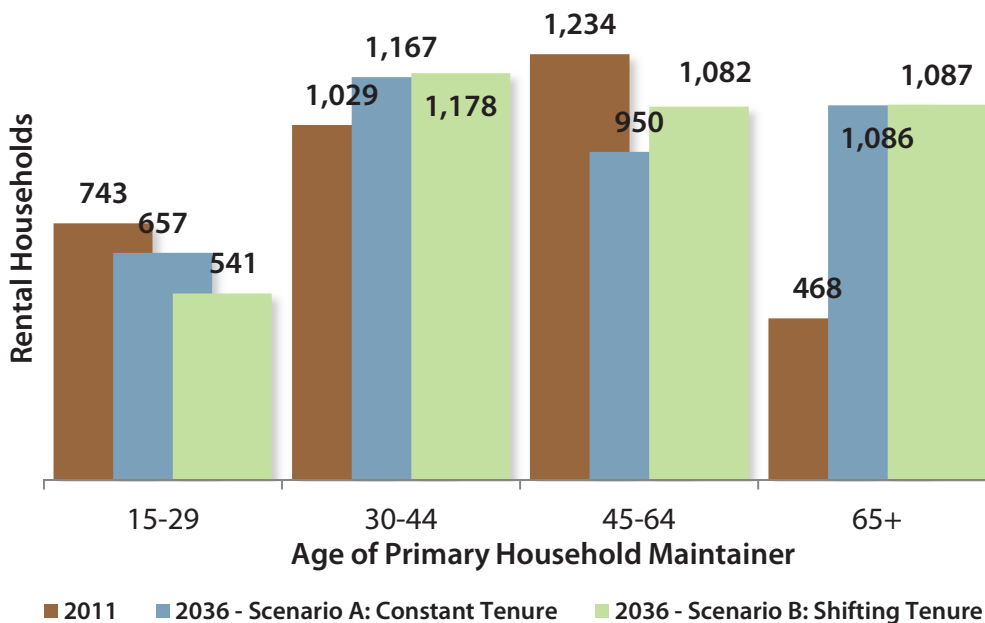


FIGURE 5

Rental Housing
Demand by Age
(Kitimat-Stikine, 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 Kitimat-Stikine is projected to increase by 15% in both scenarios over the next 25 years.

Figure 6 shows that the number of renter households in core housing need declined in Kitimat-Stikine between 2001 and 2006, mirroring the decline in rental housing demand and overall population over the same period.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 756 renter households 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 more than double by 2036, while growing slowly or declining among younger age groups.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 112 renter households in core need, from 756 in 2011 to 868 by 2036, an increase of 15%. This is an average annual increase of 4 households.

Scenario B: Shifting Tenure

Scenario B reveals the identical increase of 112 renter households in core housing need by 2036. The annual increase in renter households in core housing need is projected to be 4 households over the next 25 years, for a total of 868 households in 2036, equal to Scenario A.

	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	756	834	868	78	34	112	8	2	4
Scenario B: Shifting Tenure	756	831	868	75	37	112	8	2	4

Core housing need among renters is projected to increase by 75 to 78 households over the next 10 years.

TABLE 4

Renter Households in Core Housing Need (Kitimat-Stikine, 2011 to 2036)

Core housing need is projected to increase by 8 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

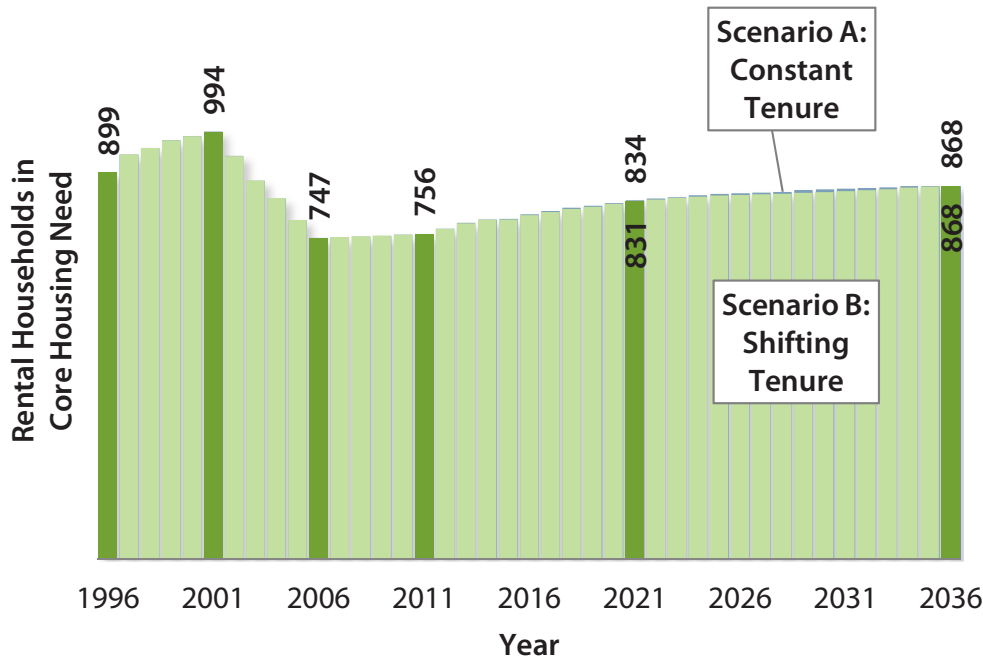


FIGURE 6

Core Housing Need (Kitimat-Stikine, 1996 to 2036)

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

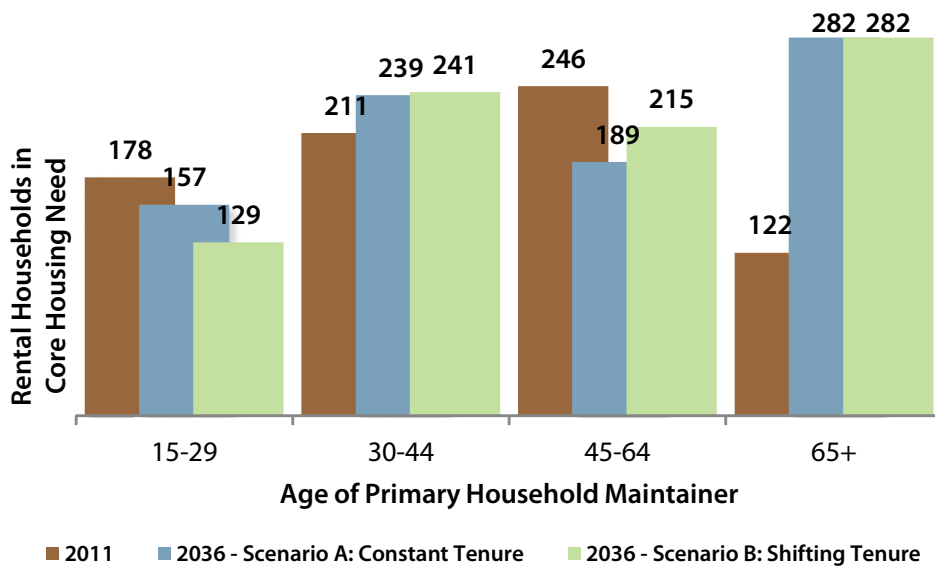


FIGURE 7

Renter Households in Core Housing Need by Age (Kitimat-Stikine, 2011, 2036)

There will be a significant 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.

The Kitimat-Stikine boundary was changed in 2008 to incorporate an area that had previously been in the Stikine Region. The total populations for these two areas taken from the 2011 Census show a shift of population from Stikine to Kitimat-Stikine, however the previous years' populations was not adjusted retroactively.

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 Kitimat-Stikine. 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.

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

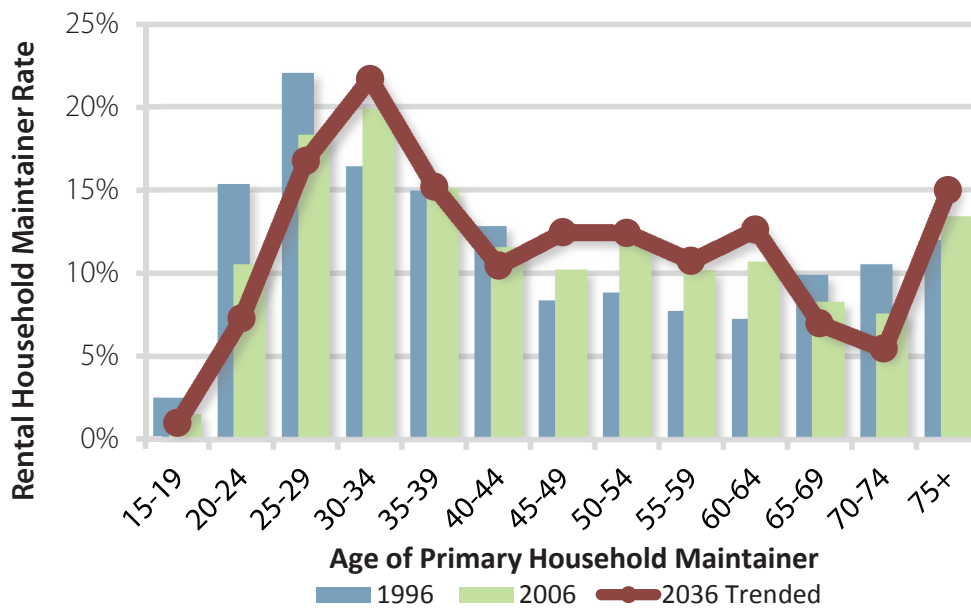


FIGURE 8

Rental Household Maintainer Rates (Kitimat-Stikine, 1996, 2006, 2036)

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

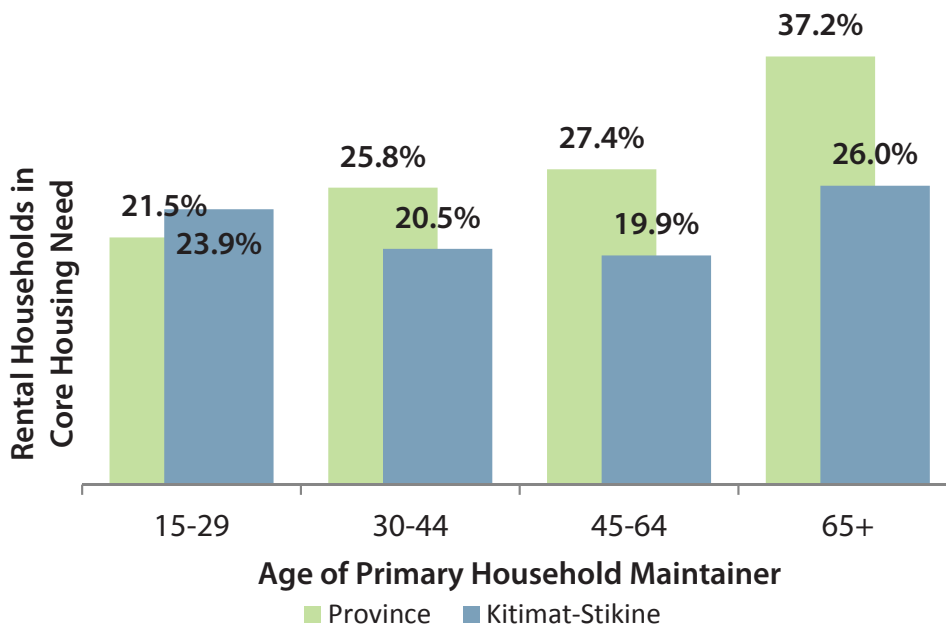


FIGURE 9

Share of Renter Households in Core Housing Need (BC and Kitimat-Stikine, 2011)

In Kitimat-Stikine 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

TABLE 6

Population Projections
by Age Group (Kitmat-
Stikine, 2011 to 2036)

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011- 2021	2021- 2036	2011- 2036
0-14	7,060	6,598	6,237	-0.7%	-0.4%	-0.5%
15-29	8,107	7,118	6,433	-1.3%	-0.7%	-0.9%
30-44	6,851	6,925	7,655	0.1%	0.7%	0.4%
45-64	11,498	10,580	8,908	-0.8%	-1.1%	-1.0%
65+	4,634	7,504	10,009	4.9%	1.9%	3.1%
All Ages	38,150	38,725	39,242	0.1%	0.1%	0.1%

TABLE 7

Household Projections
(Kitmat-Stikine,
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	3,474	3,773	3,860	299	87	386	30	6	15
	Scenario B: Shifting Tenure	3,474	3,775	3,887	301	112	413	30	7	17
Ownership	Scenario A: Constant Tenure	11,022	12,188	12,993	1,166	805	1,971	117	54	79
	Scenario B: Shifting Tenure	11,022	12,185	12,966	1,164	780	1,944	116	52	78
Total	Both Scenarios	14,496	15,961	16,853	1,465	892	2,357	146	59	94

TABLE 8

Households in
Core Housing Need
Projections (Kitmat-
Stikine, 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	756	834	868	78	34	112	8	2	4
	Scenario B: Shifting Tenure	756	831	868	75	37	112	8	2	4
Ownership	Scenario A: Constant Tenure	498	590	663	92	73	165	9	5	7
	Scenario B: Shifting Tenure	498	592	667	94	75	169	9	5	7
Total	Scenario A: Constant Tenure	1,254	1,424	1,531	170	107	277	17	7	11
	Scenario B: Shifting Tenure	1,254	1,423	1,535	169	112	281	17	7	11

