

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. It contains basic information about housing in Fort Nelson, identifies issues and provides a brief commentary on how other communities, facing similar challenges, have responded.

Fort Nelson's Economy

Fort Nelson has experienced dramatic growth due to petroleum and forest industry expansion. Canfor is the largest employer through its two operations: plywood/lumber mill and oriented strand board plant. Fort Nelson is also home to North America's largest natural gas processing plant. As the main service centre in the region, the town provides key services to the petroleum, forestry and mining industries.

Housing Type, 2001

There were 1,515 units in 2001, the majority in single detached housing. While there was only a 2% increase in the number of homes between 1996 and 2001, permits for housing units since 2001 estimate an additional 10% increase in the past five years.

- 70% single detached (1,055)
- 10% duplexes/townhouses (150)
- 19% apartments (290)
- 1% mobile homes (20)

Housing Starts, 2000-2005

74% of all new residential construction in the Regional District is inside the Town of Fort Nelson. 149 residential building permits were issued during the past six years, averaging 25 per year. Most of this development has taken place since 2003.

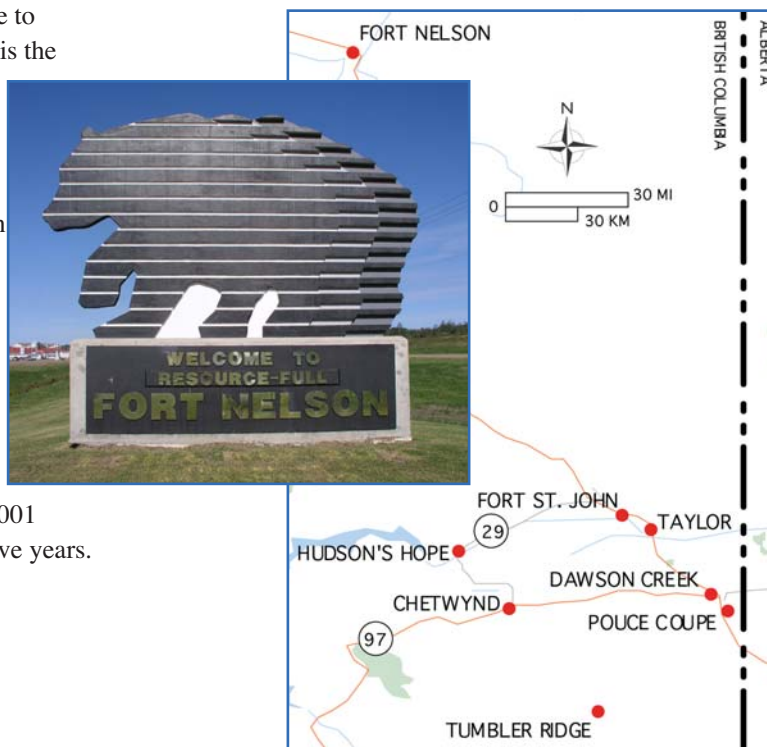
- 39% were single detached homes (58)
- 31% were modular homes (46)
- 24% were mobile homes (36)
- 6% were duplexes (9)

Temporary Housing, 2005

There are more than 1,700 units of temporary accommodation. Hotels and motels have had very high occupancy rates in recent years. Construction on a new 80-room hotel is slated to begin this Spring.

- 815 hotel and motel rooms
- 193 campsites and 607 RV sites
- 29 cabins and bed and breakfast units
- 63 units in boarding rooms and lodges

Temporary camps are not permitted within municipal boundaries. However, there is an estimate of more than 1,900 beds available through temporary work camps set up throughout the region.



Non-Market Housing

There are 53 non-market housing units and five rent supplement units. These include seniors' housing in Grace Manor, family units at Dorothy's Place, special needs housing at the Men's Hostel, and a number of rent subsidies.

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.

Although comparable statistics were not available specifically for Fort Nelson, local realtors report that the inventory of available homes is very small and that sales have been outstanding in the past two years. About 25-30% of home purchasers are from Alberta.

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: BC Northern Real Estate Board

Rental Housing – Rents and Vacancies

A January 2006 survey by the Northern Rockies Regional District identified 423 apartments available for rent (not including detached houses, duplexes and mobile homes). Vacancy rates were as low as 2.1% for the bachelors and one-bedrooms.

The following rates are from CMHC market rental reports, for rental structures of three units or more. They do not include rental units in private dwellings, such as secondary suites.



- \$514 bachelor
0% bachelor (down from 11.1% in 2004)
- \$592 one bedroom
1.7% one bedroom (up from 0.6% in 2004)
- \$698 two bedroom
2.8% two bedroom (down from 4.9% in 2004)
- \$745 three bedroom
1.8% three bedroom (down from 12.7% in 2004)

Population, 2001-2005

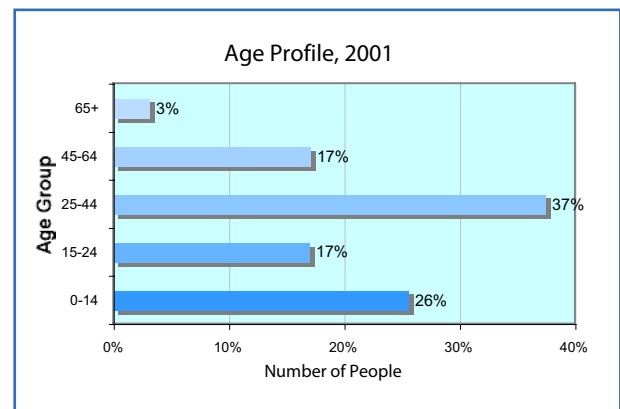
Population growth has been modest but steady since 2001.

Population Estimates		
	Number	% Change
2001	4,371	
2002	4,405	0.8%
2003	4,443	0.9%
2004	4,706	5.9%
2005	4,823	2.5%
Change 2001-2005	452	10.3%

Source: BC Stats

Age Groups

In comparison with many other communities in BC, Fort Nelson has a young age profile. In 2001, 26% of the Town'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

Migration data specific to Fort Nelson was not available.

Between 2000 and 2004, there was a net gain of approximately 135 individuals to the Northern Rockies Regional District. Only in the under 44 age groups was there a net gain of movers to the region - the increase of 240 people in the younger age groups is offset by a loss

of almost 100 people over the age of 45. Most of this change can be attributed to young families who work in the resource sector moving to the region from other provinces.

The median income of individuals who moved to the Northern Rockies Regional District increased by 25% between 2002 and 2003; those from BC and Alberta saw an increase of around 15%.

School Enrollment

Fort Nelson has four elementary schools and two middle and secondary schools. Total enrollment decreased from 1,205 in the 2001/02 school year to 1,055 in 2005/06. Declines in enrollment occurred primarily in the middle-secondary schools (17% decrease). More than 120 students were enrolled in Fort Nelson’s independent school in 2005/06.

Incomes, 2003

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

- \$87,800 – median income of couple families
- \$36,600 – median income of lone parent families
- \$38,400 – median income of non-family persons

Housing Issues in Fort Nelson

- *Low inventory of houses on the market and high levels of interest from local and outside buyers*
- *Young families have limited choice within the current home ownership market*
- *As a smaller, more distant community, the regional issue of shortages of home builders and construction trades is exacerbated in Fort Nelson*
- *There are few rental or transitional housing options for people moving to the community and there is little incentive for developers to build rental housing*
- *The costs of construction materials, such as gravel, are at a premium in the area*
- *A lack of serviced land in the municipality has created an added impediment for households wanting to build their own home*
- *Lack of appropriate housing for seniors and special needs residents who require some health care and social support services*

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	\$87,800	\$26,340	\$2,195	\$343,000	\$406,000
Lone Parent Families	\$36,600	\$10,980	\$915	\$143,000	\$169,000
Non-Family Persons	\$38,400	\$11,520	\$960	\$150,000	\$177,000

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 Stavelly, 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: