

HOUSING PROFILE

Oil and gas industry activities are vital to the provincial economy. Since 2000, industry investment has increased 151%, to an estimated \$4.5 billion in 2004. In the same year, 11,400 people were directly employed by oil and gas activities, up 45% since 2001.

The BC government supports industry's investments through initiatives to encourage further expansion and create more year-round well-paying community jobs and benefits. The Summer Drilling Royalty Program, together with new technologies and all-weather access roads, has played a major role in transitioning activity in Northeast BC from "winter only" to year round. Unemployment dropped from 11.9% in June 2002 to 4.4% in October 2005.

Rapid job growth and year-round activity, while welcomed, bring new challenges for Northeast BC communities. Housing ranks high among these challenges.

Housing Consultations

This profile is a starting point for the 2006 Housing Consultations sponsored by the BC government. It contains information about housing in Chetwynd, identifies issues and provides a brief commentary on how other communities, facing similar challenges, have responded.

Chetwynd's Economy

The Chetwynd area is rich in oil, gas, coal and timber. Ranching, tourism and services round out Chetwynd's diversified economy.

Coal mine openings, together with multiple natural gas discoveries, have led to an influx of people and investment. The town's two major mills are running at capacity. Tradespersons, transport trucks and service workers are in short supply.

Housing Type, 2001

There were 1,020 housing units in 2001, the majority in single detached housing.

- 61% single detached (620)
- 10% duplexes/townhouses (100)
- 22% apartments (220)
- 8% mobile homes (80)

Housing Starts, 2000-2005

During the past five years, there were 12 housing starts.

- 8 single detached homes
- 4 mobile homes

Estimates of up to 60 new homes to be built in 2006. Lots sold for mobile homes to add 17 new units. Over 50 infill lots sold with two areas of possible condo/townhouse development.

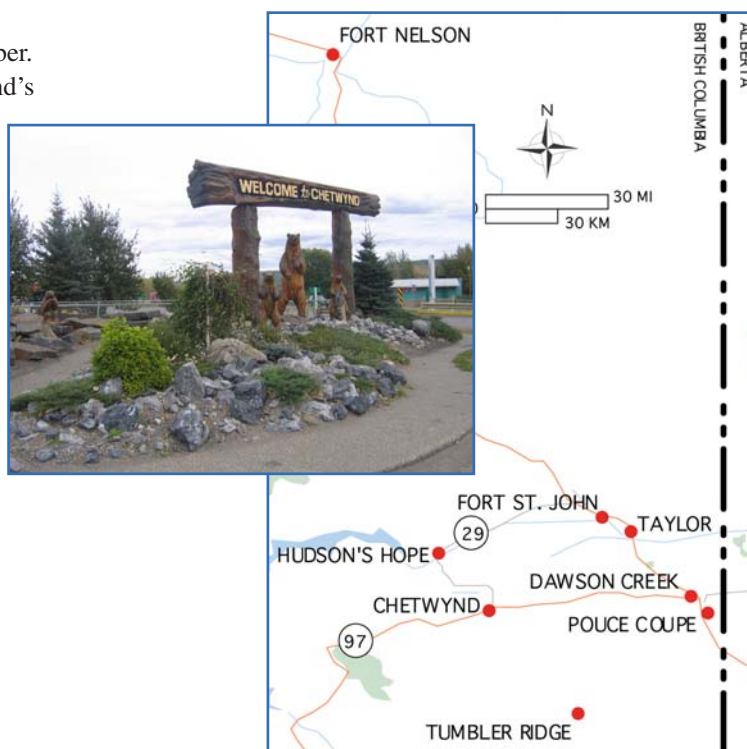
Temporary Housing, 2005

There are over 850 units of temporary accommodation. Hotels and motels have had very high occupancy rates in recent years. One new hotel recently opened and another is under construction.

- 318 hotel and motel rooms
- 213 campsites and 175 RV sites
- 143 units in camps and lodges
- 4 bed and breakfast units

Non-Market Housing, 2005

- 18 seniors units
- 18 family units
- 25 federal units



Housing Prices, 2006

The accompanying real estate sales statistics are for Zone 60 of the Northern Real Estate Board, which covers the majority of the Northeast BC communities.

Local realtors report that the inventory of available homes is very small and quality homes sell quickly. Between January 2005 and January 2006 there were 420 sales in the Chetwynd, Tumbler Ridge, Dawson Creek area. The average selling price increased by 10%.

Northeast Real Estate Listings				
Year	Units Listed	Units Sold	Absorption Rate	Average Price
2002	1,132	604	53%	\$130,282
2003	1,148	697	61%	\$136,675
2004	1,212	814	67%	\$139,104
2005	1,401	931	66%	\$171,861

Source: Northern Lights Real Estate Board, Zone 60

Rental Housing

Classified rental listings in the past three years have included apartments ranging from \$425 - \$600 for 1, 2 and 3 bedroom suites. On average, the Chetwynd Echo had eight ads, many not including prices. Furnished and unfurnished suites are available — directly targeting “companies, contractors, professionals”. Weekly and monthly rates are advertised as well.

Average Rental Rates, 2005

Rents and vacancy rates are based on purpose-built rental structures of three units or more. They do not include rental units in private dwellings, such as secondary suites. The accompanying rates are on a monthly basis.

- \$512 one bedroom (58% increase from 2001)
- \$620 two bedroom (59% increase from 2001)
- \$609 three bedroom (15% increase from 2001)



Rental Vacancy, 2005

There are 344 purpose-built market rental units in Chetwynd. The overall vacancy rate has plummeted from 43% in 2001 to 2.9% in 2005.

- 3.8% two bedroom (down from 42.6% in 2002)
- 3.8% three bedroom (down from 33.3% in 2002)

Population, 2001-2005

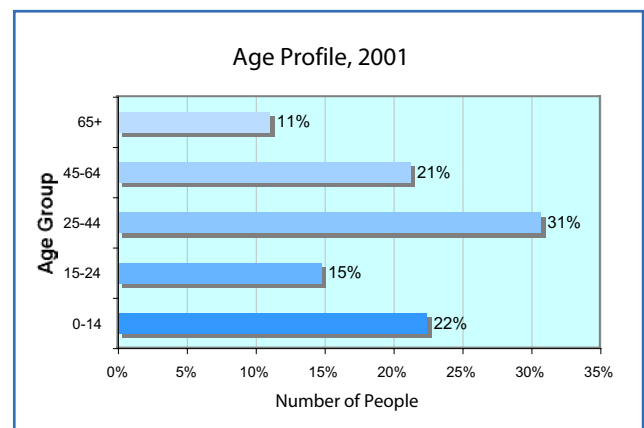
The residential population has grown modestly between 2001 and 2005; declining until 2003, then increasing.

Population Estimates		
	Number	% Change
2001	2,704	
2002	2,684	- 0.7%
2003	2,576	-4.0%
2004	2,729	5.9%
2005	2,770	1.5%
Change 2001-2005	66	2.4%

Source: BC Stats

Age Groups

In comparison with many other communities in BC, Chetwynd has a young age profile. In 2001, 22% of the District’s population was age 14 or younger. Home ownership that is suitable for families with young children is likely to remain a priority.



Data Source: Statistics Canada, 2001

Migration, 2000-2004

Between 2000 and 2004, there was a *net loss* of almost 1,200 individuals from the Peace River Regional District (Note: data not available below regional district level). Only in the 18 to 24 age group was there a net gain of people to the region. The losses were mostly due to young families moving to other provinces, principally, Alberta.

The median income of individuals who moved to the Peace River Regional District from Alberta between 2002 and 2003 increased by 4.5%; those from BC saw an increase of almost 13%.

School Enrollment

Chetwynd has four elementary schools and a secondary school. Total school enrollment decreased from 1,065 in the 2001/02 school year to 1,026 in 2005/06. Nearly 60 students were enrolled in Chetwynd’s one independent school in 2005/06, a 96% increase since 2001/02.

Incomes, 2003

A family’s income level has a significant impact on its ability to maintain a home. In Chetwynd, single parents and non-family persons (individuals who are not living with other family members) have the lowest income levels.

- \$71,800 – median income of couple families
- \$23,400 – median income of lone parent families
- \$24,000 – median income of non-family persons

Housing Issues in Chetwynd

- *Few homes are for sale; listings sell quickly. Shortage of quality detached homes for purchase*
- *Anticipated job growth is likely to result in serious housing shortage – both home ownership and rental*
- *Lack of construction trades to build housing; during last economic turn down lost tradespeople*
- *Investment in rental apartment buildings is affected by CMHC lending restrictions*
- *Some rental buildings are in poor condition*
- *With population growth, increase in market activity, and rising rental rates, affordability is seen as a serious issue for service workers and those on fixed incomes*

Housing Affordability

The following calculations represent estimates of what typical households would be able to afford. Given current list prices in the region (see Housing Prices on page 2), most families with a downpayment would be able to enter the housing market. Many single parent families and individuals living alone have incomes that are below the threshold needed to make the monthly payments.

Maximum Monthly Shelter Cost @ 30% of Income by Household Type, 2003				Maximum Purchase Price @ 30% of Income by Household Type, 2003	
	Median Income	30% of Median Income	Maximum Monthly	@ 10% Down Payment	@ 25% Down Payment
Couple Families	\$71,800	\$21,540	\$1,795	\$280,000	\$332,000
Lone Parent Families	\$23,400	\$7,020	\$585	\$91,000	\$108,000
Non-Family Persons	\$24,000	\$7,200	\$600	\$93,000	\$111,000

Data Source: CitySpaces Consulting calculations – Statistics Canada 2003 Small Area Data

OTHER EXPERIENCES

In resource communities where the economy is expanding rapidly, unemployment is negligible, and shelter costs are high, service sector and “key workers” find difficulty in securing adequate, affordable housing. This has negative effects on individuals, families, the community and the economy. Research indicates that resource-based communities in the US and Canada have been actively tackling housing issues. The following are some examples.

Oil and Gas Communities

Given the volatility of the energy sector, oil and gas companies have been reluctant to make long term investments in community infrastructure. Camp-style housing or motel accommodation may be provided for Fly In/Fly-Out (FIFO) workers. RV campgrounds are a growing alternative, operated by private businesses. Fort McMurray is considering zoning for “short term accommodation” (e.g., motel, modular). In some cases, employers assist senior personnel through providing company-owned housing or through a housing allowance.

Resort Communities

Typically, major destination resort employers provide some or all seasonal employee housing. These are often similar to college residences with small self-contained rooms and shared facilities.

In larger resort destinations, where a community already exists, or is growing in tandem with the resort, municipalities have a “linkage program” whereby commercial developers/employers are assessed a housing charge. The funds are used by a non-market authority to build/buy housing to rent or sell. Most Colorado and California resorts use this approach. In Canada, Whistler has pioneered a linkage program.

Mining Communities

World wide, mining companies are typically involved in providing housing and, sometimes, community infrastructure. Sometimes, these are transitioned to local authorities if a long-term community is established. In Canada, recent patterns suggest that new mines work on a FIFO basis. Companies provide transportation and camp-style housing.

Some communities have experimented with innovative home ownership. For example, Wood Buffalo Housing and Development Corporation and the Chamber of Commerce have a program for lower income small business employees. The employer pays the down payment. The corporation provides a second mortgage, repayable at a favourable interest rate.

Alternative Housing Suppliers

Two businesses near Calgary buy homes slated for demolition or that are no longer in use, refurbish and move them to a new location. One firm recently moved 18 homes from the former company town of Seebe. The homes appeal to retirees, first-time home buyers and companies for staff housing. Some are used in resort communities. The estimated cost to move a 2-3 bedroom bungalow from Stavely, Alberta to Fort St. John is \$50,000. Distance is less of an obstacle than the regulatory environment (e.g., highway restrictions on height and width limits).

The Katrina Response

In New Orleans, in the aftermath of Hurricane Katrina, many businesses remain closed or minimally functioning because there is no place for workers to live. Even signing bonuses and inflated wages are insufficient incentive to lure employees back to the city. Frustration with the government response has led to privatized employer-based solutions, including trailer communities, floating homes, “loaned” land for temporary housing, renting and equipping apartment buildings / hotels, and providing rent subsidies.

Your Notes and Questions: