

June 12, 2014

Housing Data: Statistics and Trends

This presentation was provided to the Mayor's Housing Commission on June 12, 2014 and provided to Council on June 23, 2014 along with a report summarizing the findings. Implementation of the Comprehensive Housing Strategy includes on-going tracking and reporting on housing statistics and data.

City of Regina



Housing Data Update

2011 Household Census data

- Population and population growth
- Household makeup
- Dwelling unit types

CMHC Housing starts and vacancy rate data (2006 – 2013)

- New residential starts by tenure and intended market
- Secondary rental market
- Vacancy rates

Housing Incentives Policy

- Tax and Capital Incentives – tenure, location and impact



Population, Growth, Households and Tenure

- 2013 Population for City of Regina: 211,201
- 2013 Population CMA: 232,090
- Difference between City and CMA: 20,889
- 2011 Census Total households (City): 79,610
- Rental households: 24,495 (31%)
- Ownership households: 55,120 (69%)*
- Average household size: 2.4 persons
- Average five-year growth rate (2009-2013): 2%
- Projected future growth rate: 1.5%

CMA (Census Metropolitan Area) equals City of Regina plus White City, Pilot Butte, Lumsden, Balgonie, Regina Beach, Grand Coulee, Pense, Buena Vista, Edenwold, Disley, Belle Plaine, Sherwood and Lumsden Beach

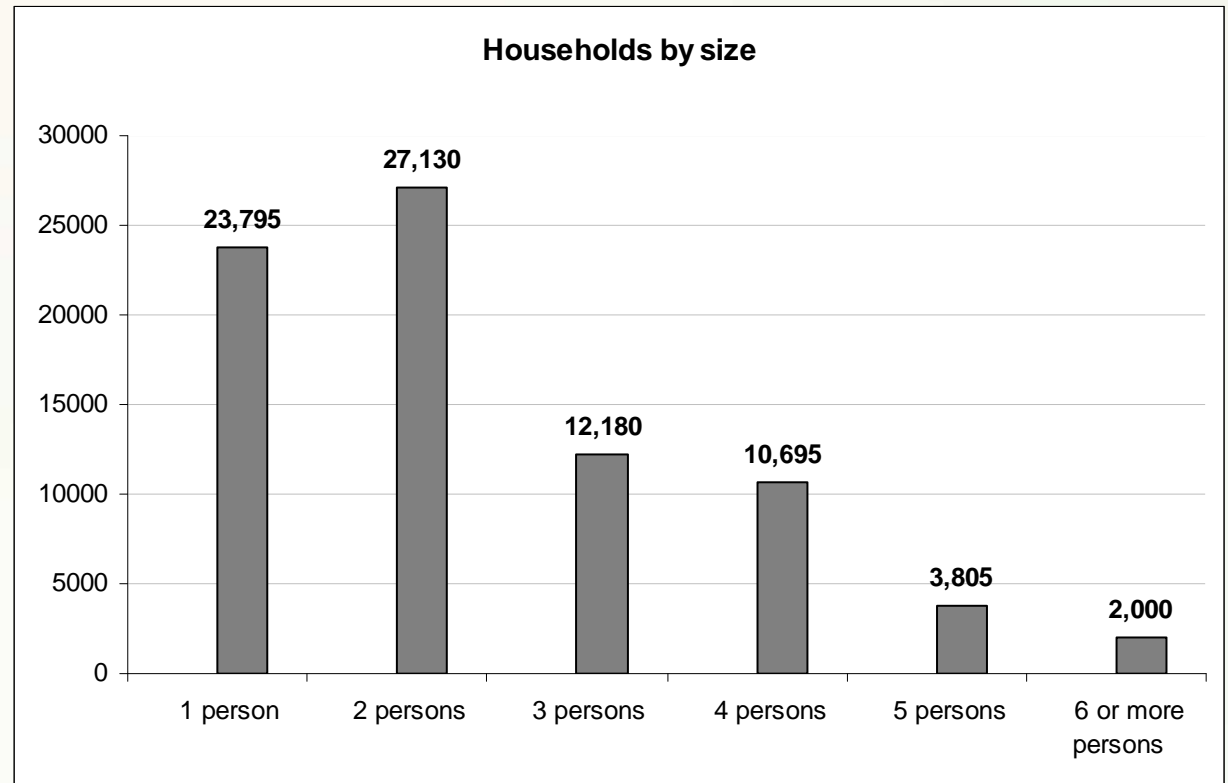
** Due to changes in data collection from mandatory to voluntary reporting, the percentage of rental households is likely higher than reported in 2011 Census. In 2006, the percentage of households renting their home was 32%, and 33% in 2001.*

City of Regina Population		
Year	# of People	Yearly Change
2005	183,675	--
2006	183,975	300
2007	186,290	2,315
2008	189,016	2,726
2009	193,184	4,168
2010	196,989	3,805
2011	201,085	4,096
2012	207,075	5,990
2013	211,201	4,126

Source: Statistics Canada postcensal estimates for Regina CMA, adjusted for the city proper.

Household Makeup

- One and two-person households make the largest majority, totalling 50,925 or 64% of all households in the City of Regina.
- Despite this household composition, 67% of housing in Regina is single-detached homes and 64% of dwelling units have 3 or more bedrooms.



Source: Statistics Canada, Census of Canada 2011

Household Makeup

- Two-person households grew the most in terms of numbers of new households.
- The number of large households (6 or more persons) grew by 35%, adding 500 new 6-person households from 2006-2011*.
- In total 5,340 new households were added between 2006-2011.

Household Growth and Size 2006-2011 City of Regina				
	2006	2011	Increase 2006-11	Percentage increase (2006-11)
1-person households	22,760	23,795	1,035	4.5%
2-person households	25,215	27,130	1,915	7.7%
3-person households	11,415	12,180	765	6.9%
4-5 person households	13,395	14,500	1,105	8.2%
6-or-more person households	1,480	2,000	520	34.7%
Total	74,800	79,605	5,340	

Source: Statistics Canada, National Household Survey 2011 and 2006

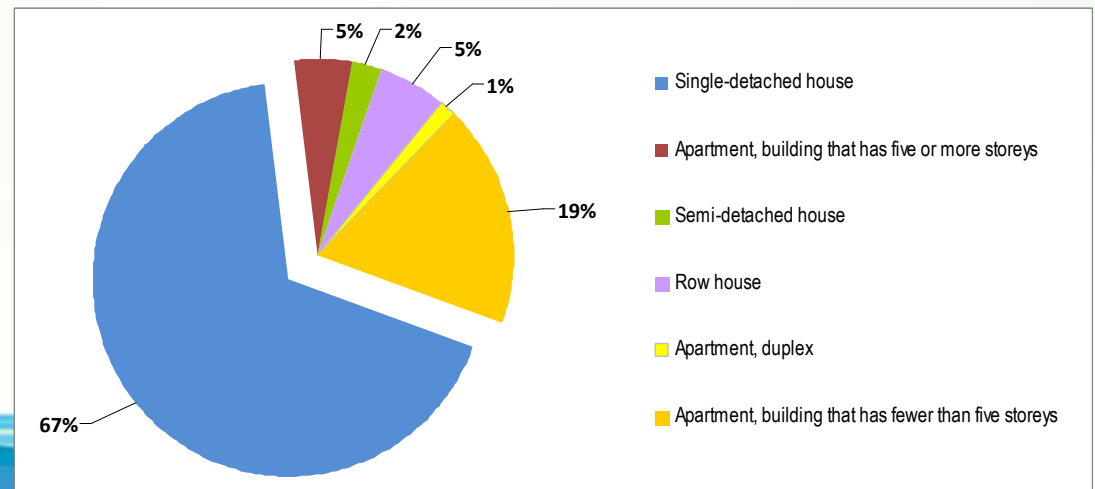
* Households may include non-family members who share a dwelling unit.

Housing Stock by Type

- In 2011 the total number of private dwellings in Regina was 79,615.
- Majority of dwellings in Regina are single-detached houses, making up 67% of housing stock.
- Apartment buildings of less than five storeys make up nearly 20% of our housing stock including rental units and multi-unit condominiums.
- Duplexes and semi-detached houses make up 3%. This number increased slightly in 2012-2014.
- Since 2011, another 5,500 units have been added bring the total to just over 85,000 in 2013.

Private dwellings by type	79,615	
Single-detached house	53,625	67%
Apartment with fewer than five storeys	14,595	18%
Row house	4,355	5%
Apartment, building that has five or more storeys	3,805	5%
Semi-detached house	1,970	2%
Apartment, duplex	1,095	1%

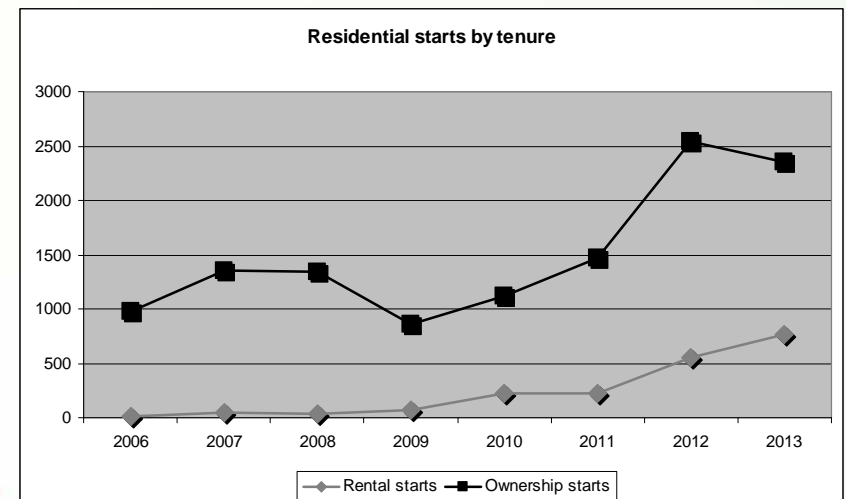
Source: Statistics Canada, Census of Canada 2011



Residential Starts by Tenure

- Residential starts have increased every year since 2006 with the exception of 2009.
- Comparing Census years, a total of 5,340 new households were added 2006-2011. During this time there were just over 6,000 new residential starts in the city.
- Although ownership units are still the majority of units built, rental units have continued to increase.
- Starts for CMA outside of the City were 240 - 280, the highest of which was 88 starts in White City. 16 of these units were multi-unit starts, none were recorded as purpose-built rentals.

Residential starts by tenure (CMA)			
	Rental starts	Ownership starts	Total
2006	8	978	986
2007	48	1350	1398
2008	39	1336	1375
2009	70	860	930
2010	226	1121	1347
2011	218	1476	1694
2012	552	2541	3093
2013	764	2358	3122



Source: Market Analysis Centre Housing Now Regina CMA and Housing Outlook Reports

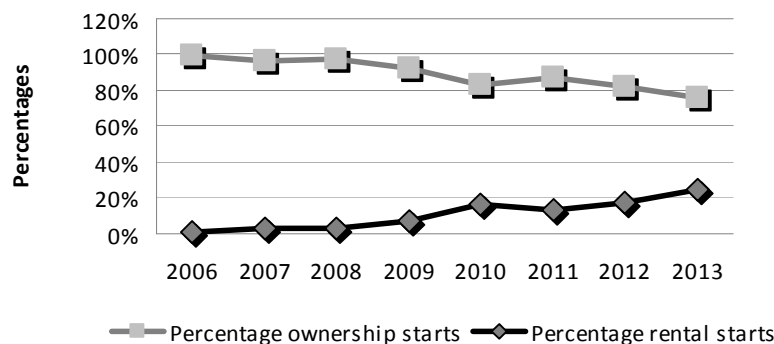
Residential Starts by Tenure

- There has been a dramatic shift in the split of rental to ownership starts, from a 1 to 99 percent rental to ownership split in 2006 to a 24 to 76 percent split in 2013.
- If we account for starts in the City only, the percentage of rental units out of total starts increases to 26.5%.
- The percentage of rental to ownership unit starts in 2013 more appropriately represents the split of renters to owners, reported as 31% to 69% in the 2011 Census.

Starts by percentage of tenure (CMA)		
	Rent	Own
2006	1%	99%
2007	3%	97%
2008	3%	97%
2009	8%	92%
2010	17%	83%
2011	13%	87%
2012	18%	82%
2013	24%	76%

Source: Market Analysis Centre Housing Now Regina CMA and CMHC Housing Outlook Reports

Percentage of residential starts by tenure



Residential Starts by Tenure and Type (forecasts)

- Total residential starts are expected to decline by 15% or more in 2014-2015 compared to 2012 and 2013.
- For January - May of 2014, residential starts were down by 35% compared to the same period of 2013.
- Based on starts for 2014 for January – May, multi-unit starts have increased as a percentage of overall starts.

* Rental start estimates are based on approvals and permits, and are updated on on-going basis.

** Updated with May 2014 data.

Residential starts by tenure (CMA)

	Rental starts	Ownership starts	Total
2013	764	2358	3122
2014 (forecast)	450-500*	2200-2150	2650**
2015 (forecast)	400-450	2130-2180	2580

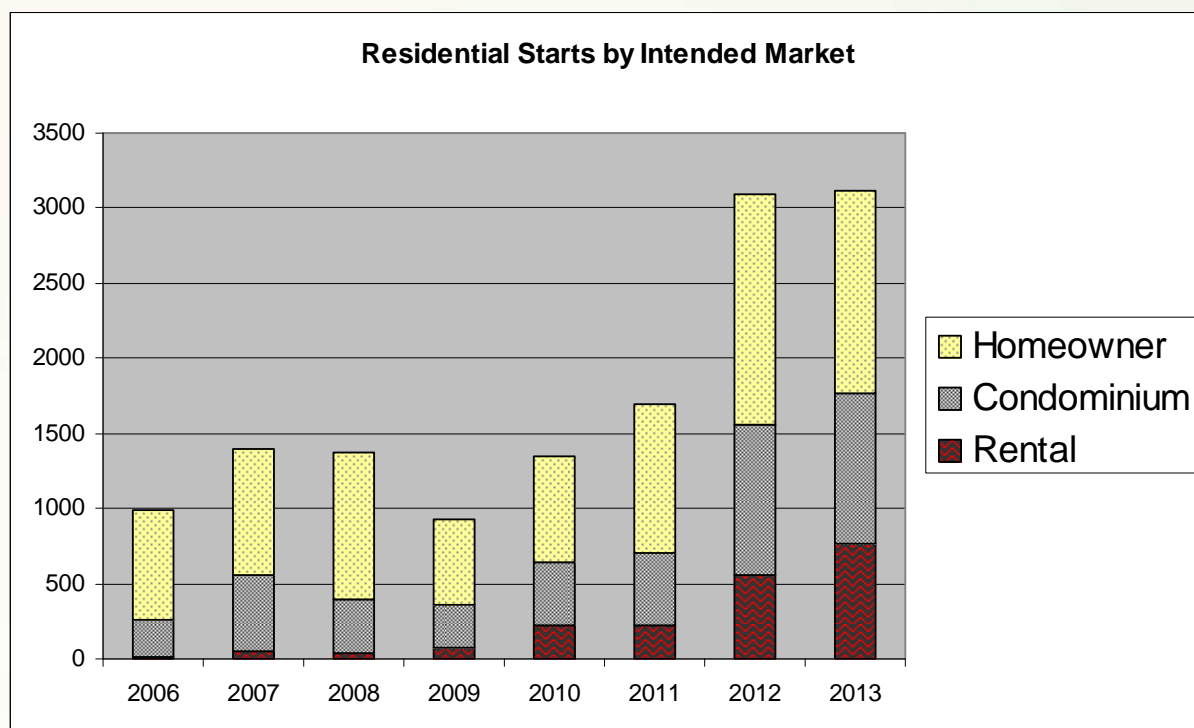
Residential starts by type (CMA)

	Single-detached	Multi-unit	Percentage of multis
2013	1349	1876	60%
2014 (Jan – May)	281	496	64%

Source: CMHC Housing Market Outlook Reports for Regina CMA. May 2014 Housing Starts in Regina.

Residential Starts by Intended Market

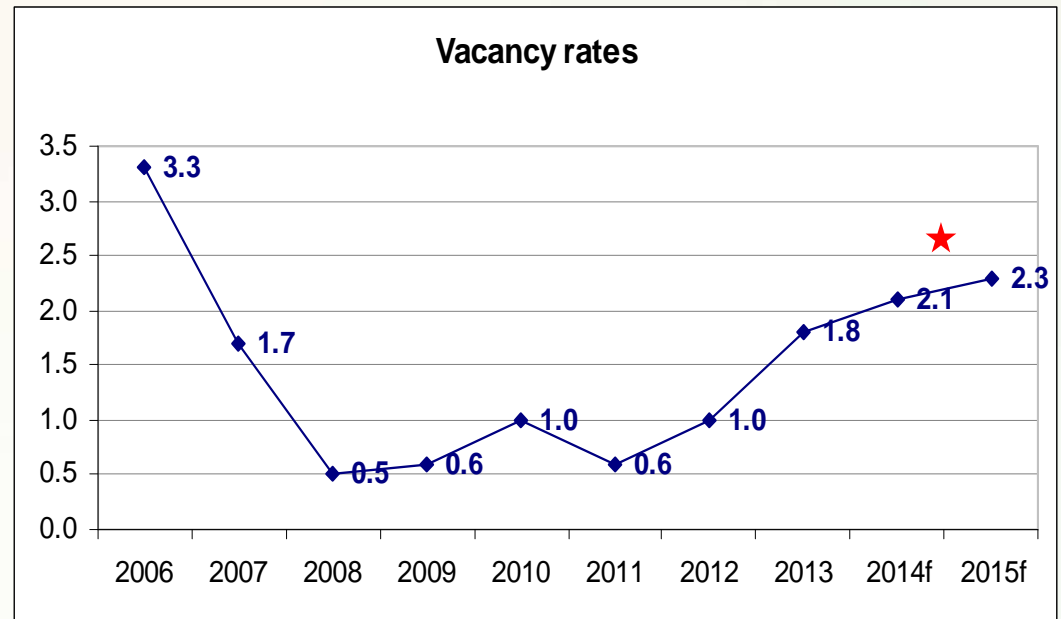
- The split of unit starts by intended market for the CMA has shifted dramatically with rental and condominium units increasing as a percentage of overall units and “homeowner” units (ownership units other than condos) shrinking as a proportion of total starts.
- This change is resulting in more housing diversity for ownership units as well as more purpose-built rental units.
- This change also corresponds with more multi-units as a proportion of total residential starts at 60% for 2013.



Source: CMHC CANSIM Table 027-0034 and CMHC Housing Observer

Rental Vacancy Rates

- Rental vacancy rate for the CMA is measured in the spring and fall and reflects purpose-built rental buildings of 3 units or more. It does not include houses, condominium and 2-unit buildings being rented.
- The total 'universe' of rental units used to calculate the rate was approximately 11,100 in fall 2013.
- In fall of 2013, the rate was 1.8%, higher than any year since 2006.
- The target is 3% by 2017.
- Rates are forecasted at 2.1% and 2.3% for 2014 and 2015 (CMHC).

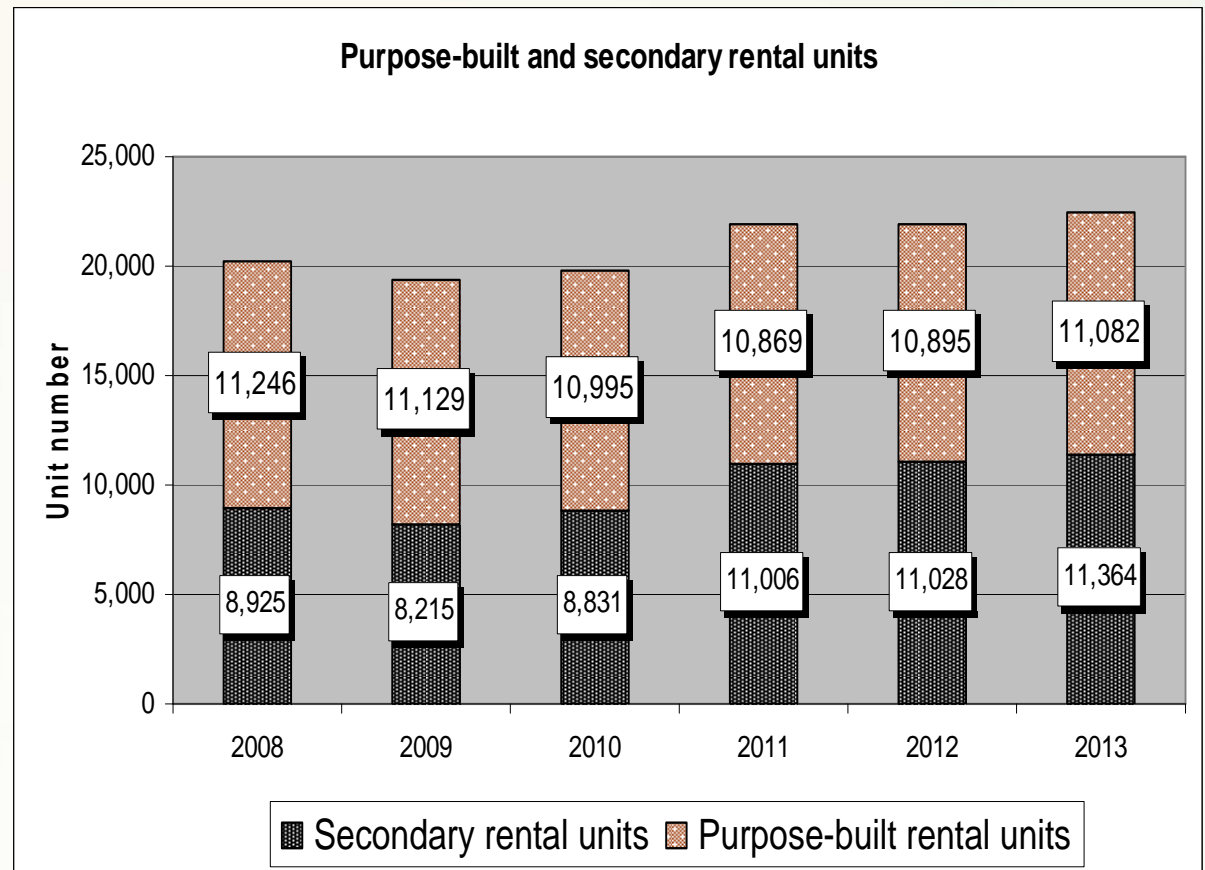


Source: CMHC Fall Rental Market Reports (2006 – 2013)

- ★ Based on expected completions in 2014 and 2015, this rate may climb higher than forecasted by CMHC. The 2014 spring vacancy report due in June, will provide additional information to evaluate the rental market.

Secondary Rental Units – ownership units in the rental market

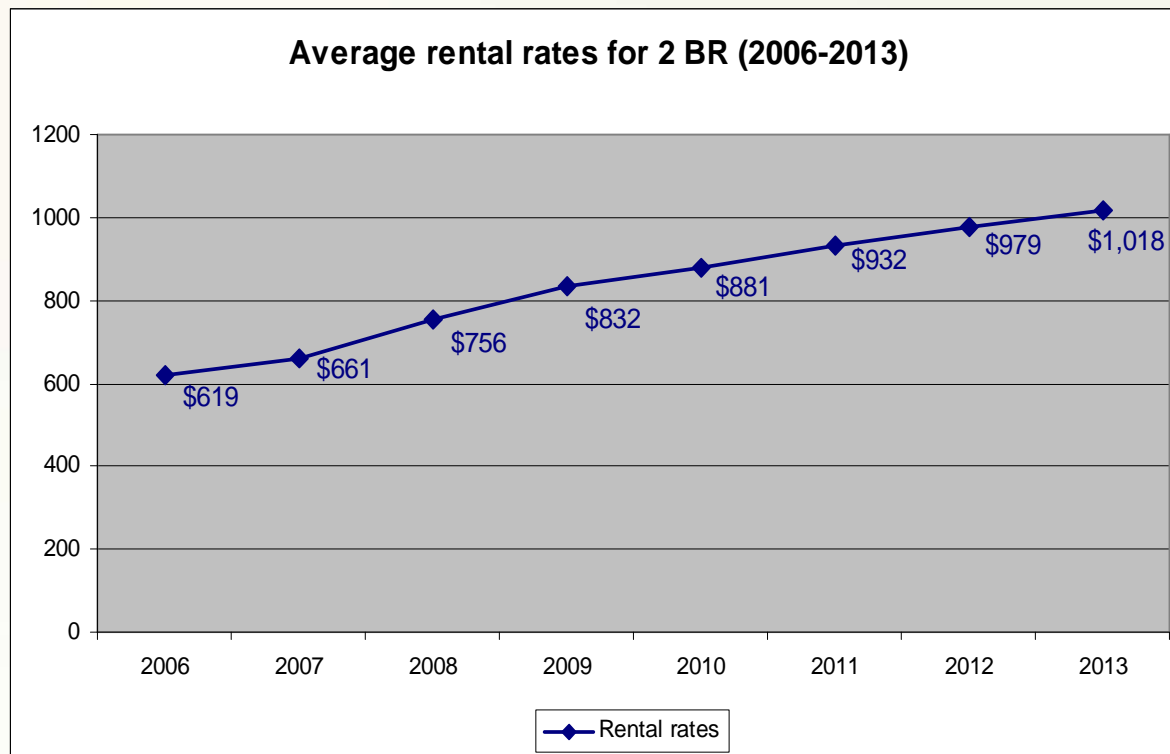
- Secondary rental units (condominiums, single-detached homes, duplexes and secondary suites being rented) are increasing in numbers, now comprising half of the rental units in the city.
- These units are not counted in the vacancy rate percentage. However, given the number of households reported as renters (24,495) these units are necessary to meet the demand for rental units.
- These units are considered more vulnerable than purpose-built rental units as they are subject to investment decisions and may be sold to become owner-occupied.



Source: CMHC Fall Rental Market Reports (2003 – 2013)

Rental Rates

- Average rent for a 2-bedroom unit in Regina CMA was \$1,018 as of October 2013.
- Rental rates have increased by 65% since 2006 and have increased 73% in a ten-year period.
- The rate of increase has slowed in the past two years from a high of +14% increase in 2007-2008 to a +4% increase from 2012-2013.



Source: CMHC Fall Rental Market Reports (2003 – 2013)

Average Rental Rates (Two Bedroom Apartment)											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Rental rates	\$ 589	\$ 602	\$ 607	\$ 619	\$ 661	\$ 756	\$ 832	\$ 881	\$ 932	\$979	\$ 1,018
% change		2%	1%	1%	7%	14%	10%	6%	6%	5%	4%

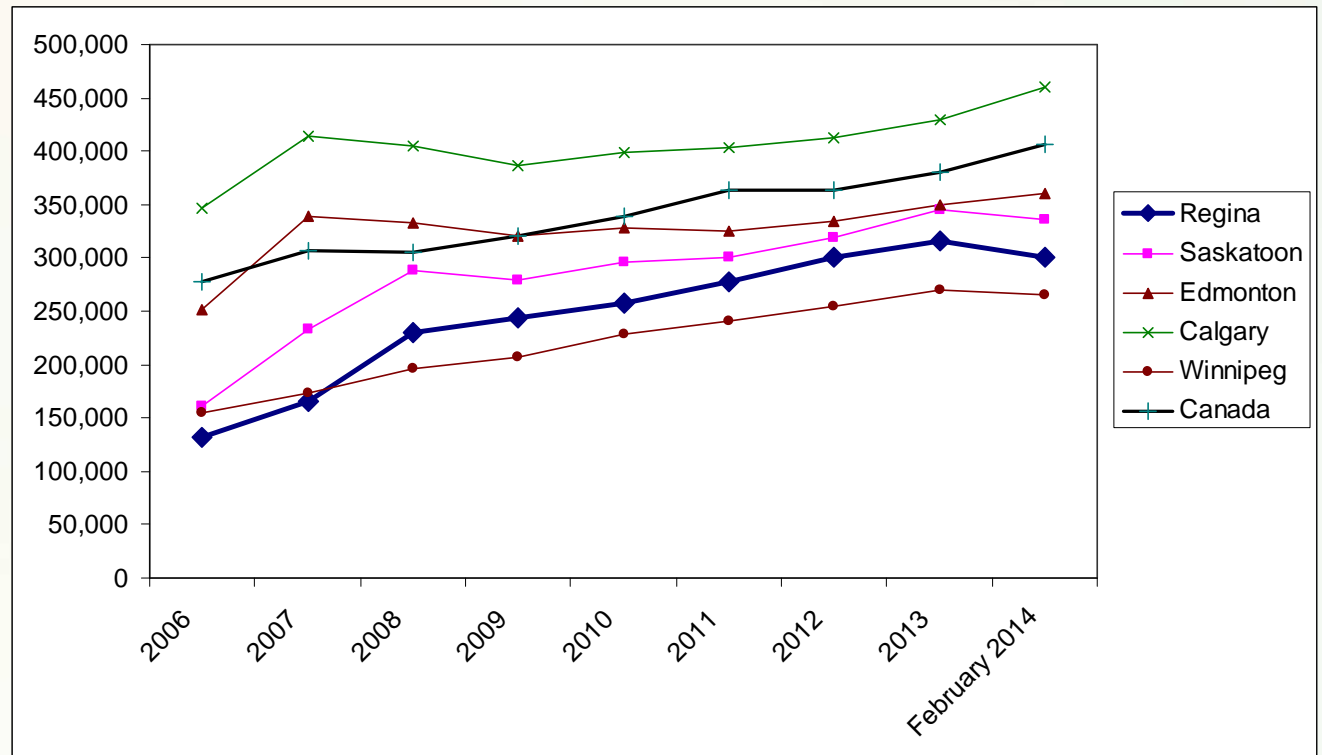
Source: CMHC Fall Rental Market Reports (2003 – 2013)

Nationwide Average House Prices

- The average house price in Regina has increased significantly 2006-2013, averaging \$316,616 in 2013.

- In 2014, prices decreased slightly in Q1 averaging \$313,368, with a median price for Q1 of 2014 at \$309,900.

- Regina's home prices are below major western cities and the Canadian average by 12.5% on average with the exception of Winnipeg.



Source: CMHC Canadian Housing Observer 2013. Data source CREA

Nationwide Average House Prices

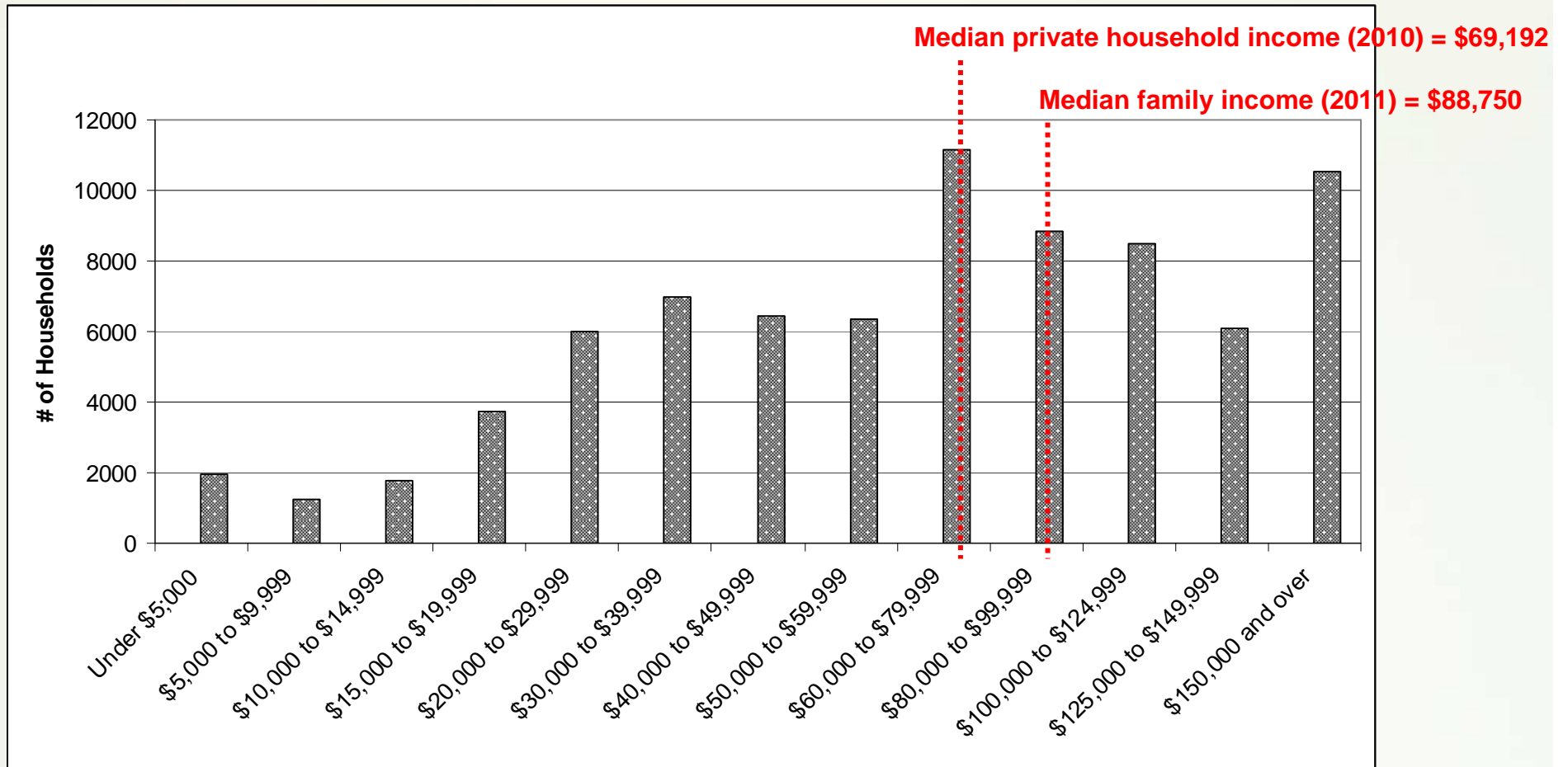
- Home prices in Regina have risen 140% since 2006, a greater increase than other large western cities and significantly higher than the national increase.
- If Regina's home prices had increased at the rate of Edmonton, Calgary or the Canadian average over the past 7 years, at 34%, the price of the average home in Regina would be closer to \$180,000.

Percentage change in housing prices 2006-2013

	2006	2013	increase	% change
Regina	131,851	316,606	184,755	140%
Saskatoon	160,577	345,776	185,199	115%
Edmonton	250,915	349,047	98,132	39%
Calgary	346,675	429,717	83,042	24%
Winnipeg	154,607	270,291	115,684	75%
Canada average	276,901	380,588	103,687	37%

Source: CMHC Canadian Housing Observer 2013. Data source CREA

Households and Median Income



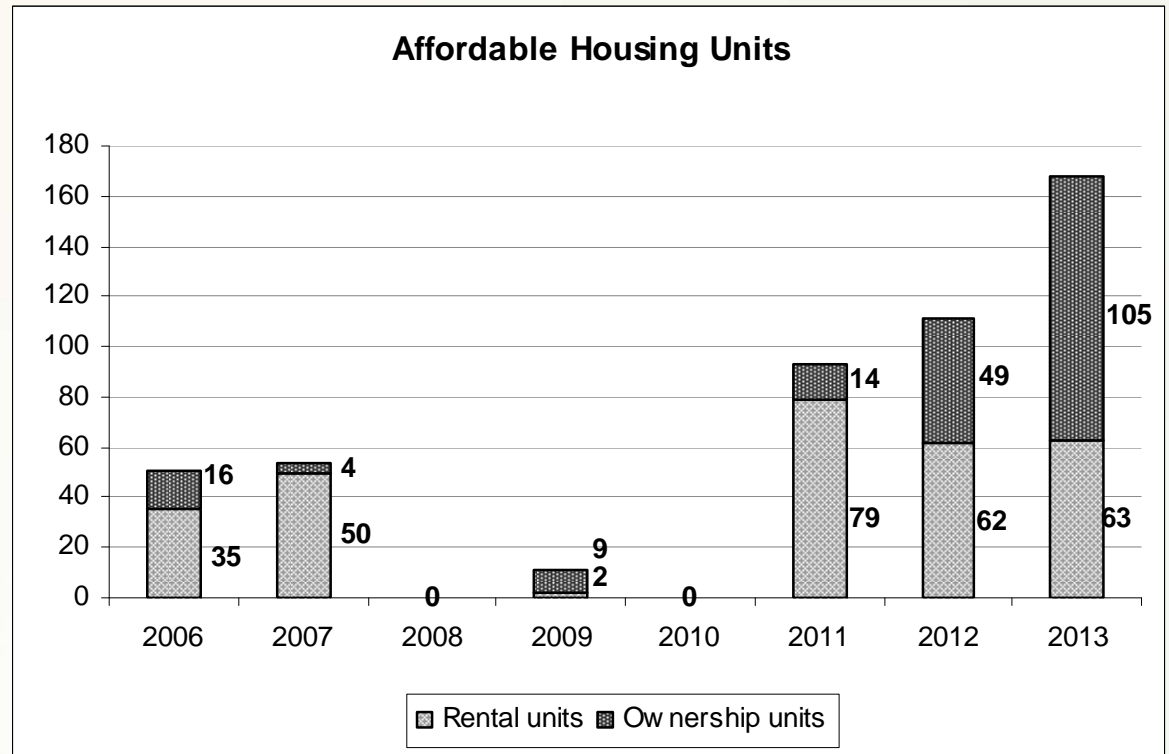
Source: Statistics Canada, Census of Canada 2011 for 2010 data; Taxfiler 2011 data.

- Approximately 40,000 households are at or below median household income.
- With a median home price of \$309,900 for Q1 of 2014, many of these households may struggle to achieve homeownership.



Capital Incentives for Below Market/Affordable Units

- Units receiving capital incentives for affordable units have continued to increase year-over-year.
- From 2006-2012, the majority of units were rental units developed by local non-profit housing providers.
- Rental units receiving capital incentives must be at or below average rent for the unit size (approx 20% below market). Many of the units developed by non-profits are priced at rent geared to income or are subsidized.
- Starting in 2012, with the work of private developers and the start of the provincial Headstart on a Home program, more capital incentives have been committed to ownership projects.



Capital Incentives by Tenure		
	Eight-year average	2013 percentages
Ownership units	40%	62%
Rental units	60%	38%

Source: City of Regina, Housing Incentives Policy data.

Capital Incentives by Location (2006-2014)

- Since 2006, the majority of capital incentives have gone to units developed on infill sites (73%) while only 27% of units have been in greenfield development.

- More recently, the split between infill and greenfield sites has been closer to 60/40 or 50/50.

- This shift to greenfield is due to policy changes to fund affordable units throughout the city, land availability and affordability, and new developers involved in creating below market units.

- Headstart on a Home has also been instrumental in the shift to below market units in greenfield areas; the City asks that 15% of all Headstart units meet our eligibility criteria for capital incentives.

Location of capital incentives units by year				
	Infill	Greenfield	% infill	% Greenfield
2006	51	0	100%	0%
2007	54	0	100%	0%
2008	0	0	0%	0%
2009	9	2	82%	18%
2010	0	0	0%	0%
2011	93	0	100%	0%
2012	72	39	65%	35%
2013	102	66	61%	39%
2014*	52	50	51%	49%
Totals	433	157	73%	27%

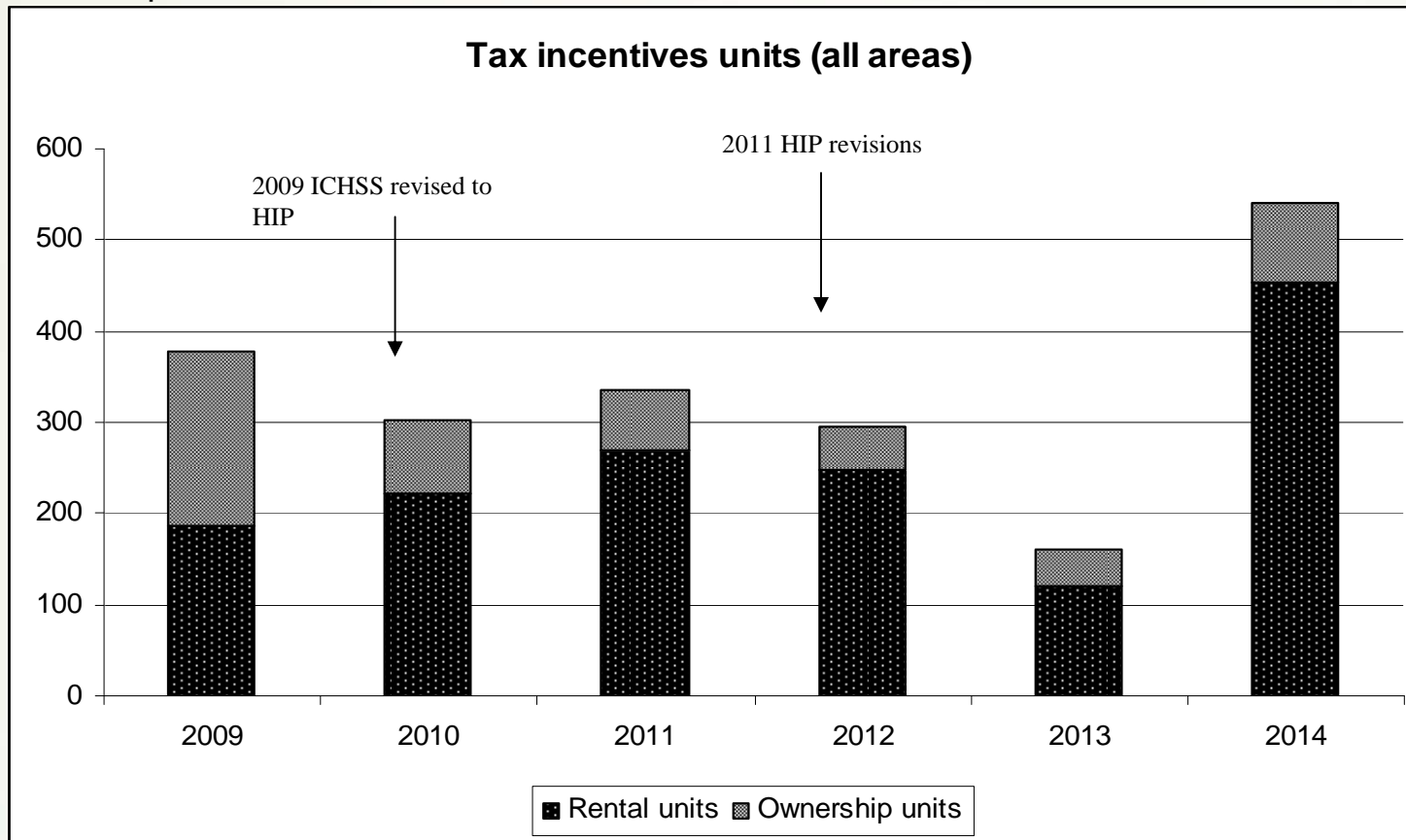
Source: City of Regina, Housing Incentives Policy data.

* Based on applications received to date (April 2014)



Housing Incentives Policy – Tax Incentives

- Tax exemptions for rental units in 2014 nearly doubled from any previous year to 454 units.
- Policy changes have resulted in a shift from a balance of tax exemptions for ownership and rental units (affordable or market) in certain areas, to a focus on rental units and a smaller number of affordable ownership units.



HIP revised with CHS for 2015 exemptions

Source: City of Regina, Housing Incentives Policy data.

Housing Strengths

- Housing starts have increased the vacancy rate and created more housing diversity.
- The yearly increase in rental rates has decreased substantially since 2010.
- The City's Housing Incentives combined with the provincial Rental Construction Initiative have increased rental unit completions at 450 units for 2014.
- Small-scale infill housing including duplexes and secondary suites have added new rental units without significant physical changes to neighbourhoods.
- Given the number of new condominiums being built, conversion from rental to condominiums is less likely to occur even at a 3% vacancy rate.
- The City's Housing Incentives Policy has provided more capital incentives year-over year thus offering more opportunities for entry-level buyer home ownership and adding more affordable/below market rental units to the market.
- The majority of capital incentives have gone for infill developments thus increasing affordable and below market units in established neighbourhoods.



Housing Weaknesses

- The dominant housing type in Regina (SFD) does not meet the needs of smaller households; one and two persons make up the majority of households.
- Half of the rental units in the city are in the secondary rental market (such as houses or condominiums being rented). These units are more vulnerable than purpose-built rentals in that they may revert to being owner-occupied.
- Data issues such as changes in Census data collection (voluntary vs. mandatory reporting) as well as changes in the information collected by various internal city branches create some challenges in comparing data across periods of time.
- Policy changes must be well-researched and communicated with stakeholders, thus it takes time to adjust to new conditions through policy and implement new policy. It also takes time to see the effects of new policies.
- In recent years (2012 – 2013) more affordable units have been constructed outside of established neighbourhoods where services and transit may be limited.

Housing Threats

- As rental unit numbers increase, substandard rental units will come off the market and may be at risk of disrepair or subject to redevelopment. Since many of the older units are in established neighbourhoods, rental units lost may be the most affordable as well as those located close to services and transit.
- The fluctuation of secondary rental units that can be sold as ownership units and removed from the rental market may lead to the displacement of households who depend on this housing stock (especially families who require larger units).
- The development of below market and affordable units in greenfield areas, although contributing to housing diversity throughout the city, creates challenges in some locations due to a lack of public transit or nearby services and amenities, especially for low-income families.
- As vacancy rates increase, the percentage of rental units as a proportion to total starts is expected to decline and gains in rental vacancy are likely to slow.



Housing Opportunities

- A diversity of housing types will be necessary to accommodate new households moving to Regina or changes in household makeup, primarily a need for smaller units close to services and transportation as well as a need for units that can accommodate extended families.
- More diversity and flexibility in housing, combined with mixed-use development, will help provide housing that is close to services and transportation to create more complete neighbourhoods.
- Continued communication with stakeholders will help to understand housing needs as they evolve.
- Increased vacancy rates and rental supply, and housing market stability, may create more opportunities for additional below market and affordable rental units.

