EXECUTIVE SUMMARY
Bow Valley Region Housing Needs Assessment
A Bow Valley Regional Housing and Canmore Community Housing Corporation collaboration to assess housing needs and opportunities within the Bow Valley Region of Alberta

The assessment was conducted to collect housing-related information that can help maintain healthy, vibrant communities in the Bow Valley Region. The focal point of the report is to give an overview of regional housing needs, focused on non-market housing, to help residents have a better understanding of housing trends and options, and to support housing-related decision making.

The study reviews current housing need and demand across the non-market and market parts of the housing spectrum using the year 2016 as the base, as well as a ten-year forecast of priority non-market components. The report includes a Housing Market Overview, a Housing Affordability and Need assessment, a Future Housing Need forecast, a Housing Gaps Analysis, as well as some mitigation and data maintenance strategies. This executive summary includes overviews of specific findings for the region as a whole and the towns of Banff and Canmore individually.

The study addressed research priorities identified by BVRH and CCHC. While it focused almost exclusively on quantitative data gathered by secondary sources, there were a few areas where reliable data was not available. In those instances, assumptions were used to modify the data to assess the situation. The assessment centres on households in affordability need. Most renter households paying more than 30% of their income for shelter, and most owner households paying more than 32%, are deemed to be experiencing some level of financial stress. The project utilized a Housing Assessment Tool for data warehousing and analysis. A population, employment and household formation forecast to 2027 was developed to inform the evaluation of future housing needs in the region.

There are some key points to bear in mind when looking through the report:

- All data in the report comes from Federal Censuses unless referenced otherwise.
- When the report refers to current needs, it does not mean today or even this year; it used 2016 data to determine the current state of housing.
- When the report refers to future needs, it means the subsequent ten-year period.
- The assessment used median income and housing costs to calculate affordability. The median is the middle value in a range of numbers. For example, median household income is in the exact middle of all of the household incomes in the region; higher than half of them but lower than the rest.
- Since non-Canadians do not participate in the Federal Census, the assessment could not capture their circumstances.
- Efforts to address the identified needs must first focus on catching up with the current shortfalls.

The housing needs of the region are evident in the data, which can be used to support mitigation efforts. The region is experiencing multiple pressures on the housing market, stressing many of its people and services. If a liveable community engenders an affordable, safe and healthy place to live, work, do business and age, then quintessentially, it must be able to attract and, more importantly, *retain* workers. Every community has to maintain a critical mass of frontline workers, middle managers and professionals to remain viable. With foresight and effort, the people of the region can deliberately shape their communities in ways that will sustain and nurture liveability; affordable, appropriate and long term housing is a fundamental piece of every thriving community.

SPECIFIC FINDINGS OF THE BOW VALLEY REGION HOUSING NEEDS ASSESSMENT

This summary captures findings related to unmet housing affordability needs; it does not address people or households that are affordably housed. The current state was based in 2016.

PRESSURES ON THE HOUSING MARKET

- **Supply-side:**
  - Vacant rental housing is scarce, driving high rental costs (vacancy rate is far below provincial norms)
  - The inventory of developable lands in the Bow Valley is finite, limiting the expansion of supply
  - Market forces tend to encourage the new supply of higher-end/higher-cost residences;
    - Typically without affecting the housing market in a way that lowers housing costs, and
    - Diminishing opportunities to add other types of housing to the supply in the future
- **Demand-side:**
  - Demand for available rental housing is robust, further driving high rental costs (demand is well above provincial norms)
  - Demand from high-income/high-wealth households is also very strong, driving high housing costs and development of more higher-end/higher-cost housing product (the region attracts wealthy people)
- **Implications:**
  - Low housing supply drives higher housing costs, contributing to overcrowding and out-migration
  - High housing demand also drives higher housing costs, also contributing to overcrowding and out-migration
  - High housing demand can drive higher rates of property ownership turnover degrading the certainty of long-term tenancies in non-purpose built rental units, contributing further to overcrowding and out-migration
  - Housing costs are much higher than provincial norms, which are only partially offset by the region's relatively high incomes, leaving a severe housing affordability gap
  - Open market forces hamper the likelihood that the private market can create enough low and moderate-end housing supply to alleviate affordability needs

SUPPORTIVE LIVING AND LONG TERM CARE NEEDS IN THE NEAR TERM

- Some older adults require supportive housing that provides personal care services, such as meals, housekeeping, activities, specialized furniture and equipment, and, or nursing care
- The majority of these seniors require assistance to afford their accommodation costs
  - Seniors Lodge Living: a need for 26 more units in the next three years
  - Supportive Living Levels 4/D: a need for 35 units over the next three years
  - Long Term Care: a need for 12 units over the next three years
- An estimated 73 continuing care units are needed in the near-term

EXISTING RENTAL AFFORDABILITY NEEDS

- Most renter households that spend more than 30% of their collective pre-tax income on rent are deemed to be unable to afford their respective housing
- Communities with unaffordable housing and uncertain rental markets lose workers who are essential to businesses, service agencies and the community in general, through out-migration
- Rental costs grew approximately three times faster than inflation between 2006 and 2016
- Current (2016) median income of renters in the region is $71,162 (pg. 14)
  - 663 (29%) of the region's renter households are in affordability need while paying more than 30% of their pre-tax household income on housing (2016). A little more than half of these are single-person (non-senior) households (pg. 57)

- Approximately 7% of the people in rental affordability need requires permanent supportive housing
- 202 of the 663 are paying more than 50% of their pre-tax household income on housing (2016)
- Approximately 20% of the 202 HH's are low-income seniors who require housing that is physically appropriate for older adults
- This need is made more severe by the higher costs of rent and the low vacancy rates in the region
- Smaller, more affordable rental units are needed

EXISTING PERMANENT SUPPORTIVE HOUSING (PSH) NEEDS

- Some people under the age of 65 living with disabilities require supportive housing with personal care services, such as meals, housekeeping, specialized equipment, or attendant/nursing care
- The number of people requiring PSH was estimated using comparable caseload data for Persons with Developmental Disabilities (PDD) and Assured Income for the Severely Handicapped (AISH).
  - Individuals receiving PDD funding: a need for 21 units
  - Individuals receiving AISH funding: a need for 24 units
- An estimated 45 units of PSH are needed within the 663 units of affordable rental need

EXISTING AFFORDABLE HOME OWNERSHIP NEEDS

- Most owner households that spend more than 32% of their collective pre-tax income on housing are deemed to be unable to afford their respective housing
- Communities with unaffordable housing and uncertain rental tenures lose workers who are essential to businesses and service agencies, and the community in general, through out-migration
- Housing ownership costs grew approximately twice as fast as inflation between 2011 and 2016
- Current (2016) median income of owners in the region is $117,000 (pg. 14)
  - 250 (8%) of the region's renter households have the means (incomes between $70,000 and $110,000) and interest to purchase homes, but face some of the highest costs in Canada (pg. 11)
  - This demographic contains police officers, nurses, teachers, middle managers and other professionals
  - Many of these households will go elsewhere to achieve housing security, taking their skills, education and talents with them

OTHER EXISTING CONCERNS

- Overcrowded housing occurring twice as much as provincial norms raising health and safety risks
- Housing in major disrepair occurring 30% more than provincial norms also raising health and safety risks
- CMHC's CNIT measure is inaccurate, lessening opportunities for some households' to access supports
- Typically households that pay more than they can afford on housing cannot afford to pay for all of their other basic costs of living
- The region has 22% fewer households that include children than provincial norms
- Many longer-tenured households would not be able to secure housing similar to what they currently have if they were forced to face existing market conditions

WHERE THINGS CURRENTLY STAND

The region needs 663 units of affordable rental and 250 units of affordable homeownership now. On top of that, another 73 units of continuing care are required in the near-term. These shortfalls have and will continue to grow with the population.

POPULATION GROWTH (THROUGH 2027 – PERMANENT POPULATION ONLY)

- The Bow Valley community is expected to add approximately 4,900 people between 2017 and 2028, going from 24,700 to 29,600 (2% per year)
- The projected growth is predominantly by those who are below 25 or over 65

THE GAPS (CURRENT AND FUTURE)

- We're missing 73 units of continuing care accommodation; by 2027 that shortfall grows to 202
- We're missing 663 units of affordable rental housing (including 45 units of PSH); by 2027 that shortfall grows to 885
- We're missing 250 units of affordable homeownership housing; by 2027 that shortfall grows to 303

WHERE THINGS ARE HEADED

By 2027 the region will need approximately 1,400 additional units of non-market housing, including continuing care, affordable rental, permanent supportive housing and affordable homeownership.

Some recent initiatives have added 224 non-market units, addressing 16% of the gap with:
- 131 affordable rental units in Banff through The Town of Banff
- 48 affordable rental housing units in Canmore through CCHC
- 49 affordable homeownership units in Canmore through CCHC
- 5 affordable continuing care units in Canmore through BVRH

There are a few developments pending that will add 67 non-market units, eventually addressing another 5% of the gap:
- 60 affordable continuing care units in Canmore through BVRH and AHS
- 7 affordable homeownership units in two private developments in Canmore through CCHC

IN SUMMATION

The region needs much more affordable housing. The communities of the Bow Valley Region must maintain a critical mass of workers who will facilitate the provision of goods and services needed by a diverse population. Without that, we risk losing essential people: grocery and retail clerks, home care aides and nurses, social workers and police officers, daycare workers and teachers, middle managers and other professionals. Insufficient availability of genuinely-affordable, safe and appropriate, long-term housing jeopardizes our ability to retain that critical mass.

By 2027 the region will need another 1,100 units of non-market housing on top of what we already have or that will soon be in place. These will include 137 units of continuing care, 643 units of affordable rental, 63 units of permanent supportive housing and 256 units of affordable homeownership.

HOUSING MARKET ANALYSIS SPECIFIC FINDINGS (BANFF-FOCUSED)
BOW VALLEY REGION HOUSING NEEDS ASSESSMENT

Current situation - Rental
- For housing affordability, should renter households spending more than 30% of their collective pre-tax income, their respective housing is deemed unaffordable.
- In Banff, average market rental (Alberta Housing Rental Apartment Survey) in 2016 were: $850 (studio), $1,094 (1 bedroom), $1,429 (2 bedroom), and $1,345 (3 bedroom) (pg. 18).
- The current median income of renters in Banff is $80,219 (pg. 14).
- 270 of Banff renter households are paying more than 30% of their pre-tax household income on housing. In the Bow Valley, the total is 663 renter households, of which the majority are singles (54% in Banff) (pg. 57).

Populations Growth (next ten years – permanent population ONLY)
- The Bow Valley's community is expected to add approximately 4,900 people between 2017 and 2028, going from 24,700 to 29,600. Of this, Banff is anticipated to add approximately 800 (1% p.a.).
- The projected growth is predominantly by those who are below 25 (~1,700) and 65+ (~2,200). The projected growth of those between 25 and 64 is approximately 1,000 (pg. 45).

The Housing Gaps (current and future)
- Currently, there are 270 rental households that are in unaffordable housing and are in "core need" (pg. 30). In the next ten years, an additional 119 households will require affordable rental opportunities (pg. 50), for a total requirement of 389 affordable rental housing units by 2027.
- To address homeownership gaps, the program outlined targets 102 renters to become affordable homeowners should appropriately priced housing become available. In the next ten years, the program would require an additional 22 units, for a total requirement of 124 affordable homeownership units by 2027.
- The aggregate need for affordable housing in Banff is a total of 513 units. Some of this will be provided by recent initiatives such as Ti'nu (131). Any additional pending developments, such as Cave Avenue, may also contribute to addressing some of this need.

HOUSING MARKET ANALYSIS SPECIFIC FINDINGS (CANMORE-FOCUSED)
BOW VALLEY REGION HOUSING NEEDS ASSESSMENT

Current situation - Rental
- For housing affordability, should renter households spending more than 30% of their collective pre-tax income, their respective housing is deemed unaffordable.
- Canmore rental data was collected from two perspectives:
  - CMHC Survey, which scans older, purpose-built rental apartments that make up a smaller part of the rental market and tend to earn lower rental fees. For those types of units that were rented out in 2016, the average rents were: $866 (1 bedroom), $1,145 (2 bedrooms), and $1,551 (3 bedrooms) (pg. 18).
  - CCHC Survey, which scans advertised units that are available in the rental market, reflecting what new tenants could expect to pay. In 2017 people seeking rental housing faced rents of: $1,188 (studio), $1,434 (1 bedroom), $1,848 (2 bedroom), and $2,344 (3 bedroom) (pg. 18).
- Current (2016) median income of renters in Canmore is $88,802 (pg. 14).
- 360 of Canmore renter households are paying more than 30% of their pre-tax household income on housing (2016). In the Bow Valley, the total is 663 renter households (29%), of which the majority are singles (54% in Canmore) (pg. 57).

Current situation - Ownership
- For housing affordability, should a homeowner spend more than 32% of their pre-tax income, their respective housing is deemed unaffordable.
- In 2017, the median single-family in Canmore was $900,000, Townhouse $673,000 and apartment $435,000; These prices are consistent with the expensive large urban housing markets in Canada and are a significant hurdle for renters to progress into the ownership sector of the housing spectrum.
- Current (2016) median income of homeowners in Canmore is $126,049 (pg. 14).
- Median incomes in Canmore are higher than Provincial and National averages, but housing costs are some of the highest in the country.

Populations Growth (next ten years – permanent population ONLY)
- The Bow Valley's community is expected to add approximately 4,900 people between 2017 and 2028, going from 24,700 to 29,600. Of this, Canmore is anticipated to add approximately 4,000 (2.9% per year).
- The projected growth is predominantly by those who are below 25 (~1,700) and 65+ (~2,200). The projected growth of those between 25 and 64 is approximately 1,000 (pg. 45).

The Housing Gaps (current and future)
- Currently (2016), there are 360 rental households that are in unaffordable housing and are in "core need" (pg. 30). In the next ten years, an additional 103 households will require affordable rental opportunities (pg. 50), for a total requirement of 463 affordable rental housing units by 2027.
- To address homeownership gaps, the program outlined targets 148 renters to become homeowners should appropriately priced housing become available. In the next ten years, the program would require an additional 31 units, for a total requirement of 179 affordable homeownership units by 2027.
- Up to 2027, the aggregate need for affordable housing in Canmore is a total of 642 units. Some of this may be provided by recent initiatives such as McArthur Place (48), Peaks in Canmore (40), Hawks Bend (49), and the Phase One expansion at the Bow River Seniors' Lodge (20). Additional pending developments (e.g. Coast Apartments, Canmore 159) may also contribute to addressing some of this need.