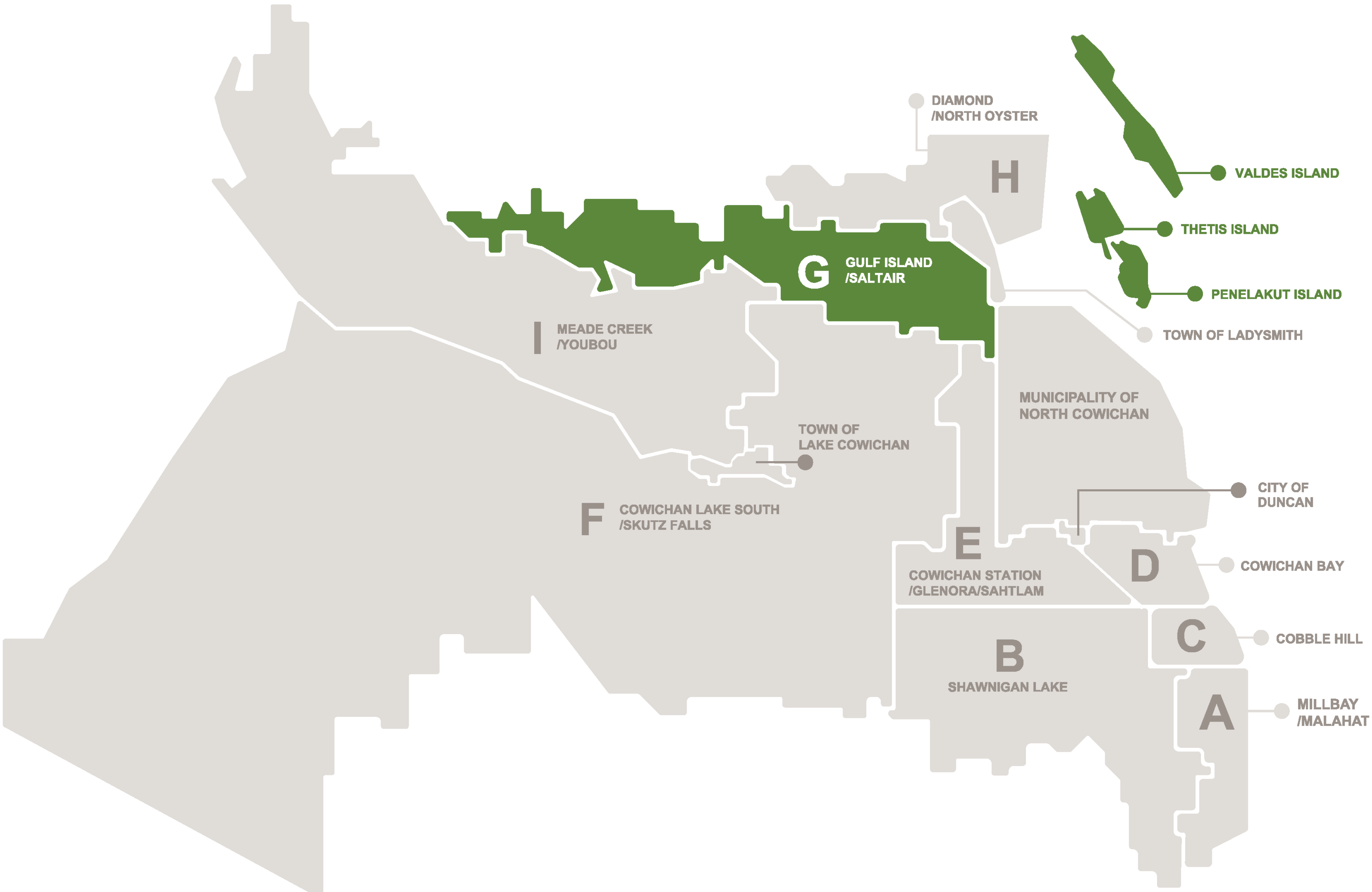
ELECTORAL AREA G - SALTAIR

SUB-REGIONAL SNAPSHOT

JANUARY 2021

CVRD

MAP OF CVRD



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NORTH COWICHAN
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/MALAHAT

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INTRO/BACKGROUND

Have you ever wondered how you'll pay your mortgage or rent? Do you have a good paying job but can't seem to find a place to live? Do you have a safe and affordable place to call home?

These and similar questions are on the minds of many British Columbians. In 2017, as a response to the housing crisis, the Province of British Columbia committed more than $800 million to invest in affordable housing throughout the province.

In April 2019, the Province went a step further and asked local governments to collect data, look at trends and report back on current and anticipated housing needs within their communities. These reports, known as Housing Needs Assessment Reports, are meant to help local governments better understand the existing and projected gaps in their housing supply and use them to inform plans and decision making going forward.

These reports consider things like household income, labour, the economy, population growth and housing prices. The Province requires local governments to produce these reports every five years.

For the Cowichan Valley Regional District, a Housing Needs Assessment Report is required for the entire region, and subregional reports are required for each electoral area and member municipality.

The remainder of this document is meant to provide a 'snapshot' of the data and the trends observed on current and anticipated housing needs within Electoral Area G – Saltair. For a more in-depth look at the full Housing Needs Report for electoral area G or to check out the project webpage, visit the following link: Housing Needs Assessment | Cowichan Valley Regional District (cvrd.ca)

DEMOGRAPHIC PROFILE

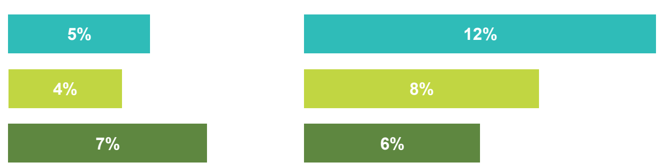
POPULATION GROWTH

From 2006 to 2016, electoral area G increased in population by 6%, from 2,160 to 2,280. This population increase is less rapid than the CVRD (8%) and BC (12%).

Population Over Time from 2006 - 2016

	2006	2011	2016
British Columbia	4,054,605	4,324,455	4,560,240
CVRD	75,495	78,670	81,885
Electoral Area G	2,160	2,140	2,280

2011 - 2016 Growth Vs. 2006 - 2016 Growth



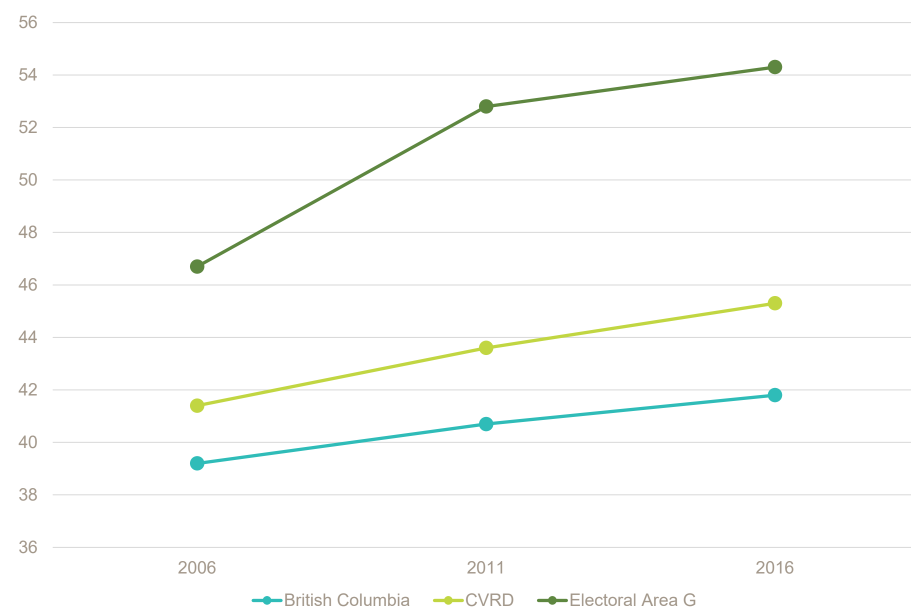
UNHOUSED POPULATION

It can be hard to locate and count homeless people in rural areas. The 2017 Summer Point-in-Time Homeless Count and Homeless Needs Survey Community Report did not provide data specific to electoral area G. Many people who are homeless in the CVRD tend to stay close to a community hub where they can access vital services.

AGE

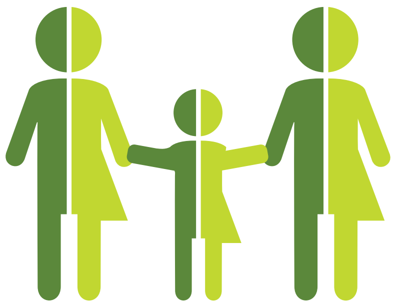
Residents of area G make up the oldest and the fastest aging jurisdiction in the CVRD. The average age increased from 46.7 to 54.3 between 2006 and 2016. Compared with the CVRD, area G has a higher share of population 65-84 years old, and a lower share of population under 14 years old.

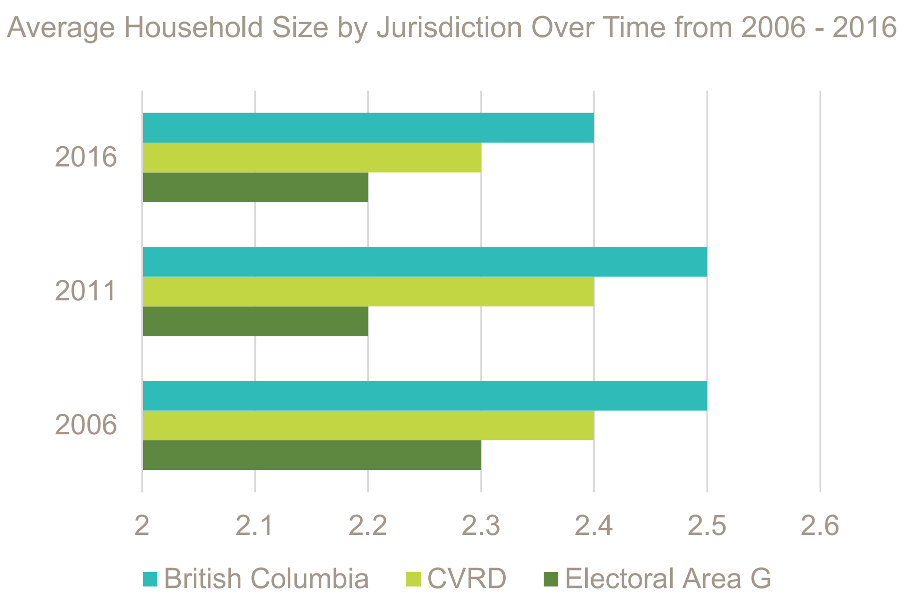
Average Age

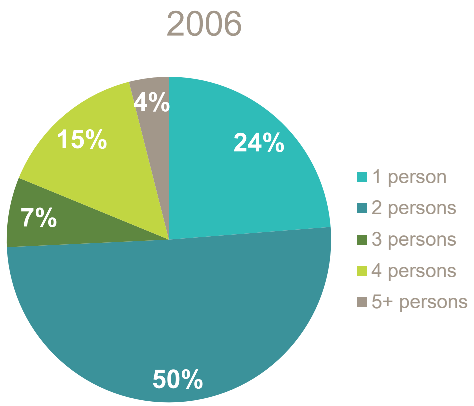


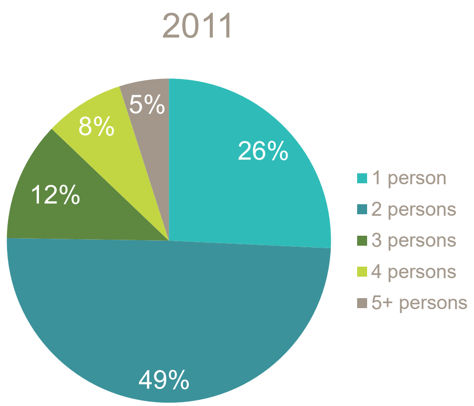
HOUSEHOLD SIZE

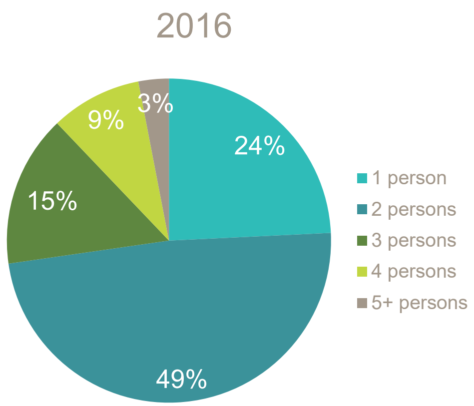
Household sizes in area G are slightly smaller (at 2.2 people per household) compared to those in the CVRD as a region (2.3 people per household). Average household size has decreased slightly from 2.3 in 2006 to 2.2 in 2016, in line with change across the CVRD as a region. In general, jurisdictions with smaller households tend to be more senior in age composition. Household sizes in British Columbia and throughout the CVRD decreased from 2006 to 2016.







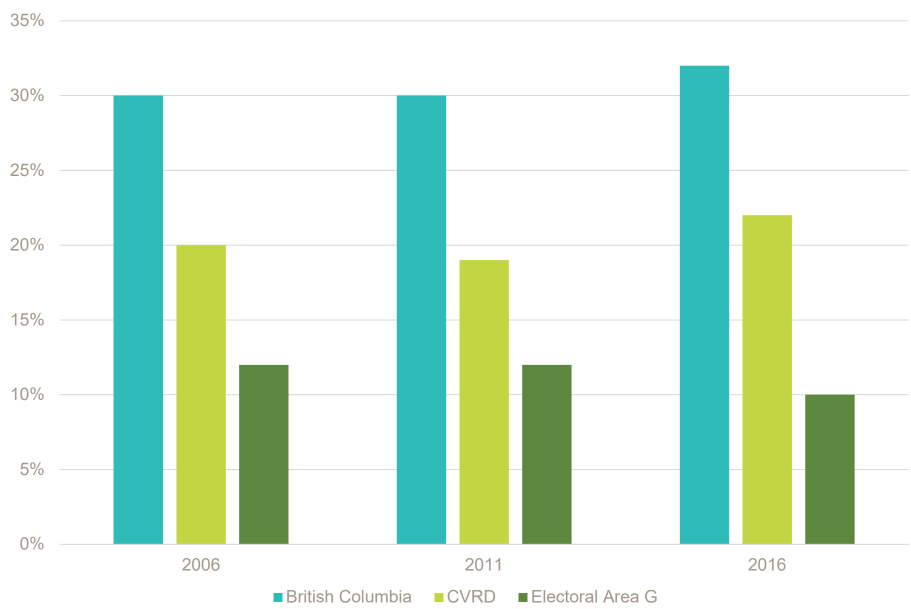




TENURE

Electoral area G is the jurisdiction with the smallest share of renters (at 10%) in the CVRD, and this share has decreased since 2006. During 2006-2016 renters as a share of all households in British Columbia increased slightly from 30% to 32%. A smaller share of households in the CVRD are renters, but the same upward trend is present: renters increased from 20% to 22% of all households.

Share of Households Renting from 2006 - 2016



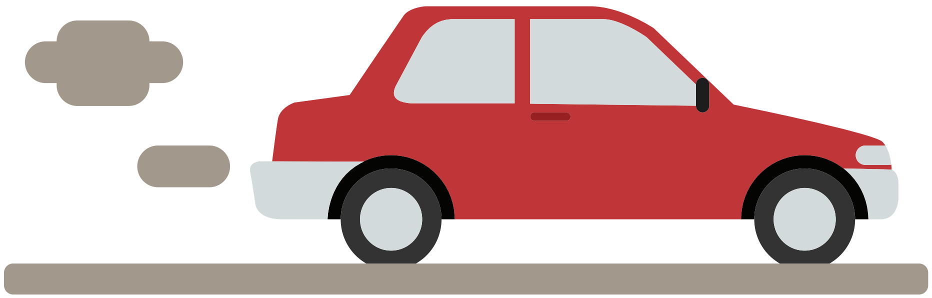
Renters in Subsidized Housing as a Share of Total Households

	2011	2016
British Columbia	4%	4%
CVRD	3%	2%
Electoral Area G	0%	1%

TRANSPORTATION

In 2016, 88% of commuters used a private automobile to get to work. Of that 88%, the average travel time was 28 minutes - one way. Electoral area G does not participate in the CVRD's Transit function and has few transportation options. It's main population centre is Saltair, a small rural and suburban village located between the larger centres of Chemainus and Ladysmith. The rest of area G consists of rural resource lands, and very little in the way of commercial amenities or employment lands.

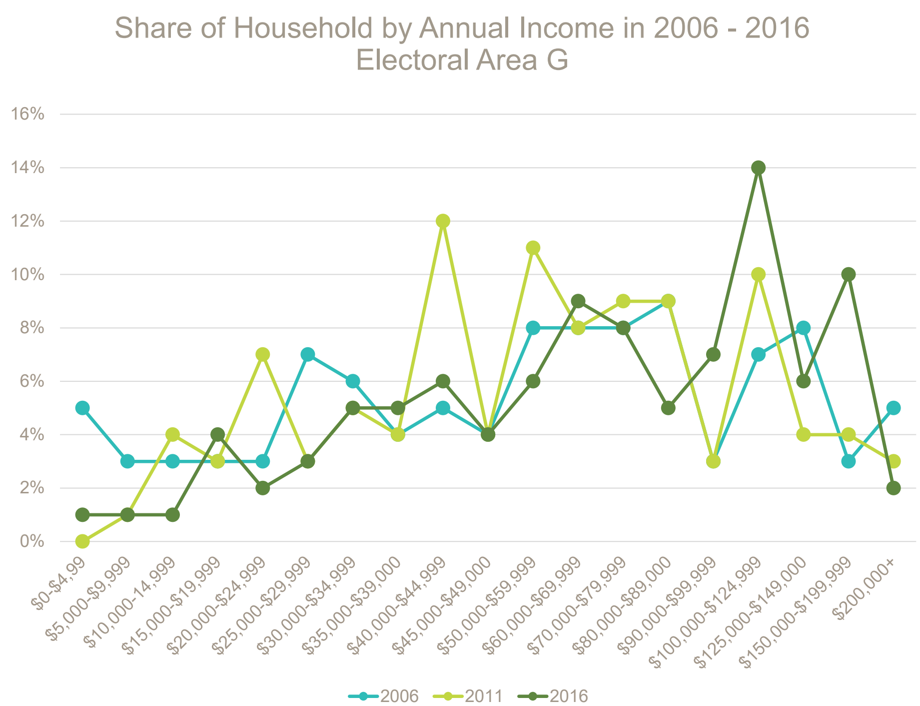
Transportation costs are a key part of the affordability equation because a home's location and its surrounding land use patterns dictate whether a resident needs a personal vehicle. While rent or a mortgage may seem more affordable in rural areas, the need to drive for employment, services, parks, schools and other daily needs can be a financial burden. Without bus service the car is the only choice to perform daily activities. This means transportation costs in area G are high relative to jurisdictions with more transportation options, but residents aren't travelling as far as their peers who live in the South Cowichan.



HOUSEHOLD INCOME

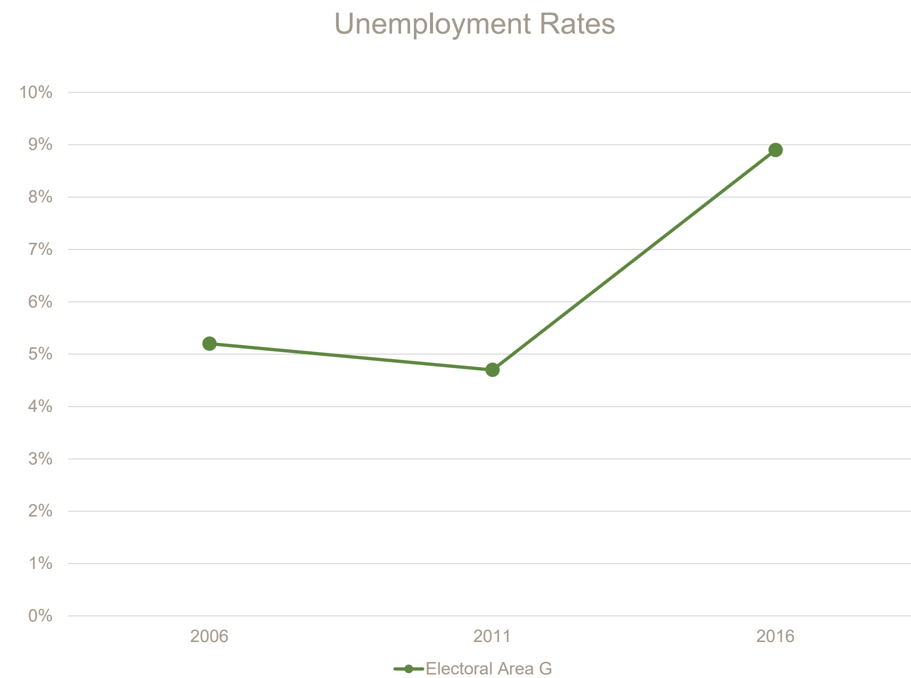
The median household income in electoral area G was $71, 667. Area G exhibited a great deal of income mobility during 2006-2016 and shifted from close to the average across the CVRD in 2006 to become one of the more affluent jurisdictions in 2016.

After inflation is removed from the analysis, median household incomes in BC show no change between 2006 and 2016, and a downward trend in the CVRD as a region. Area G was the only jurisdiction in the CVRD to improve its median household income during this period.



EMPLOYMENT

Area G had a very low unemployment rate in 2006 (5.0%) and 2011 (4.7%), but it rose significantly to 8.9% in 2016—the second highest in the CVRD.



INDUSTRY

Within the CVRD, the labour force is somewhat geographically clustered. Area G includes a cluster of professional, scientific and technical workers. There are notably few public administration workers and retail workers.

HOUSING PROFILES

DWELLING TYPES

Area G is almost entirely single-detached houses (92% of housing units), with few manufactured homes (4%) and minimal numbers of duplexes and apartments. From 2006 to 2016, BC's housing supply grew by 15% while the CVRD's housing supply grew by 13%. Area G had less rapid housing growth, at 10%.

Share of Total Housing Units by Type in 2006 - 2016

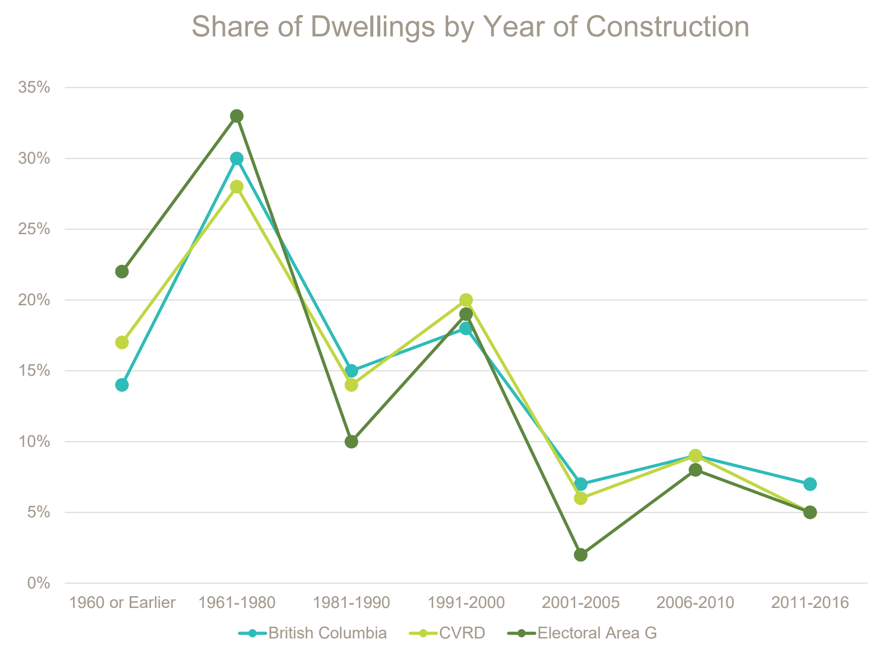
	Single-detached	Semi-detached	Other single-attached	Row House	Apartment in Duplex	Apartment (1-4 Storeys)	Apartment (5+ Storeys)	Movable Dwelling
2006	94%	2%	1%	0%	1%	0%	0%	2%
2011	95%	0%	0%	0%	0%	0%	0%	5%
2016	92%	1%	0%	0%	1%	1%	0%	4%

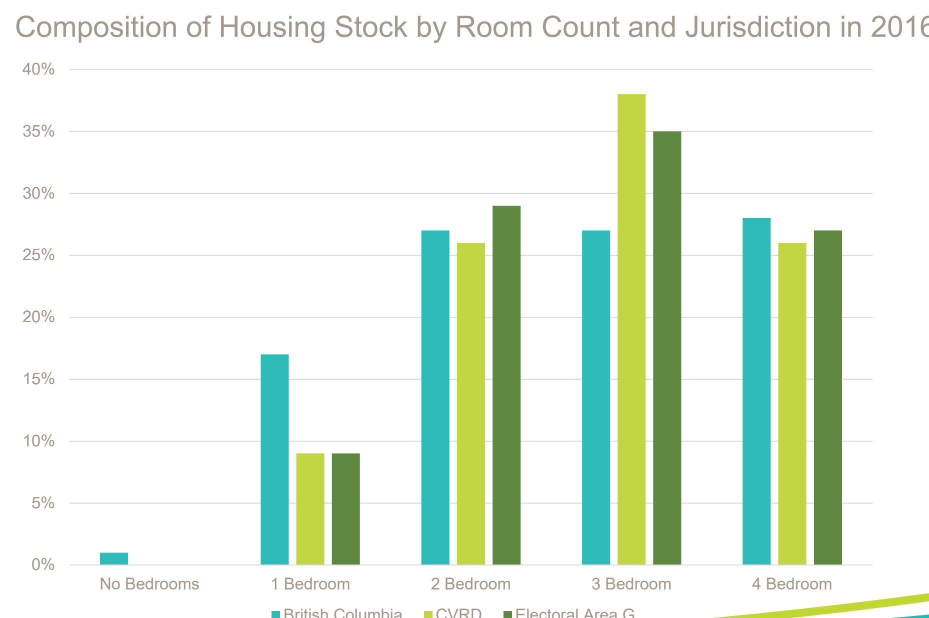
DWELLING AGE

Area G has an older housing stock than the CVRD, with a greater share of housing units built before 1961 and between 1961-1980, and a smaller share of housing units built between 2001-2005.

BEDROOM NUMBER

The CVRD has a much higher share of three-bedroom units and a much lower share of one-bedroom units than BC. Area G has a very similar share of unit sizes as the CVRD as a whole.





NON-MARKET HOUSING

Electoral area B has no non-market units and 11 households receiving rent assistance in the private market from BC Housing.

Non-Market Rental: Housing with rents lower than average rates in private market rental housing. Includes the Rental Assistance Program, a type of rent supplement that BC Housing offers to eligible low-income families.

MARKET RENTAL HOUSING

There is limited data on the supply of market rental housing, and most of the supply is likely provided through the secondary rental market.

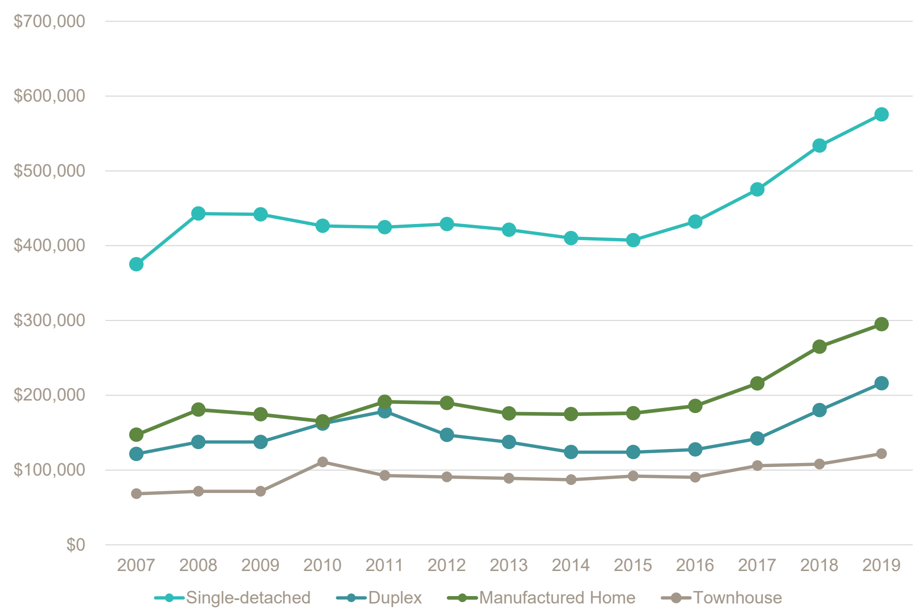
Market Rental: Units available for rent in the private market without subsidy provided by the government.

Secondary Rental: Any rental property with only one or two self-contained residential rental units, including units within dwellings.

MARKET OWNERSHIP HOUSING

Single-detached homes have been the most desirable and expensive form of housing in area G, followed by manufactured homes. The area G market saw price stability from 2007 to 2016 as Vancouver Island's economy gradually recovered from the financial crisis of 2008. From 2017 to 2019, prices increased considerably each year for all unit types other than townhomes. This suggests that since 2017 the area's supply of available land has been insufficient to meet growing demand for single-detached homes, manufactured homes and duplexes.

Average Value per Dwelling Unit by Type in Electoral Area G



PROJECTIONS

HOUSEHOLD PROJECTIONS

Between 2019 and 2025, electoral area G is expected to grow from 1,060 households to 1,449 households, an increase of 37% in six years, which would be significantly faster than the 10% growth observed between 2006 and 2016.

Projected Households from 2019 - 2025

	2019 (Estimate)	2025 (Projection)	2019-2025 Growth
Electoral Area G			
	1,060	1,449	37%
Cowichan Valley			
	34,744	39,967	15%

POPULATION PROJECTIONS

Between 2019 and 2025, electoral area G is expected to grow from 2,332 residents to 3,273 residents, an increase of 40% in six years, achieving a much faster pace than the 6% growth observed between 2006 and 2016.

Projected Population from 2019 - 2025

	2019 (Estimate)	2025 (Projection)	2019-2025 Growth
Electoral Area G			
	2,332	3,273	40%
Cowichan Valley			
	80,404	93,071	16%

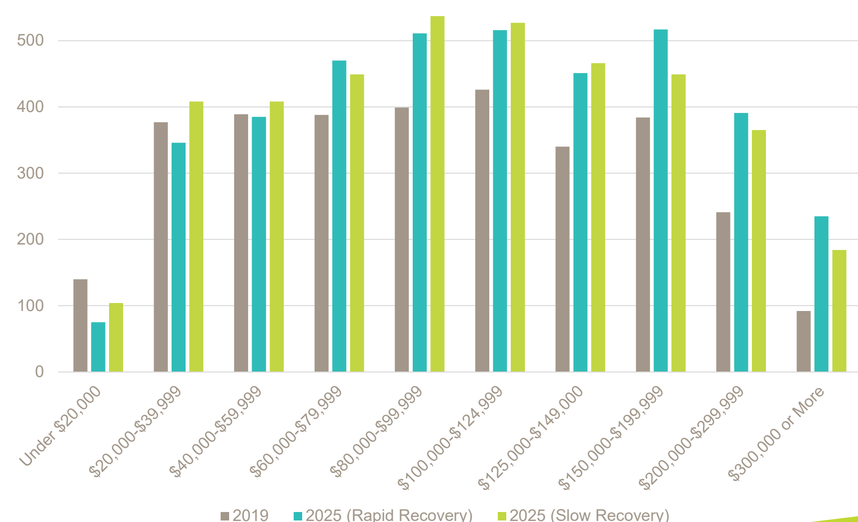
HOUSEHOLD INCOME PROJECTIONS

Due to the uncertainty of COVID-19, two income projections were done to 2025. One projection assumes a rapid economic recovery from the COVID-19 pandemic, while the other assumes a slower economic recovery. In 2025, area G is expected to have a median household income of $92,706 in the rapid recovery scenario or $88,431 in the slow recovery scenario.

TENURE PROJECTIONS

Electoral area G's households, by tenure group, will shift slightly toward owners in the rapid recovery scenario (to 8% renter households and 92% owner households) but not change appreciably in the slow recovery scenario.

Estimated Number of Households by Income Bracket in 2019 and 2025 by Scenario



PROJECTION OF HOUSING NEED BY NUMBER OF BEDROOMS

A large majority of households in 2019 and 2025 need only one bedroom for the composition of their household. Area G contains an over-supply of homes with two or more bedrooms, which implies that many households possess more bedrooms than needed, according to National Occupancy Standard's definition. It is projected that in 2025, area G will need an additional 389 units of housing, most of which should be one-bedroom units.

Projection of Housing Needs by Number of Bedrooms

	2019	2025	Projected Units
Electoral Area G			
1 Bedroom	794	1,038	244
2 Bedrooms	124	172	48
3+ Bedrooms	143	238	95
Total:	1,061	1,448	387

Suitable Housing: Suitable housing has enough bedrooms for the size and composition of resident households, according to National Occupancy Standard (NOS) requirements.

HOMELESSNESS

There are no emergency shelters or long-term options for those experiencing homelessness in electoral area G. As a result, many people are seeking shelter outside of their communities.

Housing for the Homeless: Housing or rent supplement for people who are at risk of homelessness or formerly homeless. This type of housing includes on- or off-site support services to help people move toward independence and self-sufficiency.

The Province has committed to addressing housing and support needed for people who are homeless. There are more than 11,000 subsidized units, rent supplements and emergency shelter spaces for people who are homeless or at risk of homelessness across BC. In addition, a number of programs have been created to provide help to those who need it most. To learn more about these programs visit the following link: https://www2.gov.bc.ca/gov

NON-MARKET HOUSING

BC Housing breaks down the types of housing support it provides into four high-level categories: emergency shelter and housing for the homeless, transitional supported and assisted living, independent social housing and rent assistance in the private market. Seniors make up the largest funding group in the three largest high-level categories and therefore receive the majority of BC Housing support in the CVRD.

In area G, households with incomes below approximately $57,000 will not be able to afford renting new homes. Some households with income below this amount will still be able to find housing in the rental market, as older rental homes can be more affordable.

Number of Units Under BC Housing Administration by Service Allocation Group in 2020

Emergency Shelters & Housing for the Homeless	Electoral Area G	CVRD
Homeless Housed	0	24
Homeless Rent Supplements	0	55
Homeless Shelters	0	15
SUBTOTAL	0	94

Independent Social Housing	Electoral Area G	CVRD
Low Income Families	0	136
Low Income Seniors	0	273
SUBTOTAL	0	409

Transitional Supported & Assisted Living	Electoral Area G	CVRD
Frail Seniors	0	118
Special Needs	1	47
Women and Children Fleeing Violence	0	10
SUBTOTAL	1	175

Rent Assistance in Private Market	Electoral Area G	CVRD
Rent Assistance for Families	--	188
Rent Assistance for Seniors	--	466
SUBTOTAL	--	654

THE HOUSING CONTINUUM

MARKET RENTAL HOUSING

Renter households in area G making less than $48,400 per year tend to spend more than 30% of their annual income on housing expenses, placing these households in core housing need. Renter households making less than $26,600 per year tend to spend more than 50% of their annual income on housing expenses, placing them in extreme core housing need. This analysis suggests that 59% of area G's renter households are in core housing need and 28% are in extreme core housing need. This is considerably worse than recent trends. Engagement results identified a need for more rental options, such as basement suites or tiny homes.

Estimated Housing Costs Versus Household Income for Renter Households

	Household Income	30% of Income	50% of Income	Estimated Housing Cost
Electoral Area G				
	$20,000	$6,000	$10,0000	$12,775
	$40,000	$12,000	$20,000	$13,855
	$60,000	$18,000	$30,000	$15,441
	$80,000	$24,000	$40,000	$17,214
	$100,000	$30,000	$50,000	$18,853
	$120,000	$36,000	$60,000	$20,166
	$140,000	$42,000	$70,000	$21,117
	$160,000	$48,000	$80,000	$21,803
	$180,000	$54,000	$90,000	$22,267
	$200,000	$60,000	$100,000	$22,571
	$220,000	$66,000	$110,000	$22,779
	$240,000	$72,000	$120,000	$22,924
	$260,000	$78,000	$130,000	$23,079
	$280,000	$84,000	$140,000	$23,079
	$300,000	$90,000	$150,000	$23,109

Teal items indicate that housing costs for this group in this jurisdiction exceed the 30% affordability threshold.

Core Housing Need: A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability standards and if the household would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that meets all three housing standards.

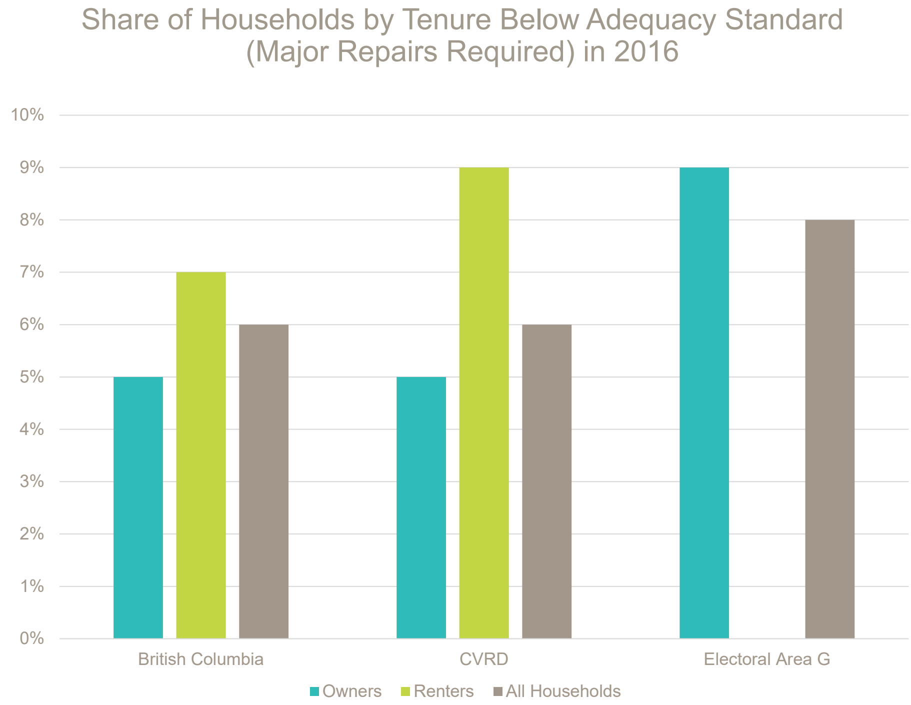
Extreme Core Housing Need: Those who meet the definition of core housing need and spend 50% or more of their income on housing.

MARKET OWNERSHIP

Single-detached homes have been the most desirable and expensive form of housing, followed by manufactured homes then duplexes and finally townhomes. It is unusual for manufactured homes to be more valuable than townhomes; it is assumed that this reflects electoral area G's manufactured homes being located on larger or better-located parcels of land than its townhome supply. It could also indicate that the electoral area's townhome supply is old and deteriorated.

HISTORIC AND CURRENT HOUSING CONDITION (ADEQUACY)

The share of all households requiring major repair (the adequacy standard) remained constant in BC between 2006 and 2016 (6%). Adequacy of housing in electoral area G is slightly worse than the CVRD and BC, with 8% of households living in housing below adequacy standards.



HISTORIC AND CURRENT OVERCROWDING (SUITABILITY)

The percentage of homes experiencing overcrowding in area G (1%) is less than in the CVRD (3%) and in BC (5%).

HISTORIC AND CURRENT AFFORDABILITY

Compared to the CVRD, affordability in area G is better for both owners (11%) and renters (32%), to produce an overall share of 13% of households across tenures experiencing affordability challenges. Affordability decreased for renters from 2006-2011 but did not change significantly for owners. Renters face significantly greater affordability challenges than owners.

CORE HOUSING NEED AND EXTREME CORE HOUSING NEED

A significant number (21%) of area G's households are in core housing need. This is in line with the rates reported in the last several censuses (17% in 2006, 22% in 2011 and 18% in 2016).

AFFORDABILITY OF NEW DEVELOPMENT

FINANCIAL ANALYSIS RESULTS

A financial model analyzing the cost of residential development for a variety of housing types and tenures was created. Using this model, the lowest sale price or rental rate per unit that a builder could afford to charge for the finished product while still achieving a minimal level of profit was calculated. Based on the construction cost assumptions, the housing prices represent the most affordable units that a developer or builder could afford to produce in area G. More affordable new units may exist, but these would arise from exceptional circumstances, such as unusually cheap land.

These minimum prices and rental rates indicate what levels of household income would be required to purchase or rent new units in area G without paying more than 30% of one's household income. The tables show results of analysis in area G in 2020 and 2025.

The price of a new single-detached home in 2020 is $650,000, requiring a minimum household income of $117,000. In 2025, that is projected to increase such that a single-detached unit sale price of $746,000 requires a minimum household income of $132,000.

The capacity of area G households to afford new construction would decrease slightly in both the rapid recovery scenario and the slow recovery scenario, suggesting that the area's housing market is unlikely to be severely impacted by COVID-19.

The Most Affordable New Units by Type and Tenure in 2020 and 2025

	Sale Price (2020)	Sale Price (2025)	Monthly Rental Rate (2020)	Monthly Rental Rate (2025)
Single-Detached	$650,000	$746,000	-	-
Townhouse	$448,00	$524,000	$1,670	$2,035
Apartment	320,000	$362,000	$1,180	$1,400

Minimum Household Income Required to Purchase or Rent a New Home by Unit Type in 2020

	Minimum Household Income	Share of Households
Single-Detached for Purchase	$117,000	30%
Townhouse for Purchase	$83,000	49%
Apartment for Purchase	$62,000	64%
Townhouse for Rent	$76,000	54%
Apartment for Rent	$57,000	69%

Minimum Household Income Required to Purchase or Rent a New Home by Unit Type in 2025

	Minimum Household Income	Share of Households	
		Rapid Recovery	Slow Recovery
Single-Detached for Purchase	$132,000	29%	27%
Townhouse for Purchase	$96,000	48%	45%
Apartment for Purchase	$69,000	68%	64%
Townhouse for Rent	$91,000	51%	48%
Apartment for Rent	$66,000	71%	67%

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HOUSING NEEDS ASSESSMENT
COWICHAN VALLEY REGIONAL DISTRICT
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