

Housing Need and Demand Assessment

Executive Summary of the Alberta Rural Development Network's Housing Needs and Demand Assessment



August 2020

Summary

In 2019, Strathcona County commissioned the Alberta Rural Development Network to initiate an affordable housing assessment to better understand existing needs and housing trends in Strathcona County.

The assessment examined the affordability, suitability and adequacy of the current housing inventory to assess gaps in housing. The study identified that Strathcona County's most prominent housing challenges include:

- **Insufficient purpose-built rental market:** there is a small purpose-built rental market in Strathcona County, and there are few affordable higher density and smaller sized dwellings.
- **Discrepancies between composition versus housing supply:** the demand for one, two- and three-bedroom dwellings are under-served, whereas the supply of four-bedroom dwellings greatly exceeds the demand based on the family composition in the County.
- **Unaffordability:** Fourteen percent of households are spending more than 30% or more of their income on housing costs. Based on the current housing supply, these households have no alternatives to their current housing needs.

The analysis underscores that housing is unaffordable for many Strathcona County residents. Furthermore, low income households may face significant challenges with finding and maintaining affordable, suitable and adequate housing

To address the gaps in affordable housing across the housing continuum the ARDN recommended that Strathcona County **develop a community-led approach to affordable housing** to guide the implementation of the following recommendations:

RECOMMENDATION 1 – Review best practice strategies to mitigate housing gaps

RECOMMENDATION 2 – Prioritize the Land Use Bylaw amendments for the Urban Service Area

RECOMMENDATION 3 – Conduct a homelessness estimate to better understand housing needs

RECOMMENDATION 4 – Continue to build local and regional partnerships to respond to housing and homelessness needs

This document will provide a comprehensive overview of the full report, which can be found on the County website at: www.strathcona.ca/affordablehousing.

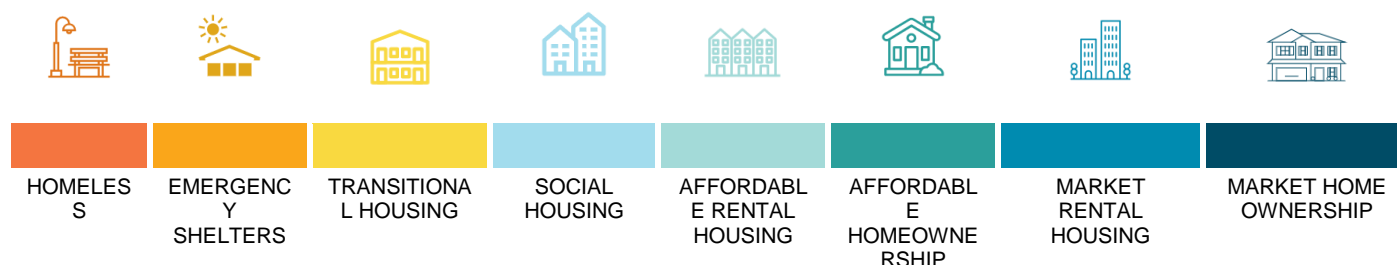
Introduction

Access to safe and affordable housing plays a key role in community health and wellbeing. The Canadian Mortgage and Housing Corporation and the Government of Canada define affordable housing as when a household's monthly shelter costs are less than 30% of their total monthly income. This threshold acts as a guide and does not necessarily mean that every household spending more than 30% on their housing costs is vulnerable and in need.

In 2019, Strathcona County worked with the Alberta Rural Development Network to initiate an affordable housing assessment to better understand existing needs and housing demand in Strathcona County. The study sought to:

- Build an understanding of the current and future housing needs in the community
- Examine affordability, suitability, and adequacy in relation to the current housing inventory to assess gaps in affordable housing
- Provide recommendations to address housing gaps along the housing continuum.

THE HOUSING CONTINUUM¹



Demographic Trends

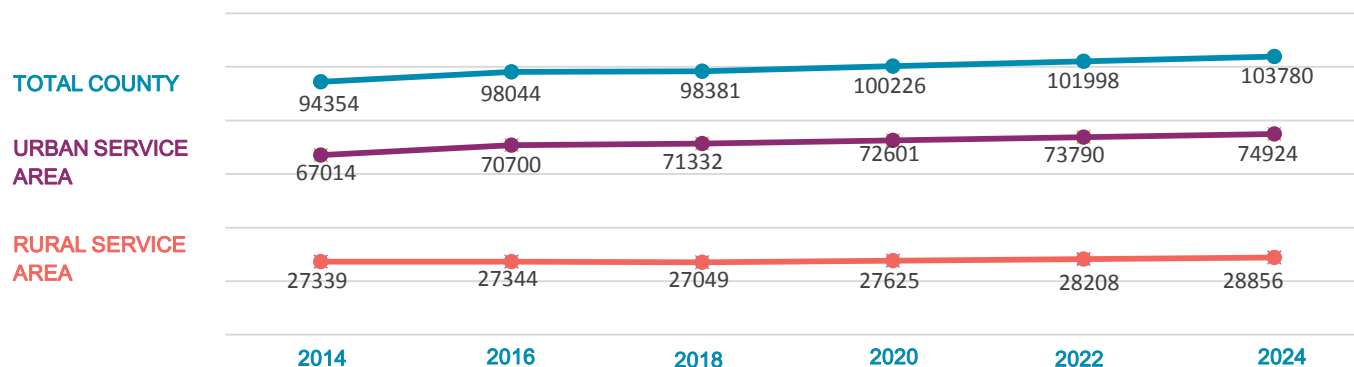
POPULATION

Strathcona County is experiencing moderate population growth, with recent years seeing roughly a 1% increase in the total population of Strathcona County. The

¹ Canadian Mortgage and Housing Corporation (2018). About Affordable Housing in Canada. Retrieved from <https://www.cmhc-schl.gc.ca/en/developing-and-renovating/develop-new-affordable-housing/programs-and-information/about-affordable-housing-in-canada>

County's population is projected to exceed 120,00 residents by 2046, with urban growth surpassing population growth in rural areas.

STRATHCONA COUNTY POPULATION FORECAST, 2014 - 2024



POPULATION TRENDS

Several demographic trends can be expected to influence the County's future housing needs. Most notably, Strathcona County has a large and growing population of seniors. Strathcona County has seen significant ageing in recent years, especially when compared to Alberta and Division No. 11. Between 2001 and 2018, the senior (65+) proportion of residents increased from 6.9% to 14.5%. By 2047, seniors are expected to represent approximately 20% of Strathcona County's total population. Population projections also anticipate continued growth in the number of couples without children and lone-parent families, with a minor increase in the number of couples with children. In 2016, lone parent families were the fastest growing family type in the County.

HOUSEHOLDS

There are 35,565 total households in Strathcona County, of which there are 31,695 homeowners and 3,870 renters. One and two-person households increased by 54% and 29% respectively between 2006 and 2016, which far outpaced the growth of three and four person households.

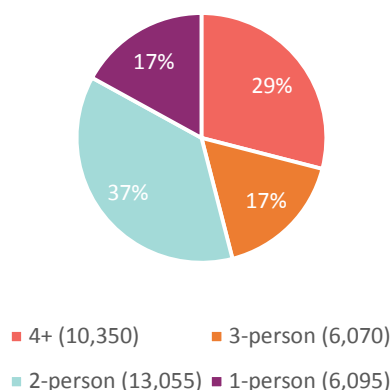
RENTERS

11% (3870)

OWNERS

89% (31,695)

HOUSEHOLD TYPE (2016)



INCOME AND EMPLOYMENT

Households in Strathcona County earn relatively more than the average Albertan household. In 2016, the median after-tax household income in Strathcona County was \$104,689, compared to the provincial average of \$80,300.² Between 2006 and 2016, the household median after-tax income in Strathcona County increased by 18%. In 2016, unemployment in Strathcona County was 6.5%, compared to Alberta's average unemployment rate, which was 8.1%.

Housing Trends

HOUSING INDICATORS IN STRATHCONA COUNTY

Affordability, suitability and adequacy are three core affordable housing indicators integral to understanding affordable housing concerns.

² Source: Statistics Canada Census Profile 2006, 2011, 2016.



AFFORDABLE housing costs less than 30% of before-tax household income. For renters, shelter costs include rent and payments for electricity, fuel, water and other municipal services. For owners, shelter costs include mortgage payments, property taxes, condominium fees, and payments for electricity, fuel, water and other municipal services.³



SUITABLE housing has enough bedrooms for the size and make-up of resident households, according to the National Occupancy Standard (NOS) requirements.



ADEQUATE housing does not require any major repairs, according to residents. Major repairs include those to defective plumbing or electrical wiring or structural repairs to walls, floors or ceilings.

The most pertinent challenge facing Strathcona County households is affordability. Overall, 3,535 (11%) homeowners and 1,335 tenants (34%) in Strathcona County are spending 30% or more of their income on housing costs, for a total of 4,870 out of 35,565 (14%) of households. Many one-person households and lone-parent families are currently at risk of foregoing essentials or unable to pay rent due to their shelter costs exceeding 30% of their before-tax income. Non-affordability projections show between 4,618 and 5,939 households will be overpaying for shelter by 2021.

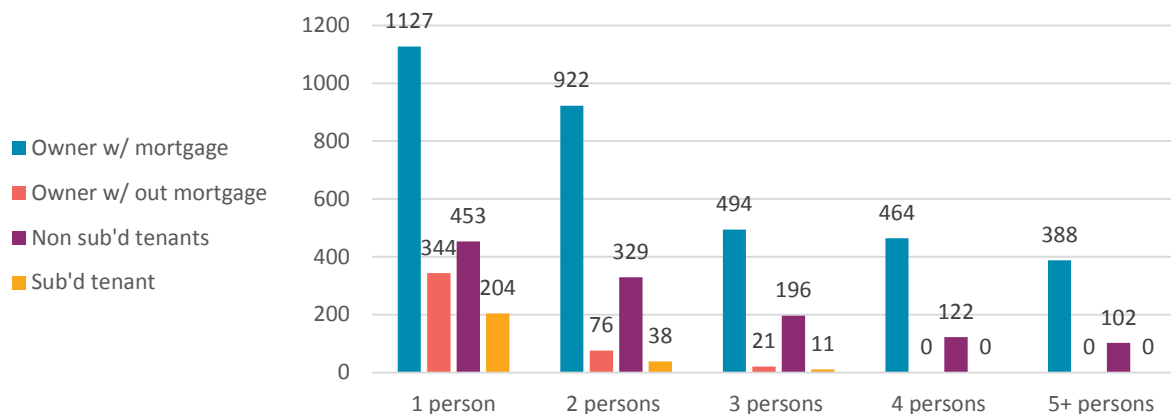
14%

OF HOUSEHOLDS ARE SPENDING 30% OR MORE
OF THEIR INCOME ON HOUSING COSTS

Non-suitability and non-adequacy are also concerns for Strathcona County residents, especially among renters. Non-suitability and non-adequacy projections predict that by 2021 between 585 and 647 households will suffer from overcrowding and between 1,378 and 1,687 households will require major repairs in their homes.

NON-AFFORDABILITY BY HOUSEHOLD TYPE, STRATHCONA COUNTY, 2021

³ Canadian Mortgage and Housing Corporation (2020). Core Housing Need (Census-based and NHS-based housing indicators and data. Retrieved from <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/CoreHousingNeedMethodology>



Source: Statistics Canada Census Profile 2016 & ARDN projections.

HOUSING INDICATORS BY TENURE, STRATHCONA COUNTY, 2016								
	Owner w/ mortgage	Owner w/o mortgage	Non sub'd tenants	Sub'd tenants	Owner w/ mortgage	Owner w/o mortgage	Non sub'd tenants	Sub'd tenant
Non-suitable (counts)					Non-suitable (rates)			
1 person	0	0	0	0	0.00%	0.00%	0.00%	0.00%
2 persons	10	10	10	0	0.18%	0.16%	0.99%	0.00%
3 persons	20	0	35	0	0.54%	0.00%	5.22%	0.00%
4 persons	50	20	90	0	1.05%	1.48%	17.31%	0.00%
5+	220	40	95	0	8.26%	7.77%	24.05%	0.00%
Non-adequate (counts)					Non-adequate (rates)			
1 person	130	60	35	10	5.28%	2.50%	3.78%	4.55%
2 persons	255	150	40	0	4.70%	2.36%	3.94%	0.00%
3 persons	210	60	20	0	5.66%	3.74%	2.99%	0.00%
4 persons	210	30	45	0	4.41%	2.21%	8.65%	0.00%
5+	125	15	45	0	4.69%	2.91%	11.39%	0.00%
Non-affordable (counts)					Non-affordable (rates)			
1 person	995	295	400	180	40.45%	12.29%	43.24%	81.82%
2 persons	855	70	305	35	15.77%	1.10%	30.05%	63.64%
3 persons	465	20	185	10	12.53%	1.25%	27.61%	33.33%
4 persons	455	0	120	0	9.55%	0.00%	23.08%	0.00%
5+	380	0	100	0	14.26%	0.00%	25.32%	0.00%

CORE HOUSING NEED IN STRATHCONA COUNTY

A household is in core housing need when their dwelling is considered unsuitable, inadequate, or unaffordable, and whose income levels are such that they cannot afford alternative suitable and adequate housing. In 2016, the core housing need in Strathcona County was 5.54%, or 1970 households in dwellings that are unsuitable, inadequate or unaffordable. In Strathcona County, the majority of core housing need can be attributed to unaffordability. According to projections, if the core need rates and unaffordability rates persist, between 1,986 and 2,558 (1.9% - 2.5%) households (both

owners and tenants) will be in core housing need by 2021. Among those in core need, one-person and lone-parent families (often female) experience the greatest need.

1970

STRATHCONA COUNTY RESIDENTS ARE IN
CORE HOUSING NEED

TYPES OF HOUSING IN STRATHCONA COUNTY

In Strathcona County, single-detach homes vastly outnumber all other housing types. The share of single-detached homes in Alberta among owners is roughly 75%, whereas the share of single-detached homes in Strathcona County is 85%. Furthermore, data indicate that there are few studio, one, or two-bedroom options for residents relative to the population of Strathcona County.



85% OF OWNED HOMES AND 42% OF RENTED HOMES IN
STRATHCONA COUNTY ARE SINGLE-DETACHED HOUSES

HOMEOWNERSHIP IN STRATHCONA COUNTY

Costs associated with home ownership in Strathcona County are higher than the provincial and regional averages. In 2019, the average home resale price in the County was \$449,703⁵, compared to \$380,235 provincially.⁶ Most new residential builds in Strathcona County are single-family homes, with few condominiums or purpose-built rentals built between January 1990 and September 2019. The lack of diversity in the Strathcona County housing market has created conditions wherein non-census families and lone-parent families face the highest risk of being unable to purchase a home.



\$449,703⁴
AVERAGE HOME RESALE PRICE

OWNER REPORTED MEDIAN DWELLING VALUES			
	Alberta	Census Division No. 11	Strathcona County
No Bedrooms	\$250,739	\$250,222	
1-bedroom	\$240,197	\$219,888	\$279,285
2-bedrooms	\$300,054	\$300,138	\$350,010
3 bedrooms	\$399,580	\$388,826	\$439,570
4 or more bedrooms	\$449,734	\$448,951	\$500,484

RENTING IN STRATHCONA COUNTY

Single-detached homes dominate the rental-housing market in Strathcona County. Over 40% of rentals in the County are single-detached homes, compared to 24.3% in Alberta. The majority of rentals (over 50%) in Strathcona County are secondary rentals. The

⁴ Source: Strathcona County 2020 Facts

⁵ Source: Strathcona County 2020 Facts.

⁶ Source: Alberta Housing Market. Government of Alberta

more affordable rental options in Strathcona County have lower vacancy rates than the more expensive purpose-built rentals.



\$1,550⁷

AVERAGE MONTHLY RENT

RENT QUANTILES, STRATHCONA COUNTY, 2018			
	1-bedroom	2-bedroom	3-bedroom+
1st quartile	\$1,145	\$1,275	\$1,450
2nd quartile	\$1,295	\$1,400	\$1,500
3rd quartile	\$1,319	\$1,499	\$1,500

RENTAL VACANCIES BY QUANTILES, STRATHCONA COUNTY, 2018			
	1-bedroom	2-bedroom	3-bedroom+
1st quartile	0	7	2
2nd quartile	7	11	**
3rd quartile	**	1	**
4th quartile	9	29	**

Please note, there are some omissions in the table due to data quality concerns (noted by **), but the table illustrates how many potentially available rentals are in the higher end of the price range in Strathcona County.

SOCIAL AND SUPPORTIVE HOUSING IN STRATHCONA COUNTY

Heartland Housing Foundation is the primary provider of social and supportive housing in Strathcona County. Alongside other supportive housing organizations, there is a mix of social, community, and affordable housing options for residents. In total, there are

⁷ Source: Strathcona County 2020 Facts.

179 dedicated affordable housing units in Strathcona County, not including seniors housing, meaning roughly 4.6% of rentals offer affordable rents.

SUMMARY OF AFFORDABLE HOUSING, STRATHCONA COUNTY* (2018)				
Prices of affordable rentals	One-bedroom	Two-bedroom	Three-bedroom	Four-bedroom
Silver Birch Court (Heartland Housing)	\$852	\$1,023	\$1,082	
Brittany Lane Housing Co-Op		\$1,140	\$1,190	\$1,260
Davidson Creek Housing	Rent-geared-to-income (30%)			
Number of units	Total Aff. Units			
Silver Birch Court (Heartland Housing)	69			
Brittany Lane Housing Co-op	58			
Davidson Creek Housing	52			
Total	179			

*Not including seniors housing

In addition to the social and supportive housing options outlined in the above table, there are a handful of social and supportive housing services for residents to access in Strathcona County. A Safe Place is a shelter for women, the Bridging the Gap program provides crisis housing services to Strathcona County residents, and Habitat for Humanity provides affordable homeownership options. The County currently does not track data on homelessness, making it difficult to assess the full scope of need and if the current inventory is sufficient.

SENIORS HOUSING

In Strathcona County, there are a variety of seniors housing options, but many of these housing options face high waitlists. The more affordable publicly run lodges operated by Heartland Housing Foundation have waitlists totaling over 300.

SUMMARY OF SENIORS HOUSING INVENTORY, STRATHCONA COUNTY, 2018		
Facility	Units	Waitlist
Clover Bar (lodge)	79	131 (total)
Silver Birch Haven	94	
Silver Birch Lodge	100	
Silver Birch Manor	60	135
Apple Blossom Manor	20	65 (total)
Homestead Place	8	
Lakeside Legion Manor	81	
Bedford Village	151	
Country Cottage	48	> 2 years
Summerwood Village	179	2-5 months
Chartwell Hills	256	Not Available
Sherwood Care Center	125	Not Available
Aurora Residence	10	Not Available
CapitalCare Strathcona (Laurier House)	42	Not Available

Housing Needs and Gaps

AFFORDABILITY NEEDS AMONG HOMEOWNERS AND RENTERS

Based on the composition of Strathcona County, there is a potential over-supply of four or more bedroom dwellings, but a severe shortage of one and two-bedroom dwellings. This shortage of smaller dwellings may contribute to higher unaffordability cases among

homeowners of one and two-bedroom type dwellings. The lack of smaller dwellings in Strathcona County also creates conditions wherein one or two-person households and lone-parent families face the highest risk of being unable to afford a home based on sales data and median before-tax income.

Affordability among tenants is also a significant challenge, as the share of households over-spending on shelter ranges from 23% to 43%, depending on the number of persons in the household. In Strathcona County, it is predominately tenant households who are at the highest risk of unstable housing. Issues with affordability may be linked with the lack of purpose-built rentals in the County.

HOUSING SUPPLY VERSUS HOUSING COMPOSITION

Concerns around affordability among both renters and homeowners may be attributed to a lack of congruency between the housing availability and household composition in Strathcona County. Between 2006 and 2016, the County's number of one-person households grew by over 50%, whereas the Alberta average was 18.5%. The number of new residential construction projects in purpose-built rentals, and condominiums have not grown to meet this demand in smaller households. As a result, there are far fewer dwellings per person in Strathcona County than the provincial average.

SENIORS HOUSING

Projections indicate that the senior population (65+) will represent over 20% of Strathcona County's population by 2047. While some seniors will be able to rely on market ownership or rental dwellings, many seniors who lack sufficient funds or require specialized support care may be unable to find suitable housing options within the County.

Recommendations

The analysis underscores that housing is unaffordable for many Strathcona County residents and that the current housing market in Strathcona County does not match the household composition of the community. Furthermore, low-income households may face significant challenges in finding and maintaining affordable, suitable, and adequate housing.

Local governments play a key role in supporting affordable housing. To address the gaps in affordable housing options across the housing continuum, it is recommended

that **Strathcona County develop a community-led approach to affordable housing to guide the implementation of the following recommendations:**

RECOMMENDATION 1 – Review best practice strategies to mitigate housing gaps

The Needs and Demands Assessment identifies that there are gaps in the availability and diversity of housing options in the current housing supply. The following best practices have been known to address housing gaps and could be further investigated by Strathcona County:

- Reserving affordable housing units as a percentage of all new builds
- Incentivize builders to create medium or high-density builds
- Identify parcels suitable for infill
- Improve affordable transportation options
- Increase allowable densities and heights and support compact housing types
- Allow development on parking lots
- Density bonuses and requirements
- Affordable housing targets and requirements
- Reduced and more appropriate parking requirements

RECOMMENDATION 2 – Prioritize the Land Use Bylaw amendments for the Urban Service Area

As noted in the Strathcona County Municipal Development Plan, the current Land Use Bylaw needs updating to meet the objectives and policies of the Municipal Development Plan. In particular, new zoning districts that support mixed-use developments within the Urban Service Area are needed. Mixed-use developments are favourable for affordable housing since the commercial portion of new builds may generate enough income to offset reduced rents in affordable units.

RECOMMENDATION 3 – Conduct a homeless estimate to better understand housing needs

Strathcona County does not have data on homelessness to assess whether the current inventory of housing supports is sufficient. A homelessness estimation could help determine if there is a gap in the community's social housing options.

Homelessness estimations provide essential information on the County's most vulnerable population. However, traditional homelessness counts, such as Point-in-Time (PiT) counts often encounter methodological issues in less densely populated areas due to fewer instances of visible homelessness. Furthermore, in Strathcona County, this issue is likely compounded by the County's current lack of emergency

shelter services. Because there are few services for homeless residents, without other supports, these residents likely seek shelter in Edmonton.

RECOMMENDATION 4 – Continue to build local and regional partnerships to respond to housing and homeless needs

The development and delivery of affordable housing strategies, programs, and solutions requires collaboration and coordination among many partners and agencies. It is suggested that Strathcona County further explore how existing organizations and networks, including the Social Framework Leadership Table, can be mobilized for a coordinated response to current and emerging housing and homeless needs.