

# 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 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 St. John, identifies issues and provides a brief commentary on how other communities, facing similar challenges, have responded.

## Fort St. John's Economy

Oil and natural gas resources have played a key part of the region's growth. The region's natural gas deposits are estimated at among the largest in North America. The forestry industry directly employs more than 600 people and contributes \$90 million per year to the local economy.

This includes the construction of an oriented strand board plant by Slocan/LP in 2005. Fort St. John also has a thriving agricultural economy, producing more wheat, barley, and grass seed than any other region in the province.

## Housing Type, 2001

The housing stock had a total of 6,165 units in 2001, the majority in single detached housing. There was a 12% increase in the number of homes between 1996 and 2001.

- 55% single detached (3,400)
- 17% duplexes/townhouses (1,055)
- 23% apartments (1,440)
- 4% mobile homes (270)

## Residential Building Permits

Between 2001 and 2005, there were 671 residential building permits, averaging over 130 units annually.

- 55% were single detached homes (369)
- 17% were duplexes (111)
- 20% were multi-family units (133)
- 9% were mobile homes (58)

## Temporary Housing, 2005

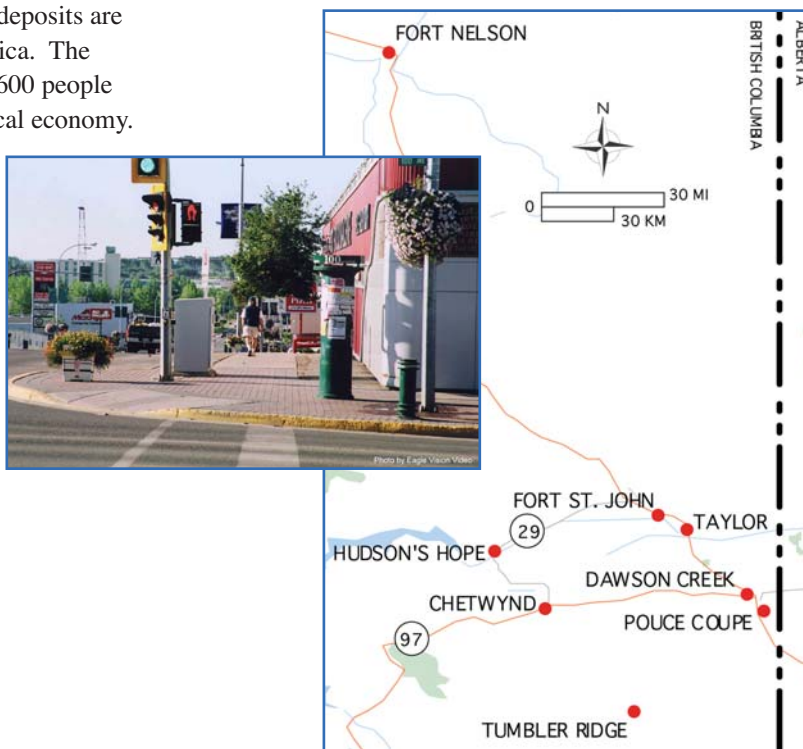
There are at least 1,400 units of temporary accommodation in Fort St. John. Hotels and motels have had very high occupancy rates in recent years and, in peak seasons, it is very difficult to find temporary accommodation.

- 800+ hotel/motel rooms - reported revenue of \$21 million in 2004, a 34% increase from 2001
- approximately 323 campsites and 200+ RV sites
- approximately 18 bed and breakfast units

## Non-Market Housing

There are 476 non-market housing units:

- 193 non-profit and cooperative units
- 61 BC Housing units and 187 federal units
- 27 rent supplement 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 communities.

Although comparable statistics were not available specifically for Fort St. John, 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: Northern Real Estate Board, Zone 60

## Rental Housing – Rents and Vacancies

Drawing on CMHC data, rents have increased for private rental suites by 26% for a 1-bedroom unit and 11% for a 3-bedroom unit between 2001 and 2005. These figures do not include rental units in private dwellings, such as basement suites.

- \$498 bachelor (20% increase from 2001)
- \$597 one bedroom (22% increase from 2001)
- \$718 two bedroom (19% increase from 2001)
- \$895 three bedroom (12% increase from 2001)



## Rental Vacancy, 2005

- 6.6% bachelor (up from 1.3% in 2001)
- 3% one bedroom (up from 2.9% in 2001)
- 1.5% two bedroom (down from 2.6% in 2001)
- 0.8% three bedroom (down from 6.8% in 2001)

## Population, 2001-2005

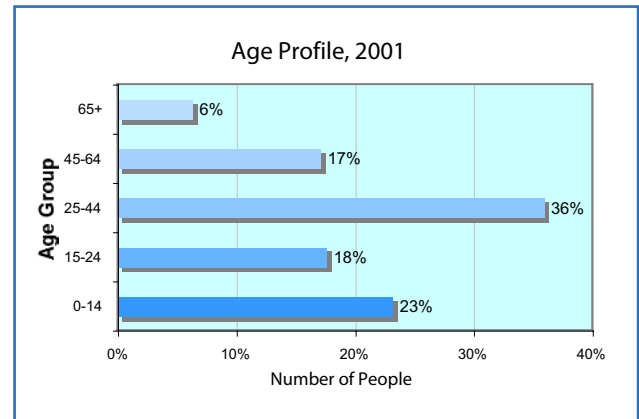
Population growth has been significant since 2001, with most growth happening in the past two years.

Population Estimates		
	Number	% Change
2001	16,734	
2002	16,925	1.1%
2003	16,958	0.2%
2004	17,326	2.2%
2005	17,781	2.6%
Change 2001-2005	1,047	6.3%

Source: BC Stats

## Age Groups

In comparison with many other communities in BC, Fort St. John has a young age profile. In 2001, 23% of the City'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 St. John was not available.

Between 2000 and 2004, there was a net loss of almost 1,200 individuals to the Peace River Regional District. Only in the 18 to 24 age group was there a net gain of movers to the region. While there was a net gain of migrants from within BC during this period, the losses were mostly due to young families moving to other provinces, namely Alberta.

The median income of individuals who moved to the region between 2002 and 2003 increased by 11%.

### School Enrollment

Fort St. John has 14 elementary schools and six secondary schools. Total school enrollment decreased by 2% from 3,843 in the 2001/02 school year to 3,779 in 2005/06. More than 150 students were enrolled in Fort St. John’s two independent schools in 2005/06, an 8% decrease since 2001/02.

### Incomes, 2003

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

- \$78,900 – median income of couple families
- \$27,700 – median income of lone parent families
- \$29,400 – median income of non-family persons

### Housing Issues in Fort St. John

- *Increasing in-migration of resource workers due to increased employment has had upward pressure on prices - this is impacting low income families and seniors*
- *Shifting local demographics means less housing turnover. Young people are not moving out of FSJ after high school. Seniors are staying longer and not as many are moving away*
- *Community needs more diversity of housing types and price points. Limited housing for households earning \$45,000 annually*
- *Region dealing with serious labour shortages of home builders and construction trades*
- *Chronic shortage of rental housing; what was a seasonal problem has become a year-round issue. Some reports of rent “gouging”*
- *Land supply may become an issue as City is hemmed in by ALR lands*
- *NIMBY issues are manufactured home subdivisions and mobile home subdivisions/parks.*
- *In-migrants with jobs and equity from homes elsewhere are looking for better quality and larger size homes*

### 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	\$78,900	\$23,670	\$1,973	\$308,000	\$365,000
Lone Parent Families	\$27,700	\$8,310	\$693	\$108,000	\$128,000
Non-Family Persons	\$29,400	\$8,820	\$735	\$114,000	\$136,000

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: