

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 Hudson's Hope, identifies issues and provides a brief commentary on how other communities, facing similar challenges, have responded.

Hudson's Hope's Economy

The hydroelectric power generation from the two dams, Peace Canyon and WAC Bennett, has been an economic mainstay for Hudson's Hope, and BC Hydro remains the single largest employer in the District. The agriculture and forestry sectors are also large contributors to the local economy.

Housing Type, 2001

The housing stock had a total of 415 units in 2001, the majority of which was in single detached housing. There was no increase in the total number of homes between 1996 and 2001, although there has been an increase of mobile homes, along with a loss of some single detached homes.

- 72% single detached (300)
- 4% duplexes, townhouses, and apartments (15)
- 24% mobile homes (100)

Housing Starts, 2000-2005

Between 2001 and 2005, there were 26 residential building permits for new housing units in Hudson's Hope, averaging 5 units per year. New housing permits were split evenly between mobile homes and single detached dwellings.

- 50% were single detached homes (13)
- 50% were mobile/modular homes (13)

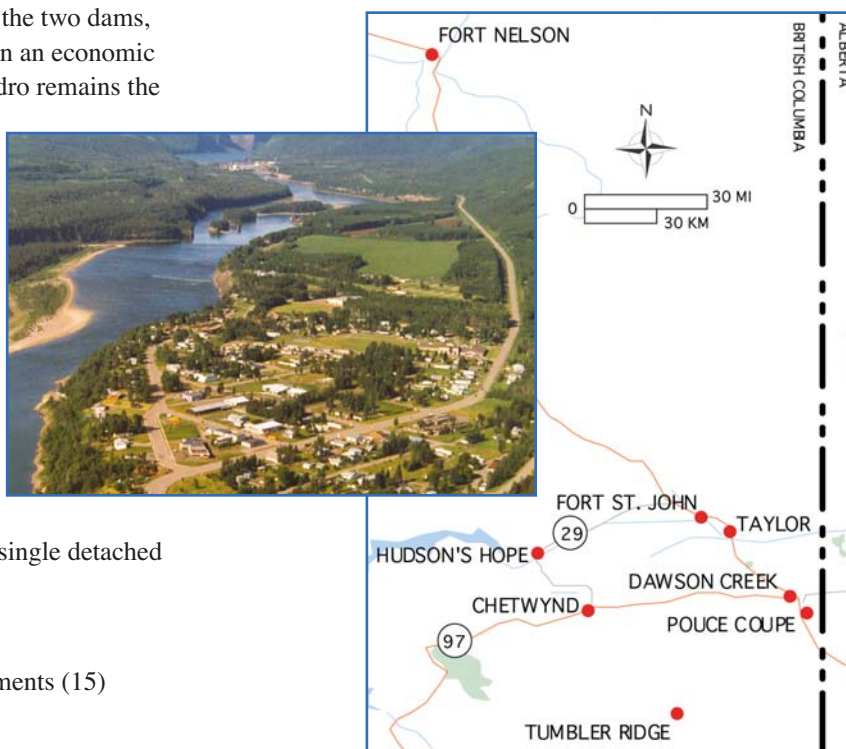
Temporary Housing, 2005

There are almost 200 units of temporary accommodation in Hudson's Hope, including seasonal campsites and RV parks.

- 72 hotel and motel rooms
- 124 campsites and RV sites
- 3 bed and breakfast units

Non-Market Housing

There are 10 non-profit seniors' housing units in Silver Willow Court in Hudson's Hope.



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.

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

Although comparable statistics were not available specifically for Hudson's Hope, a local realtor reports that the inventory of available homes is exceedingly small and that list prices have increased by 20% in the past year and a half. Hudson's Hope has a significantly older housing stock and there is very little choice in the current market.

Rental Housing, 2006

Historical rents and vacancy rates were not available for Hudson's Hope. Local contacts have identified, however, that there are no apartments available as part of the rental stock, and that most rentals are in private homes in the form of investor properties or secondary suites.

BC Hydro has recently booked up almost all remaining rental units in the District to house workers involved in upgrading and construction work on the Peace Canyon Dam. As a result, there is practically no rental housing available on the market currently.

Population, 2001-2005

Population growth has been modest since 2001, growing at an estimated 1.3% annually.

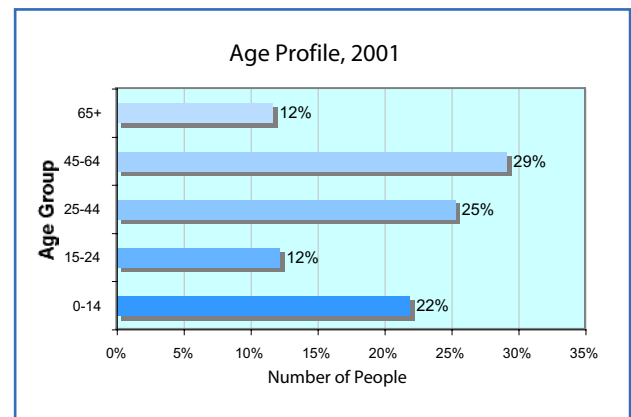


Population Estimates		
	Number	% Change
2001	1,084	
2002	1,071	-1.2%
2003	1,088	1.6%
2004	1,159	6.5%
2005	1,157	-0.2%
Change 2001-2005	73	6.7%

Source: BC Stats

Age Groups

In comparison with many other communities in BC, Hudson's Hope 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. Hudson's Hope has a large proportion of seniors compared to other communities in the Northeast. More and more seniors are choosing to stay in the area upon retirement.



Data Source: Statistics Canada, 2001

Migration, 2000-2004

Migration data specific to Hudson's Hope 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

Hudson's Hope has one elementary school and one secondary school. Total school enrollment decreased from 209 in the 2001/02 school year to 195 in 2005/06. Declines in enrollment occurred primarily in the secondary school, which experienced a 12% decrease over this five-year period.

Incomes, 2003

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

- \$62,300 – median income of couple families
- \$24,800 – median income of lone parent families
- \$22,000 – median income of non-family persons

Housing Issues in Hudson's Hope

- *Limited supply of rental housing, impacting the District's ability to recruit newcomers to work in the community*
- *Extremely 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*
- *Region dealing with serious labour shortages of home builders and construction trades*
- *Lack of standards enforcement for new construction*
- *Limited land supply within the District that is fully serviced*

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	\$62,300	\$18,690	\$1,558	\$243,000	\$288,000
Lone Parent Families	\$24,800	\$7,440	\$620	\$97,000	\$114,000
Non-Family Persons	\$22,000	\$6,600	\$550	\$86,000	\$101,000

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: