

NORTHERN BC HOUSING STUDY

OVERVIEW

October 2016



The Northern BC Housing Study was conducted help understand the key trends, opportunities, and challenges influencing housing demand and supply in Northern BC. The study looked at ten communities, focusing on data related to population, household composition, the housing stock, and the housing market. The findings are presented in a series of community specific research reports. This overview highlights the findings that emerged across all of the communities studied.

FINDINGS

Demographics

- Population growth will continue to be volatile and highly dependent on the state of the resource sector. Given that population projections extrapolate from current trends, these forecasts are subject to significant change. Over the coming decades, communities will have to continue to prepare to adapt to long-term population shifts as well as potential short-term periods of rapid population increases and decreases. While there was wide variation in population growth projections, the average for the ten communities involved in the study is 10.2%.
- The seniors population in Northern BC will increase significantly over the next two decades. In four of the ten communities, Prince Rupert, Kitimat, Smithers, and Fort St. John the seniors population, people 65 years and older, will essentially double by 2036.
- As the current workforce retires, a new generation of younger workers can be expected to fill these vacant positions. Some communities are already beginning to see signs of this trend. By 2036, all of the communities involved in the study will experience some growth in the working age/family formation cohorts of the population.

Households

- There is a significant shift taking place in household size in Northern BC; smaller households are becoming more prevalent, and larger households less so. The increase in one and two-person households can be accounted for, in part, by the growing number of “empty nest” seniors and people in the family formation years who are delaying having children. The decrease in households with four or more people can be attributed, in part, to couples having smaller families. 100 Mile House is the community with the highest percentage of one and two-person households (73.4%). Fort St. John has the highest percentage of four or more person households (25%). Attending to household size as a key factor driving housing demand can help inform the development of new housing and the resale and renovation of existing housing.

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- In Northern BC, housing affordability is a key issue, particularly in light of the impact economic boom and bust cycles have on the cost of housing. Households are deemed to have affordability challenges when they pay more than 30% of their income for housing. Renters are more likely to have affordability challenges. In the communities studied, between 33.5% (Kitimat) and 45.3% (Terrace) of renters were spending more than 30% of their income on housing. For homeowners, the range was 10.2% (Smithers) to 17.5% (Fort St. John).

Housing Stock

- The age of the housing stock in Northern BC is a significant issue. The majority of housing stock in the communities studied was over 35 years old, having been built in or before 1980. Kitimat has the highest prevalence of housing built in the pre-1980 era (80.8%), while Smithers had the lowest (49.2%).
- Looking at the sizes of homes in Northern BC reveals a mismatch between housing stock and household size. The study found the most significant example in Kitimat where 68% of households have one or two people, while only 19% of stock had one or two bedrooms. On the other end of the spectrum, 18% of households have four or more people while 38% of the stock had four or more bedrooms.
- New housing is relatively scarce in Northern BC. In Fort St. John, 10.5% of the housing was built between 2006 and 2011; in Prince Rupert, only 1% of the housing was built during these years.
- In the communities studied, between 5% and 15% of homes required major repairs. Prince Rupert was the community with the greatest percentage of homes falling into this category, while Smithers was the community with the lowest percentage.

Housing Market

- The study found that average rents in Northern BC are comparable to communities in the rest of the province. The community in Northern BC with the highest average rent is Fort St. John at \$1,031, while the community with the lowest average rent is Quesnel at \$610. This compares with Kelowna at \$879, Parksville at \$756, and Vancouver at \$1,090.
- The average selling price for a home ranged from \$212,301 in Quesnel to \$405,421 in Fort St. John. The average house price fluctuates quickly in response to economic change. For example, between 2011 and 2016, the average price of a single-family home in Kitimat rose by 91%. Prices peaked in 2014 at \$319,660 before tapering off in 2015-2016 to slightly under \$300,000.

CONCLUSION

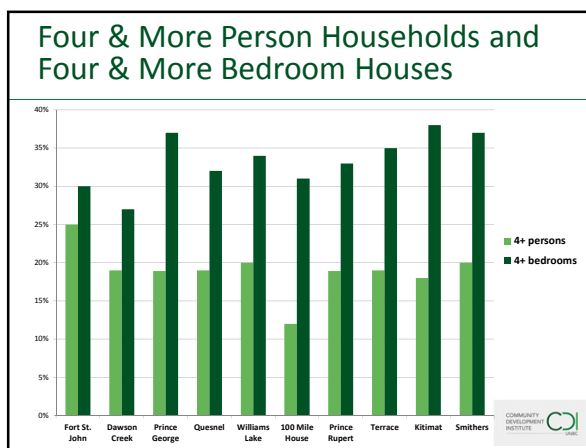
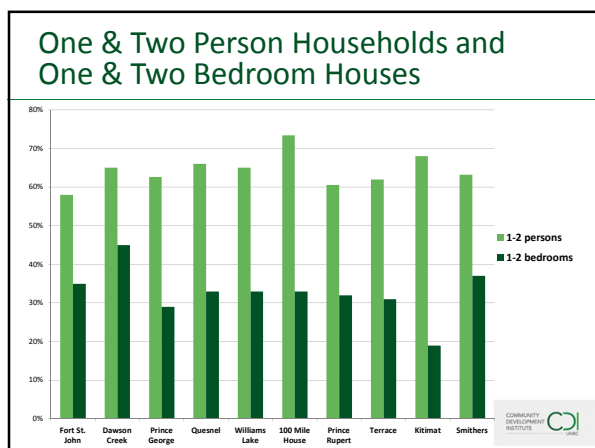
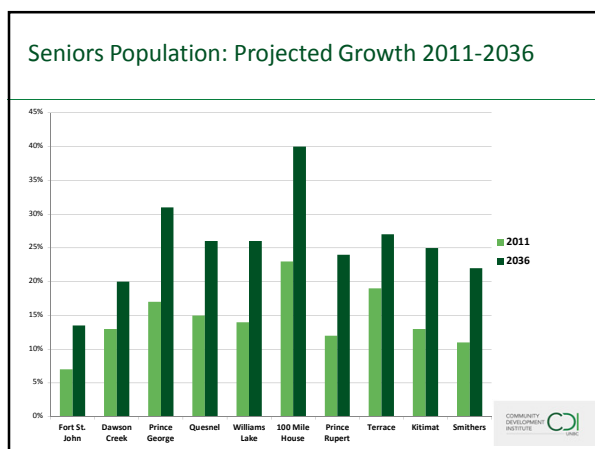
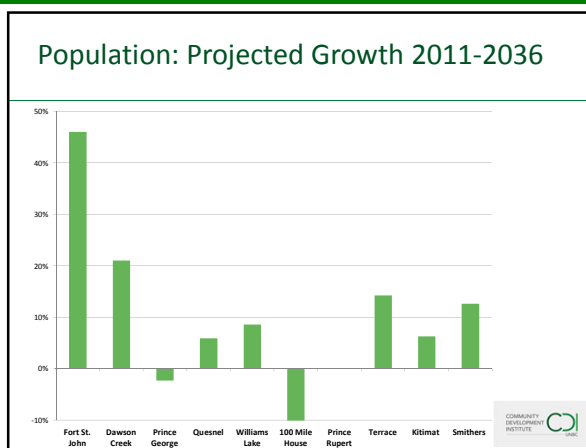
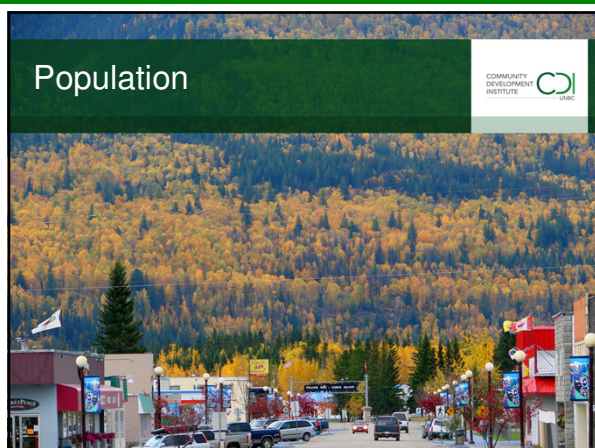
Housing can be an enabler or limiting factor for communities in realizing the potential of economic opportunities. If communities lack an adequate supply of suitable housing, they will not be able to retain existing residents or attract new workers and business investment. Housing solutions need to consider the changing and sometimes volatile nature of population growth, emerging household trends, the need for critical investment in the housing stock, and the realities of the northern housing market. Our hope is that this study will act as a catalyst to bring the housing sector together to develop innovative and collaborative approaches that will build resilience, flexibility, and affordability and enhance the community livability for communities across Northern BC.

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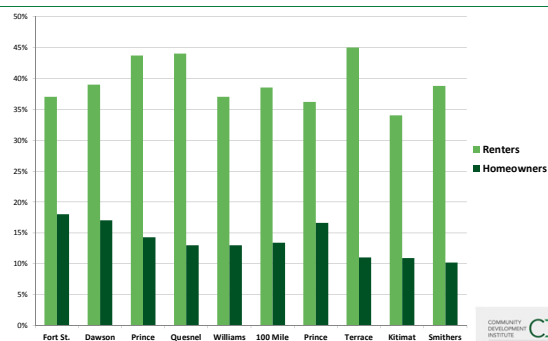
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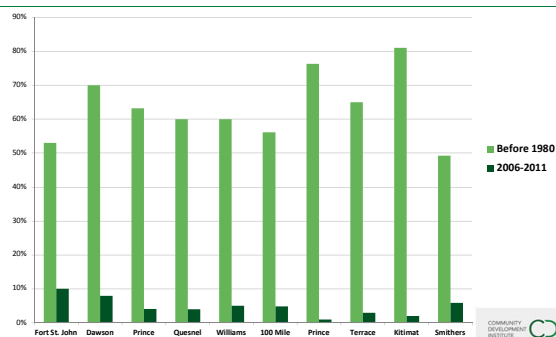
Households Paying More than 30% of Income for Housing



Housing Stock



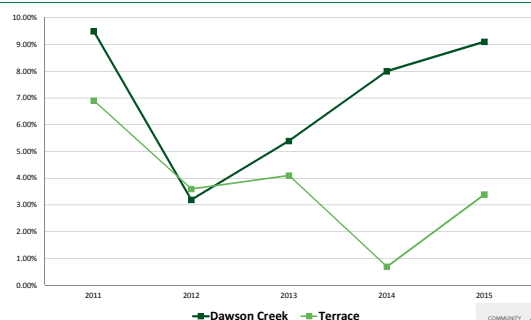
Age of Housing Stock



Housing Market



Vacancy Rate 2011-2015



Average Rents

- Northern BC Average
 - High: Fort St. John: \$1,013
 - Low: Quesnel: \$613
- BC Comparable
 - Kamloops: \$785
 - Kelowna: \$879
 - Parksville: \$725
 - Vancouver: \$1,090

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