Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**PEACE RIVER REGIONAL
DISTRICT TO 2036**

SEPTEMBER 2012

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 Peace River Regional District is situated in the northeast.

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

Peace River

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 Peace River. Rental housing demand is estimated to range between 7,763 and 8,668 households in 2036, an increase of between 1,698 and 2,603 households, as seen in Table 1 below. Core housing need among renters is projected to range from 1,913 to 2,101 renter households by 2036, an increase of between 695 and 883 households.

In Scenario A: Constant Tenure, rental housing demand grows more rapidly than population growth. In Scenario B: Shifting Tenure the growth in rental housing demand is less than the growth in population. 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.
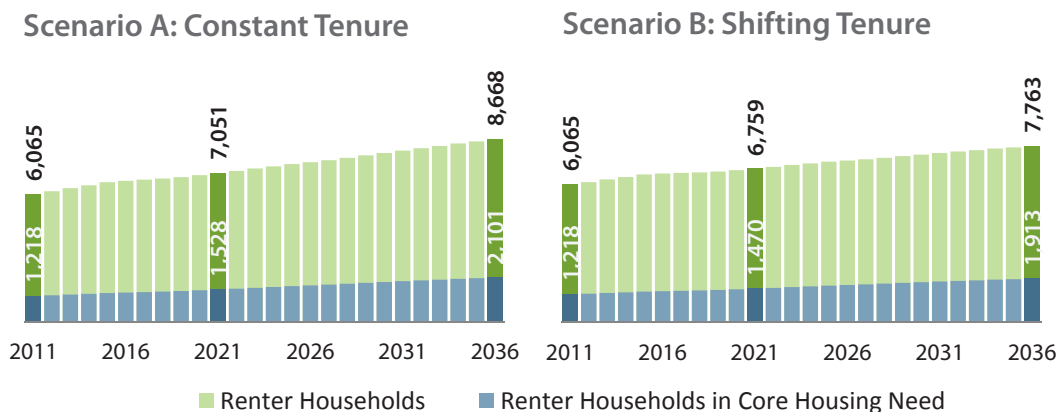
Scenario A: Constant Tenure

Scenario B: Shifting Tenure

■ Renter Households   ■ Renter Households in Core Housing Need

FIGURE 1

Rental Housing Demand and Core Housing Need (Peace River, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	6,065	1,218	6,065	1,218
2021	7,051	1,528	6,759	1,470
2036	8,668	2,101	7,763	1,913
Increase 2011-2036	2,603	883	1,698	695

TABLE 1

Rental Housing Demand and Core Housing Need (Peace River, 2011 to 2036)

context | **Demographic Drivers**

The projections for rental housing demand and renter households in core housing need in the Peace River Regional District partly reflect anticipated demographic change in the District. The population is projected to increase by 34%, from 61,296 in 2011 to 82,287 in 2036.

Between 1986 and 2006 the population grew by 5,022 people, fluctuating between a 1.7% annual decline and a 4.7% annual increase. Recent growth has averaged around 0.5% annually and is projected to grow to 0.9% in 2036.

Based on 2006 Census data (the most recent available), Peace River's population is younger than the provincial population. In 2006, the median age in Peace River was 34.2 versus 40.8 years provincially. Figure 3 shows that by 2036 there will be growth in all age groups, most significantly among those aged 70 and over.

Rental maintainer rates in Peace River are highest among those aged 20 to 34. The rates then steadily decline before rising again among seniors. An aging population will account for much of the growth in rental housing demand in Peace River.

By 2036 there will be significant growth in all age groups.

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**

Population: 53,990 · 54,858 · 58,769 · 56,159 · 59,012 · 61,296 · 70,785 · 82,287

Annual Growth Rate: 4.5% · 2.0% · 2.8% · -1.6% · -1.7% · 4.7% · 0.6% · 1.2% · 0.9%

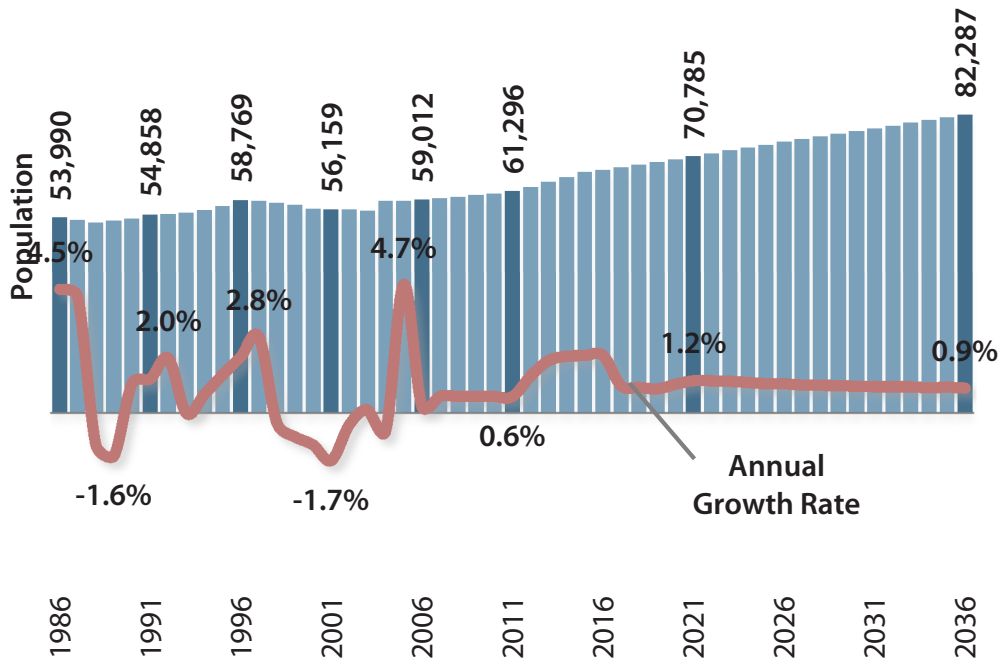1986 · 1991 · 1996 · 2001 · 2006 · 2011 · 2016 · 2021 · 2026 · 2031 · 2036

FIGURE 2

Total Population Change (Peace River, 1986 to 2036)

Population will grow over the next 25 years, while the annual growth rate will remain fairly constant over the same period.

TABLE 2

Population Change (Peace River, 2011 to 2036)

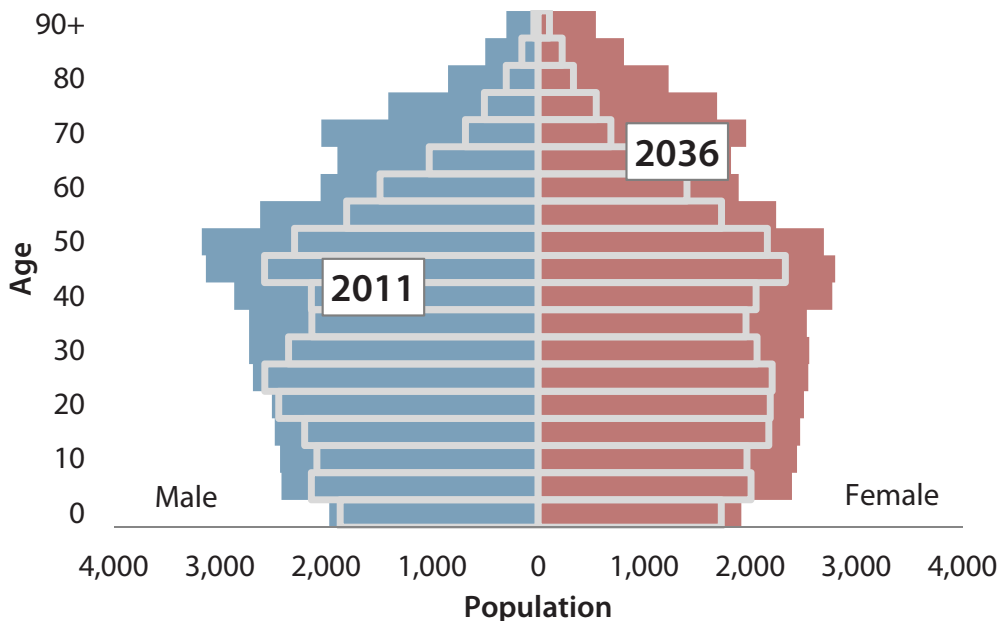Peace River will experience an average annual growth rate of 1.2% over the next 25 years.

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Peace River	61,296	70,785	82,287	1.4%	1.0%	1.2%

FIGURE 3

Regional Age Profile (Peace River, 2011 and 2036)

Over the next 25 years Peace River will see growth across all age groups.

projections | **Rental Housing Demand**

Rental housing demand in Peace River is projected to increase by 28% to 43% over the next 25 years through two different scenarios, compared to population growth of 34% over the same period.

Figure 4 shows that rental housing demand declined from 1996 to 2006, reflecting demographic changes. The decline in rental housing demand was caused by 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 will increase for all age groups. The most significant growth will be for seniors, whose 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 43% from 6,065 households in 2011 to 8,668 households in 2036.[1] This translates to an average annual increase in rental housing demand of 104 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 Peace River and is consistent across most 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 is still projected to increase by 28%, from 6,065 households in 2011 to 7,763 households by 2036. This slower growth translates into an average annual increase of 68 rental households between 2011 and 2036.

Rental housing demand is projected to increase by 1,698 to 2,603 households over the next 25 years.

	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	6,065	7,051	8,668	986	1,617	2,603	99	108	104
Scenario B: Shifting Tenure	6,065	6,759	7,763	694	1,004	1,698	69	67	68

TABLE 3

Rental Housing Demand (Peace River, 2011 to 2036)

Rental housing demand is projected to increase by 68 to 104 households annually 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.
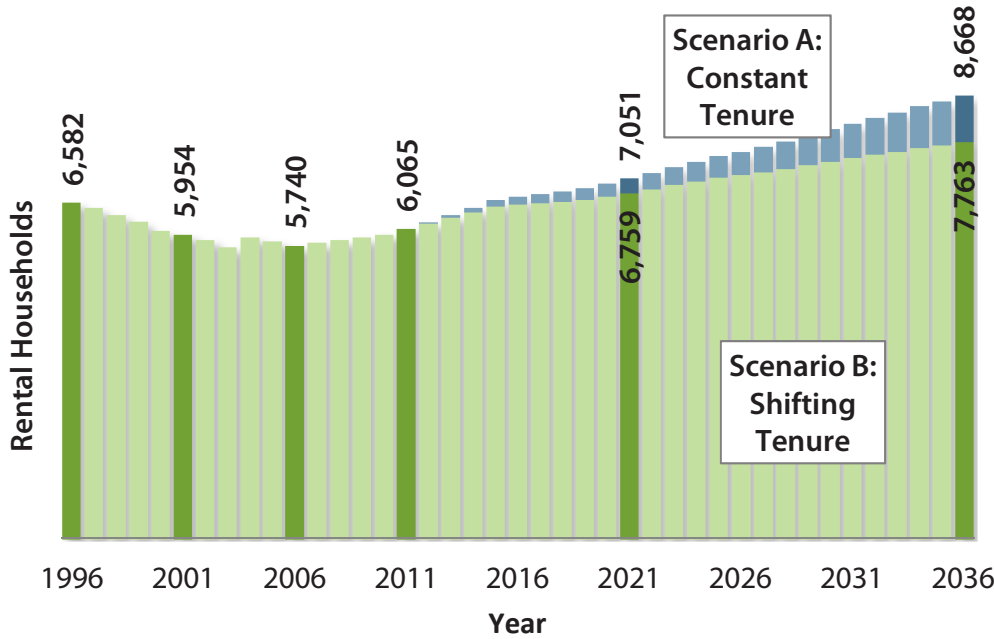
projections | **Rental Housing Demand**

FIGURE 4

Rental Housing Demand (Peace River, 1996 to 2036)

Both scenarios project growth in rental housing demand, with Scenario A envisioning greater growth over the next 25 years.
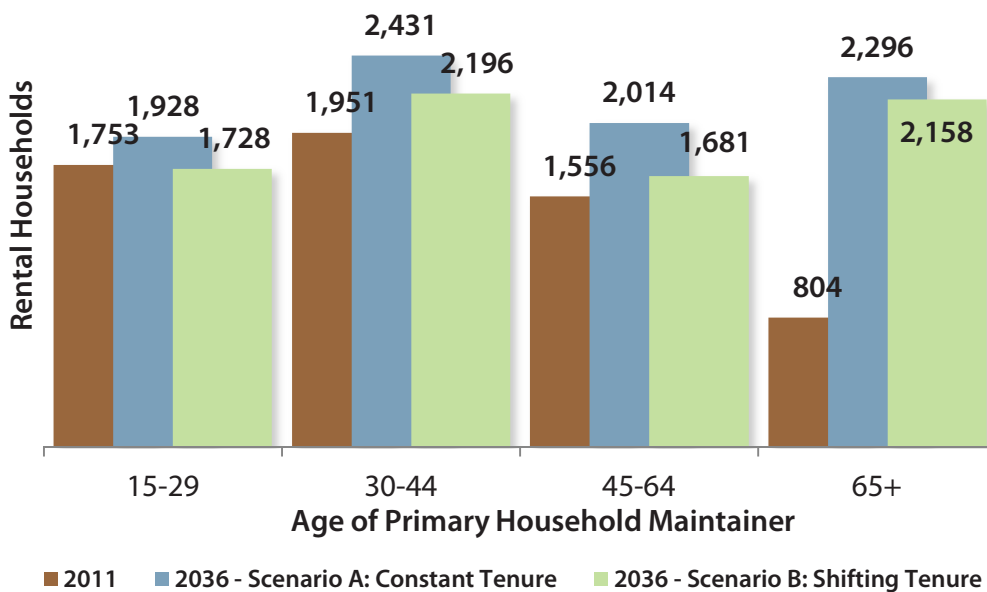
Chart labels: 6,582 · 5,954 · 5,740 · 6,065 · 7,051 · 6,759 · 8,668 · 7,763

Scenario A: Constant Tenure

Scenario B: Shifting Tenure

Y-axis: Rental Households
X-axis: Year — 1996, 2001, 2006, 2011, 2016, 2021, 2026, 2031, 2036

FIGURE 5

Rental Housing Demand by Age (Peace River, 2011, 2036)

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

Chart data:
- 15-29: 1,753 · 1,928 · 1,728
- 30-44: 1,951 · 2,431 · 2,196
- 45-64: 1,556 · 2,014 · 1,681
- 65+: 804 · 2,296 · 2,158

Y-axis: Rental Households
X-axis: Age of Primary Household Maintainer

Legend: ■ 2011 ■ 2036 - Scenario A: Constant Tenure ■ 2036 - Scenario B: Shifting Tenure

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 Peace River is projected to increase by 57% to 72% over the next 25 years, as seen in Table 4. This is dramatically higher than the projected population increase of 34%.

Figure 6 shows that the number of renter households in core housing need declined in Peace River 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 1,218 renter households in Peace River were in core housing need in 2011.[2]

Figure 7 depicts the age-specific breakdown of renter households in core housing need. It shows that the number of senior households in core housing need is projected to nearly triple by 2036 . Due to the aging of the population, almost all of the increase in core housing need will be among senior households.

Scenario A: Constant Tenure
Scenario A reveals a total increase of 883 renter households in core need, from 1,218 households in 2011 to 2,101 households by 2036, an increase of 72%. This is an average annual increase of 35 households.

Scenario B: Shifting Tenure
Scenario B reveals a smaller overall increase of 695 renter households. The annual increase in renter households in core housing need is projected to be 28 over the next 25 years. The total number of renter households in core need is projected to be 1,913 households in 2036, an increase of 57%.

Core housing need among renters is projected to increase by 695 to 883 households over the next 25 years.

	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	1,218	1,528	2,101	310	573	883	31	38	35
Scenario B: Shifting Tenure	1,218	1,470	1,913	252	443	695	25	30	28

TABLE 4

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

Rental households in core housing need are projected to increase by 28 to 35 households annually 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.
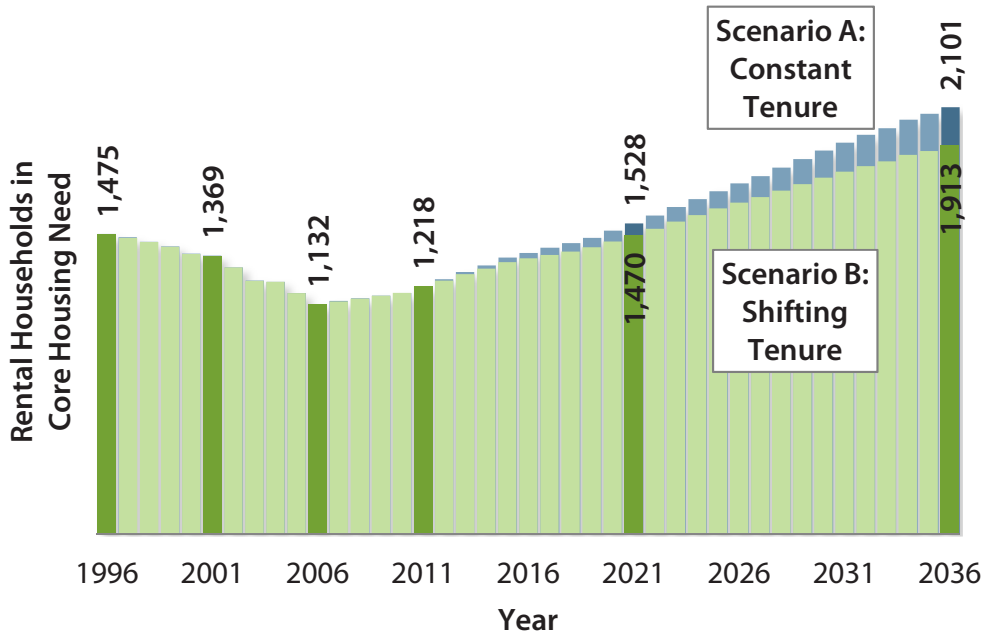
projections | Core Housing Need

FIGURE 6

**Core Housing Need
(Peace River,
1996 to 2036)**

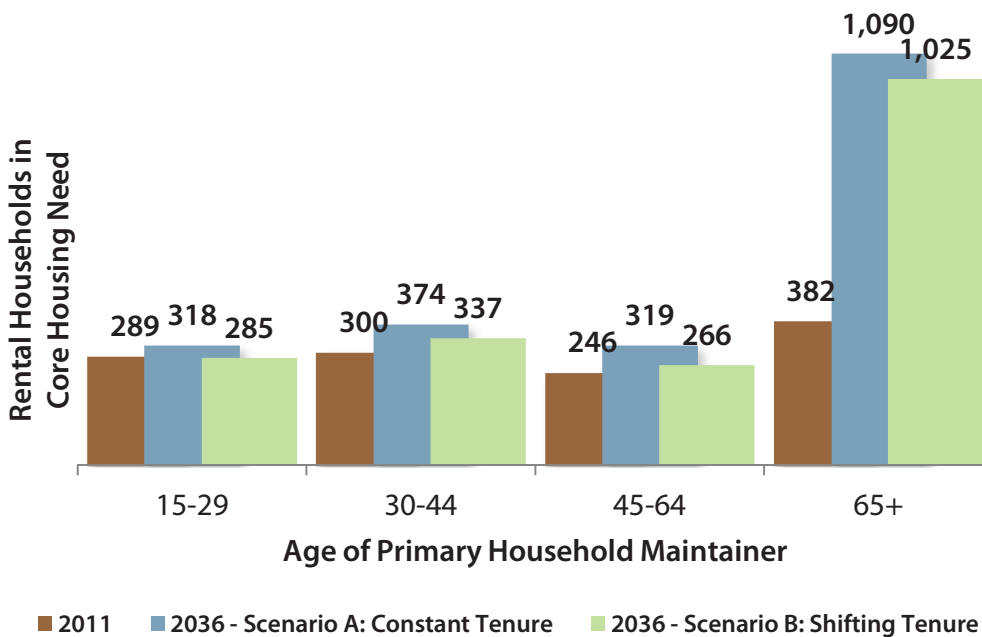Both scenarios project a dramatic increase in the number of renter households in core housing need.

FIGURE 7

**Renter Households
in Core Housing
Need by Age
(Peace River,
2011, 2036)**

There will be a dramatic increase in senior households in core housing need by 2036.

Legend: ■ 2011 ■ 2036 - Scenario A: Constant Tenure ■ 2036 - Scenario B: Shifting Tenure

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 asumptions 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 Peace River. 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.bcpnha.ca.

Projections created with technical support from Urban Futures.

Contact BCNPHA Research Department for more information: jill@bcnpha.ca.
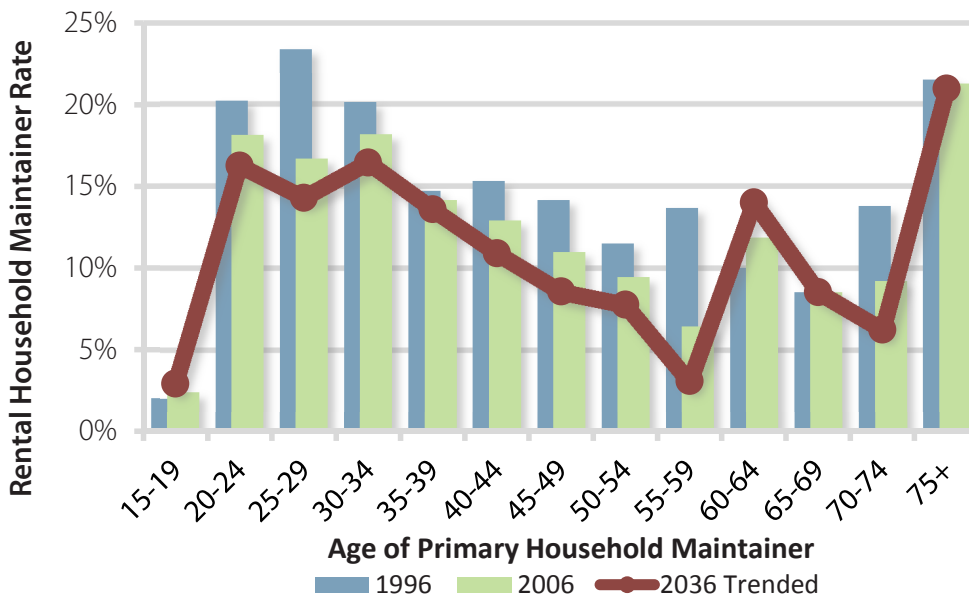
methods | **Our Model**

FIGURE 8

Rental Household Maintainer Rates (Peace River, 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.)
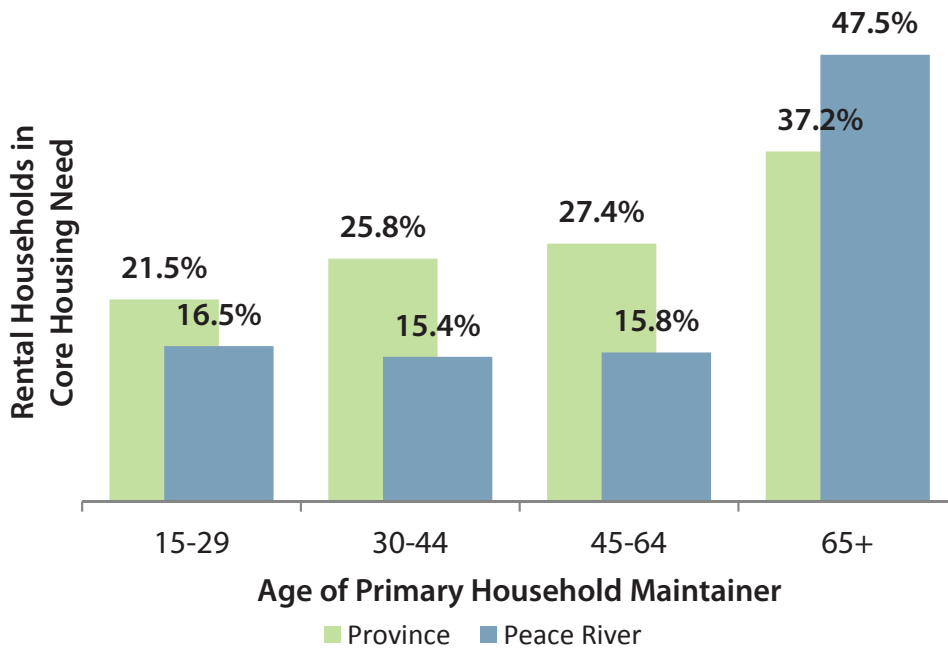

FIGURE 9

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

In Peace River 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	12,669	14,337	14,659	1.2%	0.1%	0.6%
15-29	13,752	12,872	15,337	-0.7%	1.2%	0.4%
30-44	12,864	16,516	16,141	2.5%	-0.2%	0.9%
45-64	16,095	17,392	20,907	0.8%	1.2%	1.1%
65+	5,816	9,668	15,243	5.2%	3.1%	3.9%
All Ages	61,196	70,785	82,287	1.5%	1.0%	1.2%

TABLE 6

Population Projections by Age Group (Peace River, 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	6,065	7,051	8,668	986	1,617	2,603	99	108	104
	Scenario B: Shifting Tenure	6,065	6,759	7,763	694	1,004	1,698	69	67	68
Ownership	Scenario A: Constant Tenure	17,932	22,053	26,818	4,121	4,765	8,886	412	318	355
	Scenario B: Shifting Tenure	17,932	22,344	27,723	4,412	5,379	6,791	441	359	272
Total	Both Scenarios	23,997	29,104	35,486	5,107	6,382	11,489	511	425	460

TABLE 7

Household Projections (Peace River, 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	1,218	1,528	2,101	310	573	883	31	38	35
	Scenario B: Shifting Tenure	1,218	1,470	1,913	252	443	695	25	30	28
Ownership	Scenario A: Constant Tenure	1,054	1,364	1,741	311	377	688	31	25	28
	Scenario B: Shifting Tenure	1,054	1,381	1,793	327	413	740	33	28	30
Total	Scenario A: Constant Tenure	2,272	2,892	3,842	620	950	1,570	62	63	63
	Scenario B: Shifting Tenure	2,272	2,851	3,707	579	856	1,435	58	57	57

TABLE 8

Households in Core Housing Need Projections (Peace River, 2011 to 2036)