SECTION 1.0 INTRODUCTION

The Northeast has been the focus of oil and gas exploration in BC for more than 50 years. Recently, rising world demand for energy, new exploration technologies and favourable royalty programs have resulted in a significant increase in year-round exploration activity. The Northeast is now in the enviable position of having annual reserve discoveries that exceed annual production.

Communities in the Northeast are growing again. In 2005, about 500 new businesses were created between Dawson Creek, Fort St. John and Fort Nelson. Most jobs are in relation to the oil and gas industry, but some result from renewed coal mining and forestry. The region's unemployment rate dropped from 11.9% in June 2002 to 4.4% in October 2005.

Rapid job growth and all-seasons activity, while universally welcomed, have brought new challenges for Northeast municipalities, particularly the need to replace deteriorating infrastructure — local roads, water and sewer systems. In recognition of this situation, the Province, through a Fair Share Agreement with the Peace River Regional District, provides an additional $20 million annually. This extra revenue is allocated by the Regional District to electoral areas (10%) and municipalities (90%) to spend at their discretion, based on community needs. None of this money is explicitly allocated specifically towards housing.

1.1 BACKGROUND

In 2005, Ministry of Energy, Mines and Petroleum Resources (MEMPR) staff toured the communities of the Northeast and interviewed municipal staff and elected officials about the opportunities and challenges associated with the rapid expansion of the energy and mining industries. These interviews indicated that housing — especially, the lack of suitable housing and the length of time to produce new housing — was a major concern in all communities.

Subsequently, the MEMPR joined forces with the Housing Policy Branch of the Ministry Responsible for Housing[1] (MRH) and BC Housing to further explore the issues related to housing in the Northeast. This led to a decision to host a series of housing forums and consultations with the objective of bringing community residents together to identify their specific housing issues and start to formulate ways and means to address them.

CitySpaces Consulting Ltd. was engaged to assist MEMPR, MRH and BC Housing to organize and facilitate eight housing forums and consultations.

1.2 HOUSING FORUMS AND CONSULTATIONS

Housing consultations were held in eight municipalities between mid-March and early April. There were three components to each of the consultations — telephone interviews with key regional and local stakeholders, afternoon meetings with municipal officials/economic development officers, and an evening public meeting. The format of the evening meetings involved:

1 Housing Policy Branch, Office of Housing and Construction Standards, Ministy of Forests and Range and Minister Responsible for Housing

- a presentation by the consultants related to housing demand and supply in the community;
- small group identification and discussion of their three priority issues, with a focus on how these issues could be primarily tackled locally; and
- a wrap-up session.

The public events had been advertised through local newspapers and the media, and promoted via community-based networks. Local newspapers and CBC Radio reported on the events.

The meetings were attended by a cross-section of the community, including long-time residents, recent arrivals, municipal officials, industry representatives, real estate professionals and local builders/tradespeople. The discussions were positive and solution-seeking. A number of innovative approaches were identified, with a spotlight on past and potential partnerships.

Approximately 170 people attended one or more forums throughout the region.

Section 2.7 provides a summary of the main priorities of each community. The reader is directed to Appendix B for a full transcription of the notes taken by facilitators in the small group discussions.

1.3 COMMUNITY PROFILES

Prior to holding the housing forums, the consultants prepared a four-page community profile for each of the eight municipalities. These are attached to this report as Appendix A.

The information in the profiles is a combination of data from secondary sources (e.g., Statistics Canada, CMHC) and knowledge / insights provided by local "key informants" about the changing dynamics of the region and associated housing issues. Where information was available, each community profile covers the following subjects:

- Housing Type, 2001;
- Housing Starts, 2001–2005;
- Temporary Accommodation, 2006;
- Non-Market Housing, 2006;
- Housing Prices (region-wide);
- Rental Rates and Rental Vacancy, 2005;
- Population, Age Groups, 2001;
- Migration, 2000-2004;
- School Enrollment — 2001/02 to 2005/06;
- Incomes, 2003; and
- Housing Affordability by Household Type, 2003.

These profiles also spotlighted what the consultants had learned to be the most significant housing issues from their conversations with municipal staff and other local key informants.

The profiles also included examples of how other resource communities / resource industries in Canada and the United States have tackled housing issues. In brief, the experiences are:

- *Oil and gas companies* prefer camp-style housing or motel accommodation for Fly In/Fly-Out (FIFO) workers; senior personnel may be provided housing or mortgage assistance.
- *Resort employers* provide some or all seasonal employee housing. In larger resort communities, some 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.
- World wide, *mining companie*s are typically involved in providing housing. Sometimes, these are transitioned to local authorities if a long-term community is established — Tumbler Ridge is a prime example. Recent patterns suggest that new mines work on a FIFO basis, with companies providing camp-style housing.
- Wood Buffalo Housing and Development Corporation and the Chamber of Commerce (Fort McMurray) have started 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.
- Also in Alberta, there are businesses that buy small homes, refurbish and move them to a new location at a price considerably less costly than on-site construction. Highway restrictions in BC prevent their relocation to Northeast communities.

The table on the following pages is a compilation of the statistics contained in the community profiles. This serves as a tool for the reader to compare the eight municipalities.

Housing Consultations:
Challenges and
Opportunities in
Northeast BC

May 2006

Northeast BC Communities: Comparison of Housing Related Indicators

	Dawson Creek	Pouce Coupe	Tumbler Ridge	Chetwynd	Hudson's Hope	Fort St. John	Taylor	Fort Nelson
Local Economy	A major service and supply centre for agriculture, natural gas, coal and forestry in the Peace River region.	Oil and Gas, as well as agriculture, are main economic sectors.	Heavily dependent on coal mining. New mine openings.	Area is rich in oil, gas, coal and timber. Recent coal mine openings and multiple natural gas discoveries.	Hydroelectric generation from the Peace Canyon and WAC Bennett dams is the economic mainstay. Agriculture and forestry make important contributions.	The region's natural gas deposits are among the largest in North America. The forestry industry and the agricultural sectors are also thriving.	Natural gas processing (Duke), forestry, and agriculture.	The northernmost service centre for the petroleum, forestry and mining industries. North America's largest natural gas processing plant.
Population 2001	11,224	869	1,932	2,704	1,084	16,734	1,193	4,371
Population 2005	11,394	887	2,526	2,770	1,157	17,781	1,346	4,823
Age Groups, 2001	22% age 14 or younger. City also has a significantly large seniors' population.	20% age 14 years of age or younger. Also, 25% 65+. Village has a 60-unit residential care facility.	21% age 14 or younger.	22% age 14 or younger.	22% of the age 14 or younger. Also a large proportion of seniors as more retirees remain in the area.	23% age 14 or younger.	25% age 14 or younger.	26% age 14 or younger.
School Enrollment, 2001-2005	Decreased from 2,849 in 2001/02 to 2,703 this school year.	Decreased from 148 in 2001/02 to 99 this school year.	Decreased from 383 in 2001/02 year 350 this school year.	Decreased from 1,065 in 2001/02 year 1,026 this school year.	Decreased from 209 in 2001/02 to 195 this school year.	Decreased from 3,843 in 2001/02 to 3,779 this school year.	Decreased from 166 in 2001/02 144 this school year.	Decreased from 1,205 in 2001/02 school year to 1,055 this school year.
Migration 2000 -2004	Net loss of 1,200 from the Peace River Regional District. Only in the 18 to 24 age group was there a net gain of people. Median income of in-migrants from BC increased by 13%.							Net gain of 135 people to the Northern Rockies Regional District. The median income of in-migrants from BC and Alberta increased by 15%
Number of Housing Units, 2001	4,400	275	705	1,020	415	6,165	430	1,515
Housing by Type, 2001	3,085 detached 420 duplex/townhouse 765 apartments 130 mobile units	205 detached 10 duplex /townhouse 20 apartments 40 mobile units	520 detached 20 duplex / townhouse 35 apartments 130 mobile units	620 detached 100 duplex /townhouse 220 apartments 80 mobile units	300 detached 15 duplex /townhouse / apartments 100 mobile units	3440 detached 1055 duplex /townhouses 1440 apartments 270 mobile units	335 single detached 15 duplex /townhouse 50 apartments 30 mobile units	1055 detached 150 duplex / townhouse 290 apartments 20 mobile units
Housing Starts, 2000-05	123 detached 146 multiple units	4 detached	1 detached 2 mobile	8 detached 4 mobile (Estimated 60 homes to be built in 2006)	13 detached 13 modular	369 detached 111 duplex 133 multi-family 58 mobile	23 detached 62 manufactured	58 detached 46 modular 36 mobile 9 duplex

Note: Statistics have been derived from published sources, via telephone interviews and through CitySpaces calculations. All information is believed to be correct but should be verified if quoted for other purposes. Published sources include: Statistics Canada, Census 2001 and Taxfiler data; Canada Mortgage and Housing Corporation; BC Housing; BC Ministry of Education; BC Tourism; and municipalities in NEBC.

Northeast BC Communities: Comparison of Housing Related Indicators

	Dawson Creek	Pouce Coupe	Tumbler Ridge	Chetwynd	Hudson's Hope	Fort St. John	Taylor	Fort Nelson
Temporary Accommodation	471 hotel and motel rooms 76 campsites 392 RV sites 3 cabins 17 bed and breakfast units	41 hotel and motel rooms 23 campsites 18 RV sites	70 hotel and motel rooms 50 campsites and RV sites 2 bed and breakfast units	High occupancy rates. New hotel opened and one under construction. 318 hotel/motel rooms 213 campsites and 175 RV sites 143 units in camps and lodges 4 bed and breakfast units	72 hotel and motel rooms 124 campsites and RV sites 3 bed and breakfast units	Very high occupancy rates – in peak seasons difficult to find temporary accommodation. 800+ hotel/motel rooms 323 campsites and 200+ RV sites 18 bed and breakfast units	28 hotel and motel rooms 60 campsites and 36 RV sites	Very high occupancy rates. 80-room hotel under construction. 815 hotel/motel rooms 193 campsites; 607 RV sites 29 cabins and bed and breakfast units 63 units in boarding rooms and lodges 1,900 beds in nearby work camps.
Non-Market Housing – units	235 public housing 162 non-profit/co-op 122 rent supplement units Rotary Manor (LTC)	7 family 8 seniors Pouce Coupe Care Home (LTC)	21 non market	18 seniors 18 family 25 federal	10 seniors	193 non-profit/coop 61 BC Housing; 187 federal units 27 rent supplement units North Peace Care Centre (LTC)	No non-market housing	53 non-market housing units and five rent supplement units
Average Rental Rates, 2005 noted	$490 one bedroom $596 two bedroom $671 three bedroom	Not available	$425 one bedroom $550 two bedroom $600 three+ bedroom	$512 one bedroom $620 two bed $609 three bedroom	BC Hydro has booked units for workers on the Peace Canyon Dam. Almost no units available.	$498 bachelor $597 one bedroom $718 two bedroom $895 three bedroom	$528 one bedroom	$514 bachelor $592 one bedroom $698 two bedroom $745 three bedroom
Rental Vacancy, 2005	2.9% bachelor 4.1% one bedroom 2.7% two bedroom 5.7% three bedroom	Not available	n/a	Overall vacancy plummeted from 43% in 2001 3.8% two bedroom 3.8% three bedroom		6.6% bachelor 3% one bedroom 1.5% two bedroom 0.8% three bedroom	14.3% one bedroom 7.3% two bedroom	
Housing Prices	Average price $171,861 in 2005,up from $130,232 in 2002							
Couple Families Median Income and Housing Affordability – 2003	$65,000 $1,625 /mo $254,000	$62,300 $1,558 $243,000	$54,500 $1,363 $213,000	$71,800 $1,795 $280,000	$62,300 $1,558 $243,000	$78,900 $1,973 $308,000	$71,700 $1,793 $280,000	$87,800 $2,195 $343,000
Lone Parent Families Median Income and Housing Affordability – 2003	$24,400 $610 $95,000	$26,400 $660 $103,000	$20,300 $508 $79,000	$23,400 $585 $91,000	$24,800 $620 $97,000	$27,700 $693 $108,000	$21,600 $540 $84,000	$36,600 $915 $143,000
Single Person Median Income and Housing Affordability –, 2003	$19.200 $480 $75,000	$17,500 $438 $81,000	$23,400 $585 $91,000	$24,000 $600 $93,000	$22,000 $550 $86,000	$29,400 $735 $114,000	$27,800 $695 $108,000	$38,400 $960 $150,000