



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**REGIONAL DISTRICT OF
FRASER-FORT GEORGE TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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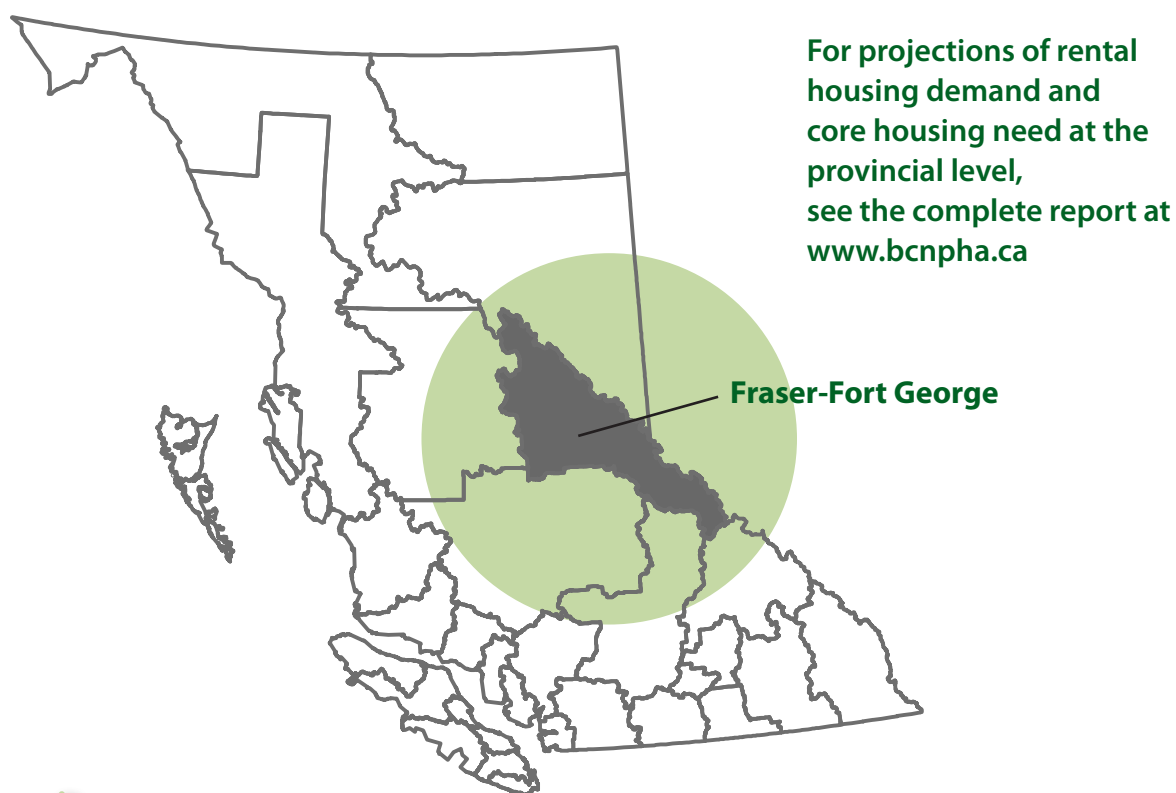
A vision for sustainable housing in communities across British Columbia

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 Regional District of Fraser-Fort George is situated in the east.



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 Fraser-Fort George. Rental housing demand is estimated to range between 11,442 and 11,495 households by 2036, an increase of between 1,368 and 1,421 households, as seen in Table 1 below. Core housing need among renters is projected to range from 2,781 to 2,833 renter households by 2036, an increase of between 418 and 470 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.

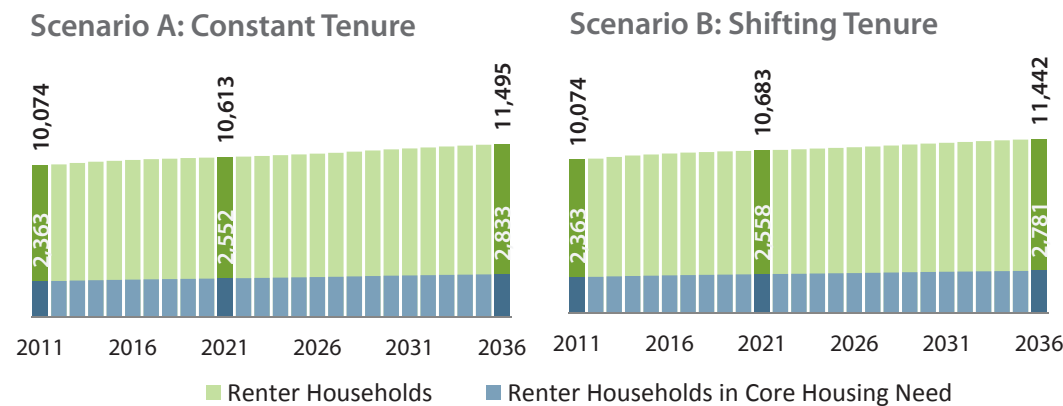


FIGURE 1
Rental Housing Demand and Core Housing Need (Fraser-Fort George, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	10,074	2,363	10,074	2,363
2021	10,613	2,552	10,683	2,558
2036	11,495	2,833	11,442	2,781
Increase 2011-2036	1,421	470	1,368	418

TABLE 1
Rental Housing Demand and Core Housing Need (Fraser-Fort George, 2011 to 2036)



context

Demographic Drivers

The projections for rental housing demand and renter households in core housing need in the Regional District of Fraser-Fort George partly reflect anticipated demographic change in the District. The population is projected to increase by 6%, from 94,020 in 2011 to 99,666 in 2036, as seen in Figure 2.

Between 1986 and 2006 the population grew by 1,613 people, fluctuating between a 2.0% annual decline and a 2.8% annual increase. Recent population change has averaged around - 0.1% annually and is projected to grow to 0.3% annually by 2036.

Based on 2006 Census data (the most recent available), Fraser-Fort George's population is younger than the provincial population. In 2006, the median age in Fraser-Fort George was 37.5 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be a decline or little growth among all age groups under the age of 65. At the same time there will be strong growth among those aged 65 and over, leading to an overall significantly older population.

Rental maintainer rates in Fraser-Fort George are highest among those aged 25 to 29. The rates steadily decline before again beginning to rise among those aged 60 and over. An aging population will account for much of the growth in rental housing demand in Fraser-Fort George.

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

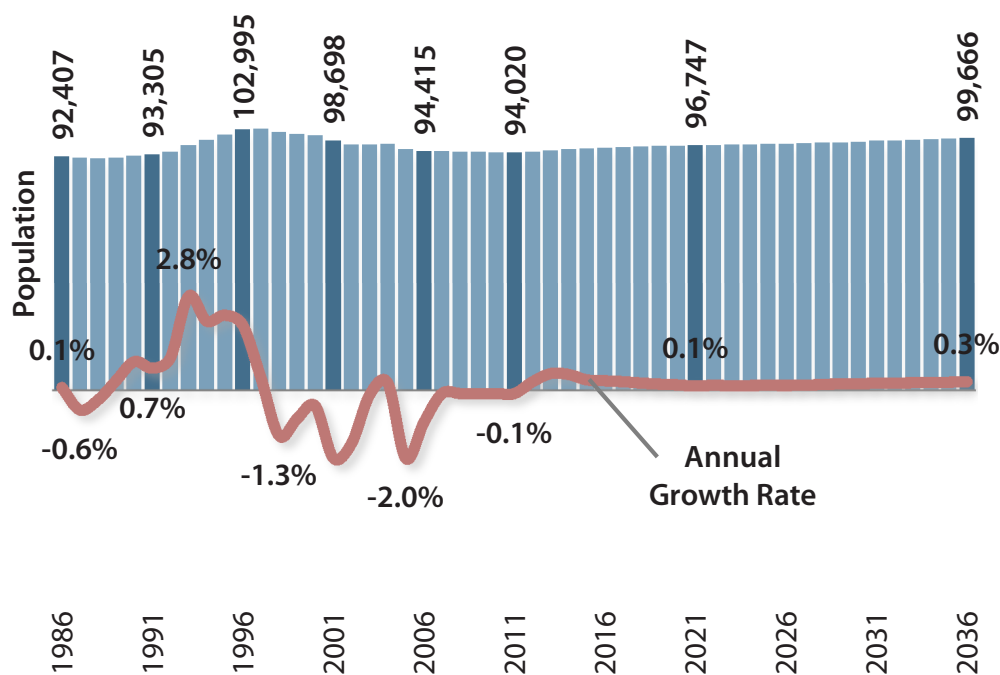


FIGURE 2

Total Population Change
(Fraser-Fort George,
1986 to 2036)

Population will grow slowly over the next 25 years, while the annual growth rate will remain close to zero.

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Fraser-Fort George	94,020	96,747	99,666	0.3%	0.2%	0.2%

TABLE 2

Population Change
(Fraser-Fort George, 2011
to 2036)

Fraser-Fort George will experience an average annual growth rate of 0.4% over the next 25 years.

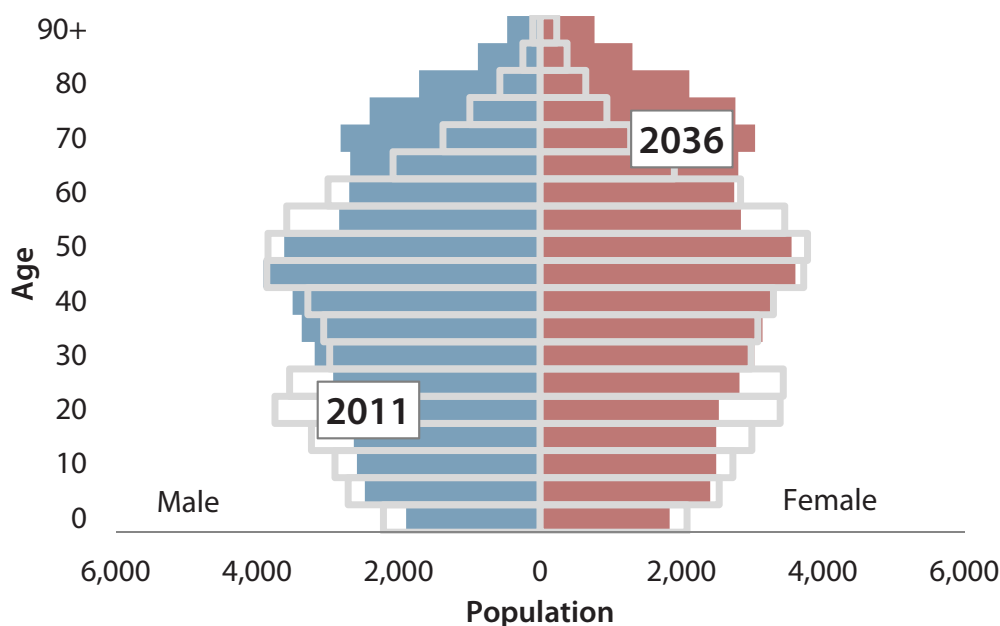


FIGURE 3

Regional Age Profile
(Fraser-Fort George, 2011
and 2036)

Over the next 25 years Fraser-Fort George will age considerably, with a large increase in those aged 65 and over, and a decline in those under 30.



projections

Rental Housing Demand

Rental housing demand in Fraser-Fort George is projected to increase by 14% over the next 25 years through two different scenarios, compared to population growth of 6% over the same period. The two scenarios are closer than in other regional districts.

Figure 4 shows that rental housing demand declined slightly from 2001 to 2006, reflecting demographic changes. The population declined slightly during this period, fastest among young people. Because households maintained by young people have a greater tendency to rent, the decline in rental housing demand was greater than the decline in overall population.

Figure 5 depicts the age breakdown of household maintainers in 2011 and 2036, showing that most of the growth in rental housing demand will occur among senior households, where rental demand will double by 2036. The 15 to 29 year old and 45 to 64 year old household maintainers will experience a decline in rental housing demand.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 14% from 10,074 households in 2011 to 11,495 households in 2036 if tenure patterns are held constant.¹ This translates into an average annual increase in rental housing demand of 57 households between 2011 and 2036.

Scenario B: Shifting Tenure

Total rental household maintainer rates for BC declined from 16.4% of households in 1996 to 14.4% in 2006. The shift can be seen in some age groups in Fraser-Fort George. Scenario B assumes these trends will continue to 2036, thereby marginally slowing the growth in rental housing demand. Total rental housing demand is projected to increase from 10,074 in 2011 to 11,442 by 2036, a 14% increase. This translates into an average annual increase of 55 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	10,074	10,613	11,495	539	882	1,421	54	59	57
Scenario B: Shifting Tenure	10,074	10,683	11,442	609	759	1,368	61	51	55

Rental housing demand is projected to increase by 539 to 609 households over the next 10 years.

TABLE 3
Rental Housing Demand
(Fraser-Fort George, 2011 to 2036)

Rental housing demand is projected to increase by 54 to 61 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

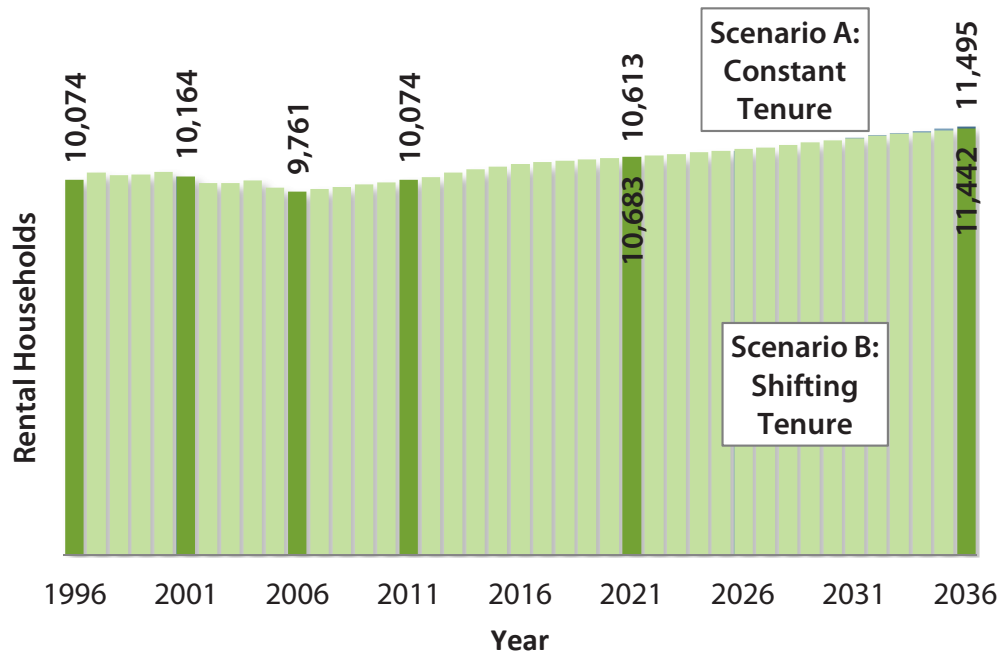


FIGURE 4

Rental Housing Demand
(Fraser-Fort George,
1996 to 2036)

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

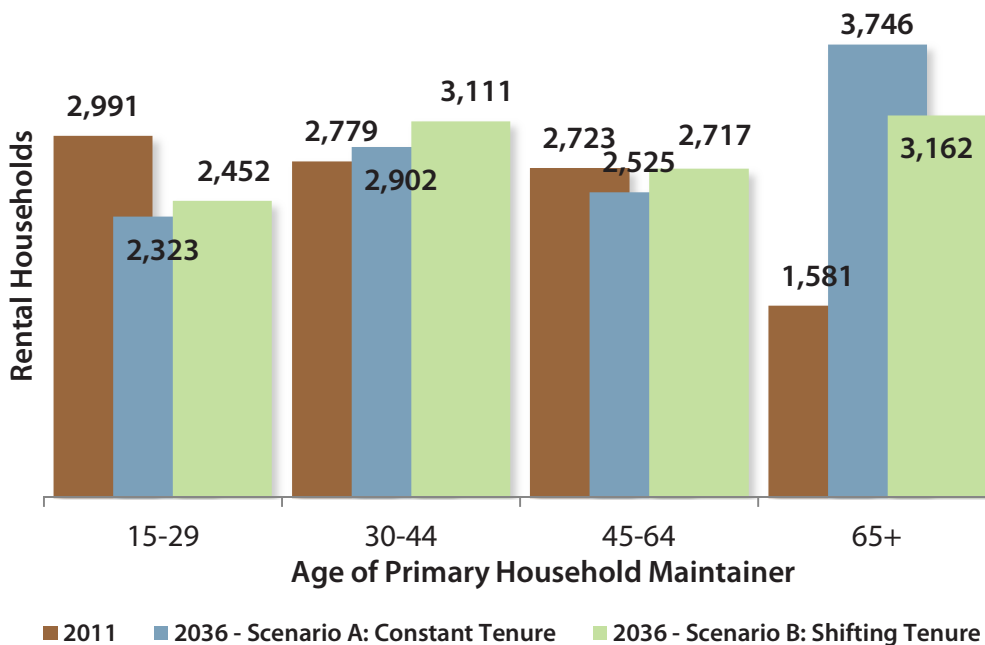


FIGURE 5

Rental Housing
Demand by Age
(Fraser-Fort George,
2011, 2036)

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



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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 Fraser-Fort George is projected to increase by 18% to 20% over the next 25 years, significantly higher than population growth overall.

Figure 6 shows that the number of renter households in core housing need declined in Fraser-Fort George between 2001 and 2006. The decline mirrors the population decline but is amplified by a declining incidence of core housing need among seniors.

Both scenarios hold the age-specific shares of renter households in core need constant at 2006 levels. It is estimated that 2,363 renter households in Fraser-Fort George 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 by 2036, while younger households will decline or grow moderately over the same time.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 470 renter households in core need, from 2,363 households in 2011 to 2,833 households by 2036, a 20% increase. This is an average annual increase of 19 renter households.

Scenario B: Shifting Tenure

Scenario B reveals a smaller increase of 418 renter households in core housing need by 2036. The annual increase in renter households in core housing need is projected to be 17 households per year over the next 25 years, for a total of 2,781 renter households in 2036, an 18% total increase.

	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	2,363	2,552	2,833	189	281	470	19	19	19
Scenario B: Shifting Tenure	2,363	2,558	2,781	195	223	418	20	15	17

Core housing need among renters is projected to increase by 189 to 195 households over the next 10 years.

TABLE 4

Renter Households in Core Housing Need (Fraser-Fort George, 2011 to 2036)

Core housing need is projected to increase by 19 to 20 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

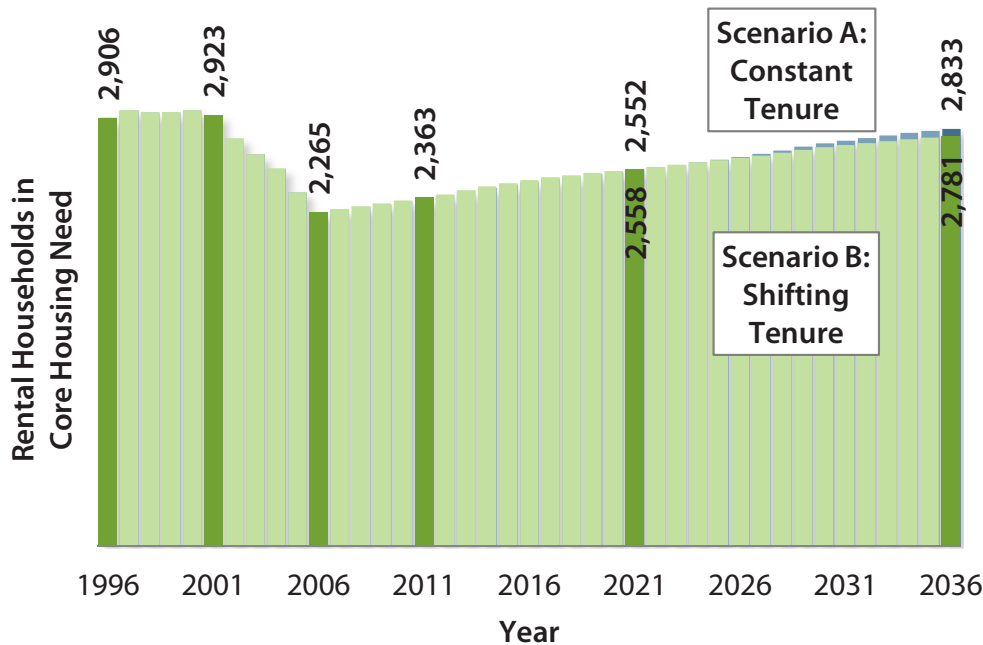


FIGURE 6

Core Housing Need
(Fraser-Fort George,
1996 to 2036)

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

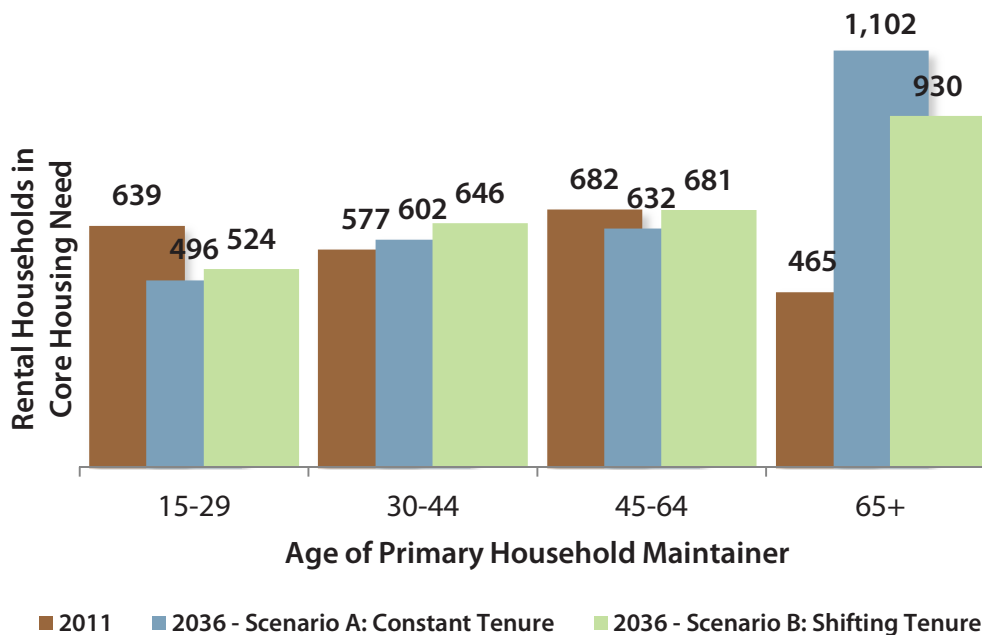


FIGURE 7

Renter Households
in Core Housing
Need by Age
(Fraser-Fort George,
2011, 2036)

Senior households in core housing need are projected to double 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 Fraser-Fort George. 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.

Changes in demographics and tenure patterns are the main drivers in this model.

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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methods

Our Model

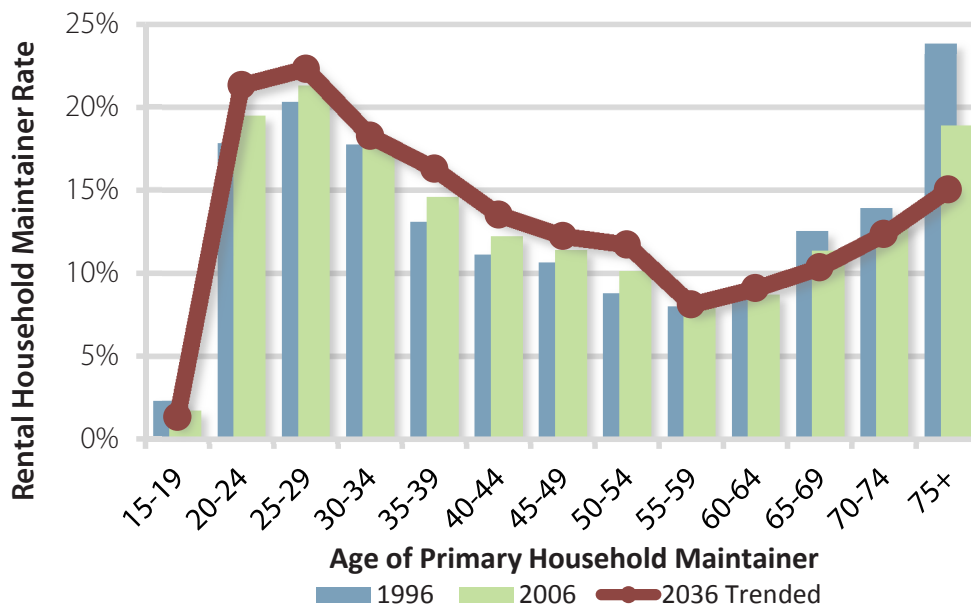


FIGURE 8

Rental Household Maintainer Rates (Fraser-Fort George, 1996, 2006, 2036)

Rental household maintainer rates are projected to rise among most younger age groups, but decline among older 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.)

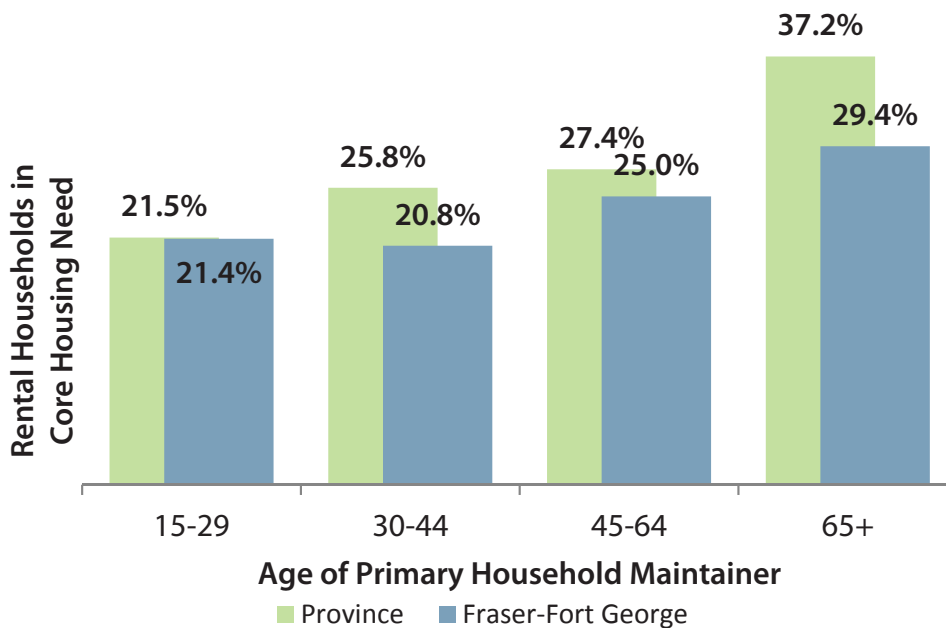


FIGURE 9

Share of Renter Households in Core Housing Need (BC and Fraser-Fort George, 2011)

In Fraser-Fort George 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

Age Group	Total Projected Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
0-14	16,168	15,212	14,587	-0.6%	-0.3%	-0.4%
15-29	20,346	16,061	16,028	-2.3%	0.0%	-0.9%
30-44	18,673	20,625	19,478	1.0%	-0.4%	0.2%
45-64	28,089	27,065	25,812	-0.4%	-0.3%	-0.3%
65+	10,744	17,784	23,761	5.2%	2.0%	3.2%
All Ages	94,020	96,747	99,666	0.3%	0.2%	0.2%

TABLE 6

Population Projections by Age Group (Fraser-Fort George, 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	10,074	10,613	11,495	539	882	1,421	54	59	57
	Scenario B: Shifting Tenure	10,074	10,683	11,442	609	759	1,368	61	51	55
Ownership	Scenario A: Constant Tenure	28,576	31,952	33,588	3,376	1,636	5,012	338	109	200
	Scenario B: Shifting Tenure	28,576	31,881	33,641	3,305	1,760	5,065	331	117	203
Total	Both Scenarios	38,650	42,565	45,083	3,915	2,518	6,433	391	168	257

TABLE 7

Household Projections (Fraser-Fort George, 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	2,363	2,552	2,833	189	281	470	19	19	19
	Scenario B: Shifting Tenure	2,363	2,558	2,781	195	223	418	20	15	17
Ownership	Scenario A: Constant Tenure	961	1,096	1,175	135	79	214	13	5	9
	Scenario B: Shifting Tenure	961	1,095	1,183	134	88	222	13	6	9
Total	Scenario A: Constant Tenure	3,324	3,647	4,008	323	361	684	32	24	27
	Scenario B: Shifting Tenure	3,324	3,653	3,964	329	311	640	33	21	26

TABLE 8

Households in Core Housing Need Projections (Fraser-Fort George, 2011 to 2036)

