Our Home, Our Future:

Projections of Rental Housing Demand and Core Housing Need

REGIONAL DISTRICT OF BULKLEY-NECHAKO TO 2036
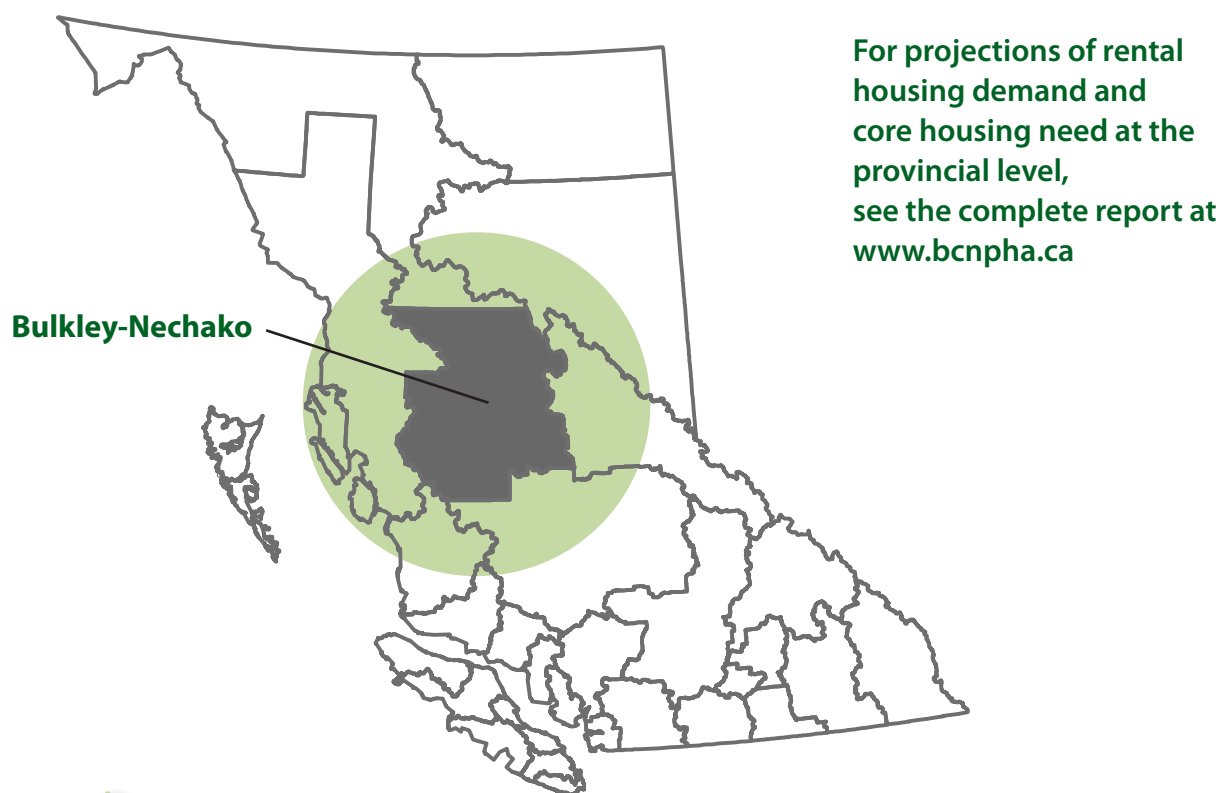
SEPTEMBER 2012

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 Regional District of Bulkley-Nechako is situated in the north central region.

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

Bulkley-Nechako

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 Bulkley-Nechako. Rental housing demand is estimated to range between 3,376 and 3,710 households in 2036, an increase of between 121 and 455 households, as seen in Table 1 below. Core housing need among renters is projected to range from 799 to 887 renter households by 2036, an increase of between 49 and 137 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 slightly 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.
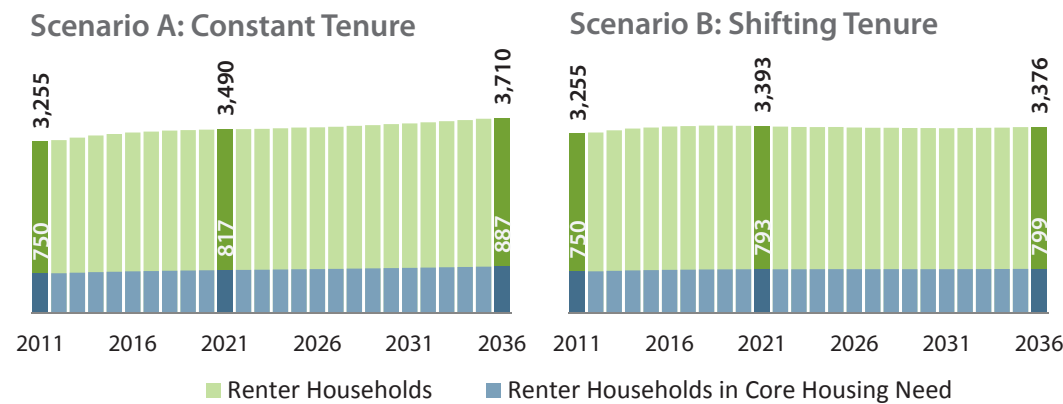

Scenario A: Constant Tenure — 3,255 (750), 3,490 (817), 3,710 (887); years 2011, 2016, 2021, 2026, 2031, 2036

Scenario B: Shifting Tenure — 3,255 (750), 3,393 (793), 3,376 (799); years 2011, 2016, 2021, 2026, 2031, 2036

■ Renter Households   ■ Renter Households in Core Housing Need

FIGURE 1

Rental Housing Demand and Core Housing Need (Bulkley-Nechako, 2011 to 2036)

Year	Scenario A: Constant Tenure		Scenario B: Shifting Tenure	
	Rental Demand	Core Need	Rental Demand	Core Need
2011	3,255	750	3,255	750
2021	3,490	817	3,393	793
2036	3,710	887	3,376	799
Increase 2011-2036	455	137	121	49

TABLE 1

Rental Housing Demand and Core Housing Need (Bulkley-Nechako, 2011 to 2036)

context | **Demographic Drivers**

The projections for rental housing demand and renter households in core housing need in the Regional District of Bulkley-Nechako partly reflect anticipated demographic change in the District. The population is projected to increase by 6%, from 39,850 in 2011 to 42,061 in 2036.

Between 1986 and 2006 the population grew by 78 people, fluctuating between a 2.3% annual decline and a 2.9% annual increase. Recent growth has averaged around 0.5% annually and is projected to slow to 0.1% in 2036.

Based on 2006 Census data (the most recent available) Bulkley-Nechako's population is younger than the provincial population. In 2006, the median age in Bulkley-Nechako was 37.4 versus 40.8 years provincially. Figure 3 shows that there will be a significant decrease in people under 25 years and among 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.

Rental maintainer rates in Bulkley-Nechako are highest among those aged 25-29. The rates then decline before rising again among seniors. An aging population will account for much of the growth in rental housing demand in Bulkley-Nechako.

By 2036 there will be significant growth in the population over 65, while many 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)
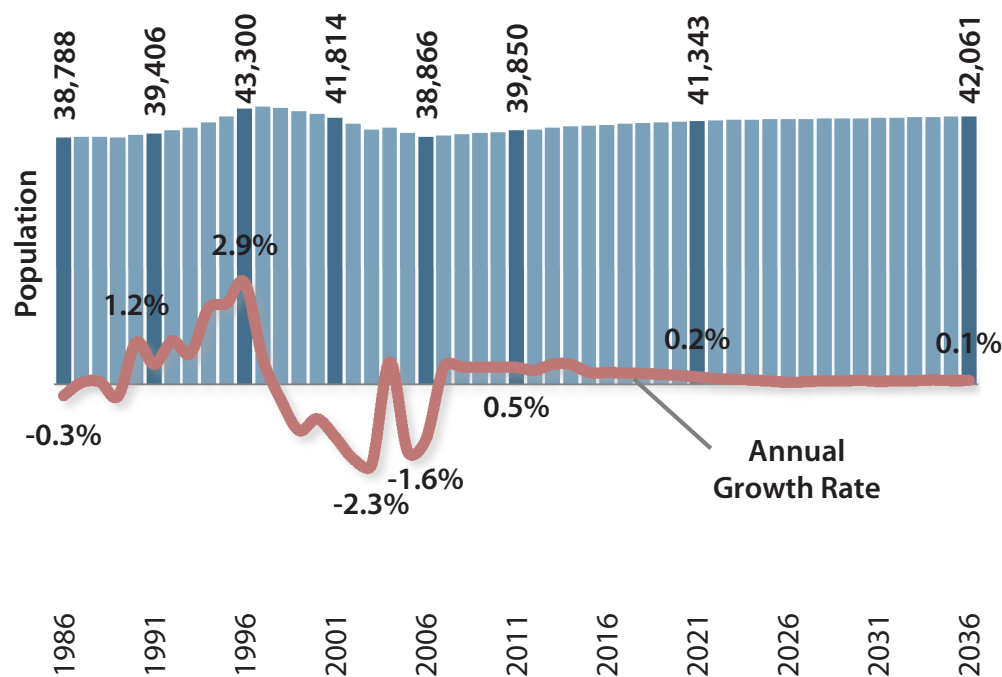
context Demographic Drivers

Population (values, left to right): 38,788 | 39,406 | 43,300 | 41,814 | 38,866 | 39,850 | 41,343 | 42,061

Annual growth rate labels: -0.3%, 1.2%, 2.9%, -2.3%, -1.6%, 0.5%, 0.2%, 0.1%

Annual Growth Rate

Years (x-axis): 1986 | 1991 | 1996 | 2001 | 2006 | 2011 | 2016 | 2021 | 2026 | 2031 | 2036

FIGURE 2

Total Population Change (Bulkley-Nechako, 1986 to 2036)

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

TABLE 2

	Total Population			Avg Annual Growth		
	2011	2021	2036	2011-2021	2021-2036	2011-2036
Bulkley-Nechako	39,850	41,343	42,061	0.4%	0.1%	0.2%

Population Change (Bulkley-Nechako, 2011 to 2036)

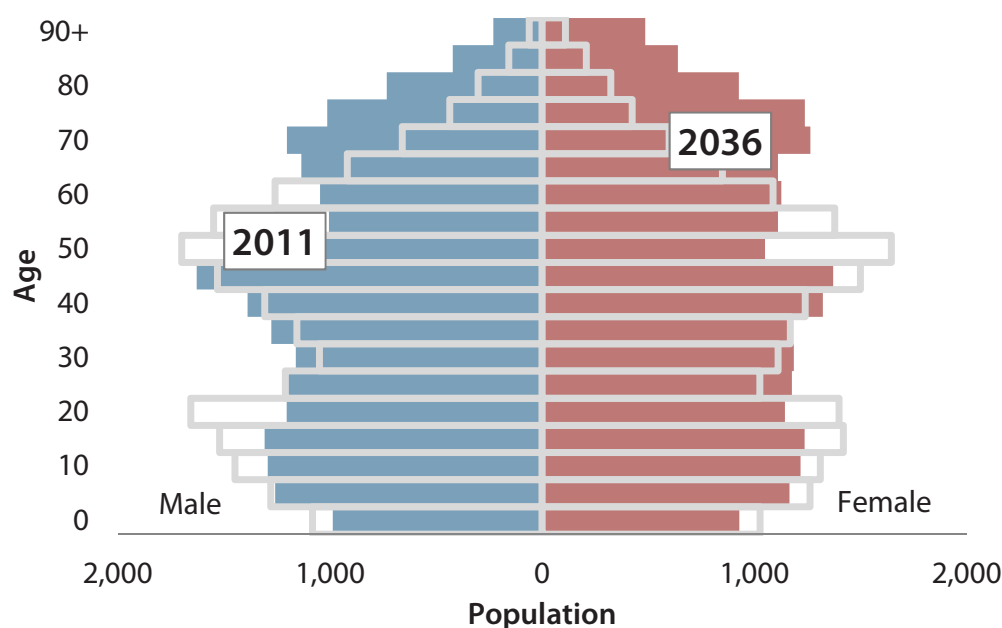Bulkley-Nechako will experience an average annual growth rate of 0.2% over the next 25 years.

FIGURE 3

Age (y-axis): 90+, 80, 70, 60, 50, 40, 30, 20, 10, 0

2011 | 2036

Male | Female

Population (x-axis): 2,000 | 1,000 | 0 | 1,000 | 2,000

Regional Age Profile (Bulkley-Nechako, 2011 and 2036)

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

projections | **Rental Housing Demand**

Rental housing demand in Bulkley-Nechako is projected to increase by 4% to 14% over the next 25 years through two different scenarios, compared to an overall population increase of 6% 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 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, while younger age groups remain stable or decline.

Scenario A: Constant Tenure

As seen in Table 3 below, rental housing demand is projected to increase by 14% from 3,255 households in 2011 to 3,710 households in 2036 when tenure patterns are held constant.[1] This translates to an average annual increase in rental housing demand of 18 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 Bulkley-Nechako 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 3,255 households in 2011 to 3,376 households by 2036, an increase of 4%. This slower growth translates into an average annual increase of 5 renter household between 2011 and 2036.

Rental housing demand is projected to increase by 138 to 235 households over the next 10 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	3,255	3,490	3,710	235	220	455	24	15	18
Scenario B: Shifting Tenure	3,255	3,393	3,376	138	-17	121	14	-1	5

TABLE 3

Rental Housing Demand (Bulkley-Nechako, 2011 to 2036)

Rental housing demand is projected to increase by 14 to 24 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.
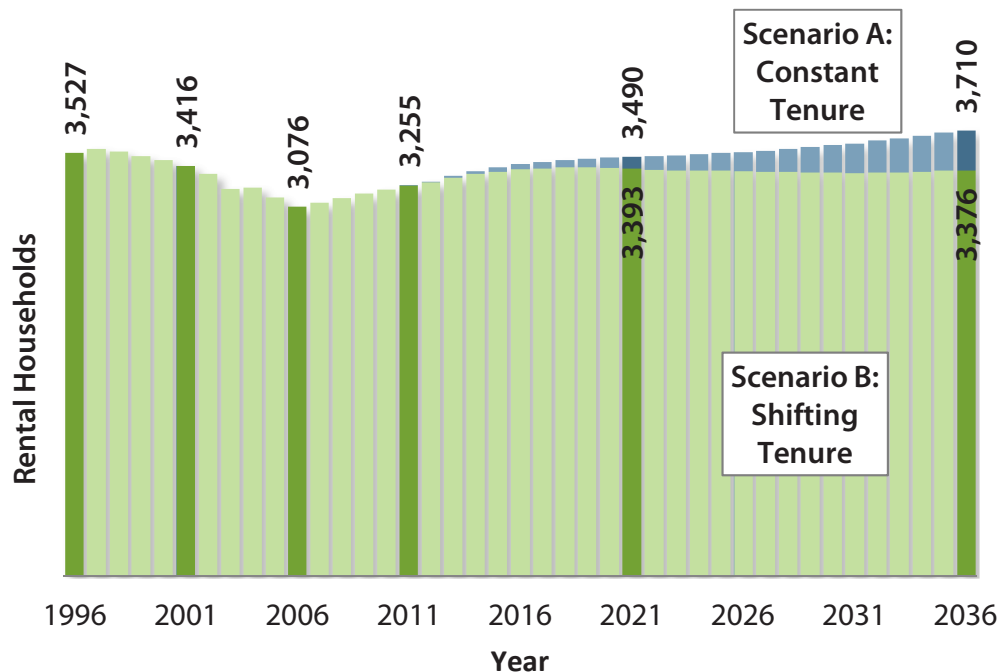
projections | Rental Housing Demand

Scenario A: Constant Tenure

Scenario B: Shifting Tenure

3,527   3,416   3,076   3,255   3,490   3,710

3,393   3,376

Rental Households

1996   2001   2006   2011   2016   2021   2026   2031   2036

Year

FIGURE 4

Rental Housing Demand (Bulkley-Nechako, 1996 to 2036)

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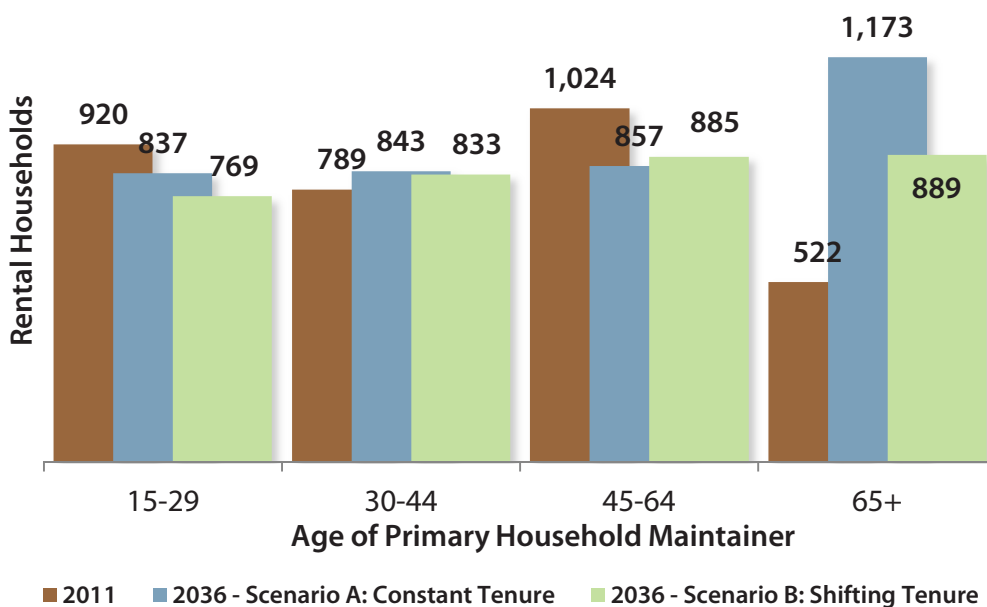

Rental Households

920   837   769   789   843   833   1,024   857   885   522   1,173   889

15-29   30-44   45-64   65+

Age of Primary Household Maintainer

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

FIGURE 5

Rental Housing Demand by Age (Bulkley-Nechako, 2011, 2036)

By 2036 both scenarios project a large increase in demand for rental housing by seniors, and decline or little growth among younger age groups.

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 Bulkley-Nechako is projected to increase by 7% to 18% over the next 25 years, as seen in Table 4.

Figure 6 shows that the number of renter households in core housing need declined in Bulkley-Nechako between 1996 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 750 renter households in Bulkley-Nechako 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, while other age groups will grow slowly or decline.

Scenario A: Constant Tenure

Scenario A reveals a total increase of 137 renter households in core need, from 750 households in 2011 to 887 households by 2036, an increase of 18%. This is an average annual increase of 5 households.

Scenario B: Shifting Tenure

Scenario B reveals a smaller overall increase of 49 households in core housing need by 2036. The annual increase in renter households in core housing need is projected to be 2 households over the next 25 years, for a total of 799 households in 2036 and an increase of 7%.

Core housing need among renters is projected to increase by 43 to 67 households over the next 10 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	750	817	887	67	70	137	7	5	5
Scenario B: Shifting Tenure	750	793	799	43	6	49	4	0	2

TABLE 4

Renter Households in Core Housing Need (Bulkley-Nechako, 2011 to 2036)

Core housing need is projected to increase by 4 to 7 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.
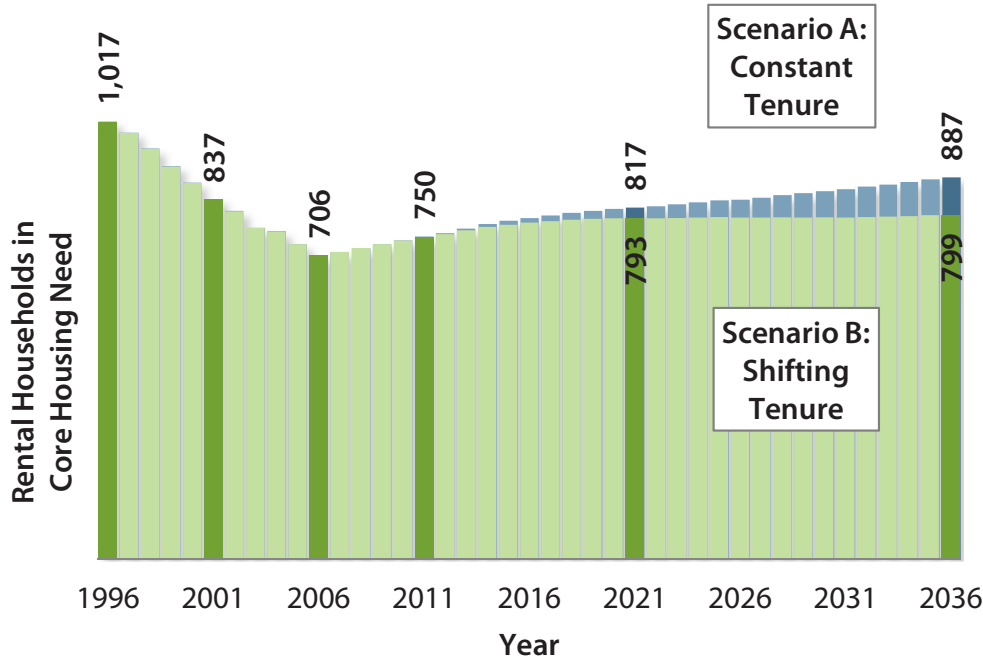
projections | Core Housing Need

FIGURE 6

Core Housing Need (Bulkley-Nechako, 1996 to 2036)

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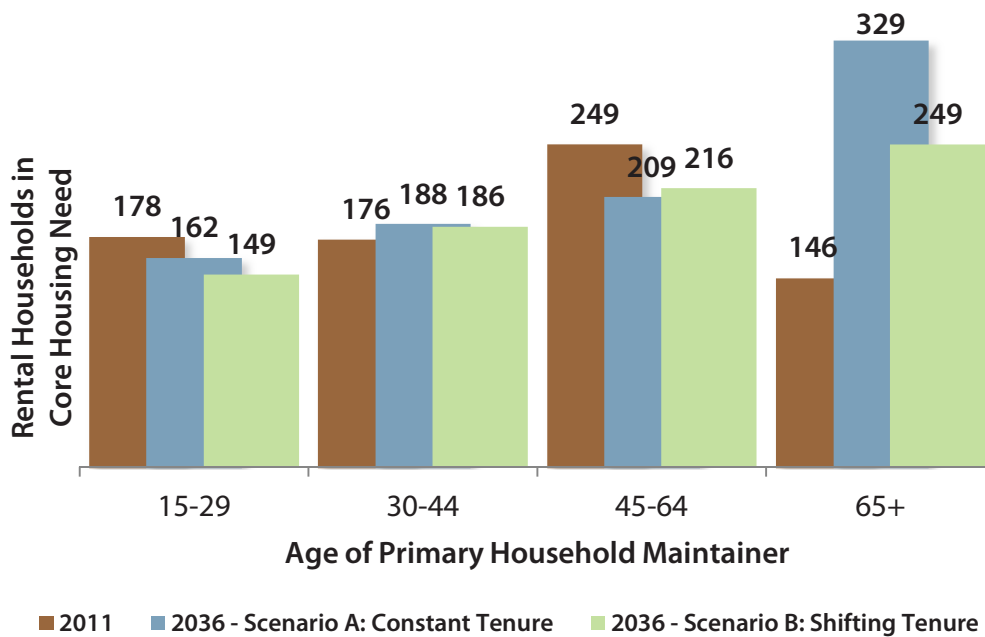

FIGURE 7

Renter Households in Core Housing Need by Age (Bulkley-Nechako, 2011, 2036)

There will be a large 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 Bulkley-Nechako. 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 renter household 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.
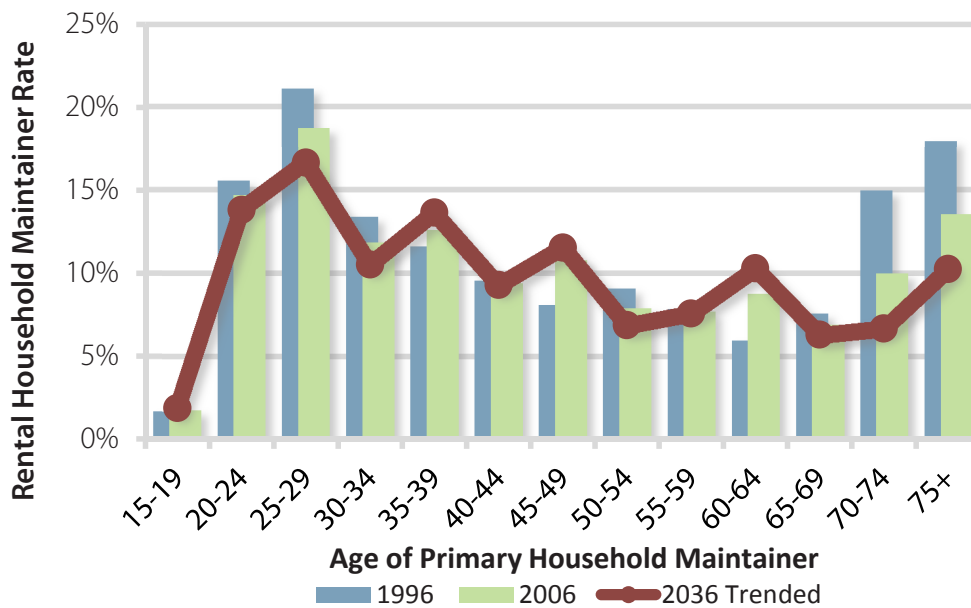
methods | **Our Model**

FIGURE 8

Rental Household Maintainer Rates (Bulkley-Nechako, 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.)
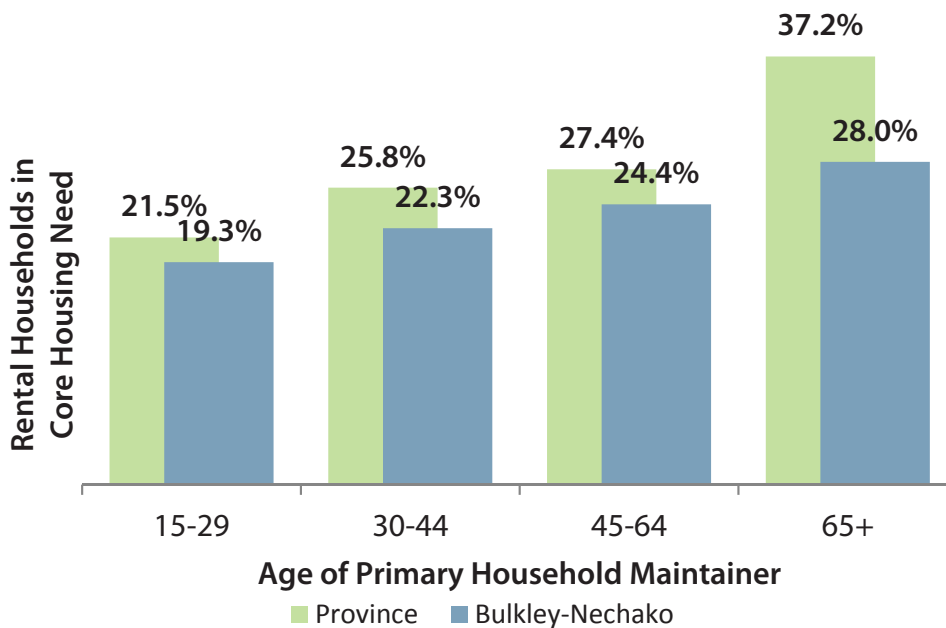

FIGURE 9

Share of Renter Households in Core Housing Need (BC and Bulkley-Nechako, 2011)

In Bulkley-Nechako, proportionally fewer renter households are in core housing need than in the province as a whole.

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	7,901	7,780	7,332	-0.2%	-0.4%	-0.3%
15-29	8,227	7,421	7,274	-1.0%	-0.1%	-0.5%
30-44	7,033	7,461	7,510	0.6%	0.0%	0.3%
45-64	11,646	10,996	9,547	-0.6%	-0.9%	-0.8%
65+	5,043	7,685	10,398	4.3%	2.0%	2.9%
All Ages	39,850	41,343	42,061	0.4%	0.1%	0.2%

TABLE 6

Population Projections by Age Group (Bulkley-Nechako, 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	3,255	3,490	3,710	235	220	455	24	15	18
	Scenario B: Shifting Tenure	3,255	3,393	3,376	138	-17	121	14	-1	5
Ownership	Scenario A: Constant Tenure	11,926	13,207	13,890	1,281	683	1,964	128	46	79
	Scenario B: Shifting Tenure	11,926	13,304	14,224	1,378	920	2,298	138	61	92
Total	Both Scenarios	15,182	16,697	17,600	1,516	902	2,419	152	60	97

TABLE 7

Household Projections (Bulkley-Nechako, 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	750	817	887	67	70	137	7	5	5
	Scenario B: Shifting Tenure	750	793	799	43	6	49	4	0	2
Ownership	Scenario A: Constant Tenure	751	892	1,004	141	112	253	14	7	10
	Scenario B: Shifting Tenure	751	901	1,037	150	136	286	15	9	11
Total	Scenario A: Constant Tenure	1,501	1,709	1,891	208	182	390	21	12	16
	Scenario B: Shifting Tenure	1,501	1,694	1,836	193	142	335	19	9	13

TABLE 8

Households in Core Housing Need Projections (Bulkley-Nechako, 2011 to 2036)