



Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

**NORTHERN ROCKIES REGIONAL
MUNICIPALITY TO 2036**

SEPTEMBER 2012



BCNPHA

BC Non-Profit Housing Association

www.bcnpha.ca

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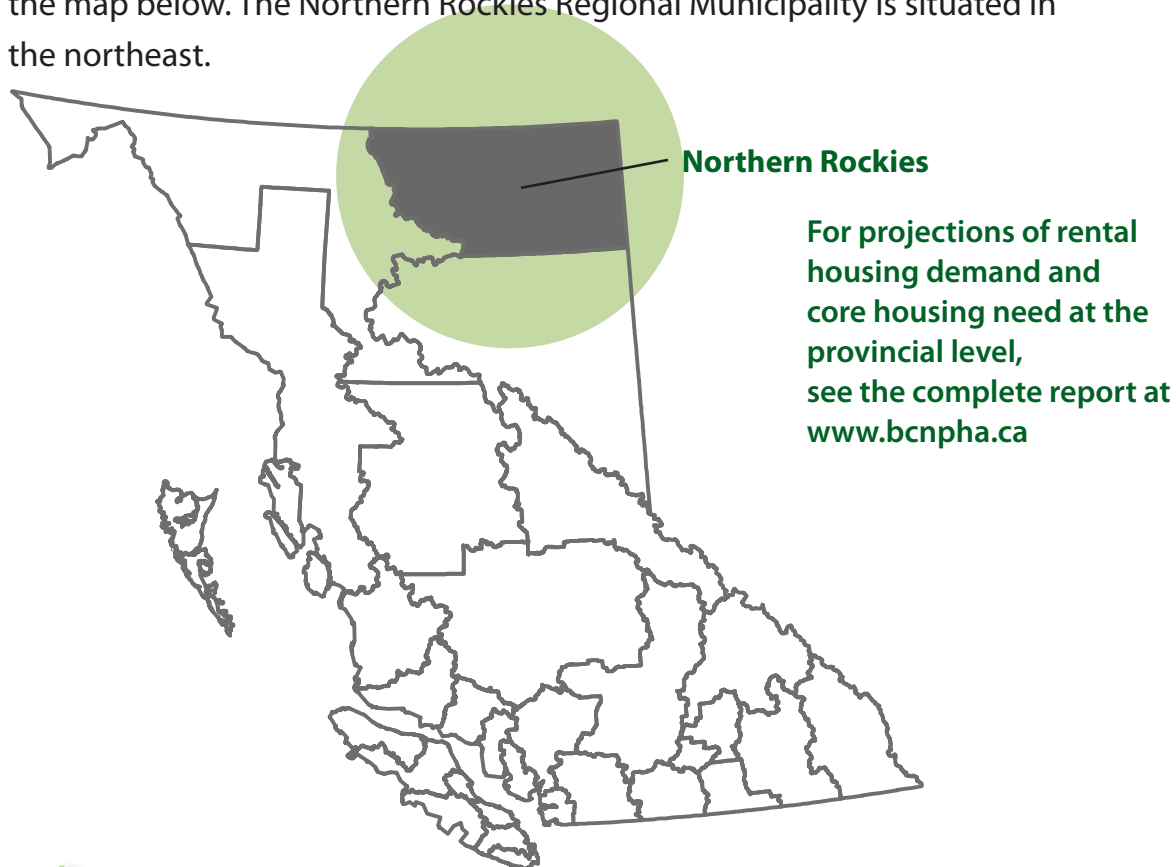
A vision for sustainable housing in communities across British Columbia

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 Northern Rockies Regional Municipality is situated in the northeast.



highlights

Two demographically driven scenarios were built to project rental housing demand among renter households to 2036. These scenarios are illustrations of what might occur under certain conditions. Because data reliability is compromised with small population numbers, projections of core housing need among renters were not built for Northern Rockies.

Scenario A: Constant Tenure considers how rental housing demand will change if tenure patterns stay constant and age-specific rental 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 Northern Rockies. Rental housing demand is estimated to range between 671 and 891 households in 2036, an increase of 108 to 328 households , as seen in Table 1 below.

In Scenario A: Constant Tenure, rental housing demand grows strongly relative to 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.

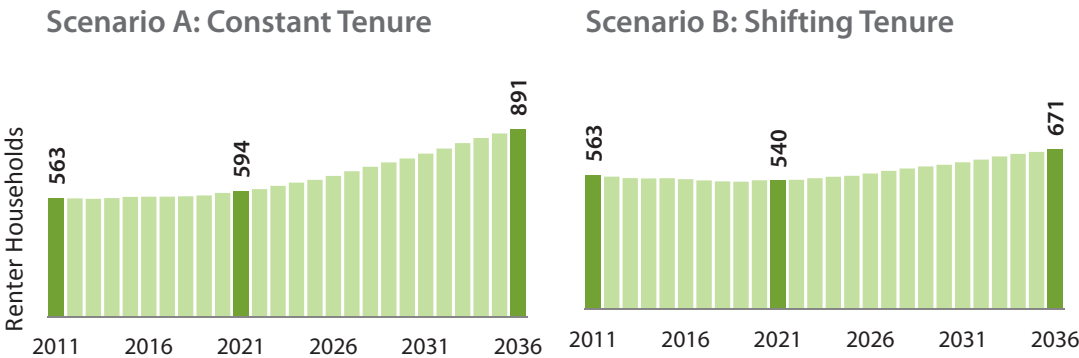


FIGURE 1
Rental Housing Demand (Northern Rockies, 2011 to 2036)

Year	Scenario A: Constant Tenure	Scenario B: Shifting Tenure
	Rental Demand	Rental Demand
2011	563	563
2021	594	540
2036	891	671
Increase 2011-2036	328	108

TABLE 1
Rental Housing Demand (Northern Rockies, 2011 to 2036)



context

Demographic Drivers

The projections for rental housing demand in the Northern Rockies Regional Municipality partly reflect anticipated demographic change in the region. The population is projected to increase by 30%, from 5,712 in 2011 to 7,418 in 2036, as seen in Figure 2.

Between 1986 and 2006 the population grew by 926 people, fluctuating between a 4.0% annual decline and a 6.2% annual increase. Recent population change has averaged around -2.0% annually and is projected to grow to 2.4% in 2036.

Based on 2006 Census data (the most recent available), Northern Rockies has a relatively young population, with an median age of 31.4, compared to the provincial average of 40.8 years. Figure 3 shows that by 2036 the population will be significantly older. There will be strong growth in people aged 55 and over and a decline in those aged 40 to 49 and under 20.

Rental maintainer rates in Northern Rockies are highest among those aged 75 and over, followed closely by those aged 20-34. An aging population will account for much of the growth in rental housing demand in Northern Rockies.

By 2036 there will be significant growth in the population over 55, 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

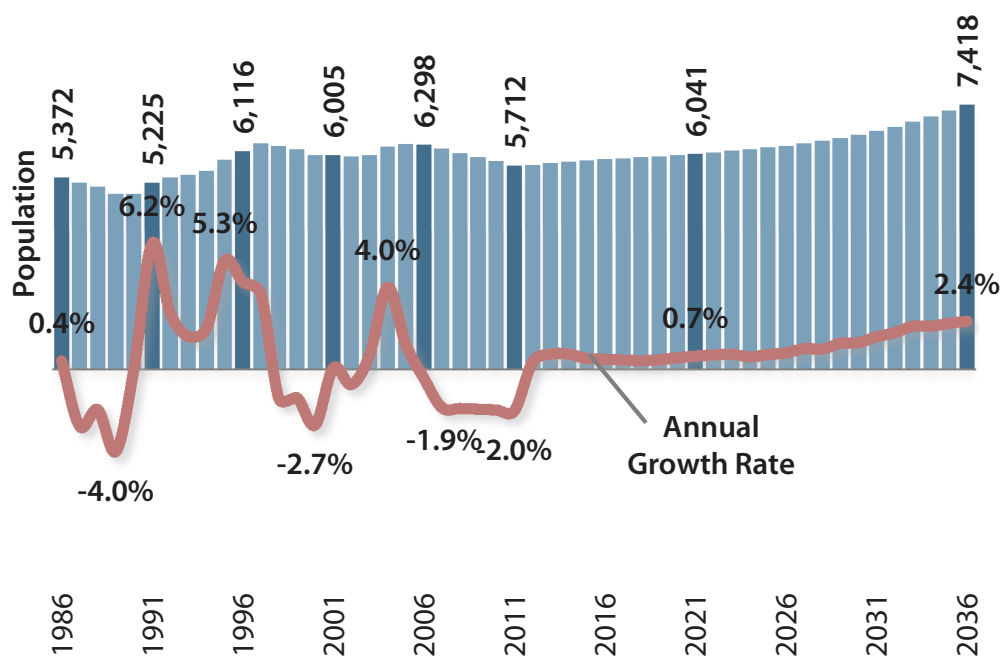


FIGURE 2

**Total Population Change
(Northern Rockies,
1986 to 2036)**

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

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Northern Rockies	5,712	6,041	7,418	0.6%	1.4%	1.1%

TABLE 2

**Population Change
(Northern Rockies, 2011
to 2036)**

Northern Rockies will experience an average annual growth rate of 1.1% over the next 25 years.

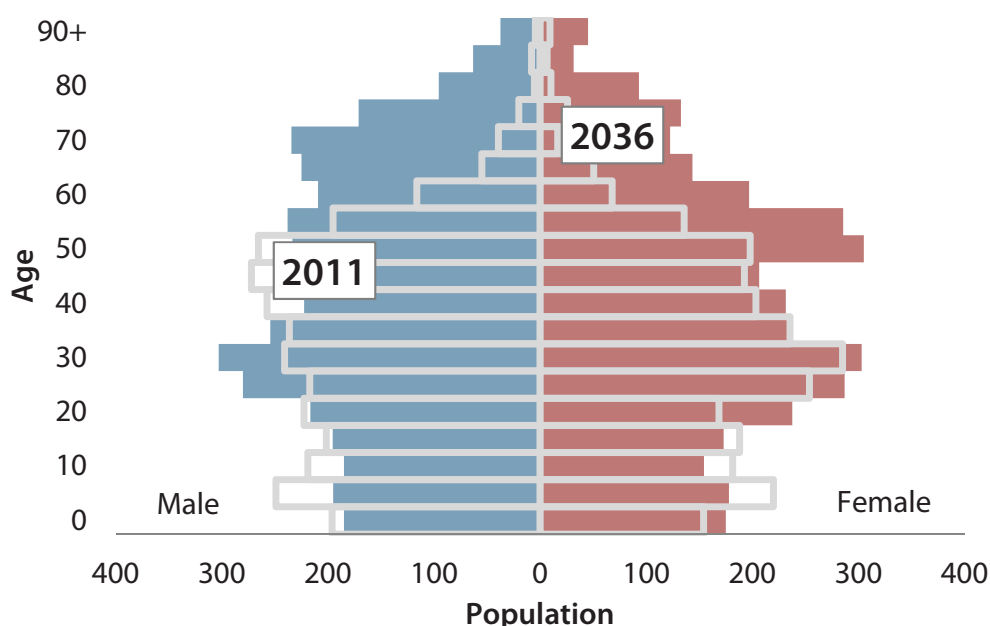


FIGURE 3

**Regional Age Profile
(Northern Rockies, 2011
and 2036)**

Over the next 25 years Northern Rockies will age considerably, with a large increase in those aged 55 and over.



projections

Rental Housing Demand

Rental housing demand in Northern Rockies is projected to increase by 19% to 58% over the next 25 years through two different scenarios, compared to a population growth of 30% over the same period.

Figure 4 shows that rental housing demand declined from 1996 to 2001 and from 2006 to 2011. This decline is a reflection of overall population decline and declines in rental housing maintainer rates during these periods.

Figure 5 depicts the age breakdown of household maintainers in 2011 and 2036, showing that most of the growth in rental demand will occur among senior households, where demand for rental housing rises dramatically into the future.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 58% from 563 households in 2011 to 891 households in 2036.¹ This translates to an average annual increase in rental housing demand of 13 households between 2011 and 2036.

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 Northern Rockies 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 will still increase from 563 households in 2011 to 671 households by 2036, a 19% increase. This slower growth translates into an average annual increase of 4 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	563	594	891	31	297	328	3	20	13
Scenario B: Shifting Tenure	563	540	671	-23	131	108	-2	9	4

Rental housing demand is projected to increase by 108 to 328 households over the next 25 years.

TABLE 3

Rental Housing Demand (Northern Rockies, 2011 to 2036)

Rental housing demand is projected to increase by 4 to 13 households annually over the next 25 years.

¹ All 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

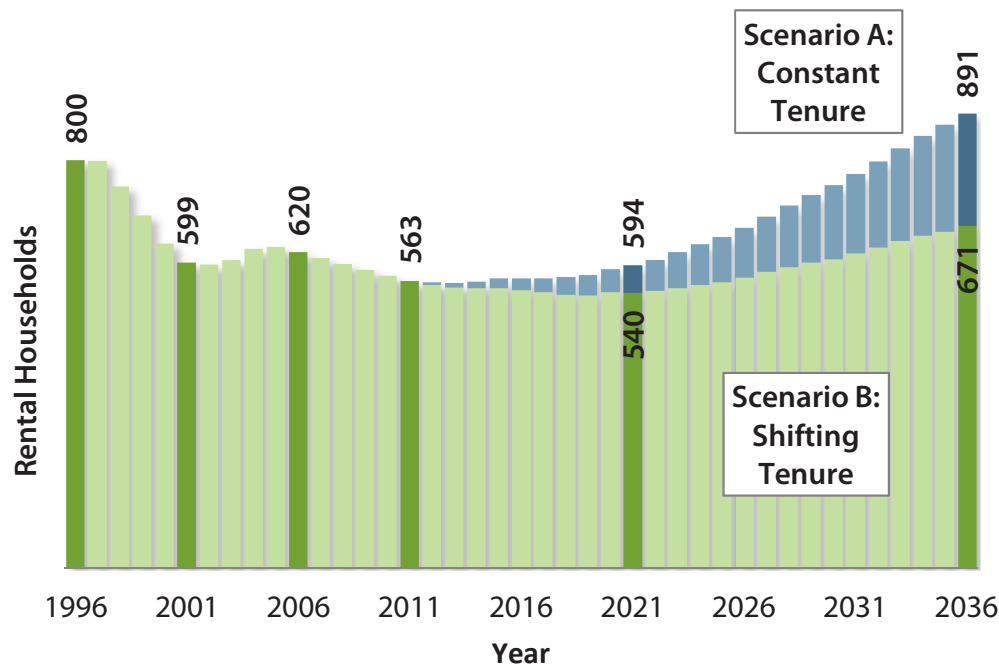


FIGURE 4

Rental Housing Demand
(Northern Rockies,
1996 to 2036)

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

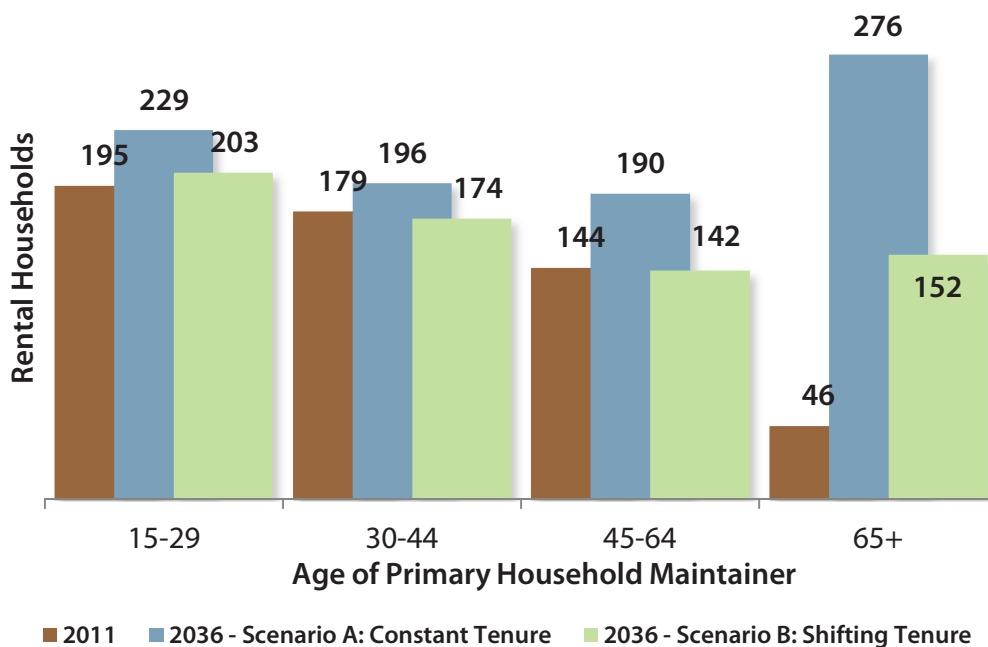


FIGURE 5

Rental Housing
Demand by Age
(Northern Rockies, 2011,
2036)

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



methods

Our Model

The projections for rental housing demand are the output of models built with particular assumptions, and are intended as illustrations of what might occur if certain trends continue. The results suggest the degree of growth to occur.

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 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 6 illustrates the historical rates in Northern Rockies. 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 rental housing demand holding the estimated 2011 rates constant over the projection period. Scenario B considered what would happen if trends in renter maintainer rates, visible in the different historic rates, continued through to 2036.

Due to the small numbers involved, and the automatic rounding of data released by CMHC, reliable data was not available to create projections of core housing need for the Northern Rockies.

Additional data tables are available in the appendix of this report.

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

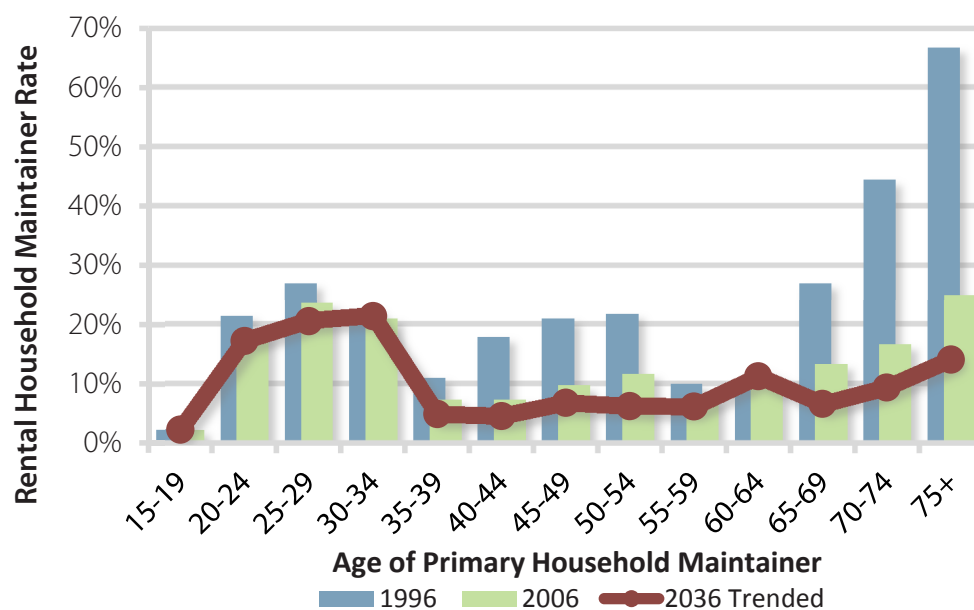


FIGURE 6

Rental Household Maintainer Rates (Northern Rockies, 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.)



appendix

Data

This appendix contains additional detailed projections generated by our model including population projections by age group, and renter and owner household 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	1,309	1,144	1,164	-1.3%	0.1%	-0.5%
15-29	1,251	1,107	1,389	-1.2%	1.5%	0.4%
30-44	1,458	1,355	1,549	-0.7%	0.9%	0.2%
45-64	1,443	1,793	1,921	2.2%	0.5%	1.2%
65+	251	642	1,395	9.8%	5.3%	7.1%
All Ages	5,712	6,041	7,418	0.6%	1.4%	1.1%

TABLE 4

Population Projections
by Age Group (Northern
Rockies, 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	563	594	891	31	297	328	3	20	13
	Scenario B: Shifting Tenure	563	540	671	-23	131	108	-2	9	4
Ownership	Scenario A: Constant Tenure	1,618	1,874	2,265	256	391	647	26	26	26
	Scenario B: Shifting Tenure	1,618	1,927	2,485	309	558	867	31	37	35
Total	Both Scenarios	2,181	2,467	3,156	286	689	975	29	46	39

TABLE 5

Household Projections
(Northern Rockies,
2011 to 2036)

