

BUILDING FOUNDATIONS FOR THE FUTURE

HOUSING, COMMUNITY DEVELOPMENT,
AND ECONOMIC OPPORTUNITY IN
NON-METROPOLITAN BRITISH COLUMBIA



COMMUNITY
DEVELOPMENT
INSTITUTE



Acknowledgements

The authors gratefully acknowledge the funding received from BC Housing in support of the Community Development Institute's housing research program. In particular, we wish to thank Shayne Ramsay, Chief Executive Officer for his encouragement and assistance.

Authors:

Marleen Morris, Co-Director, Community Development Institute and Adjunct Professor of Geography at the University of Northern British Columbia

Julia Good, Research Associate, Community Development Institute at the University of Northern British Columbia

Greg Halseth, Professor of Geography and Co-Director, Community Development Institute at the University of Northern British Columbia

Availability

This report is posted on the website of the Community Development Institute at UNBC:
<https://www.unbc.ca/community-development-institute/research-projects>.

Related Publications

Morris, Good, Halseth. 2020. *Building Foundations for the Future: Housing, community development, and economic opportunity in non-metropolitan Canada*. Available here:

https://www2.unbc.ca/sites/default/files/sections/community-development-institute/buildingfoundationsforthefuturefinal_0.pdf

Morris, Good, Halseth. 2020. *Building Foundations for the Future: Housing, community development, and economic opportunity in non-metropolitan Canada*. Addendum Data: British Columbia Community Sample. Available here: <https://www2.unbc.ca/sites/default/files/sections/community-development-institute/buildingfoundationsforthefutureaddendumfinal.pdf>

The Community Development Institute

The Community Development Institute (CDI) at UNBC was established in 2004 with a broad mandate in the areas of community, regional, and economic development. Since its inception, the CDI has worked with communities across British Columbia to develop and implement strategies for economic diversification and community resilience.

Dedicated to understanding and realizing the potential of BC's non-metropolitan communities in a changing global economy, the CDI works to prepare students and practitioners for leadership roles in community and economic development, and to create a body of knowledge, information, and research that will enhance our understanding and our ability to deal with the impacts of ongoing transformation. The Community Development Institute is committed to working with all communities – Indigenous and non-Indigenous – to help them further their aspirations in community and regional development.

Contact Information

For further information about this topic and the project, please contact Marleen Morris or Greg Halseth, Co-Directors of the Community Development Institute.

Community Development Institute
University of Northern British Columbia
3333 University Way
Prince George, BC V2N 4Z9
Tel 250 960-5952
www.unbc.ca/community-development-institute

Table of Contents

Acknowledgements.....	i
Availability.....	i
Related Publications	i
The Community Development Institute	ii
Contact Information.....	ii
Executive Summary.....	1
Population Data	1
Housing Data.....	2
Community Archetypes.....	2
Implications.....	3
Conclusion.....	4
Introduction	5
Methodology.....	6
Community Archetypes	6
Population Data	8
Total Population.....	8
Population Aging.....	10
Household Size.....	12
Housing Data.....	13
Age of Housing Stock	13
Dwelling Condition.....	15
Dwelling Type.....	17
Dwelling Size	18
Home Equity and Affordability	20
Housing Issues and the Implications for BC’s Non-Metropolitan Communities.....	24
Moving Toward Solutions and Action	26
Options for Housing Development	26
Support for Housing Development	27
Integrating Community Development Support	28
Support Research and Knowledge Mobilization.....	28

Table of Figures

Figure 1.1 Total Population Change	9
Figure 1.2 Median Age, 2016	10
Figure 1.3 Population Pyramids	11
Figure 1.4 Average Number of Persons per Private Household	12
Figure 2.1 Period of Construction	14
Figure 2.2 Dwelling Condition, 2016.....	16
Figure 2.3 Major Repairs Needed by Tenancy, 2016	16
Figure 2.4 Dwelling Type, 2016.....	17
Figure 2.5 Smaller Households vs. Smaller Dwellings, 2016	19
Figure 2.6 Larger Households vs. Larger Dwellings, 2016.....	19
Figure 2.7 Households Spending 30% + of their Income on Shelter Costs	21
Figure 2.8 Rental Affordability by Tenant Age, 2016.....	21
Figure 2.9 Average Value of Dwellings, 2016.....	22
Figure 2.10 Homeownership Rates, 2016	23

Executive Summary

In non-metropolitan British Columbia (BC), the state of housing has become a key constraint on economic and community development. This study points to a number of emerging issues and challenges, looks at the implications of these, and concludes with a call to action on housing issues in non-metropolitan BC.

The Community Development Institute (CDI) at the University of Northern British Columbia (UNBC) has been gathering information on non-metropolitan housing stock and the housing needs of the changing non-metropolitan demographic throughout BC and across all Canadian provinces and territories. Statistics Canada classifies communities as Census Metropolitan Areas (CMA) when they have reached a population of 100,000. There are 52 CMAs in Canada. For the purpose of this research, the CDI has focused on the areas outside of the 52 CMAs, the non-metropolitan areas (NMA). In 2016, over 19 million Canadian residents lived in non-metropolitan communities.

For this study, we have selected a sample of 39 NMA communities from our BC dataset. The communities selected range in 2016 population size from 1,021 (Valemount) to 90,504 (Nanaimo). The histories of the communities in our sample vary from settlements established with early settler economic activity to instant towns purpose-built in the mid to late twentieth century. They also represent a diverse range of primary economic activity, which includes agriculture, forestry, mining, oil and gas, fishing, manufacturing, tourism, retirement living, and government services. The sample communities are commonly located some distance from, and have a weak connection to, a CMA. To provide context for comparison, we have included data for Vancouver CMA next to the average of this NMA sample.

Despite wide variations in the sample communities, a number of patterns are evident in practically all of the non-metropolitan communities examined so far. These communities appear to tell a consistent housing story.

Population Data

NMA housing has to be considered in the context of the NMA population and their needs. Demographic data for each community, including current population, population change over time, age, and household size is included to provide a context for housing need:

- A look at population trends between 2001 and 2016 reveals growth across all geographies. BC registered a total population growth of 5.6% from 2011 to 2016, NMAs saw 4.6% in the same period, and CMA growth was at 6.7%. One-half of the 2016 BC population lived outside CMAs.
- Population change between 1981 and 2016 for communities in our NMA sample ranged from over 180% growth to over 50% decline, with close to 65% of the sample communities registering growth. The Vancouver CMA saw 94% growth in the same time period.
- Median age shows that well over one-half of the NMA sample communities in BC have an older population than Vancouver. The average median age in our sample was 44.3 years, compared to 40.9 years in Vancouver CMA. The oldest median age in the sample was found in Osoyoos with 61.9 years.
- Population pyramids of the sample communities further demonstrate that retirement and pre-retirement tend to be the largest age groups in the sampled non-metropolitan communities.

- With an average of 2.2 persons per household in 2016, NMA communities have smaller households than Vancouver CMA (2.5 persons). In addition, NMA communities have seen significantly greater change since the beginning of the 1980s. Household size in NMAs has decreased on average by over 20% while Vancouver CMA household size has only declined by 3.5%.

Housing Data

The data collected on housing stock illustrates that there are housing issues common across non-metropolitan BC:

- On average, 56.8% of the housing stock in the NMA sample communities is at least 35 years old as of 2016. In some communities, the share of the housing stock built before 1981 reaches over 80%, compared to below 40% in Vancouver CMA.
- In our NMA sample, 7.7% of homes are in need of major repairs, compared with 5.7% in Vancouver CMA. A closer look at the data reveals that dwelling condition in non-metropolitan BC varies by tenancy, with rented dwellings commonly reporting a greater need for major repairs.
- In the NMA sample, an average of 62%, ranging from 42% to over 82%, of the housing stock consists of only one dwelling type: single detached homes. Vancouver CMA has a more balanced variety of dwelling types.
- A comparison of the prevalence of one- and two-person households with the proportion of one- and two-bedroom homes, reveals an undersupply of small homes. This points to a lack of housing options for smaller households in our NMA sample, which is much less pronounced in Vancouver CMA.
- A comparison of the four- and more person household prevalence with four- and more bedroom homes, demonstrates an oversupply of large homes. This points to opportunities for better utilization of the existing housing stock and addressing the undersupply of smaller housing units.
- In terms of affordability, homeowners are less vulnerable in our NMA sample communities compared to Vancouver CMA. Tenants, however, are just as vulnerable in these communities as in metropolitan areas, and the gap between owners and tenants consequently tends to be larger outside metropolitan areas. In addition, senior tenants, as one example of a vulnerable population subset, are even more vulnerable in the majority of NMA sample communities.
- The average home value in the NMA sample communities in BC in 2016 was \$314,564. This compares with \$1,005,920 in Vancouver CMA. The comparatively lower equity in NMA homes implies more affordable homeownership but also future financial limitations and vulnerability for those homeowners.

Community Archetypes

While general patterns of demographic developments and housing stock characteristics were obvious, there were some regional and local nuances which often followed patterns of their own within those larger trends. In exploring the demographic and housing circumstances in our BC sample communities, as well as their economic contexts, we encountered three archetypes of BC NMA communities, which seemed to tell a particular story and correlated with specific housing trends. Not all communities fit into these archetypes, but many will find their situation reflected to a degree or will see correlations to their own housing stock and housing needs.

One such archetype is the ‘retirement’ community. These communities are attractive to older adults, usually 55 years plus, for example because of their climate or amenities. Retirement communities are characterized by population growth, often dating back to the 1980s, and a significantly older population than CMA or NMA averages. Given the population growth, these communities also have a higher percentage of newer housing development, however, many still lack diversity of dwelling types. These communities also tend to have only a small family-formation/working age population. Tenants, especially senior tenants, tend to be particularly vulnerable in terms of affordability.

Another archetypal community is the ‘aging resource’ community. From the 1950s to the 1980s, these communities thrived, thanks to the strong growth of BC’s natural resources sector, including forestry, mining, and fishing. After the global economic downturn in the early 1980s, however, these communities experienced boom and bust cycles that gradually resulted in long-term economic decline. Aging resource communities are characterized by population decline and an older median age. The housing stock in these communities is generally old and shows a greater need for major repairs.

Finally, there is the ‘resort/amenity’ community. Some of these communities, historically, had ties to both the resource sector and to the tourism economy. Other communities are, just now, transitioning from a resource community to a ‘resort/amenity’ community. These communities are characterized by a younger median age and a larger proportion of the population in the family-formation/working age cohorts. They are also characterized by population growth, although for some, this growth is very recent. As population growth results in housing demand, the housing stock in many amenity/resort communities is in the process of renewal. Given that many households in amenity and tourism communities have relatively low incomes, housing affordability and vulnerability are issues.

The archetypes were identified based on commonalities and trends among communities in our sample. While many small communities will not fit neatly into a single archetype, understanding archetypal trends and trajectories can be helpful. Larger NMA centres might see various storylines and elements of the ‘archetypal’ housing trends and correlations within their communities. Understanding ‘typical’ communities and housing issues can help other communities gain a better understanding of their own unique housing nuances.

Implications

The economic sustainability and community wellbeing of non-metropolitan BC is at risk because the state of housing has become a key constraint on economic and community development. NMA communities, expecting to see large parts of their workforce retiring in the next decade, are concerned with retaining their youth, attracting a new workforce, and enabling their retirees to age-in-place. The current NMA housing stock ticks none of those boxes. It is old, not energy efficient, in need of major repairs, lacks modern amenities and design, and is not accessible or adaptable for those wanting to age-in-place. Ignoring housing issues in non-metropolitan BC will have serious consequences, including decreased economic potential and increased cost of public services.

Conclusion

More data will be needed to inform decision making, including program and policy development. This includes the expansion of the number of communities in the data set and a further expansion of the data subsets, especially those related to vulnerable populations. More information is also needed about capacity at the local level including, for example, the capacity of the non-metropolitan construction and trades sector, the non-profit housing sector, and the readiness of the local government sector.

The data collected should then be used to inform provincial and local government policy and decision-making to address housing issues in non-metropolitan BC. We identify both local and provincial levels of government because both are needed to address housing issues. The local level is critical because it understands local context and because it must incorporate housing together with other service and facility investments. The provincial level is critical because it brings capacity and fiscal resources needed in smaller communities to avoid constantly having to “reinvent the wheel” on housing issues. Addressing housing needs includes the renewal of existing housing stock and the development of new housing. Options could include renovation, conversion, and redesign of existing housing, infill housing, and new development within the community’s existing infrastructure envelope.

If non-metropolitan BC is to realize its economic and community development opportunities, the state of housing must be addressed. The findings of this study point to a need for coordinated and synergistic action by federal, provincial, and local governments that will leverage innovation and new approaches by private and non-profit housing developers.

The findings clearly show that it is time to put housing issues in non-metropolitan BC on the agenda.

Introduction

In non-metropolitan BC, the state of housing has become a key constraint on economic and community development. This study points to a number of emerging issues and challenges, looks at the implications of these, and concludes with a call to action on housing issues in non-metropolitan areas in BC.

Understanding that housing is a critical building block for community and economic development, the Community Development Institute (CDI) at the University of Northern British Columbia (UNBC) has focused much of its research on identifying and exploring the issues, needs, and opportunities for non-metropolitan housing. Based on our long-standing experience and expertise in housing, and through a number of commissioned housing studies in northern British Columbia communities in recent years, the authors began to recognize patterns of housing issues across non-metropolitan communities. These findings were of interest to BC Housing, who then commissioned the CDI to conduct further research to explore whether those patterns held true across BC and Canada. The CDI research that followed confirmed this.

This report presents the 2021 research results for 39 BC communities, located in every region of the province. The report is organized into four sections. The first section provides the context for understanding housing issues in the non-metropolitan areas of BC through providing information on the current population and population change over time. The next section of the report presents data that identifies housing issues in these regions, looking at the housing stock, housing affordability, and homeownership rates. This is followed by a discussion of the implications of the housing issues in the context of demographic change. The report concludes with a description of solutions and a call to action to address housing issues in non-metropolitan BC.

Methodology

Statistics Canada classifies communities as *Census Metropolitan Areas* (CMA) when they have reached a population of 100,000. According to the 2016 census, over 19 million Canadians live in communities with populations below 100,000 residents. Communities with 10,000 to 99,999 people are categorized by their population size as *Census Agglomerations* (CA). *Rural and Small Town Areas* comprise smaller municipalities and settlements with populations equal to, or greater than, 1,000. These are sorted into Metropolitan Influence Zones (MIZ) according to their level of regional interconnectivity with metropolitan centres. Geographies defined as *Census Rural Population* typically refer to the population outside of any of the above-mentioned geographies.

For this study, we looked at the full range of communities outside of CMAs. From the non-metropolitan area (NMA) of BC, we selected a sample of 39 communities from our dataset. These NMA communities range in 2016 population size from 1,021 (Valemount) to 90,504 (Nanaimo). The histories of the communities in our sample vary from settlements established with early settler economic activity to instant towns purpose-built in the mid to late twentieth century. They also represent a diverse range of primary economic activity, which includes agriculture, forestry, mining, oil and gas, fishing, manufacturing, tourism, retirement living, and government services. The sample communities are commonly located some distance from, and have a weak connection to, a CMA. To provide context for comparison, we have included data for Vancouver CMA next to the average of this NMA sample.

NMA housing has to be considered in the context of the NMA population and their needs. For this reason, the research focused first on collecting demographic data, including current population, population change over time, age, and household size. Next, data was collected on the housing in each community, including characteristics of the housing stock, housing affordability, and homeownership rates in each community. The data was analyzed and despite the wide variations in the sample communities, a number of patterns are evident in practically all of the NMA communities examined so far. These communities tell a consistent housing story.

Community Archetypes

While general patterns of demographic developments and housing issues were obvious and applied throughout the entire BC sample, there were some regional and local nuances which often followed patterns of their own within the larger trends across the sample. In exploring the demographic and housing circumstances in our BC sample communities, as well as their economic contexts, we identified three ‘archetypes’ of BC NMA communities, which seemed to tell a particular story and correlated with specific housing trends. Not all communities fit into these archetypes, but many will find their situation reflected to a degree or will see correlations to their own housing stock and housing needs.

One such archetype is the ‘retirement’ community. These communities are attractive to older adults, usually 55 years plus, for example because of their climate or amenities. Retirement communities are characterized by population growth, often dating back to the 1980s, and a significantly older population than CMA or NMA averages. Given the population growth, these communities also have a higher percentage of newer housing development, however, many still lack diversity of dwelling types. These communities also tend to have only a small family-formation/working age population. While there is a slight degree of financial vulnerability among homeowners in these communities, tenants, especially senior tenants, tend to be particularly vulnerable in terms of affordability.

Another archetypical community is the ‘aging resource’ community. From the 1950s to the 1980s, these communities thrived, thanks to the strong growth of BC’s natural resources sector, including forestry, mining, and fishing. After the global economic downturn in the early 1980s, however, these communities experienced boom and bust cycles that gradually resulted in long-term economic decline. Aging resource communities are characterized by population decline and an older median age. The housing stock in these communities is generally old and in need of major repair. New housing development is almost non-existent because it is seen as too risky in a community experiencing boom and bust cycles.

Finally, there is the ‘resort/amenity’ community. Some of these communities, historically, had ties to both the resource sector and to the tourism economy. Other communities are, just now, transitioning from a resource community to a resort/amenity community. These communities are characterized by a younger median age and a larger proportion of the population in the family-formation/working age cohorts. They are also characterized by population growth, although for some, this growth is very recent. As population growth results in housing demand, the housing stock in many resort/amenity communities is in the process of renewal. Given that many households in amenity and tourism communities have relatively low incomes, housing affordability and vulnerability are issues.

Many communities likely find themselves in transition phases between archetypes or on their own unique trajectories. Larger NMA centres tend to be more diverse and are the least likely to fit into just one community type; however, many will see elements of the housing trends and correlations that go along with one or several of the archetypes within their community. Understanding some of the patterns of the ‘typical’ communities, including their housing issues and the circumstances leading up to particular housing crises, can help other communities gain a better understanding of their own housing nuances.

Population Data

NMA housing has to be considered in the context of the NMA population and their needs. This section provides demographic data for each community in our sample, including current population, population change over time, age, and household size, to provide a context for housing need.

Total Population

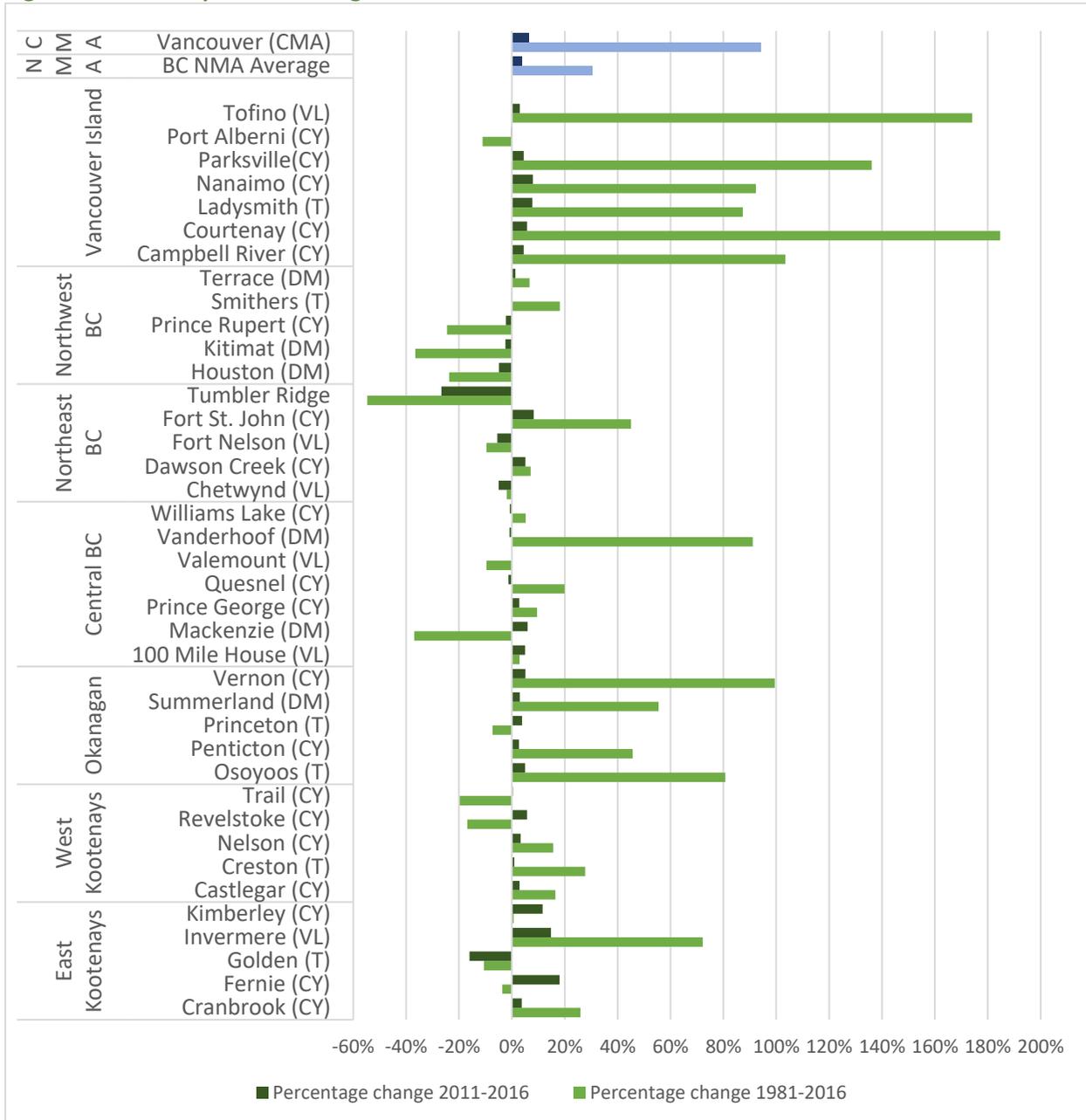
A look at population trends between 2001 and 2016 reveals growth across all geographies. BC registered a total population growth of 5.6% from 2011 to 2016, NMAs saw 4.6% in the same time period, and CMA growth was at 6.7%. One-half of the 2016 BC population lived outside CMAs.

Information on population size in our sample shows that population change is dynamic and varies greatly across the NMA sample communities. While there are some communities

Non-metropolitan BC is growing.

with a steady population decline, and some that have experienced stagnation for decades, there are also numerous municipalities registering significant growth. As presented in Figure 1.1, population change between 1981 and 2016 in our NMA sample communities ranged from over 180% growth to almost 55% decline, with well over half of them registering growth and an average growth of 30.3%. Vancouver CMA saw 94.2% growth in the same time period. This is relevant in the context of this report for two reasons. (1) It corrects a widely held perception that non-metropolitan communities are dying. Non-metropolitan BC is growing and deserves attention. (2) It shows that, despite considerable diversity among the sample communities in terms of location, settlement history, population size, and economy, the demographic and housing data presented in this report tells a consistent story of an existing or imminent housing need and crisis throughout non-metropolitan BC.

Figure 1.1 Total Population Change



Source: Statistics Canada. 1981-2016. Census Program.

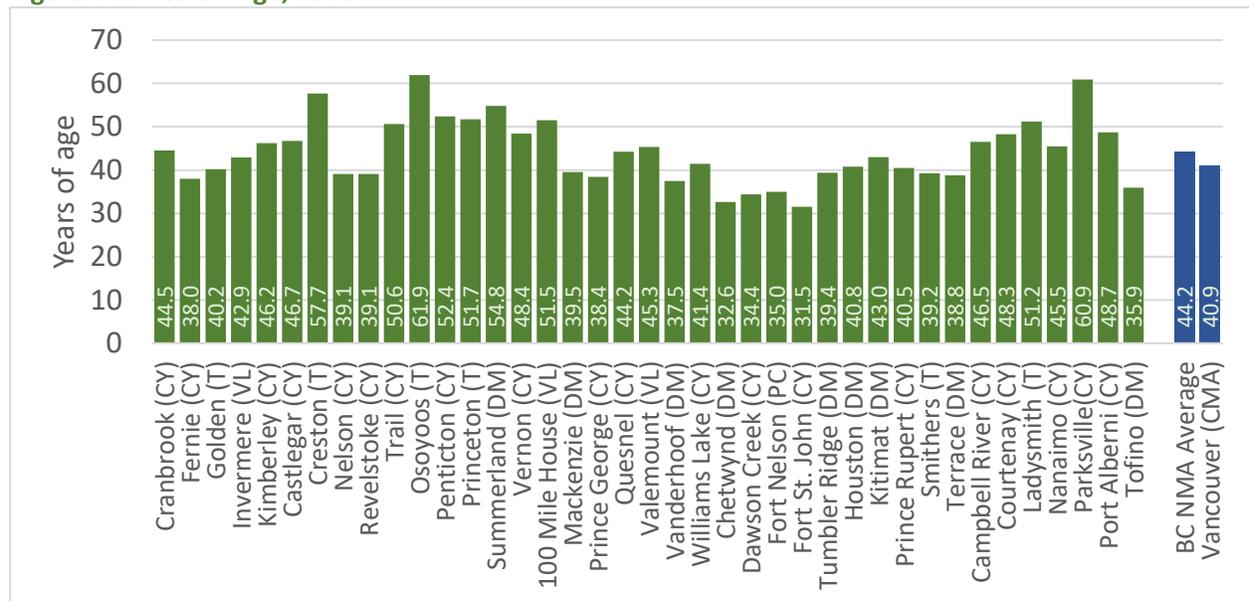
Population Aging

Population aging is a worldwide phenomenon that has implications for all areas of community life, including housing needs and preferences. Accessibility, affordability, and home maintenance are key considerations in planning seniors housing and services. With the likelihood of mobility issues and frailty increasing with age, accessibility features like a level entrance, wide doorways, adapted bathrooms, and key living areas located on one floor become important. In addition, regular maintenance of larger homes and properties, for example summer yard work, winter snow clearing, repairs, and housekeeping can become burdensome or impossible for seniors at some point. Moreover, seniors on a fixed income can be financially vulnerable, and energy inefficient homes and major repairs can create financial strain.

Figure 1.2 shows that the average median age in our NMA sample is well above median age in Vancouver CMA. Fort St. John, the youngest community in this report with a median age of 31.5, represents the northeast region as a notable exception, with a young non-metropolitan population. Figure 1.2, however, clearly demonstrates the predominance of older NMA populations, with median ages over 60 in Osoyoos and Parksville. Figure 1.3 shows how population age has changed in the youngest and oldest sample communities between 1981 and 2016. In 1981, youth and young families made up the largest population groups in both communities. The shape of the 2016 population pyramids in both communities shows noticeable aging. In Osoyoos, as in many other sample communities, population aging has progressed to a point where people aged 50 and over make up the largest part of the community, meaning the majority of the community are either retired or will likely retire in the next 10 to 15 years.

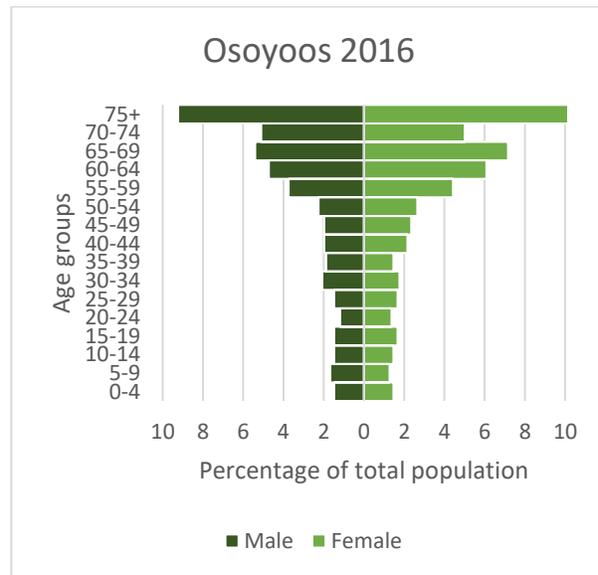
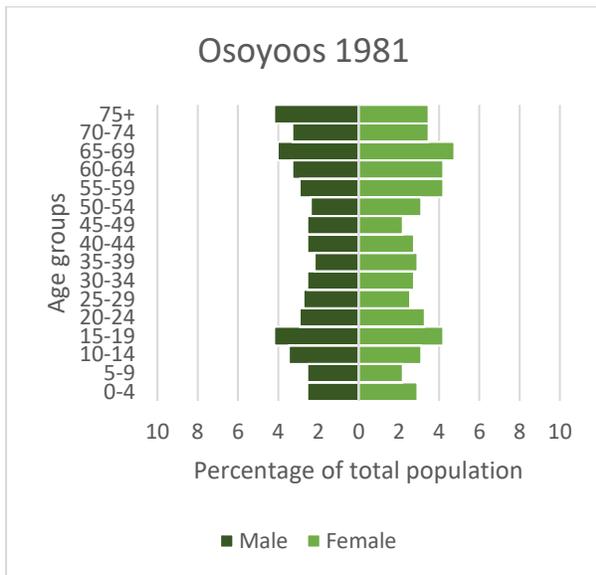
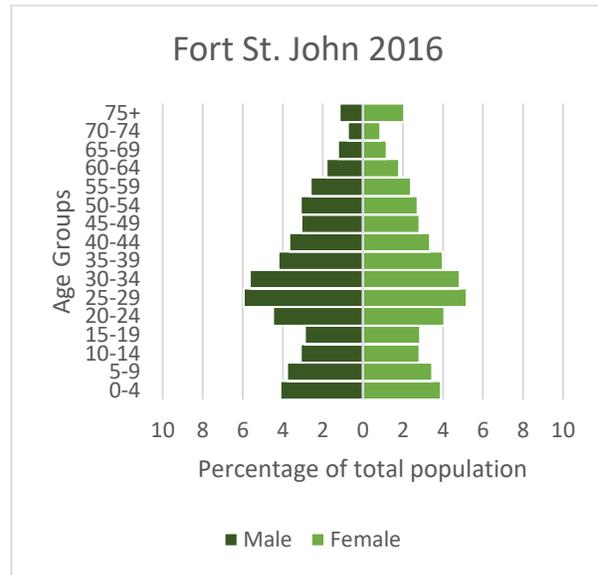
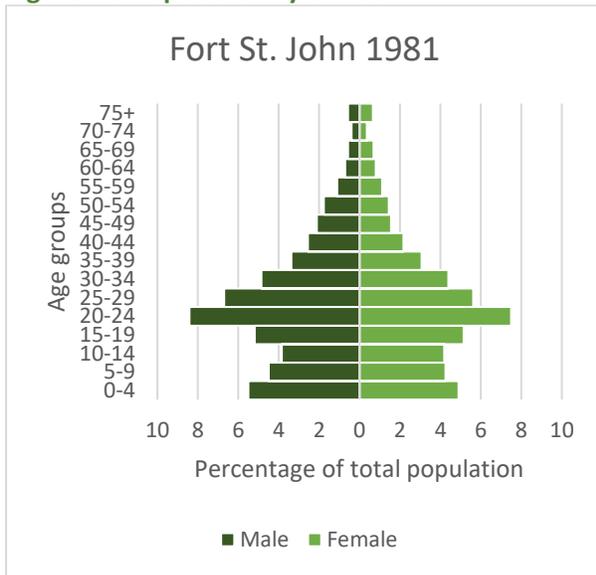
Non-metropolitan populations are, on average, older than metropolitan populations.

Figure 1.2 Median Age, 2016



Source: Statistics Canada. 2016. Census Program.

Figure 1.3 Population Pyramids



Source: Statistics Canada. 1981 and 2016. Census Program.

Household Size

Household size is another factor that influences housing, in particular the dwelling size a household needs or wants.

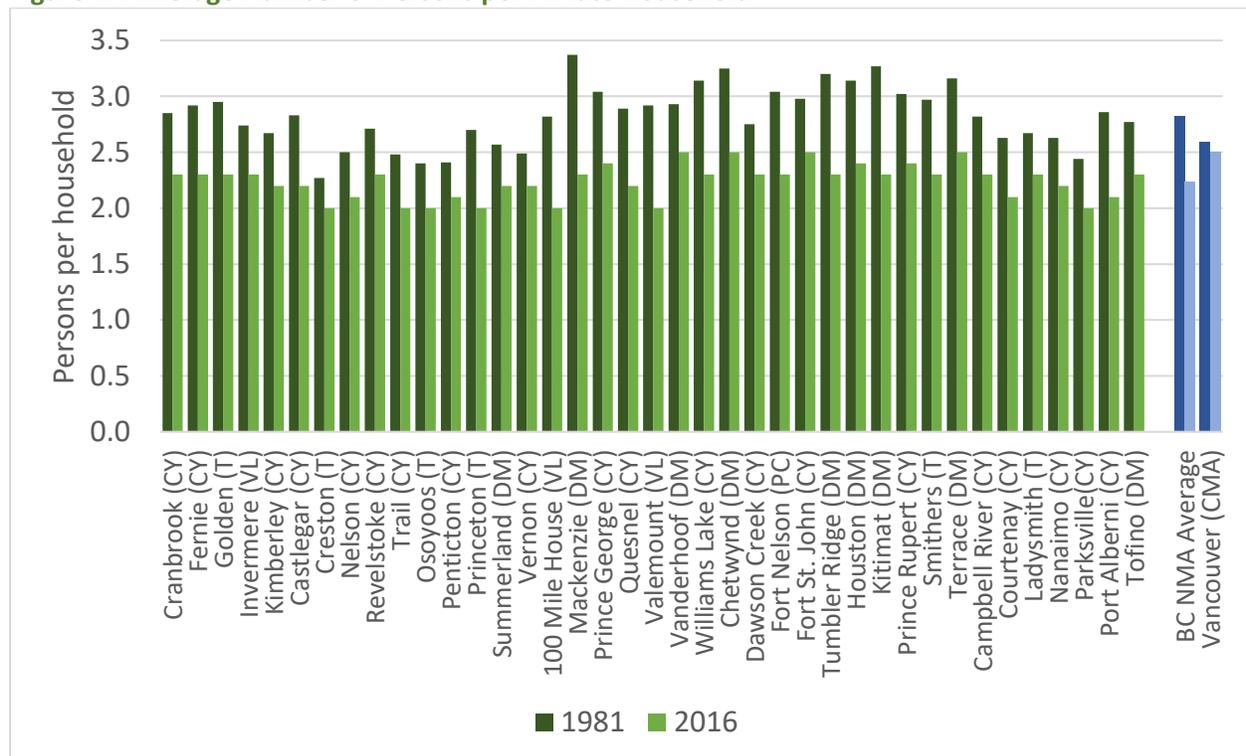
The average household size for most communities used to be rounded to three persons per household in 1981; in 2016, it was much closer to two persons in NMA communities. According to the 2016 census, households in our BC NMA sample communities were on average made up of 2.2 persons, while households in Vancouver were comprised of 2.5 persons on average.

Non-metropolitan households are smaller than metropolitan households.

Non-metropolitan communities have had to respond to much more significant change in household size.

However, NMA households are not only smaller than CMA households, they have also undergone much more pronounced change in household size over the past decades. As outlined in Figure 1.4, household size has decreased across all NMA sample communities and decreased on average by over 20% between 1981 and 2016, while the decrease in household size in Vancouver CMA in the same time period was only 3.5%.

Figure 1.4 Average Number of Persons per Private Household



Source: Statistics Canada. 1981 and 2016. Census Program.

Housing Data

In the context of the population data introduced in the previous section, this section of the report presents some of the data collected on housing stock. The data presented here continues to show that, despite the diversity across the NMA sample communities, common patterns and issues emerge. This information is critical to the understanding of housing needs and issues in non-metropolitan BC.

Age of Housing Stock

The construction period of residential housing stock reveals information and implications about the characteristics of the available dwellings.

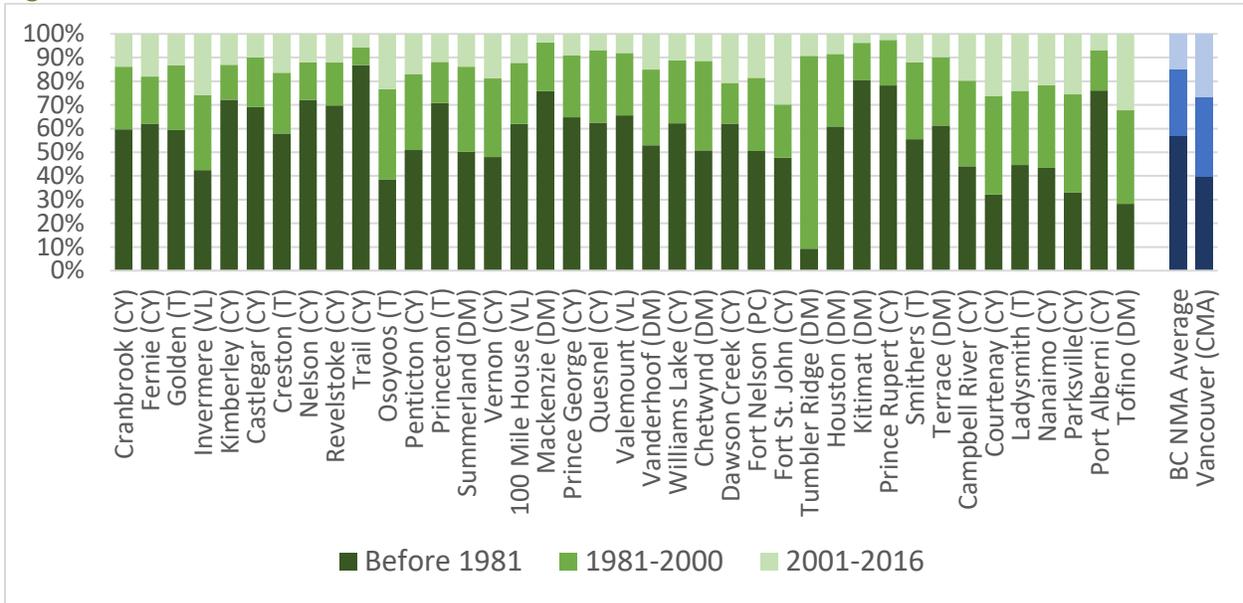
A look at the period of construction of the existing housing stock (Figure 2.1), as recorded in the 2016 census, confirms that 56.8% of the housing stock on average in the NMA sample communities was built before 1981. In Vancouver CMA, a much smaller percentage dates back that far (less than 40%). In fact, much of the NMA housing and many neighbourhoods date back to the 1960s and 1970s. These homes are not energy efficient; do not have the aesthetic, amenities, or design features young professionals and families are looking for today; and are not designed to be accessible or adaptable for older residents wishing to age-in-place.

The majority of the non-metropolitan housing stock was built before 1981.

Non-metropolitan housing is older than metropolitan housing.

Each of these characteristics impacts housing affordability. The cost of heating an energy inefficient building in winter; the cost of renovating and modernizing an old, outdated home; or the cost of adapting a split-level dwelling, a popular design in the 1960s and 1970s, for aging-in-place will have a significant impact on housing affordability. Other factors can also impact housing affordability, for example the amount of wear and tear that naturally increases with the age of a home and the degree of regular maintenance, renovations, and major restoration work that may have taken place over the lifespan of a home.

Figure 2.1 Period of Construction



Source: Statistics Canada. 2016. Census Program.

Dwelling Condition

Dwelling condition is of interest in the context of attraction and retention, and influences the attractiveness of individual homes as well as entire neighbourhoods. The level of disrepair also plays into affordability and quality of life.

Dwelling condition in non-metropolitan communities reflects the age of the housing stock. In our sample, the need for major repairs ranges from over 14% in Smithers to 3.6% in Parksville. Across the NMA sample, 7.7% of homes are in need of major repairs. This compares with just 5.7% in Vancouver CMA. Given the aging population in NMA communities, this creates a two-fold concern.

Older households trying to maintain older dwellings likely face affordability challenges if they are on fixed incomes. In addition, they are more likely to encounter limitations to their ability to undertake regular maintenance tasks with increasing age and frailty. These challenges would be even greater for senior one-person households, especially single elderly women. Dwelling condition becomes a community issue when homes in need of repair are neglected, resulting in deteriorating housing stock and deteriorating neighbourhoods. This directly impacts NMA communities' ability to attract and retain economic investments and businesses, as well as younger workers and seniors.

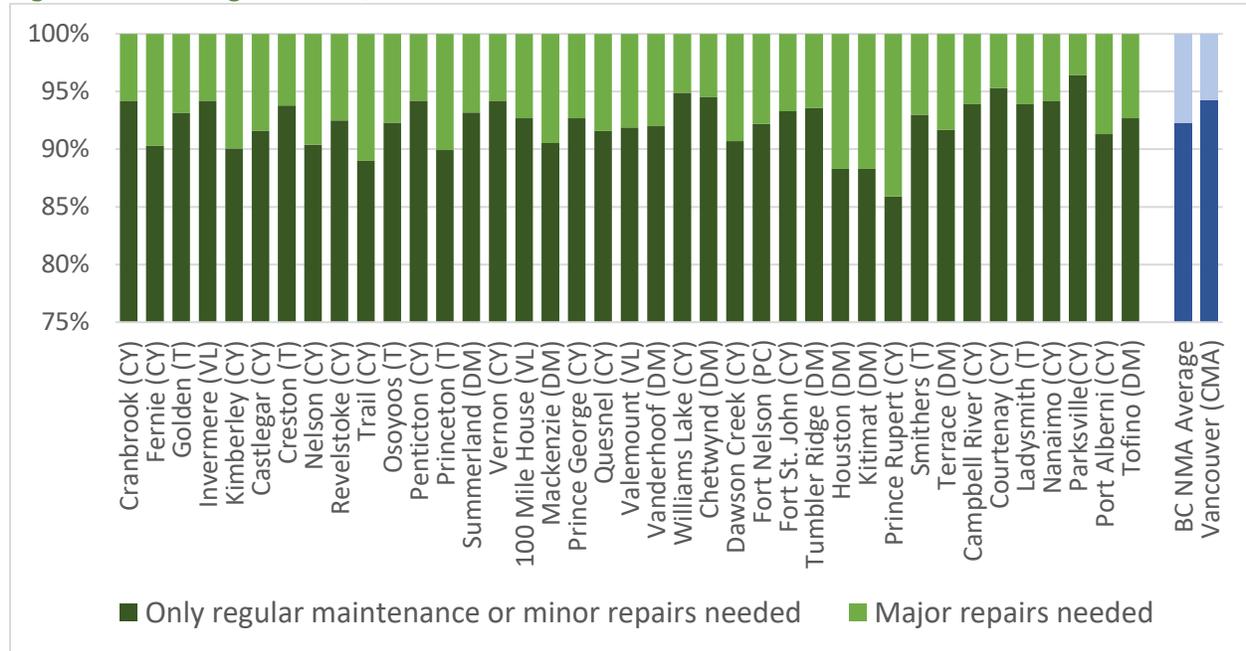
Dwelling condition is generally worse in non-metropolitan communities compared to metropolitan centres.

Rental accommodation shows a higher need for major repairs than owner-occupied dwellings.

Additional concerns about dwelling condition are raised when the need for major repairs is viewed through the lens of owner-occupied versus tenant-occupied dwellings. Figure 2.3 shows that, in over three-quarters of the sampled NMA communities in BC, rental dwellings are more likely to be in need of major repairs than owner-occupied dwellings. For communities trying to attract a young workforce that likely does not yet have the capital to purchase a home, or who may wish to live in the community for some time before making the decision to purchase a home, this is a concern that impacts community and economic development directly.

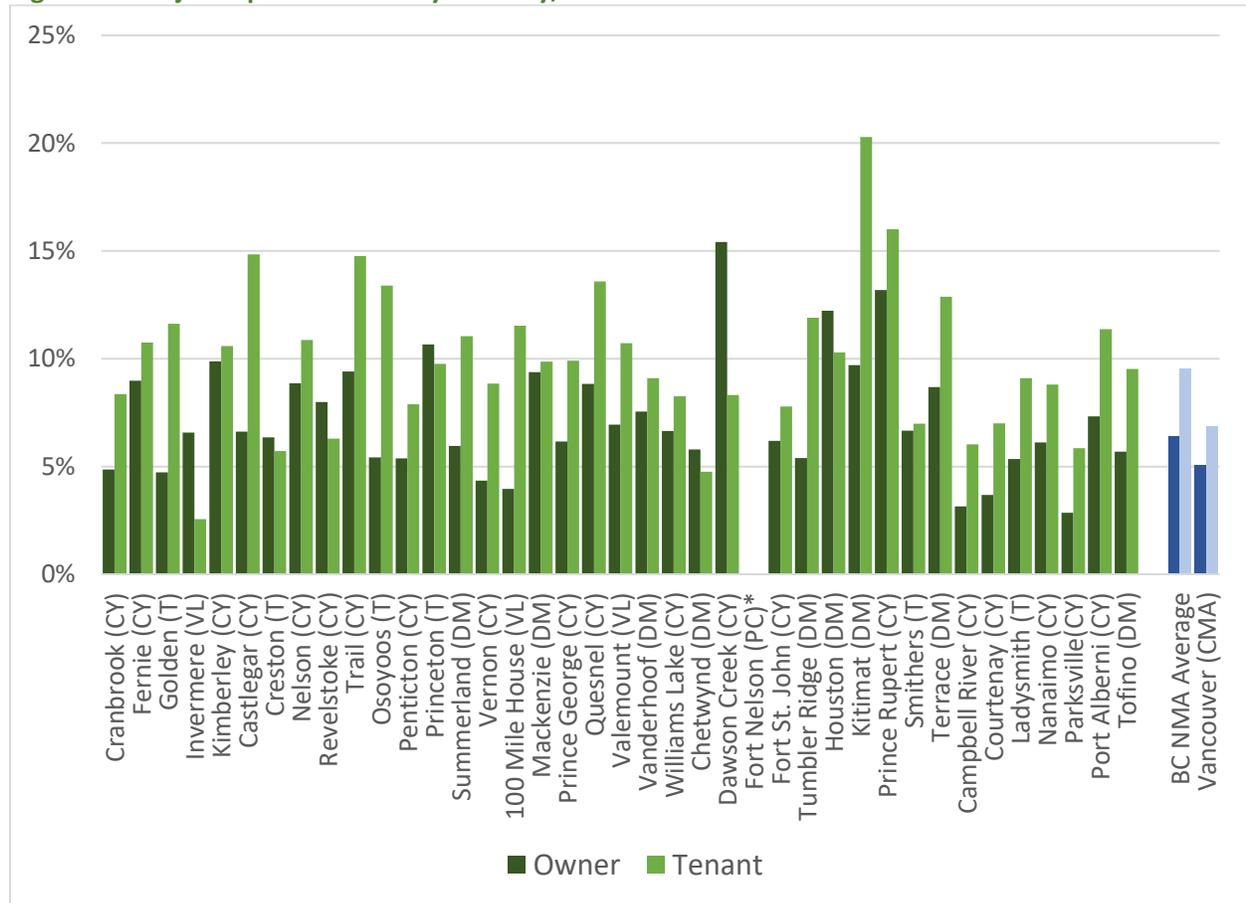
It should be noted that the Canadian Census does not collect data about repairs, maintenance, and renovation work that has been completed. Information about the types of renovations and updates that have taken place would further our understanding of housing needs.

Figure 2.2 Dwelling Condition, 2016



Source: Statistics Canada. 2016. Census Program.

Figure 2.3 Major Repairs Needed by Tenancy, 2016



Source: Statistics Canada. 2016. Census Program. *Note: Data for Fort Nelson not available.

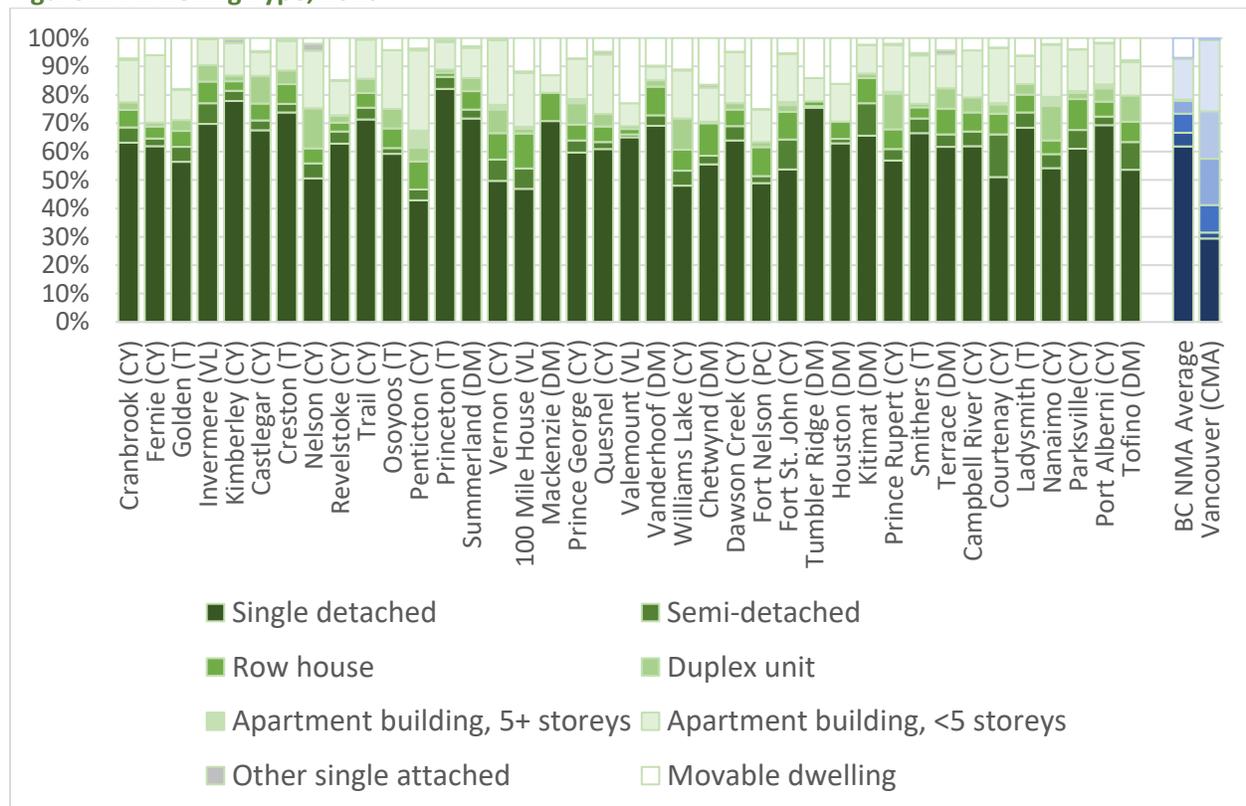
Dwelling Type

Dwelling types are defined in the Census program and include, for example, single detached homes, multi-storey apartment buildings, row houses, duplexes, and moveable dwellings. The various types have implications for the size of a dwelling as well as, for example, associated maintenance effort and cost, or likelihood of being available as rental or owned dwellings. A robust mix of dwelling types is desirable to ensure a breadth of appropriate housing options and choices.

Figure 2.4 shows that between 40% and 85% of the housing stock in NMA sample communities consists of only one dwelling type: single detached homes (62% on average). This data demonstrates a lack of choices in NMA communities, for example for smaller households and seniors who wish to downsize to cut down on dwelling maintenance. In addition, it should be noted that the quality of diversity matters. Vancouver CMA has a diverse mix of dwelling types including a variety of apartments and semi-attached and attached dwellings that offer quality choices to residents. On the other hand, many NMA communities in BC, if they have any kind of diversity in their housing stock, often have a significant percentage of moveable dwellings. These moveable dwellings are likely less energy efficient and hold less equity.

The non-metropolitan housing stock generally lacks diversity.

Figure 2.4 Dwelling Type, 2016



Source: Statistics Canada. 2016. Census Program.

Dwelling Size

The size of a household is the primary factor that determines how many bedrooms are needed, or expected, in the search for an ideal home. Therefore, the match between household size and size of dwelling, as presented here by the number of bedrooms, is a key indicator of how well the housing stock in a community meets the housing needs in that community.

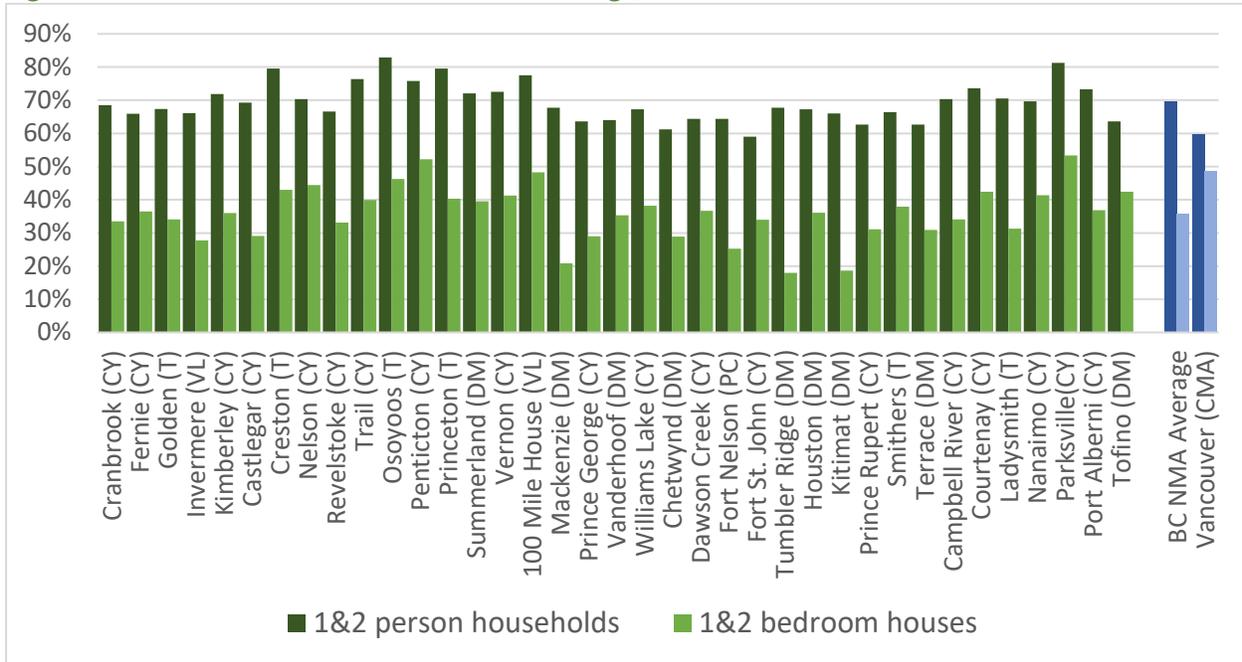
Figure 2.5 compares the prevalence of one- and two-person households with the proportion of one- and two-bedroom homes in the existing NMA sample housing stock. It shows a pronounced shortage of smaller homes. Figure 2.6 confirms the mismatch of the housing stock with household sizes by comparing four- and more person household prevalence with four- and more bedroom homes. This comparison demonstrates an oversupply of large homes. This mismatch in dwelling size and household size further underlines the lack of housing options and choices, especially for smaller households, throughout non-metropolitan communities in BC. In comparison, the mismatch in Vancouver CMA is much smaller.

Non-metropolitan communities experience a shortage of smaller units and an oversupply over larger dwellings.

Small households in NMAs are likely to live in larger homes than they need. This means that the housing stock is under-utilized, and affordability, once again, becomes an issue. Small households are paying for more house than they need. They are also paying to heat a larger home than they need, which is especially concerning when dealing with older, energy-inefficient housing stock.

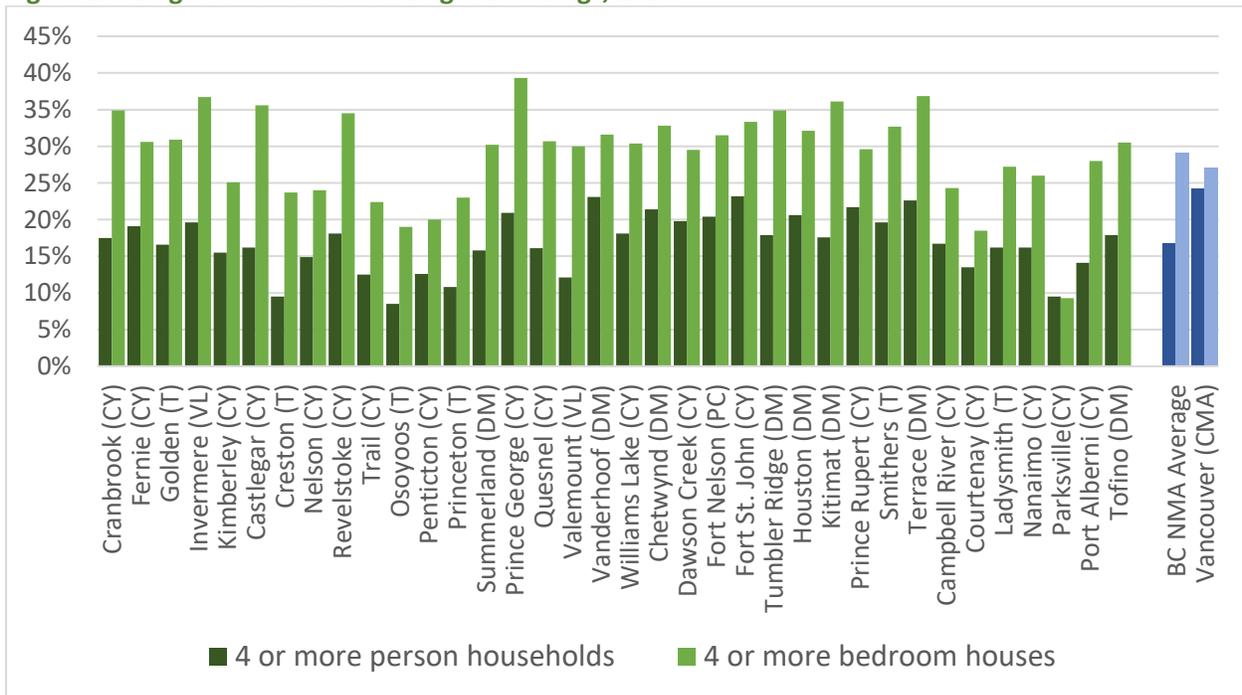
The mismatch between housing stock and household size is a significant constraint for communities wishing to attract young professionals, young workers, and young families, or retain seniors. These smaller households will find few housing options in NMA communities that meet their needs.

Figure 2.5 Smaller Households vs. Smaller Dwellings, 2016



Source: Statistics Canada. 2016. Census Program.

Figure 2.6 Larger Households vs. Larger Dwellings, 2016



Source: Statistics Canada. 2016. Census Program.

Home Equity and Affordability

The issue of housing affordability goes beyond dedicated subsidized housing units. It is well recognized in the media and among housing professionals that metropolitan centres are facing affordability crises; however, housing affordability and vulnerability are also important, and often under-recognized, concerns in NMA communities.

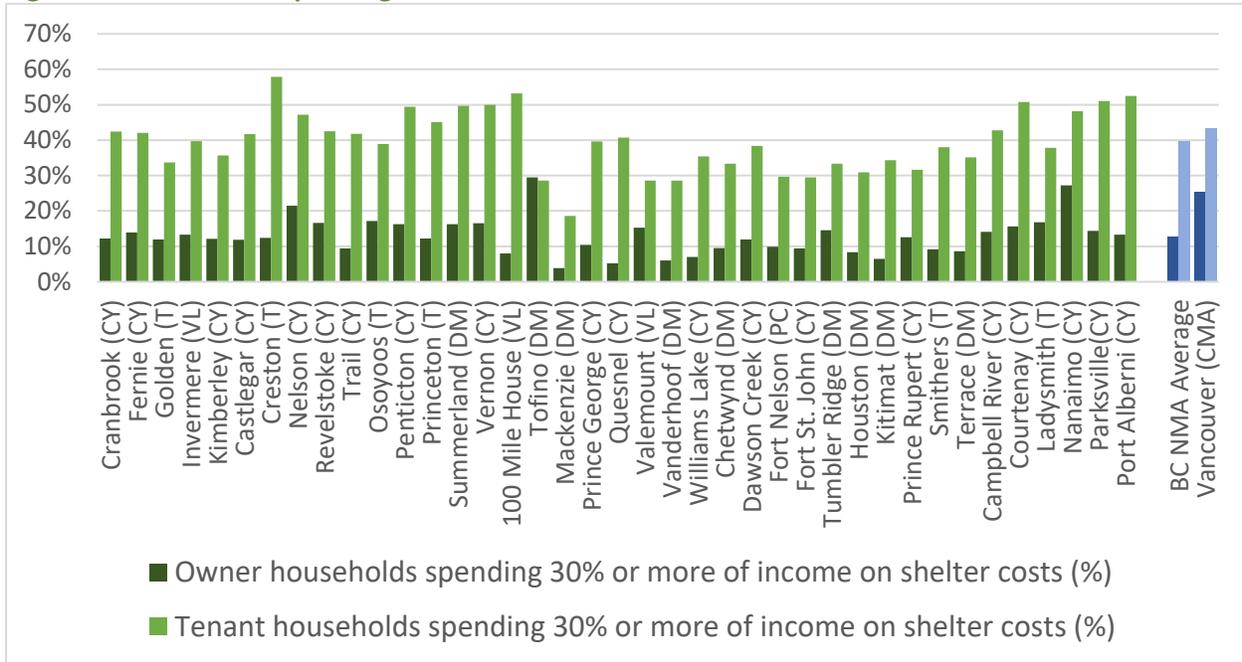
Tenant affordability and vulnerability in NMA communities is a particular concern. As Figure 2.7 demonstrates, tenants in NMAs are almost as vulnerable as those in the Vancouver CMA. In many of our sample communities, tenants are even more vulnerable than their Vancouver counterparts. Looking at homeownership, on the other hand, demonstrates the positive aspect of non-metropolitan living in the context of affordability; homeowners in our NMA sample are less vulnerable compared to those in Vancouver CMA. However, the data also shows that the gap between owners and tenants tends to be larger outside metropolitan areas, pointing to greater economic and social inequities in these communities.

Non-metropolitan tenant vulnerability is on par with metropolitan tenants.

Taking into consideration that rental units tend to be in greater need of repair and are needed to house a young workforce, including service sector and health care workers for example, the high levels of tenant vulnerability when it comes to NMA housing affordability is another matter of direct concern to community and economic development efforts.

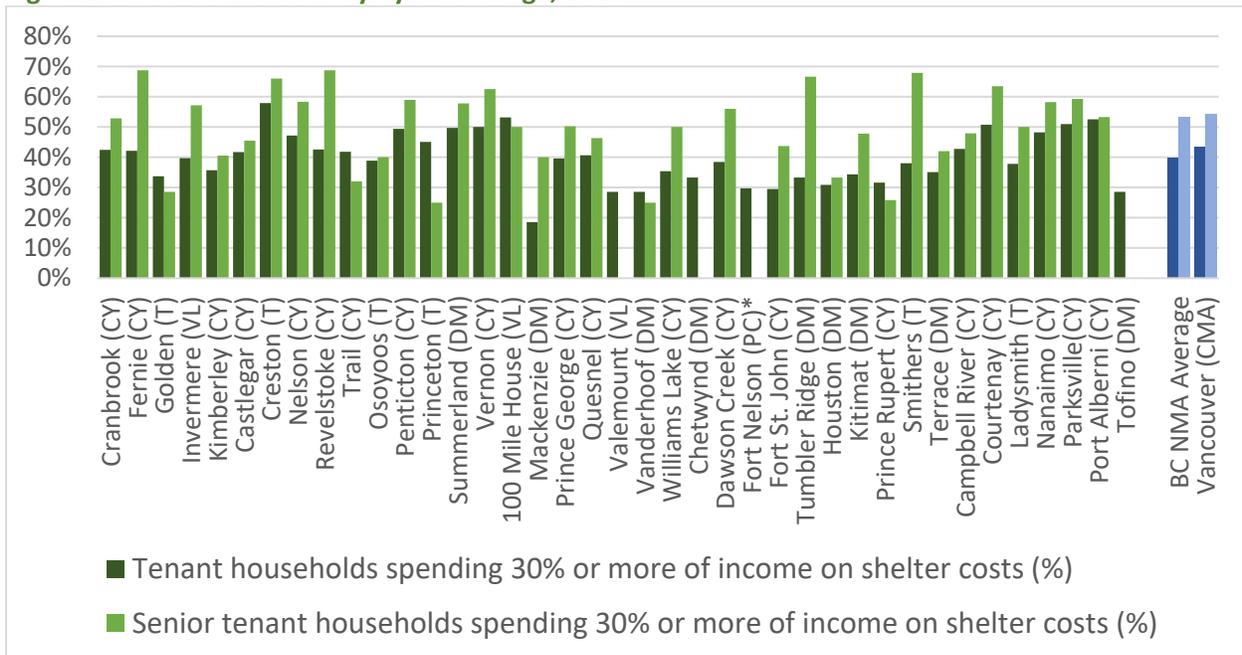
A further breakdown of affordability data, as presented in a smaller subset of our sample in Figure 2.8, illustrates how an additional layer of community-specific detail can result in a greater understanding of NMA housing issues. Figure 2.8 reveals that, within the vulnerable tenant group, seniors are shown to be even more vulnerable in non-metropolitan communities. In our sample, up to 69% of tenants aged 65 years and over spend 30% or more of their income on shelter costs.

Figure 2.7 Households Spending 30% + of their Income on Shelter Costs



Source: Statistics Canada. 2016. Census Program.

Figure 2.8 Rental Affordability by Tenant Age, 2016

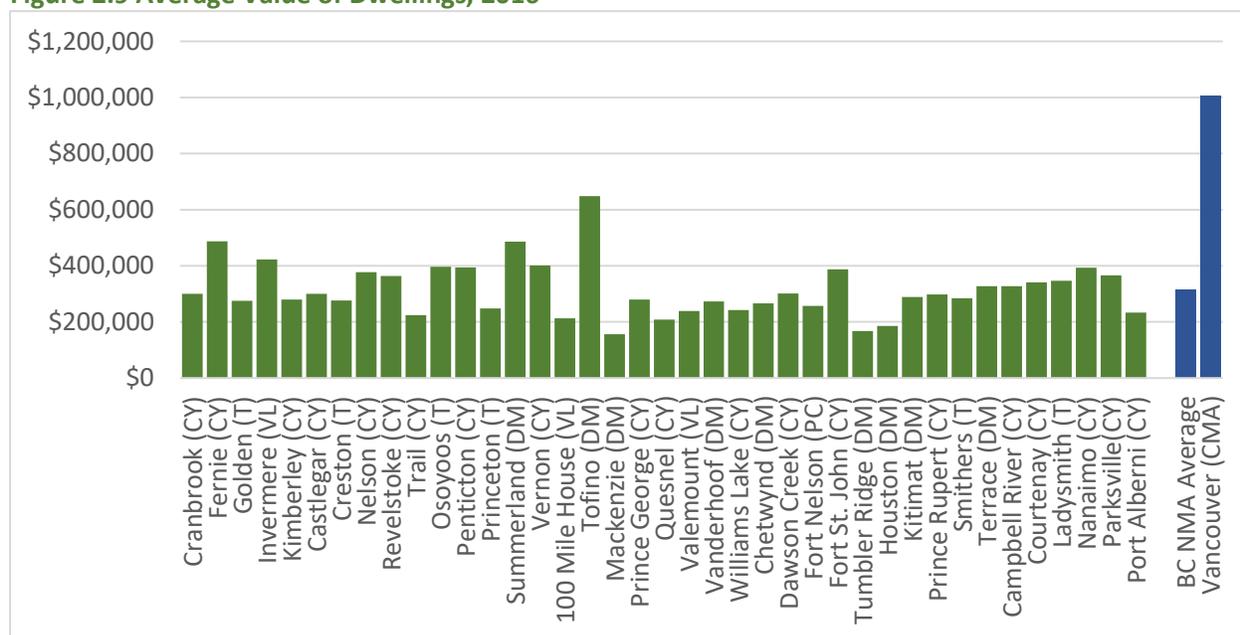


Source: Statistics Canada. 2016. Census Program. Note¹: Fort Nelson not available as it is a population centre, not a census subdivision. Note²: In small communities, subpopulation group data might be suppressed to uphold confidentiality or might show significant rounding errors.

Figure 2.9 outlines the average values of dwellings in our sample of NMA communities. These values range from a low of \$156,007 in Mackenzie to a high of \$648,561 in Tofino. The average value in Vancouver CMA in 2016 was \$1,005,920. Supporting the finding of increased affordability for homeowners suggested in Figure 2.7, homeownership rates in NMA tend to be higher than in metropolitan areas (Figure 2.10). While this is likely due, in part, to the relatively lower housing prices compared to Vancouver, limited rental options may also play a role in higher homeownership rates. The second implication of comparatively lower housing prices is that lower equity in their homes affects homeowners' mobility and financial options. People who would like to move to larger centres will find that the equity in their NMA home does not go far in CMA housing markets.

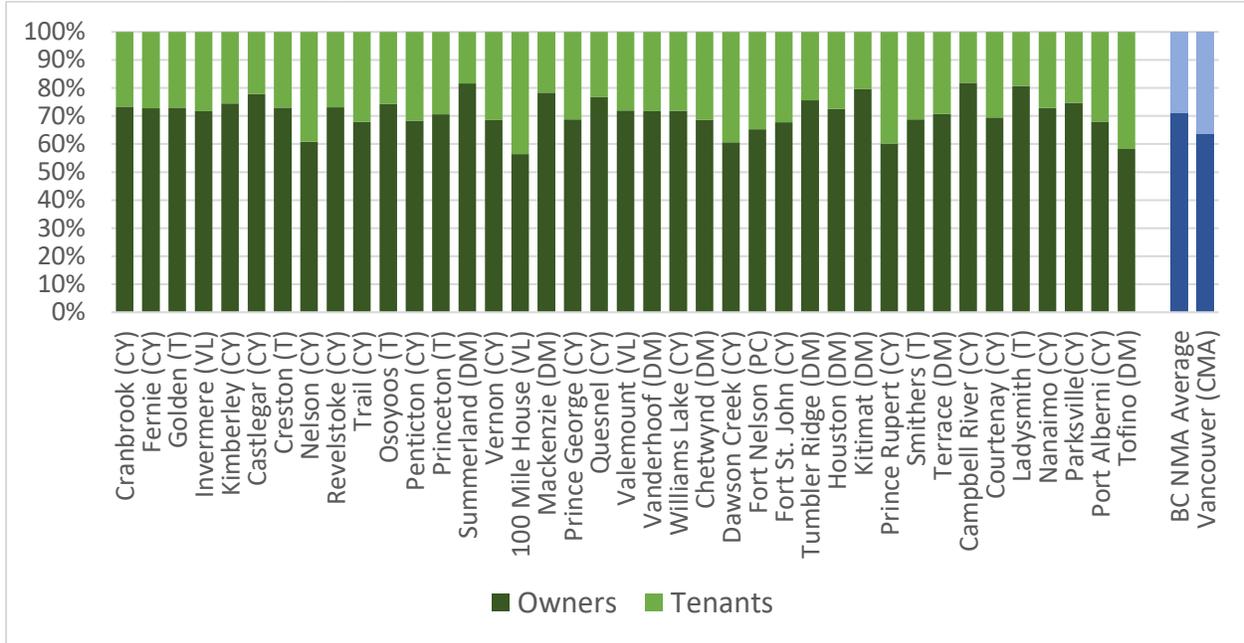
Comparatively low equity in non-metropolitan homes limits homeowners' mobility and economic opportunity.

Figure 2.9 Average Value of Dwellings, 2016



Source: Statistics Canada. 2016. Census Program.

Figure 2.10 Homeownership Rates, 2016



Source: Statistics Canada. 2016. Census Program.

Housing Issues and the Implications for BC's Non-Metropolitan Communities

As of 2016, about half the population of BC, 2.3 million people, lives in non-metropolitan areas. NMA communities grew by 4.6% between 2011 and 2016. Despite the size of the population and the contribution to the provincial economy, housing issues and challenges in non-metropolitan BC have gone largely unrecognized in policy, research, and planning. As a result, the state of housing has become a key constraint on economic and community development. This is true across non-metropolitan BC, as illustrated by the description of each of the three community archetypes identified in this study: 'retirement', 'aging resource', and 'resort/amenity' communities. Through this research, we have identified challenging patterns related to population and demographic change and the housing stock that have significant implications for NMA communities. Without action, community economic opportunities will continue to be lost, housing affordability will decline, especially for vulnerable populations, and health and safety will be put at risk.

Retirement communities. These communities, which have been attracting older adults, often for decades, have a significantly older population than CMA or NMA averages. Given the population growth, these communities also have a higher percentage of newer housing development, however, many still lack diversity of dwelling types. The value of dwellings in these communities is generally higher than in other non-metropolitan communities, making homeownership difficult for young households. Tenants in these communities, including senior tenants, tend to be particularly vulnerable in terms of affordability. These communities also tend to have rental accommodation that is in need of major repairs. These dynamics in the housing market, tenant financial vulnerability, and rental accommodation that is in need of repairs, likely contribute to the fact that the family-formation/working age population cohorts in these communities are very small. A small working age population makes it difficult for employers to hire staff, which is a significant drag on the economy and the provision of much-needed services for the aging population.

Aging resource communities. These communities, which have been losing population due to an out-migration of youth for decades, have seen a significant increase in median age and a decrease in household size. Lack of population growth means that the housing stock in these communities has not been renewed, so it is generally old and in need of major repairs. Lack of population growth also means that housing values are low. As a consequence, most homeowners have no choice but to age-in-place in the community because their equity will not go far in purchasing a home in other communities. With the population aging-in-place, these communities are now having to attract younger workers to replace retired workers and provide the services required by an aging population. While this is creating a demand for decent, affordable smaller housing units, there is a lack of supply. Jobs are going vacant, which is a missed opportunity for economic growth and community renewal.

Resort/amenity communities. These communities, many of which are in a state of dynamic transition, are dealing with multiple issues and challenges. Their economies, which are fueled by higher income visitors and part-time residents, are also heavily dependent on the service sector, which has some of the lowest-paid workers. These communities are characterized by a younger median age and a larger proportion of the population in the family-formation/working age cohorts. Housing costs, however, can leave the full-time homeowners and tenants financially vulnerable in these communities. For service sector employers, housing costs and shortages are contributing to job vacancies and service cutbacks.

Housing costs can also make it difficult to attract and retain permanent workers, such as teachers, nurses, local government staff, and others. On the other hand, amenity residents, many of whom live only part-time in the community, have significant equity to invest in housing. Ensuring the housing supply meets the needs of all residents, full and part-time, is key to the long-term success of these communities.

The research data indicates clearly that housing stock in non-metropolitan communities is not meeting current needs. As a result, housing stock has become a barrier to economic and community development. Jobs in industry, business, and the public sector remain vacant because communities do not have the housing that younger workers are looking for or can afford. Seniors who have lived in the community for years have no options for downsizing and are struggling to maintain a home that is too big and too costly. Lack of suitable and affordable housing means that economic opportunities are lost, and communities remain stagnant.

We have an opportunity to turn this around. With creative and innovative approaches to housing development and coordinated action by all levels of government, the conditions could be set for housing and economic revitalization in BC's non-metropolitan communities.

Moving Toward Solutions and Action

The state of housing in non-metropolitan BC has become a key constraint on economic and community development. Through this research, we have identified patterns in demographics and housing stock that are producing challenging implications for communities. Without action, community economic opportunities will be lost, housing affordability will decline, especially for vulnerable populations, and health and safety will be put at risk.

In this section, we focus on solutions for moving forward to address the housing issues and challenges found in non-metropolitan communities. Specifically, we will explore options for housing development, support for housing development, integrating community development support, and supporting further research and knowledge mobilization.

Options for Housing Development

The data on the housing stock in non-metropolitan communities suggests that a range of options are available for expanding housing development, particularly affordable housing development. While these options have become quite common in metropolitan areas, non-metropolitan communities have very little experience with these. There is, therefore, an appetite among non-metropolitan communities that are exploring these options to have the opportunity to speak directly with other communities of a similar size that have implemented them to share their experiences and ask questions.

Conversion and renovation of existing housing: Given the predominance of large, old, single detached dwellings, there is a significant opportunity for conversion and renovation of these units. Conversion could include a redesign to accommodate two households and include features that people today are looking for in their housing. Renovation should include a focus on energy upgrades, including insulation, doors, windows, appliances, and the heating system. This will protect affordability over the new lifespan of the home. Conversion and redesign approaches would also provide an opportunity to find ways to enhance the accessibility and adaptability of the current housing stock. This would provide options to residents who wish to age-in-place in the community. It is worth noting that many homes in NMA communities were built from stock plans, which raises the question whether stock renovation plans could also be developed. If these renovation plans could be pre-approved by local government, it would cut conversion costs and renovation time.

Infill housing: Large, old single detached homes in NMA communities often sit on large lots. This presents an opportunity for infill housing: garden suites, granny flats, carriage homes, and laneway houses. Once again, standard plans and simplified zoning and permitting could reduce costs and development time.

Small lot developments: Small lot developments, for example pocket neighborhoods and garden courts, have been tried in a number of non-metropolitan communities. In many of these communities, these developments have been selling very well, overcoming early skepticism, particularly from developers.

Encouraging new development within the existing infrastructure envelope: Infrastructure, such as roads, water, sewer, electricity, and natural gas, are expensive to install and maintain. These costs are inevitably passed on to the homeowner through the purchase price, property taxes, and utility fees – all of which affect long term affordability. Encouraging new housing development within the existing infrastructure envelope will reduce installation and maintenance costs for local government and other service providers.

Support for Housing Development

Regulatory support and capacity are critical for successful housing development. The challenge for many non-metropolitan communities is that their building and renovation activity has been low or non-existent for many years. Consequently, they do not have a lot of experience with housing approvals, and many do not have the professional staff, processes, or procedures required. Financial support is also key; however, many private and government sector programs and lending guidelines have not kept abreast of the changes in non-metropolitan markets, and still regard them broadly as a risky investment.

Regulatory Support: The regulatory framework is a critical element in addressing housing issues. At the local and regional level, Official Community Plans, zoning bylaws, and approval processes all have an impact on supporting the development of housing. There is also a need to understand the state of local government capacity given the shortage of skilled development professionals, for example planners and building officials/inspectors.

At the provincial level, there is a need to consider the impact of legislation such as the *Residential Tenancy Act*, the speculation and vacancy tax, and non-resident ownership regulations.

Financial Support: The need to examine financial support for housing development in non-metropolitan BC encompasses several elements. Private sector lenders, who have long eschewed financing private sector housing development outside of urban areas, should be encouraged to take another look at these opportunities. This examination should take place in concert with a review by Canada Mortgage and Housing Corporation (CMHC) of its mortgage insurance and lending policies and programs as they relate to non-metropolitan areas.

Local governments need to consider programs that support the creation of affordable market or mixed market/non-market housing. These could include incentives for densification and the provision of municipal land for these projects. Local government must also consider how support can be provided for non-market/subsidized housing in the community.

All levels of government need to review current programs through a non-metropolitan lens and make adjustments that would help address housing issues. For example, programs that focus solely on energy retrofits could be expanded in NMAs to include additional funds if the project would convert a large single-family dwelling into two units.

Integrating Community Development Support

While housing has been identified as the most important factor in realizing the economic and social development potential of non-metropolitan communities, the larger community context must also be considered. Programs and services that contribute to quality of life must also be present. Good housing, and strong community programs and services will help attract and retain the people needed to make the community successful.

Recognizing community service linkages: As the housing stock is being renewed, attention must also be focused on ensuring NMA communities provide the community services to meet population needs, particularly health and education services.

Younger residents can be expected to be looking for access to services that enable them to work remotely. This would include high-speed internet, robust cellular coverage, and regular airline service to larger urban centres. Many will also be looking for access to high-quality outdoor, recreation, and leisure opportunities in the community.

For seniors wishing to age-in-place, services that provide support, for example, yard maintenance in summer, snow clearing in winter, housekeeping, home care, and transportation will be important. Until housing options and choices are more diverse in NMA communities, services may have to compensate for the shortcomings of the housing stock.

For all populations, well laid out neighbourhoods with ample accessible greenspaces and amenities make housing more attractive. Housing and community services, together, provide the foundations for quality of life, and communities must be prepared to understand and meet these needs.

Support Research and Knowledge Mobilization

There is significant interest in further research and knowledge mobilization to support non-metropolitan communities to increase the development of suitable, affordable housing. Following up on these ideas would require a combination of research and knowledge mobilization initiatives.

Share best practices and success stories: Strengthened communication and systematic information sharing across regions in BC would benefit decision-makers and planners at local levels. Hesitancy at policy levels, and on the part of developers, to try innovative solutions could be reduced by sharing approaches, models, success stories, and solutions to overcoming barriers.

Sharing best practices and successes on local government legislation, programs, and incentives to encourage housing development, including conversion, renovation, infill, and innovative development was identified by participants in the CDI's webinar series as being of significant interest and value.

Expand the CDI's non-metropolitan housing and population data base: In order to confirm the data patterns and strengthen the findings of this study, the number of communities in the data set needs to be expanded. This would entail collecting information on additional communities. Furthermore,

additional information on vulnerable population subsets needs to be included to ensure that average or median measures are not masking deeper issues for these populations.

Explore the issues that have become barriers: There is a need for further research and dialogue on the issues that have become barriers to housing development. One such issue is the growing popularity of short-term rentals and the impact on the availability of long-term rentals, particularly in resort/amenity communities. Another is the need for a deeper understanding of the secondary rental market, particularly in communities where CMHC's vacancy survey methodology is not effective.

There is also a need for information about the capacity and readiness in NMA communities of the three sectors that support housing development: the building industry and construction trades, the non-profit housing sector, and local government. Understanding the capacity in these sectors is critical, as many smaller communities have reported that there is a shortage of skilled building trades, that non-profit housing groups are folding due to the age of the directors, and that local government cannot recruit key professionals such as building officials and planners. Without this capacity 'in place', housing development will be stalled.

If non-metropolitan BC is to realize its economic and community development opportunities, the state of housing must be addressed. The findings of this study point to a need for coordinated and synergistic action by federal, provincial, and local governments that will leverage innovation and new approaches by private and non-profit housing developers. Moving toward solutions for non-metropolitan housing issues will require understanding current limitations and barriers, building capacity, encouraging innovation, supporting research, mobilizing knowledge, and sharing information and experience.



COMMUNITY
DEVELOPMENT
INSTITUTE



UNBC

333 University Way, Prince George, BC CANADA V2N 4Z9

Telephone: 1 (250) 960-5952 Email: marleen.morris@unbc.ca

www.unbc.ca/community-development-institute