

SERC 1

Housing Research Review

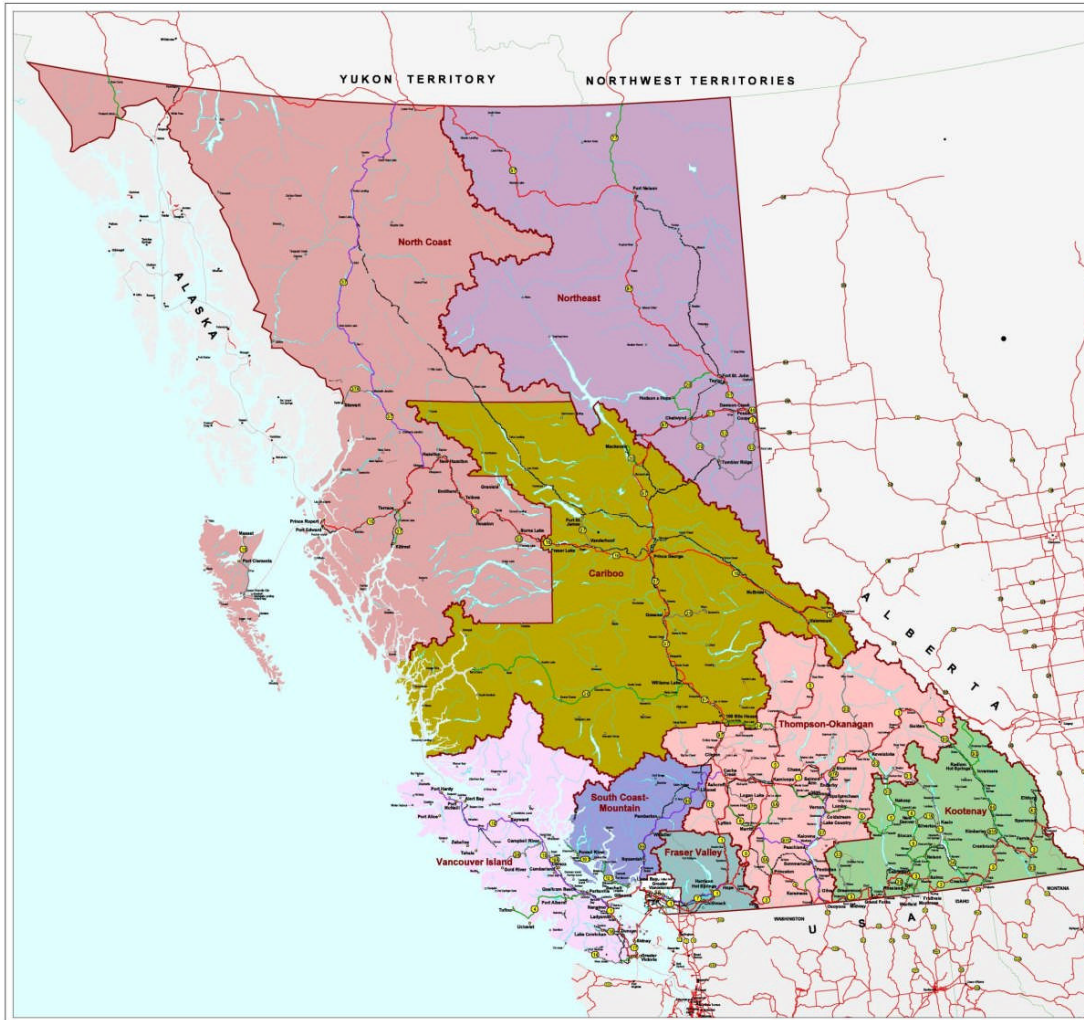
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BC-Alberta Social Economy Research Alliance (BALTA)
2008 Symposium
November 13-14, Vancouver, BC

Presentation Themes

- ✓ Overview of two research projects
- ✓ Issues/questions arising from the research
- ✓ Discussion

Study Area - Columbia Kootenay Region, B.C.



- 3 plus part of 2 Regional Districts
- 28 electoral areas
- 31 municipalities
- all but Cranbrook under 10,000 population
- 180,000 population total
- 40% rural

Affordable Housing Assessment and Strategic Planning Columbia Kootenay Region, B.C.

Research to Date:

- Compile, interpret Census and other background data (CBT - State of the Basin)
- 2001, 2008 Assessment Role analysis and comparison
- Inventory of Social Housing Assets
- Proposed sample survey with Real Estate Foundation

Columbia Kootenay Region Outcomes

Housing and the Regional Economy

- ❑ Approximately \$428 M (75% of total) in Residential Building Permits CBT 2007
- ❑ Annual Maintenance – Estimate \$203 M annually
- ❑ Construction approximately 12% of all employment, 14% of all businesses
- ❑ Approximately 37% of Total Residential Permit Value in rural areas

Relationship to Economic and Demographic Change

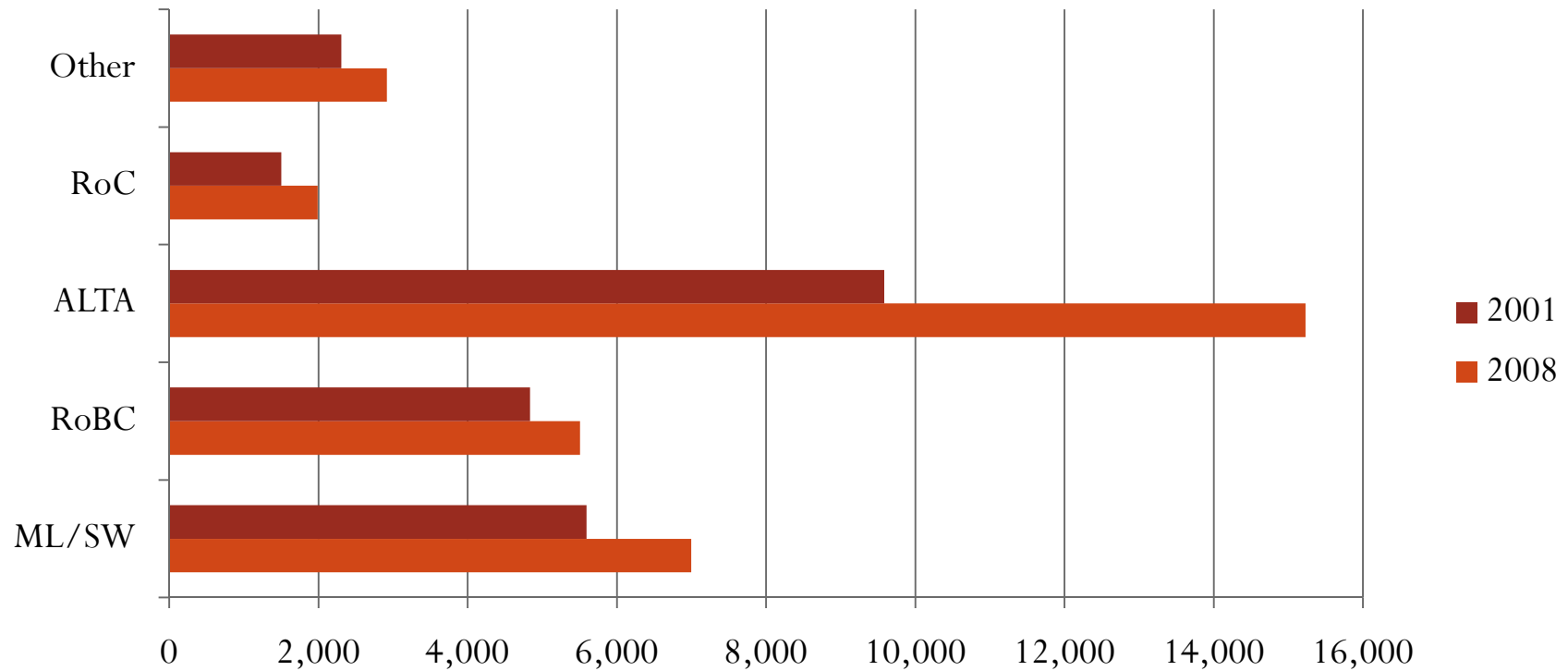
- ❑ “Boomer” generation retiring. Creates housing demand for retired, semi retired and “amenity migrants”
- ❑ Labour Force projected needs - 15,800 (½ new and ½ replacement) workers by 2011
- ❑ Competing demands generate increasing prices if supply is not adequate
- ❑ Average Occupied Dwelling Value (Census) increased (68.7%), Average Household Income (16.3%), and Average Rental Rate (8 %) - 2001 to 2006. Minimum wage did not increase.
- ❑ Rental Households (21.4% of total) declined 9%, 2001 - 2006

Population Cohorts

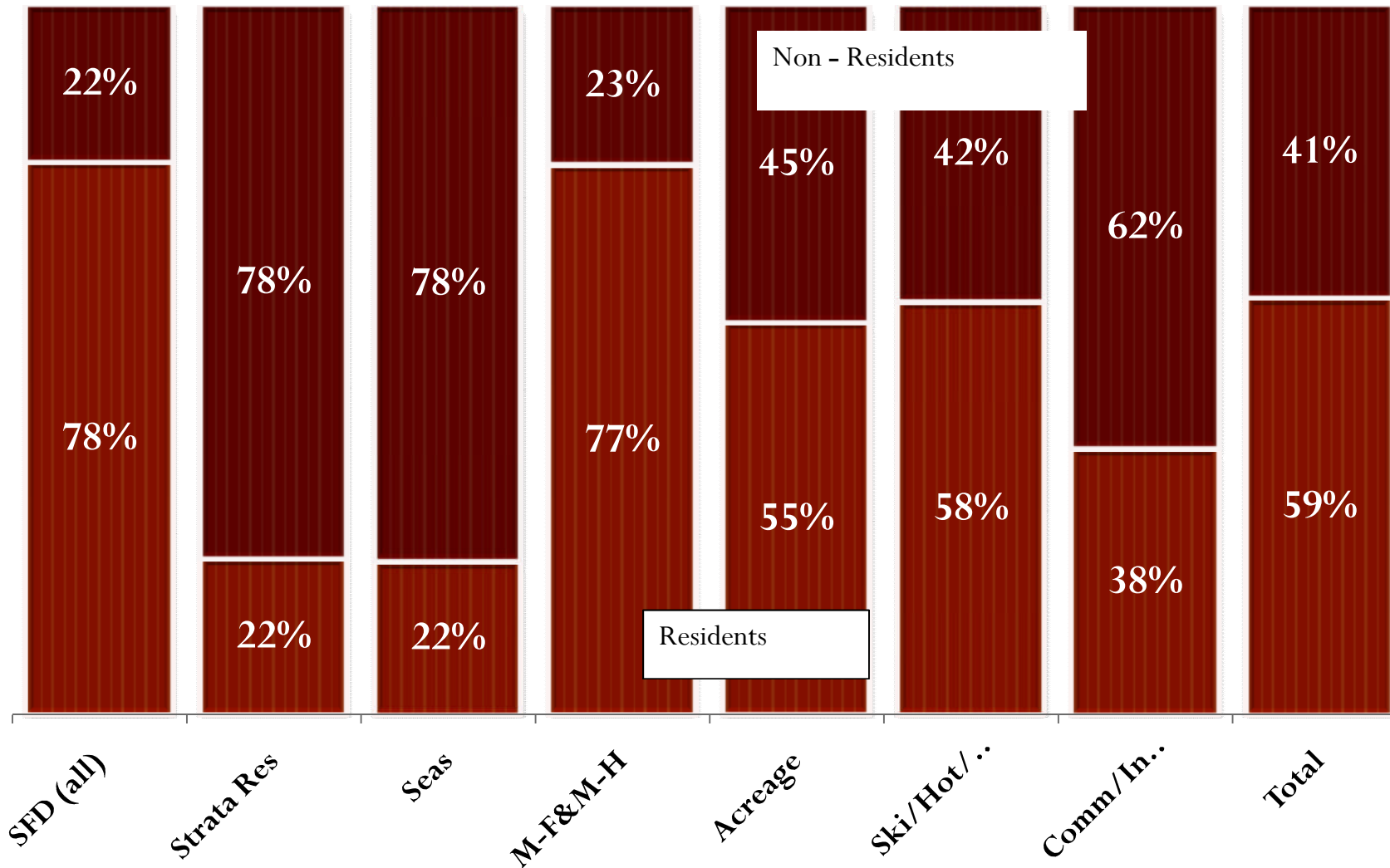
Population	Year	CBT
0-17 yrs	2006	19.86%
	2016	16.41%
18-24 yrs	2006	10.66%
	2016	7.85%
25-64 yrs	2006	54.62%
	2016	56.49%
65+ yrs	2006	14.86% (22,255)
	2016	19.25% (29,323)

Non-Resident Ownership

	2001	2008
Total Private Parcels	109,131	117,400
Non Resident	21.8%	27.8%



Property Value Share by Type, Residents and Non Residents, CBT, 2008



Occupied Dwellings - 2006

Dwelling Type	CBT	BC
Total occupied dwellings	62,810	1,643,150
Single-detached houses	72.4%	49.2%
Multi Family	5.9%	10%
Apartments	11.5%	38%
Other dwellings (Mobile Homes)	10.3%	2.8%
Individuals/Families in supportive housing (units)	3,200	

Where do we stand on Affordability?

Location (2006 Census)	Avg. Dwelling Value 2006	Avg. Household Income 2005	Avg. Dwelling Value 2006/ Avg. Household Income 2005
RDCK	\$240,339	\$51,574	4.7
RDKB	\$191,646	\$55,060	3.5
RDEK	\$259,738	\$64,116	4.1
CBT	\$238,823	\$57,534	4.2
BC	\$418,703	\$67,675	6.2

Where do we stand on affordability?

Location (2006 Census)	% Total Households Spending 30% or more	% Owner Households Spending 30% or more	% Rental Households Spending 30% or more
Upper Kootenay Lake	30.0%	25.8%	43.6%
Nelson/Salmo	28.4%	21.1%	47.3%
Slocan Arrow Lakes	24.4%	19.6%	46.0%
CBT	21.1%	16.0%	40.0%
BC	28.4%	22.1%	42.9%

Who has Affordability Problems? (30% or more of household income on housing)

(2006 Census)	One person Non-Family	Lone-parent family	Couple Family With children	Couple Family Without children
30% spending	6,065	1,835	2,030	2,345
% of Total	46.4%	14.0%	15.5%	17.9%
Total Household Type	18,441	5,805	15,030	21,875
% of Household Type	32.9%	31.6%	13.5%	10.7%

RDCK Incomes –2005

Total Income (Tax filer 2005)	Median Income	Average Income	Pre Tax Low Income
Couple economic families	\$57,197	\$66,043	8.1%
Male lone-parent economic families	\$48,918	\$50,667	19.8%
Female lone-parent economic families	\$27,918	\$34,581	38.7%
Males 15 years and over not in economic families	\$23,143	\$30,125	33.8%
Females 15 years and over not in economic families	\$18,744	\$23,775	34.4%

Local/Regional Government, NGO Roles

- ❑ Following are possible categories of housing need:
 - ❑ basic shelter (emergency, homeless)
 - ❑ transition/care
 - ❑ subsidized rental housing
 - ❑ market rental housing
 - ❑ non-market housing
 - ❑ market housing

Local/Regional Government, NGO Roles

- ❑ Different partners and roles depending on what is being considered:
 - ❑ Local and/or Regional Government
 - ❑ Provincial and Federal Government (BC Housing, CMHC)
 - ❑ Local and/or Regional NGO's
 - ❑ CBT
 - ❑ Private Sector

Innovative Use of Housing Co-operative Assets

Research to Date:

- ❑ an examination of the use of fully mortgaged housing co-op assets to leverage funding or financing for further co-op housing purposes

Innovative Use of Housing Co-operative Assets

Research to Date:

❑ Objectives

- ❑ To complete an analysis of similar initiatives
- ❑ To identify success factors
- ❑ To determine the amount of housing co-op assets that currently exist in B.C. and Alberta
- ❑ To identify, describe, and analyze specific examples where housing coops in B.C. and Alberta have successfully used their capital assets to support social economy goals.

Innovative Use of Housing Co-operative Assets

Research to Date:

- ❑ Lit review – not much to review
- ❑ Key informant interviews – shift in focus
- ❑ Focus group sessions
 - ❑ 3 in Edmonton
 - ❑ 4 in Vancouver
 - ❑ Questions
 - ❑ Future of Co-op Housing
 - ❑ Subsidy
 - ❑ Maintenance Issues
 - ❑ Leadership capacity
 - ❑ Innovative Use of Assets

Innovative Use of Housing Co-operative Assets

Research to Date:

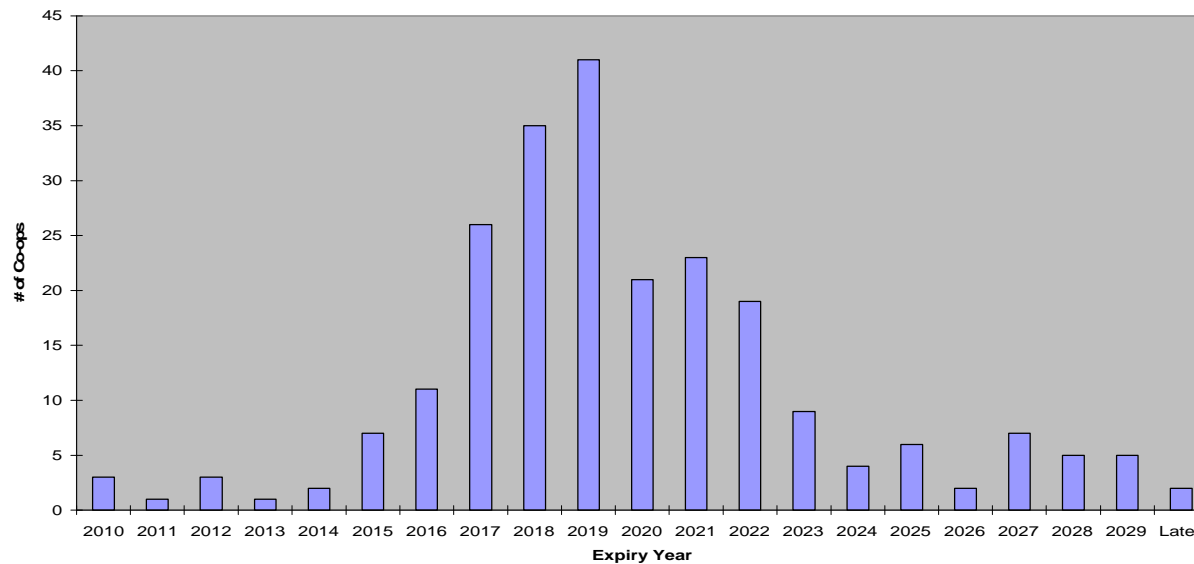
- ❑ Proposed outcomes
 - ❑ Increased understanding of the potential role that housing co-op assets can play in leveraging opportunities for growth in the co-op housing sector
 - ❑ Increased knowledge of models that demonstrate innovative approaches to utilizing these assets to contribute to social economy activities.
 - ❑ Increased awareness of the value of these assets in BC and Alberta.

Innovative Use of Housing Co-operative Assets

Cooperative housing in Canada

- ❑ Over 2,100 housing co-ops house over 250,000 Canadians.
- ❑ Combined assets of more than \$5.6 billion (as of 1999)

Expiration of CMHC Operating Agreements, BC & AB



Innovative Use of Housing Co-operative Assets

Opportunities:

- Asset values have increased dramatically: We're RICH!
- New cash flow when mortgage payments end
- Can these new monies be utilized to create new affordable housing?

Innovative Use of Housing Co-operative Assets

Market Challenges:

- New housing is costly to build
- Assets are not liquid

Innovative Use of Housing Co-operative Assets

Sector Challenges:

- ❑ Federal housing charge subsidy for 1/3 of members will end
- ❑ Deferred maintenance (incl. “leaky” co-ops) will impose a significant financial burden on approximately one-third of B.C. and Alberta co-ops

Innovative Use of Housing Co-operative Assets

Cultural Challenges:

- Co-operative decision making takes time
- Culture is risk-averse
- Individual self-interest vs. community good

Innovative Use of Housing Co-operative Assets

Opportunities:

- ❑ Upon the retirement of the mortgage, redirect excess revenue from monthly member housing charges to fund a subsidy pool and maintenance needs.
- ❑ Fill in or replace low-density housing with high-density housing to leverage land that is already owned by a housing cooperative.

Innovative Use of Housing Co-operative Assets

Opportunities:

- ❑ Address the issue of “over-housing” and the need for senior-friendly housing through building new, smaller, senior units.
- ❑ Invest in money-saving green infrastructure.
- ❑ Create a 1% for New Co-op Development Fund

Innovative Use of Housing Co-operative Assets

Lesson learned:

Sustainability of public benefit over time

Questions

1. There is market failure in housing supply especially at the low end of the income spectrum.
 - *Is this “market failure” a housing market problem, or a wage/income problem?*
2. Responsibility has been “delegated” downward federally/provincially. There is no specific responsibility locally or regionally (variously spread between municipalities, NGO’s with little coordination, and virtually no response from “rural” areas).
 - *Given the magnitude of the challenge, is it appropriate for communities and the S.E. to step in and respond and if so, at what level or role?*
3. Even with federal and provincial capital participation, it is not possible to deliver shelter at current standards, and with current land, services and construction costs at “affordable “ prices. Additional “free” capital is necessary (land, labour, materials or real \$).
 - *Should that “free” capital come from communities (e.g., using local public lands), Should communities subsidize housing?*

Questions

4. Developing and managing housing is a long term business. Although many NGO's and municipalities have responses in place, they are having issues with maintaining management and labour skills, and in responding to rapidly increasing operational costs (e.g., energy, maintenance)
 - *Longer term, where will the capacity (skills, experience, continuity) come from to maintain and manage affordable housing stock, especially rentals?*
5. Many of those in the “single person household”, and “single parent household” categories have other personal challenges in addition to housing.
 - *Can affordable social housing, without an integrated support package, be delivered successfully?*
6. *What research is needed to help inform answers to these (and other related) questions?*