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## Housing Terrace: Trends, Needs and Directions

Developed by Matt Thomson and Tamara White  
For the City of Terrace

## Acknowledgments

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Keith Goodwin (Chair)

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## Executive Summary

M. Thomson Planning and Research and Tamara White were retained by the City of Terrace to complete a housing needs assessment study and to provide directions to address these needs. The purpose of the study is to update a 2009 report conducted by Eberle Planning and Research and HB Lanarc. The report aims to clarify areas of housing need and provide data on the supply, diversity and condition of the housing stock.

Since 2009, the population groups experiencing difficulty accessing affordable, adequate and suitable housing have expanded, and currently include:

- Low-income households due to high rental costs
- Individuals with mental illness or addictions issues who are homeless or at risk, due to lack of supportive and transitional housing options
- Single-parent households due to high rental costs
- Households on fixed incomes, particularly seniors
- Aboriginal families and families with children who may need additional space
- Physically disabled persons who can not find accessible housing
- Individuals with cognitive disabilities or complex health issues who may need additional support or accessible infrastructure
- New arrivals who are unable to find housing (including work force housing for public service workers, student housing for university students and new immigrants who may face language or cultural barriers)
- Youth, particularly those transitioning from foster care

These groups are also far less likely to benefit from the economic boom, as they may not work in the occupational sectors related to resource development.

Building on recommendations from the 2009 study, this report contains the following conclusions and next steps (from [Section 5](#)) to guide the City's and the community's future decisions and actions to address housing needs.

- 1. Expand municipal measures to facilitate affordable housing and diversify housing form**
  - a) *Community Amenity Contribution Policy*
  - b) *Develop an Affordable Housing Reserve Fund*
  - c) *Develop inclusionary zoning policies*
  - d) *Adopt accessibility bylaws*

- e) *Continue to diversify Terrace's housing stock*
- f) *Support community efforts to develop a Terrace Housing Society*
- g) *Continue supporting improved housing conditions through enforcement of the Standards of Maintenance bylaws*

**2. Work in partnership regionally to support affordable housing initiatives and lobby to senior governments**

- a) *Leverage economic investments to address housing*
- b) *Develop a regional mechanism for cooperation*
- c) *Increase density in rural areas*
- d) *Increase welcoming community support services*
- e) *Lobby senior government*
- f) *Lobby the CMHC to increase subsidies for on-reserve housing*
- g) *Work with local institutions of higher learning to support student and staff housing*
- h) *Reach out to other Northern communities that have experienced economic booms*

Much of the data in this report is from the 2011 Census or 2011 National Household Survey. Economic investment in Northwestern BC since 2011 has increased significantly and is having a region-wide impact. In the City of Terrace, population growth and a changing economic climate have recently become key issues, particularly because of their impact on housing. Because much of the available data is from 2011, this report does not always reflect the significant changes **that are presently occurring or expected to occur** in the region and in the City of Terrace. Wherever possible, recent data has been collected (e.g. rental market surveys); however, key informants noted that because of the pace of change, even data from 2013 is not reflective of the actual state of housing. This is particularly true for housing sales prices and rents, where key informants reported increasing pressure.

Proposals for liquid natural gas, mining and possible investment in industrial development around Terrace have the potential to significantly increase the population of permanent residents in and around the city. Some population projections developed by the City of Terrace show that the population of Greater Terrace Area could increase anywhere from about 33% to 50% by 2021. This would have significant impacts on existing housing stock. Many of the following key findings relate current and projected growth:

- There is significantly more pressure in the housing market now than there was in 2009, when the original study was commissioned; rapid economic and demographic changes are occurring in the community and these appear to have a significant impact on housing, particularly for vulnerable populations
- Based on the available data (much of it from 2011) the median Terrace resident can afford a median priced home; however, real estate prices are rapidly increasing throughout the City of Terrace and this combined with the very rapidly declining supply is impacting many low and middle-income households
- Rental housing is increasingly expensive and vacancy rates are near zero, putting pressure on vulnerable and low-income families and individuals, who have few choices; importantly, nearly a quarter of the Greater Terrace Area's residents were living with low incomes in 2011, placing a significant proportion of the population at risk of spending an unaffordable amount of income on housing or being forced out of the local housing market
- Projected population growth is significant; this will continue to have a strong impact on housing costs in both rental and ownership markets
- Housing stock is generally older; however, since the 2009 housing needs assessment there have been over 120 new building permits issued mainly for single family housing
- There are very limited options for vulnerable populations, such as individuals with cognitive disabilities and individuals with mental illness
- Significant population growth will either substantially increase the number of households in core housing need or housing costs will ensure that low-income families are unable to afford housing in Terrace<sup>1</sup>
- There is an increasing need to accommodate newcomers (both short-term workers and long-term families) and long-time residents

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<sup>1</sup> Households that pay more than 30% of their income toward shelter, or do not have adequate, affordable or suitable housing. For the full CMHC definition see [Section 2.9](#).

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## 1. Introduction

Terrace is a community that is expected to grow rapidly over the next ten to fifteen years. The City is faced with the complex problem of addressing the housing needs of its current populace while accommodating new population growth and market pressures. In the past year vacancy rates have dropped to nearly 0%, while rents have climbed significantly. While home-ownership and rental are still accessible to the average family according to nationwide affordability guidelines, there is concern in the community that with the expected rapid growth this may not be the case in the near future. Additionally, vulnerable populations are experiencing increasing difficulty in securing any form of existing or new housing. Though there is a homeless shelter, there are no long-term supportive housing units for individuals with a mental illness or addictions issue. With an aging population the need for additional seniors housing resources will become more pressing over the next ten years.

The work by the City of Terrace Housing Committee has laid the groundwork for the City to develop strategies that will address housing needs in the community. Since the 2009 housing needs assessment was developed by Eberle Planning and Research, a number of measures have been implemented by the City to plan for housing. This report updates the quantitative and qualitative data from that report and provides a set of recommendations for the Housing Committee to build on their previous work.

BC Housing has recently updated their Housing Matters Strategy.<sup>2</sup> The report identifies the following 6 strategies for the province moving forward:

- **Stable Housing** for those facing homelessness
- **Priority Assistance** for vulnerable citizens
- **Aboriginal Housing** through a strong Aboriginal housing sector
- **Rental Housing** for low to moderate income households
- **Homeownership** for British Columbians
- **Built environment** regulatory framework for housing, building and technical equipment

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<sup>2</sup> This report can be found here:

[http://www.bchousing.org/resources/About%20BC%20Housing/Housing\\_Matters\\_BC/Housing-Matters-BC.pdf](http://www.bchousing.org/resources/About%20BC%20Housing/Housing_Matters_BC/Housing-Matters-BC.pdf)

These priorities align with housing needs in Terrace, particularly housing for the homeless, support for vulnerable citizens, Aboriginal housing and rental housing for low to moderate income households.

### **1.1 Overall Directions from 2009**

The original report *Housing Terrace: Trends, Needs and Directions 2009* identified five overall housing directions for the City and community to pursue to address housing needs.

1. Address the housing and support needs of low income and homeless persons
2. Preserve the existing housing stock in good condition
3. Enhance the accessibility of the housing stock
4. Diversify the housing supply to meet the needs of an aging population, and young singles and families
5. Promote sustainability in land use, residential density and location, and energy efficiency in existing and new housing stock.

The City has made important steps in each of these directions since the 2009 report was released. The slow pace of a variety of housing development between 2009 and 2013 has meant that not all recommendations from the 2009 report have been acted upon.

However, the following steps have been taken by the City to ensure that housing remains affordable:

**The Housing Needs Task Force shaped Official Community Plan (OCP) directions, including 8 OCP objectives developed from the 2009 *Housing Terrace* report, including:**

- *Objective #1* Promote sustainability through mixed land use considering neighbourhood commercial developments, residential density and housing location.
- *Objective #2* Promote energy efficiency in existing and new housing stock.
- *Objective #3* Preserve and upgrade the housing stock in good condition.
- *Objective #4* Provide housing which meets the needs of all residents with emphasis on housing for persons with disabilities, low income residents, the homeless and under-housed.
- *Objective #5* Encourage a diversity of dwelling units in all neighbourhoods.
- *Objective #6* Strive to achieve accessibility of all newly built housing to accommodate residents with special needs.

- *Objective #7* Neighbourhoods and districts across the city shall be linked to provide safe walking, cycling and efficient public transit opportunities to residents.
- *Objective #8* Partner with regional communities, government and related agencies to actively address housing challenges.

**Development of housing incentives through bylaw and policy changes:**

- *Small lot residential zoning* in 2008 a new one-family residential zone (R-1A) was established allowing smaller than typical parcel sizes to increase residential density
- *Downtown Revitalization Tax Exemption Program* benefits new multi-family development in the downtown core by offering tax exemption for up to five years, based on the value of improvements
- *Secondary suites are permitted in Single Family Residential Zones:* in 2012 Council passed a bylaw to allow legal secondary suites in almost all residential zones, representing over 90% of lands designated for residential use

**Establishment of a Housing Committee:** The Committee was charged with:

- *Developing a Housing Action Plan for the City of Terrace* which includes three priorities areas for action for the community:
  1. Diversify housing supply; develop single residential occupancy for youth and single adults; single residential occupancy for low-income singles and single parent families; supportive housing
  2. Preserve existing housing stock in good condition
  3. Encourage the local community to invest in housing
- *Acting as a facilitator for community-based housing projects*, including the following successful or ongoing recommendations:
  - Update the needs assessment—Complete
  - Council will continue to lobby federal and provincial governments to prioritize the needs of the mentally ill, individuals with addictions, individuals with developmental disorders, and youth at risk—Ongoing
  - That the City of Terrace actively support Tuck Avenue Seniors housing project—Ongoing
  - Seek funding and expertise from CMHC and BC Housing to hold a one-day housing workshop with the focus of establishing a non-profit housing society in Terrace—Complete but yet to be finalized.

- Recommendation for a Standards of Maintenance bylaw, passed in 2013—Complete
- *Acting as a facilitator for community-based housing projects*, including the following recommendations from the Housing Action Plan that are pending:
  - Housing project team to be encouraged to explore transition to form a non-profit Terrace Housing Society
  - That undeveloped properties on Haugland, Park and Olson Avenues be considered and targeted for affordable housing
  - That Council consider acquiring additional lands for affordable community housing developments

## **1.2 Purpose and Scope**

The purpose of this report is to clarify areas of housing need, and provide up to date data on the supply, diversity and condition of the housing stock. Specifically, this report acts as an update to the Housing Study completed in 2009 by Eberle Planning and Research and HB Lanarc.

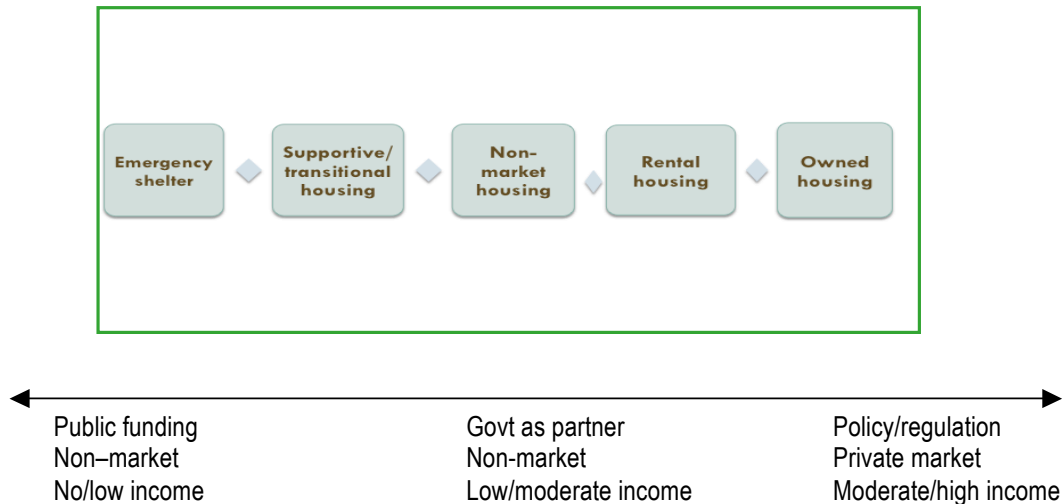
The data presented in this report has the following objectives:

- Analyse current demographic information and projections and consult with local stakeholders to identify housing needs and gaps, particularly among groups facing significant housing challenges.
- Profile the existing housing stock by type and number of units to develop an up to date data set of the dwelling units in the City, including adjacent First Nations communities, as available. Use RDKS residential housing stock by type and number of units to complement the City housing data.
- Assess the ability of the existing housing stock to meet the demands of existing and future residents of Terrace within the next 5 and 10-year period.
- Review best practices and solutions in other communities that may address current and predicted areas of market and non-market housing demand and need.
- Develop recommendations to address current and anticipated market and non-market housing gaps. Provide advice as to the types of housing most likely to be required in the city and its adjoining communities in the next 5 to 10 year period.

### 1.3 Housing Continuum

The housing continuum shown in Figure 1 (next page) represents the spectrum of housing options to meet the diverse needs of Terrace’s residents. These five generic types of housing represent an ideal range of housing, the role of government and the market and the income profile of each part of the spectrum.

Figure 1: Housing Continuum



This spectrum is discussed in detail in the *Terrace: Trends, Needs and Directions* report from 2009.

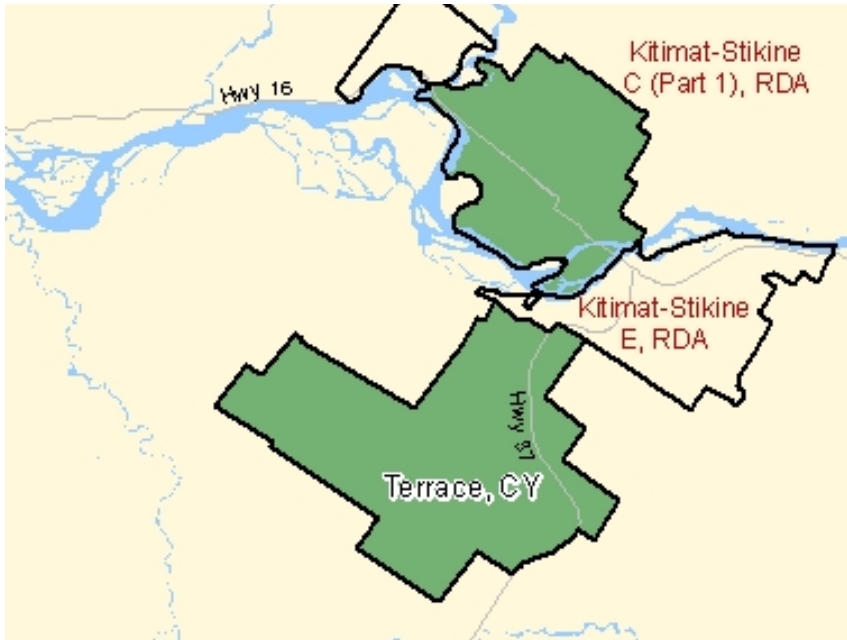
### 1.4 Scope and Methods

#### Geographic Scope

This report focuses mainly on the City of Terrace. However, some communities around Terrace are also included, aggregated into a geographic jurisdiction called the Greater Terrace Area. The Greater Terrace Area includes the City of Terrace, Areas C and E of the Regional District of Kitimat-Stikine (RDKS), and the First Nations communities of Kitselas, Kulsapai and Kitsumkalum.

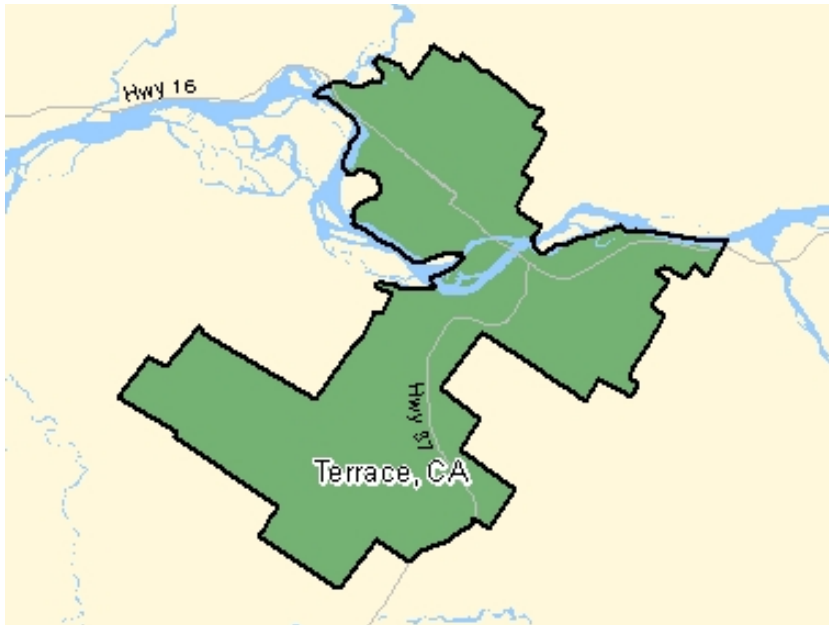
Figure 2 shows the City of Terrace (including recently acquired industrial lands near the airport in green).

**Figure 2: City of Terrace and Surrounding Jurisdictions**



Wherever possible the City of Terrace and the Greater Terrace Area are used. In some cases data is only available for the Terrace Census Agglomeration (CA). Figure 3 shows the geographic areas that comprise the Terrace CA in green. The Terrace Census Agglomeration is a geographic region comprised roughly of the communities included in Greater Terrace Area, excluding Area C of the RDKS. More data is provided for Census Agglomerations, so when data is not available at a municipal level, the CA serves as a useful proxy.

**Figure 3: Terrace Census Agglomeration**



### **Methods and Organization**

This report is based on the BC Housing Needs and Demands Assessment template. Much of the data presented in this report comes from Statistics Canada's 2011 Census and National Household Survey. Other data sources include BC Stats, Canada Mortgage and Housing Corporation and the Northern Real Estate Board. Some population projections were provided by the City of Terrace. The consultants also conducted a rental market survey, reviewing online sources (e.g. Craigslist and Kijiji) and print news for rental listings.

Key informant interviews were conducted with a range of key stakeholders throughout the Greater Terrace Area, providing insight on areas of concern and opportunity for housing.

This report is organized into five sections:

- **Section 1:** Introduction
- **Section 2:** A community profile including demographics, housing information, income and affordability concerns
- **Section 3:** Current and emerging housing needs in Terrace
- **Section 4:** Stakeholder views on housing issues and opportunities
- **Section 5:** Needs assessment
- **Section 6:** Recommended actions to address needs

## Limitations

There are some limitations in this research and report, largely due to data availability. Much of the data is a snapshot provided by the 2011 Census and National Household Survey. Due to rapid economic development in Northern BC, demographic and employment data may have shifted somewhat between 2011 and 2014. This report cannot fully account for those changes in a quantitative way.

Another key limitation is the data provided by the National Household Survey. The mandatory long-form Census used in previous years to develop housing profiles and in-depth income data has been discontinued in favour of the voluntary National Household Survey. The response rates for this survey in and around Terrace ranged from only slightly more than 50% (RDKS Area C) up to about 80% (City of Terrace). This is a significantly lower response rate than the long-form Census that has been conducted in previous years. Responses for the National Household Survey from Kitsumkalum have been suppressed for data quality or confidentiality reasons, given the small number of respondents. No tables developed using NHS data throughout this report include statistics on Kitsumkalum for this reason (Census data however is available).

**Table 1: Proportion of Residents Selected for the National Household Survey That Did Not Respond**

<b>GNR:</b>	
<b>Terrace (CY)</b>	20.9%
<b>Area C(1)</b>	48.2%
<b>Area E</b>	29.0%
<b>Kitselas</b>	45.6%
<b>Kulspai</b>	8.1%
<b>Kitsumkalum</b>	n/a
<b>Terrace (CA)</b>	22.0%
<b>Kitimat-Stikine</b>	26.5%

The voluntary nature of the survey means that information on certain households may be missing from the survey; in particular, low-income, immigrant and Aboriginal households may have lower response rates. This makes it difficult to draw meaningful conclusions from certain of the statistics provided, particularly income data. The change in survey also makes it difficult to conduct a longitudinal analysis of housing and income trends, as the NHS is essentially a new survey, with a new methodological approach. As such, NHS data provides us a snapshot of 2011, but that snapshot is not always comparable to data provided by the previous long-form Census.



Wherever possible, additional data sources have been drawn upon to supplement NHS data. The global non-response rates for Greater Terrace Area communities and the RDKS can be seen in the table below: this is the proportion of the population selected for the NHS that did not participate in the survey.

## 2. Community Demographic and Housing Profile

### 2.1 Population and Demographics

#### Population and Population Projections

The population for the City of Terrace has grown by 1.5% (166 people) between 2006 and 2011, while rural communities around Terrace have seen a decline in population. The Regional District of Kitimat-Stikine has declined in population by 2.9% (1,115 people) in that same time period. The total population for the Greater Terrace Area is 18,790 people.

The 2006 to 2011 population trend in the City of Terrace reverses the negative growth rate that the town experienced in the late 90s and early 2000s (Eberle Planning and Research, 2009). Between 2001 and 2006 the population declined from 12,110 to 11,320 people, a reduction of 6.5%.

**Table 2: Population for Greater Terrace Area, 2011**

	Population	% change since 2006
Terrace CY	11,486	1.5%
Area C	2,696	-4.5%
Area E	3,988	-0.3%
Kitselas	220	182.1%
Kulspai	98	-3.1%
Kitsumkalum	302	20.3%
Greater Terrace Area	18,790	2.6%
Terrace CA	15,569	1.0%
Kitimat-Stikine RD	37,361	-2.9%

Source: Statistics Canada, 2011 Census

Population growth through 2021 remains an uncertain prospect for the community of Terrace, as significant investment in the region in mining and natural gas resource development could spur the growth of permanent jobs and revitalize the local economy. Other factors that could influence population growth include the development of industrial lands near the Terrace/Kitimat airport, and the growth of support industries associated with new resource and industrial developments. Other indirect employment growth in areas such as health care and education would lead to additional population growth.

Three population growth scenarios have been developed based on the Census population data, as well as population projections developed by the City of

Terrace. Scenario A represents a ‘status quo’ growth scenario, where the limited growth seen between 2006 and 2011 continues until 2021. The data that forms the basis of this scenario may already be outdated, as demonstrated by the significant decline in rental vacancies seen in 2013 (see Section 2.4.5 for more discussion) , indicating a possibly significant influx of new short-term or long-term residents. Scenario B represents a moderate growth scenario that would result from some, but not all, of the economic growth listed above occurring in Terrace and Northern BC. Scenario C represents a high-growth scenario,



where a significant proportion of projects currently being considered for Terrace and Northern BC are green-lit, leading to high population growth over the next 8-10 years. Scenarios B and C are based upon work done by the City of Terrace. Both Scenarios B and C are population projections of permanent residents to the Greater Terrace Area, not short-term residents associated with construction and project development.

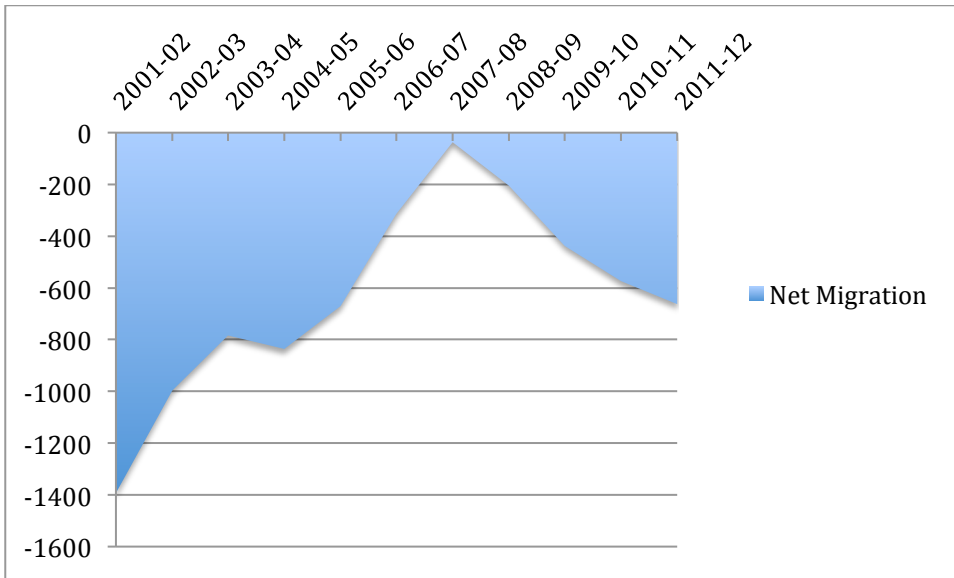
**Table 3: Projected Population Growth Scenarios for Greater Terrace Area, 2011-2021**

	2011	2021	Growth Rate
Scenario A: Status Quo Growth	18,790	19,766	2.6%
Scenario B: Moderate Projected Growth	18,790	24,500	30.4%
Scenario C: High Projected Growth	18,790	28,500	51.7%

The scenarios shown in the table above provide significantly different estimates of population growth between 2011 and 2021. If the ‘status quo’ growth continues until 2021, the population of the Greater Terrace Area will grow by approximately 1,000 individuals. It is unlikely that the status quo scenario represents a realistic view of growth in the Greater Terrace Area. Scenarios B and C show much more significant growth by 2021 of between 30% and over 50%.

Migration figures for the RDKS show an out-migration of residents between 2001 and 2012. This trend slowed in 2007-08, but then resumed in 2008-09 and continued to 2011-2012. If growth scenarios projected by the City of Terrace do occur it can be assumed that the RDKS will accommodate some of this growth.

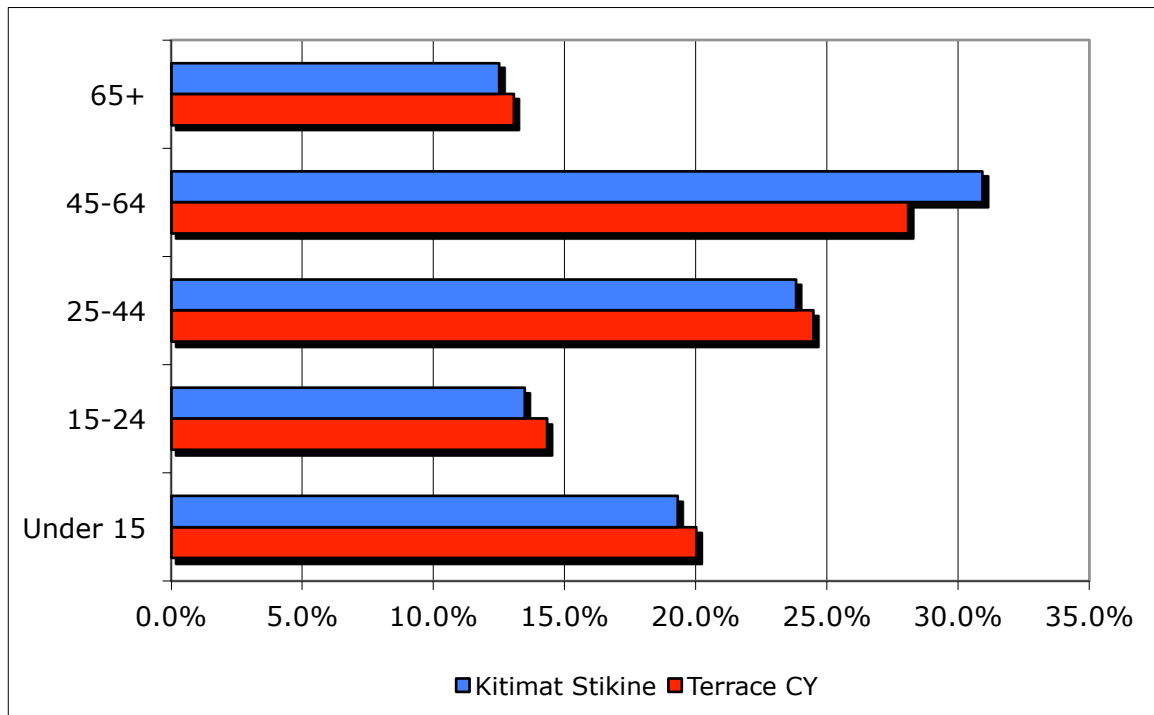
**Figure 4 Net Migration for the RDKS**



### Age Groups in Greater Terrace Area

Overall, the City of Terrace has a young population, with over one-third of its residents under the age of 25. The largest age group in the City, rural Terrace and the RDKS, however, is the 45 to 64 year old cohort, representing 28.1%, 32.9% and 30.9% of these jurisdictions, respectively. The smallest age group in these areas is 65 and over age group, representing only 13.1% of the population in Terrace, 10.9% of the population in Rural Terrace and 12.5% of the population in the RDKS.

**Figure 5: Age Groups in the City of Terrace and RDKS, 2011**



Source: Statistics Canada, 2011 Census

Despite being a young population, between 2001 and 2011 the population of the City of Terrace aged significantly (see Table 4, next page). Both the under 15 cohort and the 24-44 year old cohort saw a reduction of more than 20% in size between 2001 and 2011. The 65+ cohort saw an increase of 44%, from slightly more than 1,000 individuals to 1,500 residents. The 44-64 cohort grew by 16% to 3,225 individuals.

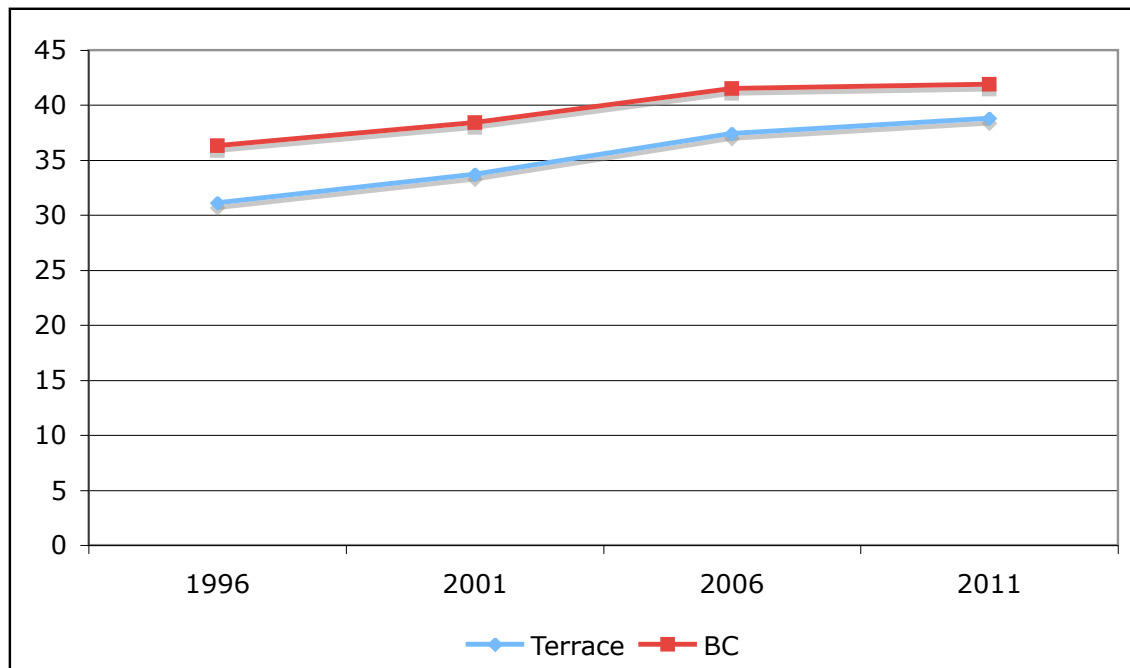
**Table 4: Population Change by Age Group, City of Terrace**

Age Groups	2001	2006	2,011	% change, 01-11
Under 15	2940	2480	2,300	-21.8%
15-24	1685	1590	1,645	-2.4%
25-44	3675	2980	2,810	-23.5%
45-64	2780	3030	3,225	16.0%
65+	1035	1240	1,500	44.9%
Total	12,110	11,320	11,485	-5.2%

Source: Statistics Canada, 2001, 2006, 2011 Census

The City of Terrace’s median age rose between 1996 and 2011, from 36.3 years to 38.1 years of age. It remains lower than the median age for BC (41.9), which has also been rising since 1996.

**Figure 6: City of Terrace Median Age, 1996-2011**

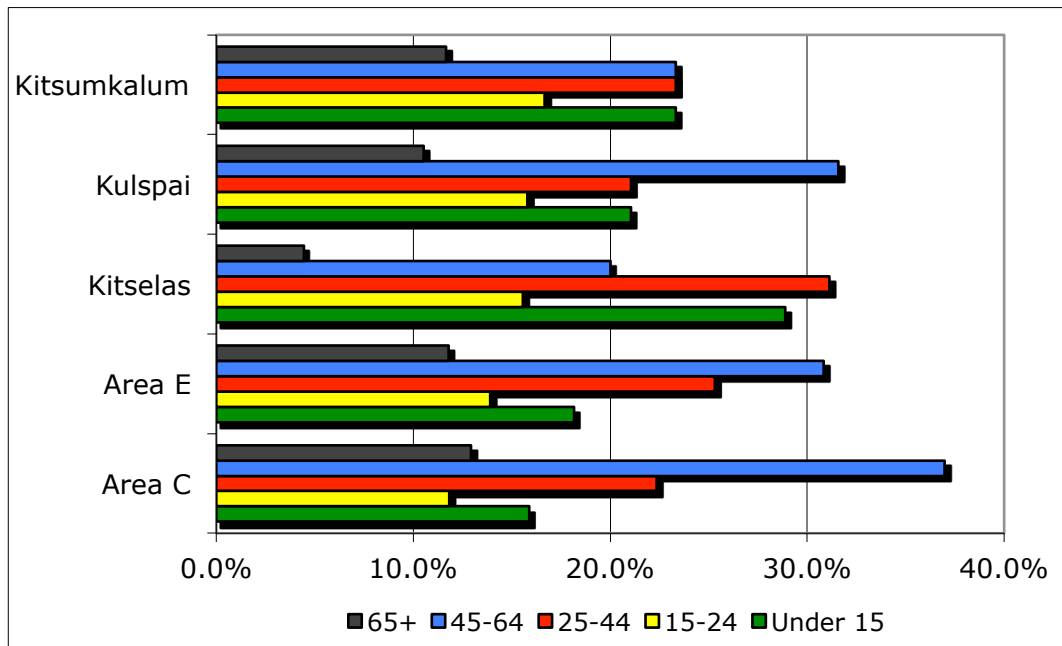


Source: Statistics Canada, Census 1996-2011

Kitselas and Kitsumkalum are both young communities, with a high proportion of children and youth. The median age for Kitselas is 26.8 and for Kitsumkalum is 32, significantly lower than both the City of Terrace and British Columbia. The median age for Kulspai is 40, higher than the City but below the median age for BC. The median age in Area C is 44.9 and in Area E is 40.1.

Kitselas has a lower proportion of seniors than surrounding communities. More than 30% of Kitselas is between 25 and 44 years of age, representing a significant cohort of younger adults. Area C and E both have a lower proportion of children and youth in comparison to surrounding communities, and have a higher proportion of middle-aged (45-64) and senior (65+) cohorts.

**Figure 7: Age Groups in Communities Around Terrace, 2011**



Source: Statistics Canada, 2011 Census

### Aboriginal Identity

There is a significant proportion of Aboriginal residents in Greater Terrace Area. In 2011, more than one-fifth (22.6%) of the City was Aboriginal, up slightly from 2006 (when 21% of the City's population was Aboriginal).

**Table 5: Aboriginal Identity by Jurisdiction, 2011**

	Aboriginal Identity	Non Aboriginal Identity	Total
Terrace CY	22.6%	77.3%	11,310
Area C(1)	6.9%	93.3%	2,595
Area E	14.8%	85.0%	3,975
Kitselas	97.7%	4.7%	215
Kulspai	87.5%	12.5%	80
Kitsumkalum	n/a	n/a	n/a
Kitimat-Stikine	34.2%	65.8%	37,025

Source: Statistics Canada, 2011 Census

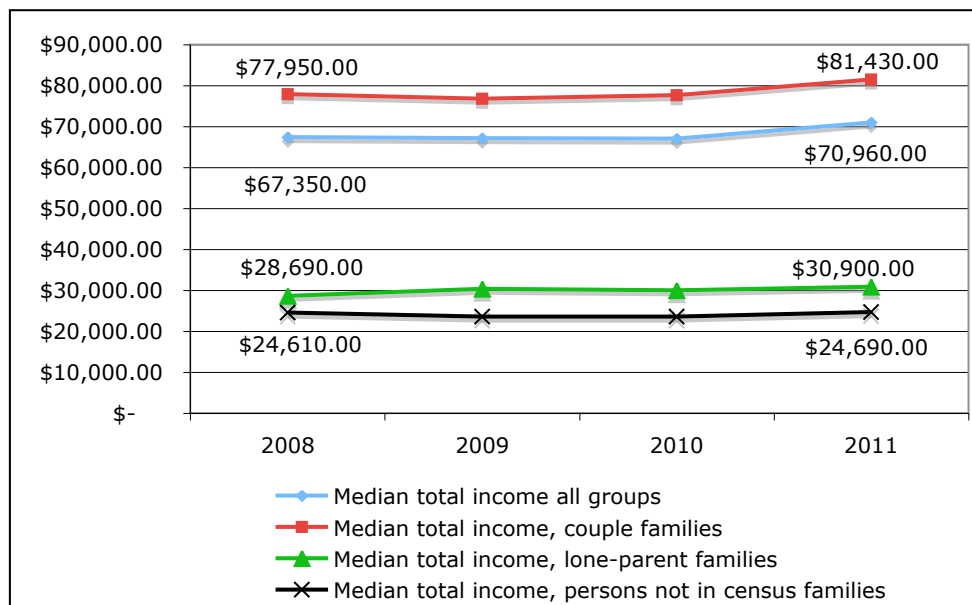
## 2.2 Income

Because of the low response rates in the National Household Survey, the primary income data for this report is Statistics Canada’s tax-filer data published by Statistics Canada. NHS data (Table 6) provides only a supplementary perspective. Additionally, due to the change in methodology, Statistics Canada notes that low-income data from previous Censuses is not comparable with the low-income data in the current National Household Survey. This makes it difficult to compare issues around low-income households with the previous 2009 report.

Figure 8 below shows median income data for 2008-2011 for various family types. In 2010 median income for lone-parent families was \$29,960, or about 10% lower than what was reported by the National Household Survey. In general median income grew for all families and persons not in families between 2008 and 2011.

However, the proportion by which median incomes increased varied significantly according to group. For persons not in Census families<sup>3</sup>, median income only rose by \$80, or 0.3% over this four-year period. Median income for lone-parent families increased by \$2,200 (7.7%) and for couple families increased by \$3,600 (5.4%).

**Figure 8: Median income of Census Family Types, Terrace CA, 2008-2011**



Source: Statistics Canada, CANSIM Table 111-0012

<sup>3</sup> The term ‘persons not in Census families’ refers to individuals who are not living in a family household (i.e. individuals living alone, or with non-related household members).



Median income varies significantly by household type in the City. The median household income in the City of Terrace was \$58,592 in 2011. This is lower than British Columbia median household income for all families of \$60,333.

Couples with children have the highest median income, of over \$100,000, while couple-only families earned about \$70,000. The median income for lone-parent families in the City of Terrace was about one-third of the median income for couples with children, while one-person households have a median income of under \$30,000. These trends are similar in Areas C and E. However, lone parents have a lower median income than one-person households in those areas.

**Table 6: Median Household Income, 2010**

	All families	Couple-only families	Couple-with-children families	Lone-parent families	One-person private households	Median Household Income
Terrace CY	\$68,888.00	\$70,447.00	\$101,367.00	\$33,401.00	\$29,994.00	\$58,592.00
Area C(1)	\$68,363.00	\$54,407.00	\$116,958.00	\$30,897.00	\$34,071.00	\$58,444.00
Area E	\$74,203.00	\$68,507.00	\$90,840.00	\$26,061.00	\$32,709.00	\$55,236.00
Kitselas	n/a	n/a	n/a	n/a	n/a	n/a
Kulspai	n/a	n/a	n/a	n/a	n/a	n/a
Kitsumkalum	n/a	n/a	n/a	n/a	n/a	n/a
Kitimat-Stikine	\$66,498.00	\$65,017.00	\$90,016.00	\$33,942.00	\$28,769.00	\$54,871.00

Source: Statistics Canada, 2011 National Household Survey

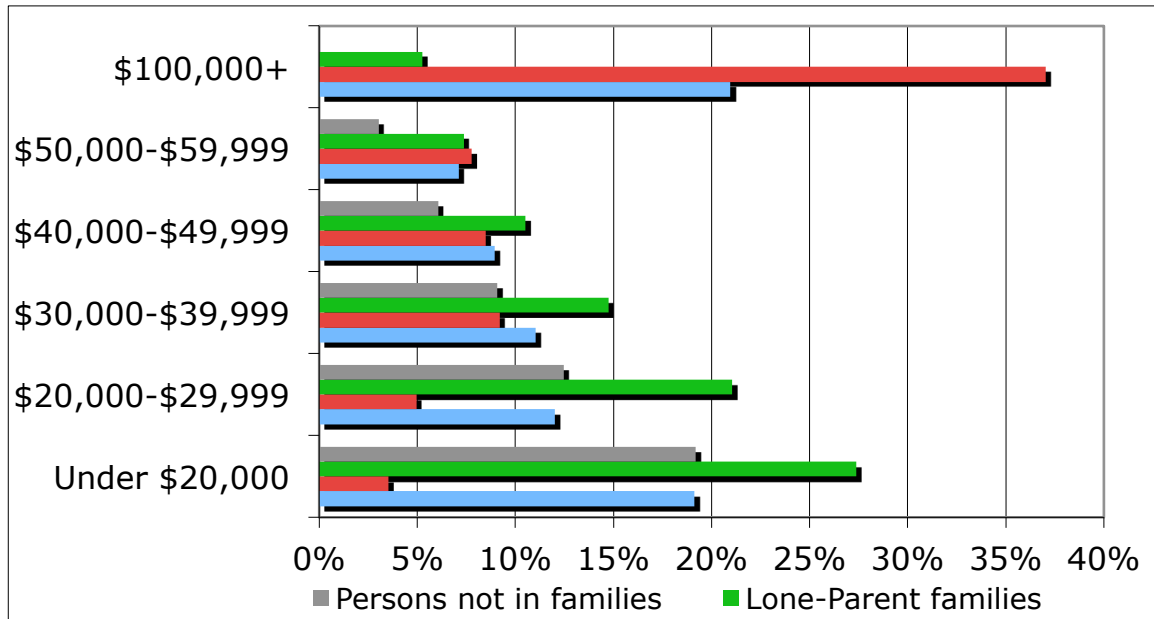
Approximately 23% of all 8,040 households in Terrace Census Agglomeration (CA) were low income in 2011.<sup>4</sup> Of these about half are persons not in economic families,<sup>5</sup> while over a quarter (27%) were lone-parent families and 23% are couples. Over half (51%) of all 960 lone-parent households in the Terrace CA are low-income, while one-third of persons not in economic families are low income (CANSIM 111-0015).

<sup>4</sup> The Terrace Census Agglomeration is a geographic region comprised roughly of the communities included in Greater Terrace Area, excluding area C of the RDKS. More data is provided for Census Agglomerations, so when data is not available at a municipal level, the CA serves as a useful proxy.

<sup>5</sup> This term is similar to persons not in family households, and indicates individuals who are not living in a an economic family, as defined by Statistics Canada (i.e. individuals living alone, or with non-related household members).

The figure below shows the proportion of each household type in income brackets ranging from earnings of under \$20,000 annually to earnings of more than \$100,000 annually. Nearly 40% of persons not in economic families earn below \$20,000 annually, and 27% of lone-parent households earn under \$20,000 annually. Couple families are far less likely to be earning less than \$20,000, with only 4% of couples in this income bracket.

**Figure 9: Income Distribution by Household Type, Terrace CA, 2011**



Source: Statistics Canada, CANSIM Table 111-0012

In 2010, 2,185 residents of Terrace were living in low-income, representing nearly 20% of the total population. Of these, 760 were under 18, representing more than a quarter of all 2,850 residents under 18. Additionally, 11.4% of seniors were living in low-income.

### **2.3 Labour Force and Employment**

The City of Terrace currently has an employment rate of 60.3%, while Greater Terrace Area has a higher employment rate of 62.1%. In general the region fares slightly better in terms of employment rates than BC, and the City of Terrace has an unemployment rate comparable to British Columbia.

**Table 7: City of Terrace Employment Status, 2011**

	Terrace CY	Greater Terrace Area	Kitimat Stikine	British Columbia
In the labour force	5,890	3,820	18,530	2,354,245
Employed	5,430	3,505	16,135	2,171,465
Unemployed	460	325	2,395	182,775
Not in the Labour Force	3,115	1,825	11,265	1,292,595
Participation Rate	65.4%	67.6%	62.2%	64.6%
Employment Rate	60.3%	62.1%	54.2%	59.5%
Unemployment Rate	7.8%	5.8%	12.9%	7.8%

Source: Statistics Canada, 2011 National Household Survey

Table 8 (next page) shows occupations of employed residents in Terrace. Sales and service occupations employ the highest proportion of individuals in the City of Terrace, rural Terrace and the RDKS. The top four occupations in Terrace in 2011 were sales and service (26.3%), education/law/social/government services (18.4%), business/finance/administration, (12.8%) and trades transport and equipment operation (12.5%). In Greater Terrace Area we see a similar pattern of employment, though this area has a higher proportion of trades/transport and equipment operators than the City.

**Table 8: Occupation of Employed Individuals, 2011**

	<b>Terrace CY</b>	<b>Greater Terrace Area</b>	<b>Kitimat Stikine</b>
Management occupations	9.5%	7.6%	8.2%
Business, finance and administration occupations	12.8%	12.2%	12.2%
Natural and applied sciences and related occupations	6.8%	5.9%	5.4%
Health occupations	5.7%	6.2%	5.6%
Occupations in education, law and social, community and government services	18.4%	15.9%	15.7%
Occupations in art, culture, recreation and sport	2.1%	1.9%	2.0%
Sales and service occupations	26.3%	25.7%	22.0%
Trades, transport and equipment operators and related occupations	12.5%	17.5%	19.1%
Natural resources, agriculture and related production occupations	3.1%	3.9%	4.7%
Occupations in manufacturing and utilities	2.8%	2.7%	5.1%
<b>Total</b>	<b>5750</b>	<b>9525</b>	<b>17865</b>

Source: Statistics Canada, 2011 National Household Survey

## 2.4 Households and Housing

### 2.4.1 Households and Families

In 2011 there were 7,495 households in Greater Terrace Area. The population growth discussed above will be associated with an increase in the number of households in Greater Terrace Area. Assuming the 2011 average household size of 2.5 persons is the same in 2021, we can project the increase in the number of households using the three population scenarios discussed above and determine three rates of growth.<sup>6</sup>

**Table 9: Projected Growth in Households, Greater Terrace Area, 2011-2021**

	2011	2021	Household Growth Rate
<b>Greater Terrace Area</b>			
Scenario A: Status Quo Growth	7,495	7,709	2.9%
Scenario B: Moderate Projected Growth	7,495	9,800	30.8%
Scenario C: High Projected Growth	7,495	11,400	52.1%

In 2011, there were 4,540 households in the City of Terrace, a 5.1% increase from the 4,320 households in 2006. In 2006 there were 1,405 families with children. This declined in 2011 to 1,195. Lone-parent households increased slightly, from 500 in 2006 to 525 in 2011. One-person households also increased from 1,095 households in 2006 to 1,220 households in 2011.

More than two-thirds of all households (69.1%) in the City of Terrace are families, and the large majority of these (62.6% of all households) are one-family households. While couples with children and couples without children are relatively equal, there is also a large proportion of lone-parent families in Terrace (11.0%), slightly higher than Greater Terrace Area (9.9%) and the RDKS (10.0%). One-person households also represent a significant proportion, over one-quarter, of households in Greater Terrace Area and the RDKS. Both lone-parent

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<sup>6</sup> These rates of growth are applied to households assuming that the average household size for the Greater Terrace Area (2.5 individuals per household) will remain stable over time. Therefore a population of 24,500 in 2021 would have a total of 9,800 households.

Due to an aging population in Greater Terrace Area (BCNPHA, 2012), household size may decrease by 2021, as more older couples populate the community. However, for the purposes of this projection, average household size is assumed to remain comparable to current average household size.

households and one-person households may be particularly vulnerable to high housing costs.

**Table 10: Household Composition, 2011**

			Terrace CY	Greater Terrace Area	Kitimat-Stikine
Total Private Households			4540	7495	14765
Total Family Households		Total Family Households	69.1%	69.4%	70.0%
	One Family Households	Total one-family households	62.6%	62.7%	62.0%
		Couples with Children	26.3%	25.9%	25.7%
		Couples without Children	25.2%	26.8%	26.4%
		Lone-parent families	11.0%	9.9%	10.0%
Other Family Households	Total other family households	6.5%	6.9%	8.1%	
Non-census-family households		Total Non-Family Households	30.8%	30.4%	29.9%
		One-person households	26.9%	26.4%	26.6%
		Two-or-more person households	4.1%	4.1%	3.3%

Source: Statistics Canada, 2011 Census

Slightly more than half of families in the City Terrace in 2011 were two-person households. More than one fifth of families consist of three persons, 18% are four-person families and about 10% are five persons or more. These family sizes are comparable in both Greater Terrace Area and the RDKS.

**Table 11: Family Size of Census Families, 2011**

	Terrace CY	Greater Terrace Area	Kitimat Stikine
2 persons	50.2%	55.0%	52.0%
3 persons	21.6%	21.2%	21.3%
4 persons	18.0%	19.0%	17.4%
5 or more persons	10.4%	7.7%	9.3%
Total number of Census families in private households	3215	5295	10770

Source: Statistics Canada, 2011 Census

### 2.4.2 Housing Stock

The predominant housing form in the Greater Terrace Area is the single-detached house. Nearly two-thirds (64.6%) of all City of Terrace dwellings were single-detached in 2011, while nearly four out of five houses (78.7%) in rural Terrace are single-detached houses. The City of Terrace also has a significant proportion of small apartments buildings, representing 13.0% of all dwellings, some row houses (7.2%), duplexes (5.6%) semi-detached houses (4.7%) and movable dwellings (4.4%). In rural Terrace movable dwellings are the second most common form of home (12.3% of homes), and there are a small number of semi-detached houses (2.5%), row houses (1.4%), small apartments (1.1%) and duplexes (0.7%). For the Greater Terrace Area, more than 70% of dwellings are single-detached housing, consistent with the rural nature of the communities around the City of Terrace.

**Table 12: Households by Dwelling Type, 2006-2011**

	Terrace CY (2011)	Greater Terrace Area (2011)	Kitimat-Stikine (2011)
Total private occupied private dwellings	4,535	7,490	14,765
Single-detached houses	64.6%	71.4%	73.2%
Semi-detached houses	4.7%	3.8%	5.8%
Row houses	7.2%	4.9%	5.4%
Apartments, duplex	5.6%	3.7%	2.4%
Apartments in buildings with fewer than five stories	13.0%	8.3%	7.3%
Movable dwelling	4.4%	7.3%	5.5%
Other single-attached house	0.6%	0.4%	0.4%

Source: Statistics Canada, 2011 Census

The housing stock in and around Terrace is older than that of the RDKS: nearly two-thirds (65.1%) of the City’s dwellings were built before 1981, compared with 61% of the Regional District’s housing. Only 5.4% of Terrace’s housing stock has been built since 2001, and only 2.8% of Terrace’s housing stock was built between 2006 and 2011.

**Table 13: Dwellings by Age, 2011**

	<b>Terrace CY</b>	<b>Greater Terrace Area</b>	<b>Kitimat-Stikine</b>
1960 or Before	15.4%	13.3%	17.9%
1961 to 1980	49.7%	48.8%	43.1%
1981 to 1990	11.6%	16.2%	18.4%
1991 to 2000	17.7%	15.7%	14.7%
2001 to 2005	2.6%	2.7%	2.4%
2006 to 2011	2.8%	3.5%	3.5%
<b>Total Dwellings</b>	<b>4540</b>	<b>7385</b>	<b>14755</b>

Source: Statistics Canada, 2011 National Household Survey

The large majority of dwellings in and around Terrace are owned, with higher rates of ownership in rural areas. In 2011, only about 30% of dwellings in Terrace were rentals, compared with a rate of 42.0% in the RDKS. The Greater Terrace Area had a slightly lower rental rate than the City of Terrace, which is consistent with the additional rural communities included in this category.

**Table 14: Tenure Types, 2011**

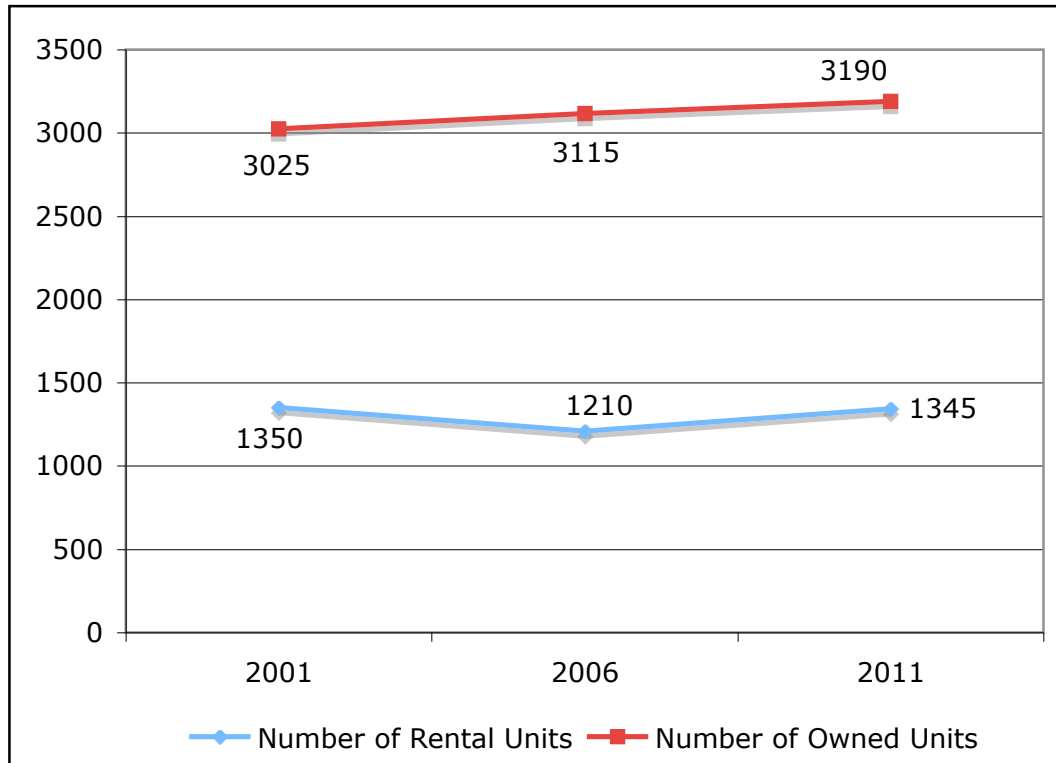
	<b>Owned Dwellings</b>	<b>Rented dwellings</b>	<b>Band Housing</b>
Terrace CY	70.3%	29.7%	0.0%
Greater Terrace Area	72.1%	27.7%	0.1%
Kitimat-Stikine	58.0%	42.0%	4.1%

Source: Statistics Canada, 2011 National Household Survey

The number of rental units declined between 2001 and 2006, due to fires and upgrading for sale (Eberle *et al.*, 2009). However, by 2011 the number of rental units increased to approximately where it was in 2001.



**Figure 10: Number Owned and Rented Units in the City of Terrace, 2001 to 2011**

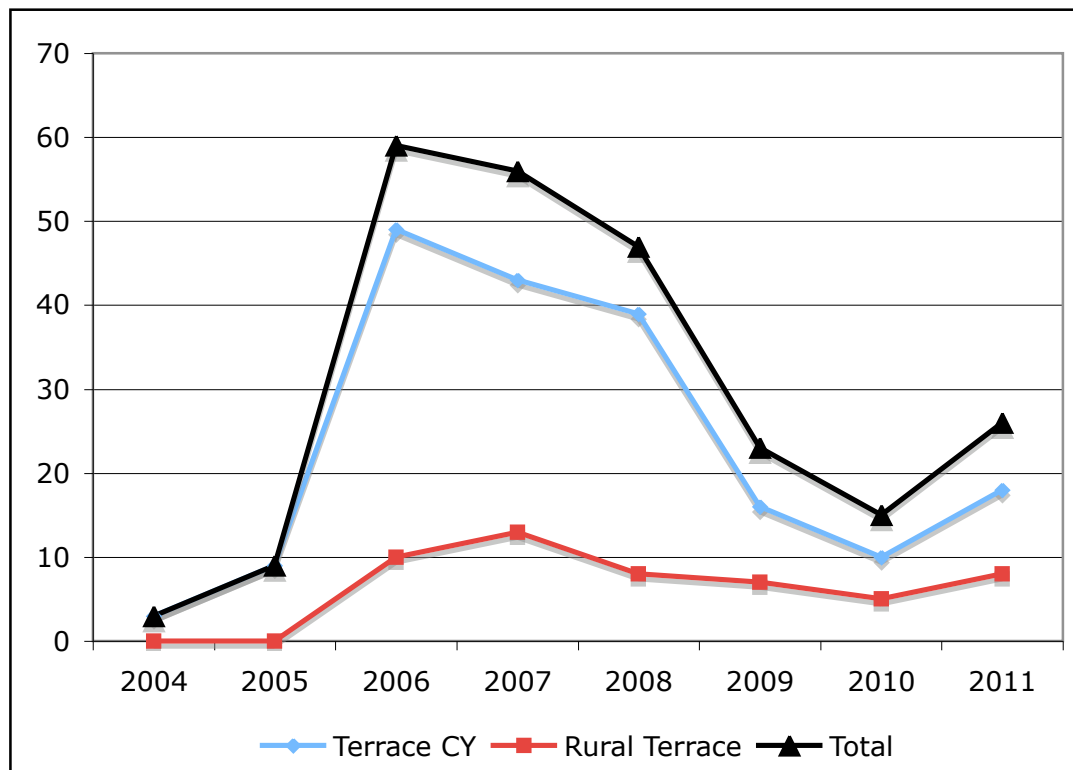


Source: Statistics Canada, 2001, 2006, 2011

## 2.5 New Construction and Ownership Housing

BC Stats shows that housing starts in the area were low in the early 2000s, and rose significantly in 2006-08. They then declined between 2008 and 2010, with a modest rise occurring in 2011.

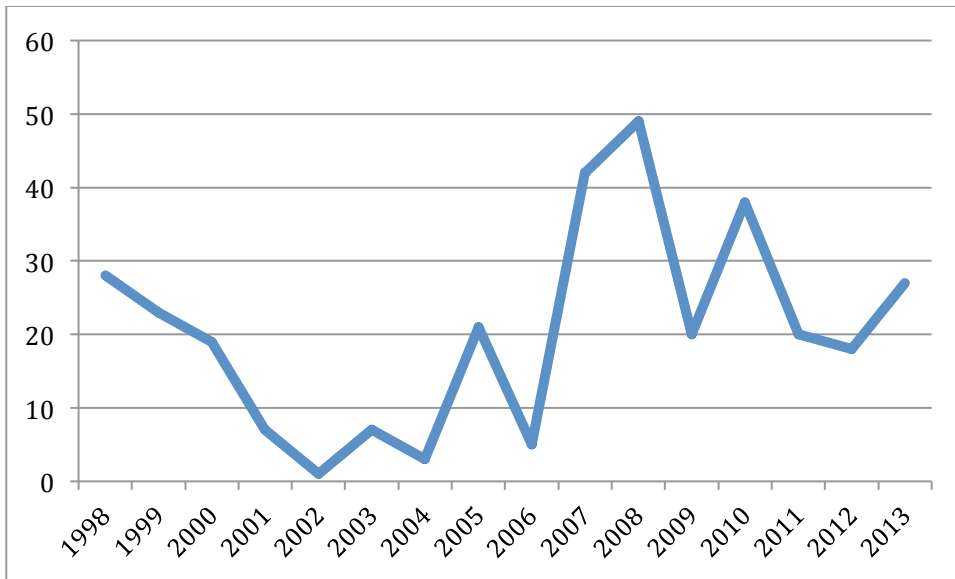
**Figure 11: Housing Starts, City of Terrace, 2004-2011**



Source: BC Stats, 2013

The City of Terrace issued a total of 301 residential building permits between 1998 and 2012. A significant decline in new residential construction occurred in 2001, with few new permits issued. This decline likely corresponds to economic decline and loss of population. This lasted until 2006 (with a slightly anomalous 2005). In 2007 new builds rose again, and while 2007 and 2008 represent a peak of new builds during this period, 123 new permits were issued between 2009 and 2013.

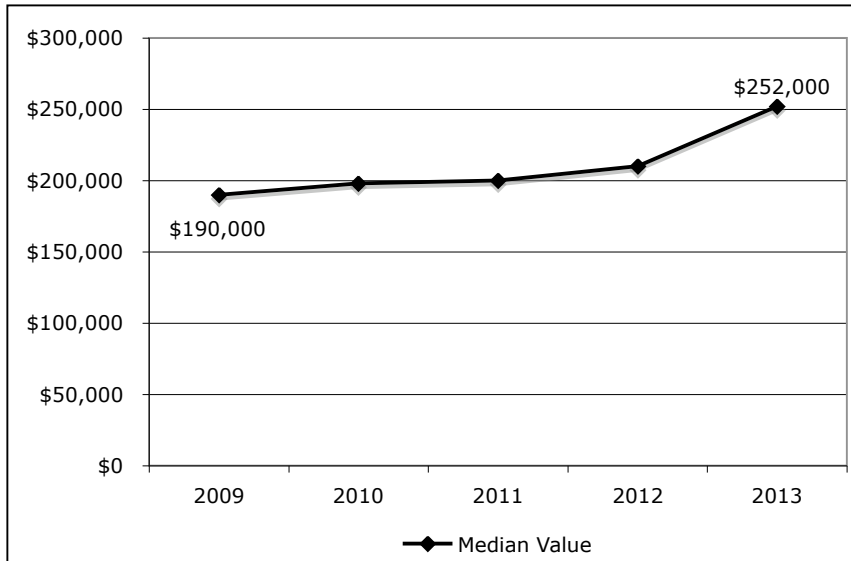
**Figure 12: Residential Building Permits Issued, City of Terrace, 1998-2012**



Source: BC Stats and City of Terrace, 2013

Since 2009, the median sales price for a single-family home in the City of Terrace has increased by nearly one-third, from \$190,000 to \$252,000 in 2013. This period also saw an increase in the number of annual sales of single-family dwellings, from 151 in 2009 to 219 in 2013, and a decrease in the year-end listings. During this same period of time, the average sale price of all real estate parcels has risen from \$173,000 in 2009 to \$228,600 in 2013, an increase nearly one-third.

**Figure 13: Change in Median Sales Price for the City of Terrace, Single Family Dwellings, 2009-2013<sup>7</sup>**

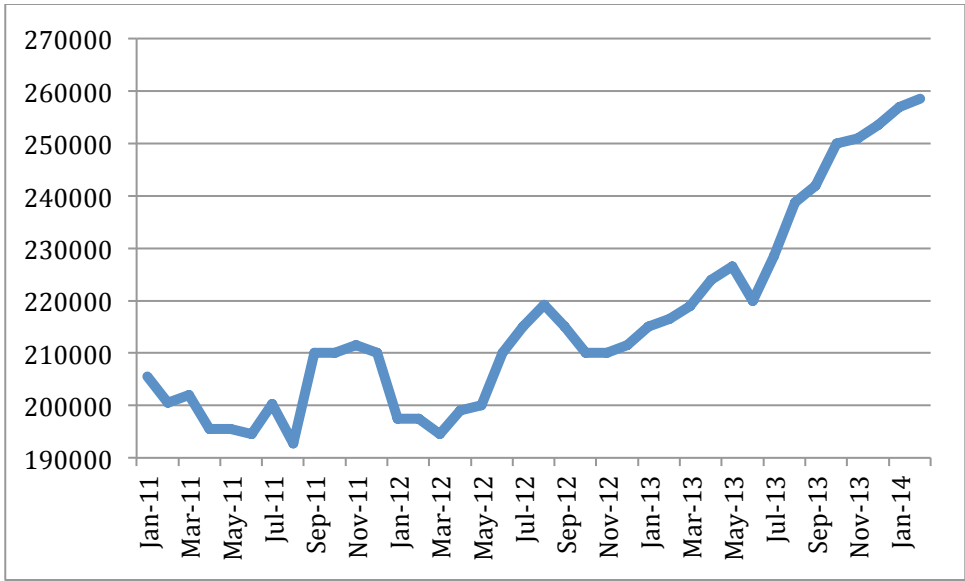


Source: Northern Real Estate Board of BC, Press Releases 2009-2013

Figure 14 (next page) shows the monthly median sales price of single-family dwellings in the City of Terrace. This figure shows a median sales price of \$258,500 in February 2014. The graph shows a significant increase between 2011 and 2014, with a clear upward trend in median sales prices over this period of time.

<sup>7</sup> This median sale price is for the City of Terrace. Stakeholders felt that the median sales price could purchase less now (i.e. a smaller, older dwelling) than it would have a year ago. Additionally, discussions with BC Assessment support key stakeholder input that real estate costs are increasing significantly, and even up to date data may not reflect the rapidly changing housing reality for both the City of Terrace and the Greater Terrace Area.

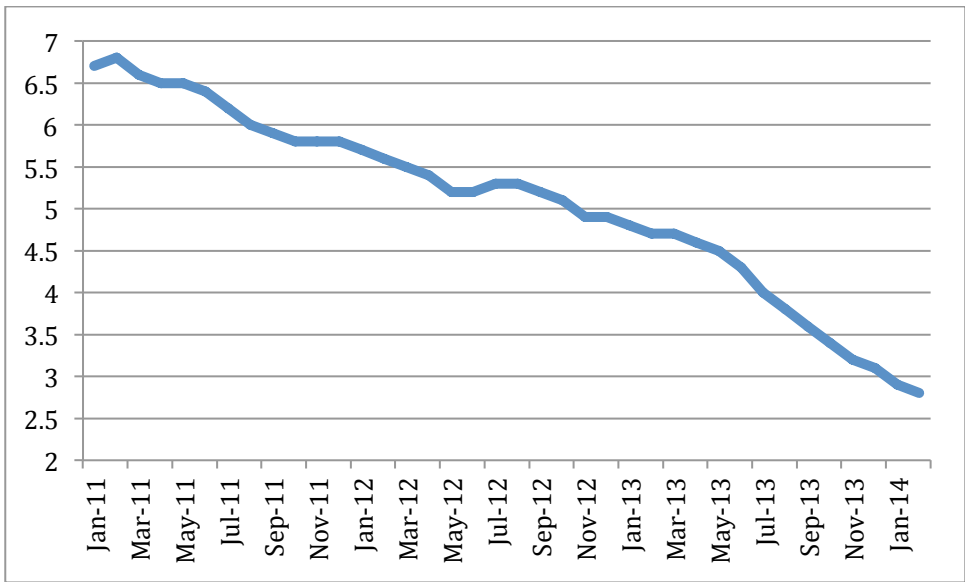
**Figure 14: Monthly Median Sales Value for the City of Terrace, 2011-2014**



Source: Data from the Northern Real Estate Board, provided by Re/Max Coast Mountains

Figure 15 shows the monthly supply of inventory—that is the amount of housing inventory on hand divided by the average monthly consumption or sales. The graph shows the number of months it would take to sell all current housing on the market. This declined significantly from 6.7 months in January 2011 to 2.8 months in February 2014.

**Figure 15: Monthly Supply of Inventory**



Source: Data from the Northern Real Estate Board, provided by Re/Max Coast Mountains

## 2.6 Rental Housing

According to the CMHC Rental Market Survey, there has been a significant decrease in vacancy rates in Terrace between 2012 and 2013. The overall vacancy rate for all units survey by CMHC is 1%. It should be noted that CMHC's survey is limited to buildings with 3 units or more, and so may miss a significant portion of the rental market, which may be private houses or secondary suites. The CMHC survey accounts for about 40% of rental stock in Terrace.

**Table 15: Rental Market Statistics: Cost and Vacancy Rate, Terrace CA, October 2013**

		Vacancy Rate	Rents	Number of Units
Bachelor	October, 2012	0.0%	\$519	30
	October, 2013	0.0%	\$521	30
1-Bedroom	October, 2012	1.4%	\$574	129
	October, 2013	0.0%	\$595	126
2-Bedroom	October, 2012	3.5%	\$658	277
	October, 2013	0.4%	\$685	279
3-Bedroom	October, 2012	3.0%	\$792	113
	October, 2013	1.0%	\$837	107
<b>Total</b>	October, 2012	2.6%	\$658	549
	October, 2013	0.4%	\$683	542

Source: CMHC Rental Market Survey, Fall 2013

In the units surveyed, vacancy rates have declined significantly, dropping to 0% vacancy rates for bachelor units and 1-bedroom, and vacancy rates of 1.0% or less for all other kinds of units.

Table 16 shows the significant change in vacancy rates for bachelor apartments since the last housing study was conducted in Terrace. While rents have risen about 8% in this 4-year period (an average of 2%/year), the vacancy rate has dropped significantly. Should the low vacancy rate continue, a more significant increase in rental costs will likely occur.

**Table 16: Change in Vacancy and Rent for Bachelors, Terrace and BC, 2009-2013**

	Vacancy rate (Terrace)	Number of units vacant (Terrace)	Avg. rent (Terrace)	Vacancy rate (BC)	Avg. rent (BC)
Spring 2009	7.1%	27	\$483	2.3%	\$703
Fall 2013	0.0%	0	\$521	1.5%	\$809

Source: CMHC Rental Market Survey, Spring 2009 and Fall 2013

In order to supplement CMHC data with information on units not covered through their survey, the consultants surveyed listings from a range of sources over a one-month period (December 8-January 7). Private landlords listed 32 units using classified ads in print and online publications. Nearly half of these listings had a rent of over \$1,500. These listings over a one-month period represent a 2.5% vacancy rate in all housing; however, including them in the survey also significantly increases the average rent for two and three bedroom units (most of which were advertised as houses). Eliminating any listings costing more than \$1,500, there were 17 listings during a one-month period, representing an affordable vacancy rate of 1.3%.

Table 17 shows the average rent for each unit type, both including units priced over \$1,500 and omitting these units. Rents are generally much higher in this consultant-conducted survey than those shown in the CMHC rental market survey. It should also be noted that only one bachelor unit was advertised during the survey period, reflecting the low availability.

**Table 17: Rental Market Survey Results**

	Bachelor	1 Bdrm	2 Bdrm	3 Bdrm
Average rent when omitting units over \$1,500	\$475.00	\$774.00	\$1,210.63	\$1,283.33
Average rent when including units over \$1,500	\$475.00	\$774.00	\$1,453.18	\$1,935.71

This survey also reflects a significant increase over rental costs in 2009. The 2009 Housing Study shows that the average rental cost for houses was nearly \$1,000. Even omitting more expensive rentals, rental costs for a 2-bedroom house have increased by nearly a quarter, while larger houses have increased by more than 30% from the 2009 figure.

A high proportion of rental households (43.9%) in Terrace pay more than 30% of their household income to shelter costs, and 28.7% of tenant households are in some form of subsidized housing (e.g. non-profit housing, receiving Rental Assistance Program subsidy, etc.). By comparison, in the Regional District of Kitimat-Stikine, 38.9% of tenant households pay more than 30% of income to shelter, and nearly 18% are in some form of subsidized housing.

**Table 18: Rental Households in Subsidized Housing and Rental Households Paying More than 30% of Household Income on Shelter Costs**

	<b>% of tenant households in subsidized housing</b>	<b>% of tenant households spending 30% or more of household total income on shelter costs</b>
<b>Terrace CY</b>	28.7%	43.9%
<b>Area C(1)</b>	0.0%	24.5%
<b>Area E</b>	5.6%	47.8%
<b>Kitselas</b>	n/a	n/a
<b>Kulspai</b>	0.0%	n/a
<b>Kitsumkalum</b>	n/a	n/a
<b>Kitimat-Stikine</b>	17.9%	38.9%

Source: Statistics Canada, 2011 National Household Survey



## 2.7 Current Subsidized and Non-Market Housing

BC Housing currently provides subsidies to households that meet specific criteria in market units. In 2013 BC Housing provided 21 Shelter Aid for Seniors (SAFER) subsidies and 27 Rental Assistance Program (RAP) subsidies.

**Table 19: BC Housing Subsidies to Households in Greater Terrace Area, 2013**

	Terrace	Thornhill	Total Households
Shelter Aid for Elderly Renters (SAFER) Program	18	3	21
Rental Assistance Program (RAP)	21	6	27

Source: BC Housing Research, 2013

In addition to these subsidies, there were also 348 non-market housing units in Greater Terrace Area in 2013. Of these 26 were emergency units (shelter or transition house), 18 were transitional housing, and 304 were non-market housing.

**Table 20: Non-Market Housing in Greater Terrace Area, 2013**

	Terrace	Thornhill	Total Units
<b>Shelter/Transition House</b>			
Women and Children Fleeing Violence	10	0	10
Homeless Shelters	16	0	16
<b>Sub-Total</b>			<b>26</b>
<b>Supportive/Transitional Housing</b>			
Homeless Housed	8	0	8
Homeless Rent Supplements	10	0	10
<b>Sub-Total</b>			<b>18</b>
<b>Non-Market Housing</b>			
Special Needs	33	0	33
Independent Seniors	94	0	94
Low Income Families	164	10	174
Rent Assistance Families (non-RAP)	3	0	3
<b>Sub-Total</b>			<b>304</b>
<b>Total Units</b>	<b>338</b>	<b>10</b>	<b>348</b>

Source: BC Housing Research, 2013

In addition to the numbers reported by BC Housing, Ksan Society reports 10 extreme weather response beds (operated from October to March in inclement weather, funded by BC Housing), an additional 5 self-funded shelter beds (i.e. not funded by BC Housing) and 3-5 overflow beds in their permanent shelter. They report that the shelter consistently operates over capacity, average 115-130% occupancy each month. In addition to the 8 supportive apartment units listed above, Ksan also operates 4 supportive recovery (i.e. transitional housing) units at Hall Street.

This represents an increase in non-market housing since 2009. The number of seniors and special needs units increased from 66 units in 2009 to 127 units in 2013. Eleven additional units for low-income families and 2 additional shelter spaces were added in this period of time.

In addition to the units listed here, Birchwood Place (located in Thornhill) is a Northern Health step-up/step-down facility for individuals with a mental illness coming from recovery at the in-patient psychiatric unit or the community. There are 8 beds, 3 of which are long-term. Northern Health also provides a supportive independent living (SIL) subsidy. The program is operating at capacity and does not fully cover the cost of rent for many individuals.

In addition to these non-market units, there are two housing projects currently slated for development in Terrace. One, the Tuck Avenue Seniors Project, will supply an additional 5 units of housing for Terrace seniors. Additionally, Ksan Society is hoping to develop 15 to 20 low-income units, facilitated by the City of Terrace through a land lease.

Table 21 shows the share of total dwellings occupied by each form of housing in the affordable housing spectrum. Between 2009 and 2013 there is an increase in the number of supportive/transitional units and non-market rental units. However, in the same period of time there is also a slight decrease in the number of market rental units. There are also more owned dwellings, but they represent a slightly smaller proportion of the total.

**Table 21: Change in Affordable Housing Spectrum, 2009-2013**

	<b>Emergency shelter or transition house</b>	<b>Supportive or transitional housing</b>	<b>Non-market housing</b>	<b>Market rental</b>	<b>Owned</b>	<b>Total</b>
<b>Terrace 2009</b>	24 0.6%	12 0.3%	229 5.3%	981 22.5%	3115 71.5%	4356 100.0%
<b>Terrace 2013</b>	26 0.6%	18 0.4%	294 6.5%	1051 23.1%	3190 70.3%	4540 100.0%
<b>Terrace and District 2013</b>	26 0.3%	18 0.2%	304 4.1%	1751 23.4%	5345 71.3%	7495 100.0%

Source: Eberle 2009 and BC Housing Research, 2013

## **2.8 Affordability Analysis**

The relative affordability of housing in a community is determined by the relationship between average shelter costs (rent or monthly mortgage) and household income. Housing is generally considered affordable if shelter costs (mortgage/rent, taxes and heat) require less than 30% of gross household income. Table 22 shows that median income households can afford to purchase or rent a median priced home or an average priced bachelor apartment. Key informants did note that real estate prices are rapidly changing. While \$258,500 was the median sales price in February in the City of Terrace, some feedback from stakeholders indicated that this amount could buy less than it a historical median sales value could have purchased. That is, where in the past a median priced home might be a three-bedroom needing few repairs, current median value homes would be smaller and potentially need more renovation work.

Median-earning lone-parents cannot afford rent for a two-bedroom unit in Terrace as of early 2014. There is a significant gap in the rents for these units (\$1,210) and affordable monthly housing costs (\$772.50). Similarly, persons not in Census families earning a median income cannot afford rent for a one-bedroom. They may be able to afford a bachelor unit; however, the scarcity of those units represents a barrier of a different form. Single persons can mitigate this cost by renting a two-bedroom unit with a roommate. However, this is less appealing for lone parents. Because these are median households, fully 50% of each household type earns less than the median income, and may not enjoy the same degree of affordability.

**Table 22: Affordability by Household Type**

	All households	Couple Families	Lone-Parent Families	Persons not in Census Families
Median Income (2011)	\$70,960.00	\$81,430.00	\$30,900.00	\$24,690.00
Monthly income	\$5,913.33	\$6,785.83	\$2,575.00	\$2,057.50
Affordable Monthly Housing Costs	\$1,774.00	\$2,035.75	\$772.50	\$617.25
Affordable to purchase*	\$305,000.00	\$350,000.00	n/a	n/a
Price (median sales value, rent for a 2-bedroom for families, rent for a 1-bedroom for singles)	\$258,500.00	\$258,500.00	\$1,210.63	\$774.00
Gap	\$46,500.00	\$91,500.00	-\$438.13	-\$156.75

\*Assumes 10% down, 5% interest rate and a 25-year amortization period.

Table 23 shows the top 4 occupations in Greater Terrace Area and their average earned income in British Columbia. While many of these occupations can afford market rents, individuals working sales and service occupations are earning only enough to afford a bachelor apartment—an apartment which currently has a 0% vacancy rate.

**Table 23: Earnings by Occupation<sup>8</sup>**

	Terrace CY	Greater Terrace Area	Average Full-Time Earnings	Affordable Rent
Sales and service occupations	26.30%	25.70%	\$23,257.00	\$581.43
Occupations in education, law and social, community and government services	18.40%	15.90%	\$47,325.00	\$1,183.13
Business, finance and administration occupations	12.80%	12.20%	\$42,143.00	\$1,053.58
Trades, transport and equipment operators and related occupations	12.50%	17.50%	\$42,752.00	\$1,068.80

Source: Statistics Canada, 2011 National Household Survey

<sup>8</sup> It should be noted that these earnings are average earnings for the province of British Columbia. As such, some occupations (e.g. trades and transport) may earn significantly higher in regions where these skills are in-demand. However, sales and service occupations

## 2.9 Current and Emerging Need

### BC Housing Waitlists

Greater Terrace Area currently has 29 individuals on the BC Housing registry for social housing (as of December 2013). These consist mostly of seniors and people with disabilities. It should be noted that many non-profit housing agencies keep their own waitlists for units, rather than using the BC Housing registry. These waitlists therefore reflect minimum possible demand for housing. Additionally, Twin River Estates a senior’s development has a 10-year waiting list which equates to several hundred names on a waiting list.

**Table 24: BC Housing Waitlists for Greater Terrace Area Housing**

Housing Registry Applicant Category	Terrace	Thornhill	Total Households
Family	1	0	1
People with Disabilities	12	3	15
Senior	12	0	12
Wheelchair Modified	0	0	0
Single	1	0	1
Rent Supplement	0	0	0
Total Households	26	3	29

Source: BC Housing Research, 2013

### Core Housing Need Projections

Core housing need<sup>9</sup> statistics from the 2011 Census and National Household Survey have not been released by CMHC as of February 2014. However, based

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<sup>9</sup> Canada Mortgage and Housing Corporation defines core housing need as follows: “A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability, standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three [housing standards](#)).

- [Adequate](#) housing are reported by their residents as not requiring any major repairs.
- [Affordable](#) dwellings costs less than 30% of total before-tax household income.
- [Suitable](#) housing has enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements.

A household is not in core housing need if its housing meets all of the adequacy, suitability and affordability standards

OR,

upon the population projections above and research conducted by BC Non-Profit Housing Association (BCNPHA), the consultants have developed core housing needs projections based on the three population growth scenarios.

The table below shows core housing need statistics from 2006, the most up-to-date year for which these data have been published. In 2006 owner households accounted for about 35% of all households in core housing need, while renter households accounted for about 65% of all households in core housing need in the Terrace CA. Core housing need households in Terrace also accounted for approximately 62% of all households in core housing need in the RDKS.

**Table 25: Core Housing Need Profile of BC, RDKS and Terrace (CA), 2006**

	Owner #	Owner %	Rental #	Renter %	Total
British Columbia	88,335	39.9%	133,140	60.1%	221,475
Kitimat-Stikine	485	40.1%	725	59.9%	1210
Terrace (CA)	260	34.7%	490	65.3%	750

Source: CMHC HICO, 2006

BCNPHA has developed core housing need projections for Regional Districts across BC out to 2036. These projections are based on two different growth scenarios to provide estimates of the change in core housing need across the RDKS. The more conservative growth scenario was selected for this report; however, the two scenarios are very similar in their final projections (a difference of between 1-4 households).

The table below shows the BCNPHA’s projections for the RDKS. It also shows an estimate for the Terrace CA. This estimate assumes that in 2011, as in 2006, Terrace had approximately 62% of all households in core housing need in the RDKS. Terrace (CA) therefore had 777 households in core housing need in 2011. Assuming a similar ratio of owner to renter households (35% : 65%), there were 269 owner households and 508 renter households in Terrace in 2011. This reflects a small increase in both owner households (9 additional households) and renter households (18 additional households) in core housing need.

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If its housing does not meet one or more of these standards, but it has sufficient income to obtain alternative local housing that is acceptable (meets all three standards).”

**Table 26: BCNPHA and Consultant-Generated Core Housing Need Projections for RDKS and Terrace (CA)**

	Ownership		Rental		Total	
	2011	2021	2011	2021	2011	2021
Kitimat-Stikine	498	590	756	834	1254	1424
Terrace (CA)	269	319	508	560	777	883
Incidence (Terrace CA)	6.0%		28.4%		12.5%	

This provides us with a baseline for projections starting in 2011 for change in number of households in core housing need between 2011 and 2021. Applying the household growth rates developed in Section 2.4.1 (and assuming these growth rates for households in core housing need is the same as for all households) allows us to project growth in core housing need for Terrace in each of the three scenarios.

The table below shows possible growth scenarios for core housing need. Scenario A shows a continued slight growth in both owner and renter households to 2021. It should be noted that this scenario shows a slower growth than the analysis based on the BCNPHA analysis, reflecting that this is the most conservative estimate for core housing need.

In scenarios B and C we see a significant increase in households in core housing need. The moderate growth scenario sees an increase of 239 households in core housing need, while the high growth scenario shows an increase of over 400 households in core housing need in Terrace.



**Table 27: Projected Increases in Core Housing Need to 2021, Terrace (CA)**

	Ownership			Rental			Total		
	2011	2021	2011-2021 Increase	2011	2021	2011-2021 Increase	2011	2021	2011-2021 Increase
Scenario A: Status Quo Growth	269	277	8	508	522	14	777	799	22
Scenario B: Moderate Projected Growth	269	352	83	508	664	156	777	1016	239
Scenario C: High Projected Growth	269	409	140	508	773	265	777	1182	405

What cannot be accounted for in these projections is the potential for households in core housing need to leave Terrace altogether. Findings from the interviews indicate that, for example, many low-income First Nations families are returning to their home villages in response to increased housing costs in Terrace. This type of out-migration may mitigate against a significant increase in households in core housing need; however, it comes at the cost of pricing long-time Terrace residents out of the housing market. However, even if this should occur, housing need will persist regionally, even if it is slightly lessened in the City of Terrace by an out-migration of low-income households.

### **3. Stakeholder Views**

In January and February 2014, seventeen stakeholder interviews were conducted. The majority of interviews were completed by phone and followed a semi-structured format. Participants were provided with open-ended interview questions prior to the call and were encouraged to share their perspectives and experiences, both in their professional capacity and as residents of Terrace (when applicable). The interviews were designed to elicit community understandings and opinions, as a very important supplement to the quantitative research. They offer a deep and rich portrayal of a community in economic transition with a heavily strained housing system. As a whole, the interviews highlight the apprehension of residents and local service providers who unanimously express concern for the current housing situation. The following sections provide a list of the stakeholders interviewed; a summary of the key housing trends observed; a description of the housing strategies employed in response to the lack of options in the current housing system; a list of the population groups most affected; stakeholder perspectives on the City's efforts to address housing issues; major concerns regarding housing and community well-being, and; hopes for the future.

#### **3.1 Stakeholders**

The following stakeholders were interviewed:

- Ulysses Venegas: Kitselas First Nation
- Ted Pellegrino: Regional District of Kitimat-Stikine
- Daniel Martin: District of Kitimat
- John Evans: Remax of Terrace
- Jan LeFrancois: Ksan Society
- Jeannette Anderson: Terrace & District Community Services Society
- Michael Melia: Northern Health, Mental Health and Addictions Services
- Chris Simms: Northern Health Authority
- Sasa Loggin: Skeena Diversity Society
- Phil Burton: UNBC – Terrace Campus
- Dennis Lissimore: Terrace Downtown Improvement Area
- Marleen Morris: UNBC – Community Development Institute
- Lori Merrill: Sidewalkers (Downtown Business)
- Brent Speidel: School District #82 (formerly)
- Pam Kawinsky: Suwilaawks Community School
- David Merritt: Terrace Economic Development Authority
- Rob McVey: Ksan Society

### 3.2 Housing in Crisis: Key Observations

The interview participants unanimously view the current housing situation as problematic. In confirmation of the statistical data available, they consistently note a lack of housing supply and a large decrease in affordability. This applies to both the ownership and rental markets, with extremely low rental vacancies and very few homes for sale. In addition, supplementary housing in the city's hotels and motels is already at capacity. Two recreational vehicle parks in the vicinity are also now operating year-round, as opposed to seasonally. The community stakeholders generally observe that few new housing units have entered the market in recent years, and those that do exist are not affordable to low income households.

Housing prices have inflated across the board; both rental units and homes for sale have seen staggering increases in price, and motel and RV hookup rates have soared. Materials and housing construction costs have similarly seen large increases. Several interview participants relate stories of “renoviction,” in which landlords evict residents for the purported purpose of renovating the property, then charge much higher rates once the unit is back on the market.

Some participants observe that new market demand is responsible for the lack of vacancies and inflated prices. Those employed within the regional economy, for

example in Kitimat, may not find housing near their employment site and may be forced to look for housing in Terrace. With the promise of economic opportunity on the horizon, single individuals and some families have also been newly attracted to the community. There are also reports of outside investors buying up land and



housing, as well as private companies buying land, housing, and even a motel for their employees.

*“Houses on the market are selling above asking price. This hasn’t happened in 15 years.”*

*“I know of a home that was bought for \$100,000 last year. After some small improvements, it was listed for \$285,000 this year.”*

*“This is what we all wanted, as business people. We’re seeing growth in the equity of homes and homeowners are making money. It’s good for the overall economy.”*

*“We were in such a sluggish market for so long, and people were used to high supply and low prices. There’s been a drastic change in short period of time. It’s caught some people off guard, including [people in the housing industry].”*

*“When the economic growth started, it happened almost overnight. People were so skeptical that nobody was willing to come to the table and invest in housing.”*

*“There is hesitation as to whether this boom will last, or if it’s a flash in the pan.”*

*“If we don’t have an increase to our supply soon, we will have a real problem.”*

*“It’s kind of a ‘wild west’. Landlords are calling the shots and can be prejudiced and discriminating. They find excuses to evict tenants. They’re not worrying about tenancy laws. It’s market driven. Who is going to stop them, anyway?”*

### **3.3 Housing Strategies in a Strained Housing Market**

Given the heavily strained housing market, with very low rental vacancy and minimal houses for sale, there are very few housing options available in Terrace. Long-time residents are finding it difficult to move through the housing continuum: adult children are forced to stay at home instead of launching into independent living; young families are unable to buy a starter home; growing families find it difficult to expand and upgrade their housing; even seniors wishing to downsize find very few appropriate units available. The situation is even worse for those households in need of social supports: all social and supportive housing within Terrace is fully occupied, with long waiting lists for many of the units.

*“This is the boom that people wanted, but I don’t think they’ve anticipated the problems that come with it.”*

Some interview participants note a large increase in adaptive housing strategies: overcrowding, couchsurfing, makeshift housing (tents and tarps), and car sleeping. These situations of underhousing and forms of hidden homelessness are a stop gap measure, typically unsustainable in the long term. Overcrowded spaces may infringe upon rental agreements and put all individuals at risk of eviction. Insufficient access to basic services like water, electricity and heat can place enormous strain on households to meet their daily needs and maintain their health.

*“If you get evicted, there is no place for you to go.”*

*“Thank God that the winter has been really mild.”*

The Ksan residence shelter and extreme weather shelter are operating well above capacity. Similarly, their meal program is serving almost double the clientele of what they are funded for. The residence shelter no longer experiences a seasonal decline, as it has in the past; there is consistent demand for emergency shelter beds throughout the year. Administrators also note that an increased percentage of their clientele arrives at the shelter after getting discharged from the hospital, as no suitable housing is available. Thus the homeless population being served through the shelter increasingly has health issues to deal with, in addition to their lack of housing. The shelter also reports more extended stays of months and even years, as individuals are unable to move into stable housing elsewhere. The shelters have far surpassed their purpose as temporary, emergency facilities.

*“Shelters are becoming a catch basin for when everything else fails.”*

With few options available, stakeholders report that some households have been forced to leave the community. This is evidenced through rapidly declining student enrollment in some schools, associated with families’ inability to secure housing. First Nations reserves are also reporting an increase in individuals leaving Terrace and returning to the reserves, which leads to chronic overcrowding and places additional stress on the already insufficient housing available there. Other interviewees note that newcomers are deterred from establishing themselves in Terrace, due to the unavailability of housing options.

*“First Nations members in Terrace are desperate. They are getting evicted for renovations. People are staying in shelters and with other family members, back on Reserve. The homes are overcrowded - over 10 people in a 3 bedroom home. There are 110 houses in Kitselas at full occupancy and 82 families on the waiting list.”*

*“A friend of mine told me that there’s a family of three living in a car near her house. She was heartbroken by the situation and now invites the child into her home during the day to play with her daughter and get a reprieve from the cold.”*

*“There is a family who has been looking for housing since last April. They were couchsurfing with family in Thornhill, then at a friend’s house. Now there are 3 adults and 7 kids living in a trailer.”*

*“I know someone who moved from Montreal and found a job on the spot, but had to live in a tent for 3 months. He’s now sharing a trailer with 3 other people. It takes time to build the trust needed to live and share a home with others.”*

*“A friend is paying \$1500/mo for an apartment, but the conditions of the house did not justify the rent. There were so many issues – plumbing, finishing, safety – they have a kid, but the railing of the stairs is loose. The basement flooded. There are holes in the carpets. But there are no other options. That was his only choice.”*

*“There was a university student accepted into [a local] program, who had to cancel because she couldn’t get a place. Other students currently in programs are getting their housing pulled out from underneath them. Some nursing, doctor and social work students from [another university campus] are looking for placements within the Terrace area, but can’t find housing.”*

*“There was a gentleman in transitional housing who had previously been homeless for over a decade. He had to be evicted, because there was not enough life skills support available to him. If there is no mental health diagnosis, there are no funds allocated to life skills development.”*

*“There are people working in Kitimat and living in Prince Rupert [because they can’t find a home any closer]. That’s four hours of commuting every day.”*

*“People are looking to move here. They have a job offer, but no housing. There’s lots of Facebook posts and internet messages going around with pleas for a place to stay. “*



### **3.4 Populations Groups Most Affected**

According to stakeholder responses, the following is a list of population subsections that are experiencing particular difficulty in securing adequate, appropriate, and affordable housing. Some of these households are in core housing need (spending more than 30% of their income on housing or subject to poor housing conditions), homeless, or at risk of homelessness or displacement from the community. Others are unable to move through the housing continuum to spaces that are appropriate to their current household needs.

- The average household is now finding it harder to afford appropriate housing;
- Households on fixed incomes (seniors, people with disabilities, those receiving social assistance);
- Low income households in general (due to high housing prices);
- Youth, including those aging out of the foster care system (looking for small spaces which are highly coveted; no/few references; low ability to pay);
- Families with children (very few 3+ bedroom rentals at all; difficult to secure appropriate space at affordable price);
- Aboriginal families (commonly have larger families and more space needs; sometimes relocate seasonally for work or livelihood activities and have returned to Terrace to find no appropriate, affordable housing);
- Single parent households (added difficulty in finding appropriate housing that is affordable with a single income);
- Seniors (a growing subsection of the population; some looking to downsize, but cannot buy back into the market; some needing low level assistance and design accommodations, but not yet at the level of the assisted living facility; some on waitlist for the assisted living facility);
- Physically disabled persons (lack of ramps, rails, appropriate door widths, and other accommodations in the housing stock and when visiting others);
- People with cognitive disabilities or complex health issues (appropriate housing and supports are not available);
- People with mental illness and addictions, and those in recovery (insufficient supportive and transitional housing options exist; more life skills training needed so individuals can maintain housing; Northern Health rent subsidies for supportive independent living are no longer a sufficient

- amount; landlords now have many applicants to choose from and prefer not to rent to these individuals);
- People with a less-than-clean track record and/or lacking references (with substantial market rental demand, landlords can be very discriminating in who they rent to);
  - Homeless individuals and families (shelter and support services are already stretched past capacity);
  - New arrivals to the community
    - Seniors moving to be near family may not find sufficient housing options;
    - New public and service workers such as police, health care workers, home care providers, and childcare givers, needed to respond to the demands of the increased local population, have modest incomes and difficulty finding decent housing;
    - University students, typically on limited budgets, cannot afford inflated rental rates;
    - New university instructors with modest salaries have few housing options available;
    - Visiting university instructors and guest lecturers planning short-term stays are finding it difficult to secure housing or temporary lodging;
    - Younger individuals and families moving to Terrace for economic opportunity experience similar difficulties to existing families, but often have no local support network and sometimes have language and cultural barriers.

*“Our young people are staying in our basements because they can’t afford to step out into the world. “*

*“We are in desperate need of low income housing.”*

*“There is a great lack of housing for the homeless and hard-to-house. The situation has worsened in the last 5 years.”*

*“The cost of living is so different than what it was a generation ago. Young families are stressed and need help.”*



*“Young families can’t enter into the ownership market with starter homes. Even little houses are out of reach.”*

*“Places that are suitable for a family or single parents with children are now out of their price range. Nothing new is being built. “*

### **3.5 Perspectives on the City’s Efforts to Address Housing Issues**

Stakeholders have widely varying knowledge of the City’s 2012 Housing Action Plan. However, most participants laud the more visible results of that plan, namely the promotion of secondary suites and the new seniors’ assisted living facility. While some interview participants are frustrated with what they view as a lack of action on the part of the City, particularly to address the lower end of the housing spectrum, several others point to the difficulty of responding to rapid population growth following years of economic and population decline. It was also widely noted that the City has limited resources at its disposal. What economic activity has increased has yet to yield much municipal revenue. Historically, higher levels of government have also been involved in the development of social and low end of market housing. One interviewee stated that the Province should be forced to take on more responsibility for the local housing crisis, because *they* are directly benefitting from the economic development in the region. There is thus a broad consensus that urgent action and innovative solutions are needed to address the mounting housing issues in the City of Terrace and throughout the region.

*“We have been a struggling community over the last ten years, but we have slowly found our own small solutions. For this huge economic boom to happen, we’re being called on to do the complete opposite.”*

*“The Province promotes this area for economic development without offering the communities infrastructure and support (housing, hospitals, etc). To expect small communities to come up with money for housing is ridiculous. There should be emergency housing funds available.”*

*“It’s great that all of this industry is coming, but there’s no city revenue attached to it. Something needs to come out of these projects for the City to be able to prepare and deal with them coming through.”*

*“The City has a balancing act: managing growth and being timely enough to be somewhat ahead of the curve. If they wait until there is revenue flowing [from*

*industrial and resource-based development] to do housing projects, we'll be playing catch up [with the already existing demand]."*

### **3.6 Concerns Around Housing and Community Well-being**

Interview participants regularly noted the importance of decent housing options on overall community wellbeing. Many concerns were raised around the implications of the housing crisis on the community at large, in the current context and into the future. Many of these items, extracted from stakeholder interviews, fall into two categories, though substantial thematic overlap does exist.

#### **Homelessness and Displacement**

Most stakeholders raised concerns that the current economic trajectory would lead to an increased incidence of couchsurfing and homelessness, and also a displacement of residents from the community.

- People arrive in Terrace and expect a job the next day, not realizing that specific training and certificates are often needed. With no immediate income, they resort to adaptive housing strategies or homelessness.
- Long-time residents, even those in good standing with their landlords, are at risk of “renoviction”. This scenario can push households into homelessness or push them out of Terrace.
- Displacement is disruptive for many people beyond those who are forced to leave. Social networks and support systems for many more residents may be destroyed.
- Displacement is particularly disruptive for children who may experience a break in their education and difficulty transitioning into a new school system. For children remaining in Terrace, the displacement of their classmates and friends may also be quite disruptive.
- Couchsurfing and overcrowded living arrangements can mean that students lack regular routine, a place to do homework, and uninterrupted sleep. This can have major impact on student performance.
- There are concerns that new housing in Terrace will be tailored for the new population and won't respond to already existing needs of the long-time resident population.
- Some local businesses and service providers may suffer if employees can't afford to live locally.

*“Low income people are the first ones to get hit – They are ousted from the community.”*

*“It’s absolutely unacceptable to displace our community members. There are people who are historically and culturally connected to these communities, yet they can’t live here.”*

*“All kinds of people are coming in [to the community], but there’s no social safety net. It’s like moving shells - shuffling people around in the very few available spaces.”*

*“In a robust community with a full range of retail, business, services available, you need to have housing that works for people at all of these income ranges. If you only have housing for people at the top end of the market, businesses that traditionally operate with lower wages can’t operate anymore. That will stifle community development. “*



## **Health**

Some interview participants raise concerns about the capacity of the local health care system to respond to the city’s and region’s burgeoning population. There were also many concerns raised around the impacts of different housing arrangements on resident health.

- The presence of mould and other inadequate housing conditions, though reported, were not cited as heavily as in the 2009 research. This may be in part due to the City’s efforts to hold landlords accountable through

inspections and penalties. However, these efforts have, in some reported cases, displaced low income households.

- Some concerns were raised regarding the links between housing insecurity and overcrowding, with overall health. The stress induced through these situations may bring on anxiety, depression, and problematic substance use.
- Mental health system back-ups are already beginning to develop. When unable to find market-based housing placements for individuals transitioning out of supportive housing, they remain housed in the system.
- There has been increased service provision around more problematic substance use, with a higher incidence of cocaine usage.

*“Families would stay in places with mould, because there’s nowhere else to go... And that carries long term health impacts.”*

*“We’re seeing all the social costs [of development], but without the revenue.”*

*“If your entire paycheck is used up in rent, you have to skimp on food; you choose pop and chips and other [non-nutritional] foods that are inexpensive and filling.”*

*“There’s a cycle of stress for parents... when you’re worried about where you and your kids can live, and how you’re going to eat.”*

### **3.7 Opportunities for Community Development**

Throughout the interviews, community stakeholders brought up their hopes for the future of Terrace. Amidst the current economic and demographic transition, many participants highlighted what they view as the key opportunities for the city. The recurring theme from many interview responses was that growth should be leveraged for broad community benefit. Following are some of the suggestions proposed:

- Information flow between the City, residents, and potential housing investors should be improved: regular updates on the housing market; a community dialogue for sharing problems and brainstorming solutions; creative collaboration between major stakeholders.
- New industry partnerships should be developed to extract social goods and amenities, and revenue sources should be channeled towards

- addressing the community's most pressing needs. Infrastructure associated with industry development, such as service hookups and temporary housing should be sited and designed for reuse and repurposing as community amenity space and low income housing.
- Supports around low and fixed income households are needed to maintain households in the community. This may take the form of direct housing support or assistance with other parts of life (transport subsidies, clothing and school supplies, a high functioning food bank) so families can afford to put more of their income towards housing.
  - More emergency housing should be developed to accommodate people and families pushed out of the local housing system: perhaps utilizing empty commercial space; opening up ALR land for more trailer parks; a transition home for families who have been evicted; a room and board program, placing people with resident families or in stand-alone facilities.
  - To the greatest extent possible, Terrace should welcome its newcomers and try to attract more families who will integrate into the community and stay long-term.

In addition to the suggestions noted above, interview participants gave input on a number of other potential housing solutions and directives for municipal action. These have been incorporated into the *Next Steps and Recommendations Section* (Section 4).

This difficult time of economic and demographic transition has placed a great deal of stress on the community. However, by opening up flows of communication, working swiftly and transparently to build partnerships, and addressing the needs of the most vulnerable populations, there is potential for Terrace to grow into a stronger, more vibrant, and more sustainable community.

## **4. Needs Assessment**

### **4.1 Population and Economy**

Since 2006 the City of Terrace has seen slight population growth, reversing trends from the late 90s and early 2000s. The Greater Terrace Area comprises the surrounding communities of Kitsumkalum, Kitselas and Kulspai, and Areas C and E of the RDKS. The community is relatively young, when compared with British Columbia, but has seen significant growth in seniors (65+) and middle-aged residents (45-64).

Proposals for liquid natural gas, mining and possible investment in industrial development around Terrace have the potential to significantly increase the population of permanent residents in and around the city. Some population projections developed by the City of Terrace show that the population of Greater Terrace Area could increase anywhere from about 33% to 50% by 2021. This would have significant impacts on existing housing, both owned and rented.

The rapidly changing economic conditions in the area show a marked difference from the economic situation in 2009, when the previous housing assessment was conducted. In 2009 slow growth was occurring and little was projected to change. In 2014 there is a strong likelihood that economic investments will drive significant population growth in the next 10-15 years.

### **4.2 Housing Supply**

Single-family housing continues to dominate the housing stock in the Greater Terrace Area, representing just under two-thirds of all housing. After loss of some rental stock measured in the 2006 Census, the number of rental units in Terrace in 2011 had returned to 2001 levels. These rentals returned to the market largely through growth in the non-market housing sector.

### **4.3 Prices**

The quantitative data collected clearly show increased activity in Terrace's real estate market. Average sales prices on single-family homes are climbing, while rental rates and vacancies are very low. A rental survey conducted by the consultants also indicates low vacancy rates in smaller units, as well as high rental costs for two and three bedroom units. While rental prices have not yet visibly increased for bachelor and one-bedroom units, low vacancy rates for a period of time will likely lead to rising rental costs. No rental housing was advertised for

less than \$475/month. The shelter component of income assistance is currently \$375.

#### **4.4 Incomes**

Median household income in the City of Terrace has risen by about 13% since 2006, but remains lower than the median household for British Columbia. One-person households and lone-parent households earn significantly less than couples with and without children. Both these types of households were much more likely to earn under \$30,000 annually.

#### **4.5 Affordability and Housing Need**

Many Terrace households are unable to find a home that is affordable and meets their needs. Median income households can afford to buy or rent a median-priced single-family home or bachelor apartment. However, key stakeholders raised concerns that rapidly rising housing costs would soon change this. Additionally, the decreasing availability of rentals in Terrace is putting pressure on the market, and rental costs are already increasing significantly. This is reflected in the difference between CMHC's Rental Market Survey in October 2013 and the consultant's rental market survey in December 2013/January 2014, which showed high rental costs for 1, 2 and 3-bedroom units, and significant scarcity of bachelor units. These high rental costs are most likely to adversely affect single parents, individuals living alone, parents with multiple children and low-income households in general.

Additionally, while limited new stock is being added to existing housing, key stakeholders noted concern that the needs of existing residents are not being met. Significantly, over 40% of rental households in Terrace pay more than 30% of their income toward housing costs. While median household incomes for these groups are rising, they are not keeping pace with the rise in housing costs.

Key populations that stakeholders expressed concern about with regards to housing affordability include:

- Low-income households due to high rental costs
- Individuals with mental illness or addictions issues who are homeless or at risk, due to lack of supportive and transitional housing options
- Single-parent households due to high rental costs
- Households on fixed incomes, particularly seniors
- Aboriginal families and families with children who may need additional space



- Physically disabled persons who can not find accessible housing
- Individuals with cognitive disabilities or complex health issues who may need additional support or accessible infrastructure
- New arrivals who are unable to find housing (including work force housing for public service workers, student housing for university students and new immigrants who may face language or cultural barriers)
- Youth, particularly those transitioning from foster care

These groups are also far less likely to benefit from the economic boom, as they may not work in the occupational sectors related to resource development.



2011 core housing need statistics have not been released as of publication of this report. However, using population and household projections and some projection work completed by the BC Non-Profit Housing Association, several core housing need scenarios were developed in this report. Using BC Non-Profit Housing projections, it is estimated that in Terrace (CA) in 2011 there were 777 households in core housing need and that this will

grow to 883 households by 2021. Using population projections developed by the City of Terrace, projections show that there may be a total of 1000 to 1200 families in core housing need by 2021. However, these projections do not account for possible out-migration of low-income families and individuals due to rising housing costs, a trend that key stakeholders have already identified as a concern for the community.

#### **4.6 Key Findings**

The most significant findings of the housing needs assessment are:

- There is significantly more pressure in the housing market now than there was in 2009, when the original study was commissioned; rapid economic and demographic changes are occurring in the community and these



- appear to have a significant impact on housing, particularly for vulnerable populations
- Based on the available data (much of it from 2011) the median Terrace resident can afford a median priced home; however, real estate prices are rapidly increasing throughout the City of Terrace and this combined with the very rapidly declining supply is impacting many low and middle-income households
  - Rental housing is increasingly expensive and vacancy rates are near zero, putting pressure on vulnerable and low-income families and individuals, who have few choices; importantly, nearly a quarter of the Greater Terrace Area's residents were living with low incomes in 2011, placing a significant proportion of the population at risk of spending an unaffordable amount of income on housing or being forced out of the local housing market
  - Projected population growth is significant; this will continue to have a strong impact on housing costs in both rental and ownership markets
  - Housing stock is generally older; however, since the 2009 housing needs assessment there have been over 120 new building permits issued mainly for single family housing
  - There are very limited options for vulnerable populations, such as individuals with cognitive disabilities and individuals with mental illness
  - Significant population growth will either substantially increase the number of households in core housing need or housing costs will ensure that low-income families are unable to afford housing in Terrace<sup>10</sup>
  - There is an increasing need to accommodate newcomers (both short-term workers and long-term families) and long-time residents

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<sup>10</sup> Households that pay more than 30% of their income toward shelter, or do not have adequate, affordable or suitable housing. For the full CMHC definition see [Section 2.9](#).

## 5. Conclusions and Next Steps

The City of Terrace has taken some important steps toward addressing housing need. These include:

- The Housing Needs Task Force shaped Official Community Plan (OCP) directions, including 8 OCP objectives developed from the 2009 *Housing Terrace* report
- Development of housing incentives through bylaw and policy changes
- Establishment of a Housing Committee which has worked to facilitate community-based housing projects and partnerships between local government and non-profits (e.g. Tuck Seniors Housing Project and Ksan Society's low-income housing)

However, many of the recommendations from the 2009 needs assessment remain relevant in 2014. These include:

- Address the housing and support needs of low income and homeless persons by facilitating and supporting proposal for new housing options and lobbying senior government to raise the shelter component of income assistance
- Preserve the existing housing stock in good condition
- Plan for accessibility of the housing stock
- Diversify the housing stock to meet the needs of aging population and young singles and families
- Promote sustainability in land use, residential density and location, and energy efficiency in existing and new housing stock

high-level recommendations to continue lobbying senior levels of government, and recommendations for the City of Terrace to play a strong facilitation role in the development of affordable housing. It is clear that the City of Terrace has taken a strong leadership role in addressing housing issues through the development of the Task Force, followed by the Housing Committee. This section aims to build on recommendations from the previous report, integrating feedback from stakeholder interviews and work done by other municipalities to address housing issues. The goal of these recommendations is to provide a suite of additional actions for the Housing Committee. These actions recognize the economic and demographic changes in the community that have occurred since

the publication of the 2009 report, and plan for the rapid growth expected in the coming ten years, through the following strategic directions for both the City of Terrace and community stakeholders:

1. Expand municipal measures to facilitate affordable housing and diversify housing form
2. Work in partnership regionally to support affordable housing initiatives and lobby to senior governments

### ***5.1 Expand municipal measures to facilitate affordable housing and diversify housing form***

Because of the anticipated rate of growth in the City of Terrace due to investment in resource development, the City can implement several tools that support and facilitate the development of affordable housing. Local governments are required by the Local Government Act (LGA) to include OCP policies on affordable housing (clause 877). The LGA also empowers local governments to pursue affordable housing and other community amenities through the rezoning process (clause 905).

- a) *Community Amenity Contribution Policy:* A community amenity contribution (CAC) policy is a tool used by local governments across British Columbia to ensure that developers provide a range of community amenities when a rezoning takes place. Many municipalities include affordable housing under the amenities required through a CAC policy. Often policies are structured to request the development of a specific number of units of affordable housing *or* contribute a specific amount toward an Affordable Housing Fund or General Amenities Reserve Fund. Some smaller municipalities have also required a greater contribution to the amenity or Fund if development is occurring outside a designated town centre, incentivizing greater density within a community's core. The City of Langford won a UBCM award for the development of its CAC Policy.<sup>11</sup> Municipalities can use these policies to negotiate with developers through the rezoning process, but cannot make units mandatory.
- b) *Develop an Affordable Housing Reserve Fund:* Through the CAC policy, funds can be leveraged from development and directed toward a range of housing. This fund can be used for a range of purposes, including acquisition of land, direct cash grants to projects and reduction of development fees for affordable housing developments. These types of

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<sup>11</sup> This policy, and a discussion of its purpose, can be found here:

[https://www.civicinfo.bc.ca/practices\\_innovations/langford\\_afford\\_housing\\_2006.pdf](https://www.civicinfo.bc.ca/practices_innovations/langford_afford_housing_2006.pdf)

funds can also be sustained through direct cash contributions from other municipal sources of revenue. It may also be possible to direct revenue generated through revenue-sharing schemes associated with resource development toward an affordable housing fund. The City of Port Coquitlam's Affordable Housing Fund was developed by a contribution of \$200,000 over four years (2010-2013). This "ensure[d] a sustained commitment to building the fund and demonstrate[d] Council's commitment to supporting affordable housing to the community."<sup>12</sup> The development of a housing fund should be accompanied by a policy guiding how funds are spent.

- c) *Develop inclusionary zoning policies:* Inclusionary zoning bylaws are a regulatory instrument that encourages or requires the provision of affordable housing as part of residential developments. It differs from density bonusing in that it usually stipulates a specific proportion of affordable units required in a development (e.g. 10%) regardless of whether the property is being rezoned. Inclusionary zoning can include a payment-in-lieu provision if it is not possible to build affordable housing. These funds are usually contributed to an affordable housing fund.<sup>13</sup>
- d) *Adopt accessibility bylaws:* Many municipalities in British Columbia have adopted accessibility bylaws to better accommodate residents and visitors who are mobility impaired. These bylaws apply to a range of infrastructure, including municipal parks and streets, and commercial parking lots. These bylaws can also be used to require developers to integrate accessible units into new housing. This corresponds to OCP Goal: Housing For All, Objective #6.<sup>14</sup>
- e) *Continue to diversify Terrace's housing stock:* The adoption of secondary suite and small lot zoning bylaws represent an important step in diversifying Terrace's housing stock. Other measures outlined in the 2009 housing study should continue to be considered and applied where

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<sup>12</sup> More information on the City of Port Coquitlam's Affordable Housing Reserve Fund can be found here:  
[http://www.coquitlam.ca/documents/Affordable\\_Housing\\_Reserve\\_Fund\\_Policy\\_Guide\\_lines.pdf](http://www.coquitlam.ca/documents/Affordable_Housing_Reserve_Fund_Policy_Guide_lines.pdf)

<sup>13</sup> Inclusionary zoning is most widely applied in municipalities in Metro Vancouver. A backgrounder on this tool has been developed and can be found here:  
<http://www.metrovancouver.org/planning/development/strategy/BackgroundPapersReports/RGSBackgrdr5-Inclusion.pdf>

<sup>14</sup> SPARC BC has developed a comprehensive guide to accessibility bylaws which can be found here:  
<https://lakecountry.civicweb.net/Documents/DocumentDisplay.aspx?ID=1112>

- appropriate. These include laneway/infill housing and development of new zoning bylaws that allow further densification in development in accordance with OCP Goal: Housing For All, Objective #5.
- f) *Support community efforts to develop a Terrace Housing Society:* The development of a dedicated non-profit housing provider represents an undertaking requiring significant resources and capacity for a Board and staff. With development of an affordable housing fund and/or the development of new affordable units, the incorporation of a non-profit housing society to play a dedicated role in the development of non-market housing becomes more viable. This action is part of the 2012 Terrace Housing Action Plan, and remains a key component of ensuring affordable housing in Terrace in the long-term. Resources generated through the municipal measures discussed above can directly support the development of this non-profit.
  - g) *Continue supporting improved housing conditions through enforcement of the Standards of Maintenance bylaws.* In order to promote healthy and suitable living conditions in Terrace's housing stock, the Standards of Maintenance bylaws should be actively enforced. However, great care should be taken to avoid displacement of low income households wherever possible.

## **5.2 Work in partnership regionally to support affordable housing initiatives and lobby to senior governments**

The Housing Committee should continue to work on regional and provincial initiatives to address housing, serve as vocal advocates for the housing needs of Terrace's growing population, and partner with local industry and institutions to improve housing supply and affordability. With other communities around Terrace (including small communities in the Regional District of Kitimat Stikine and Kitimat) also experiencing a significant increase in housing costs due to population growth and economic investment, developing regional approaches to housing issues allows for coordinated action at a wider scale and provides greater lobbying power when working with senior government.

- a) *Leverage economic investments to address housing:* Because of the scale of investment currently taking place across Northwestern BC, finding innovative ways to partner with industry and major employers to support the short and long-term housing needs of employees and residents should be central to the housing-related activities for the Housing Committee and City of Terrace. This could take several forms:
  - Lobbying for housing to be included under 'infrastructure' in any revenue-sharing schemes developed in partnership with the province.
  - Working with industry partners to ensure that any short-term housing solutions (e.g. work camps or rental buildings) can transition into long-term housing opportunities. This could occur through contributions to an affordable housing fund. One stakeholder also suggested if large industry investors do purchase or develop housing for short-term workers, schemes could be put into place to transfer ownership of that infrastructure (to the City or a non-profit) after an elapsed period of time for a reduced cost. Modular housing forms might make that type of arrangement feasible.
  - Small employers may also be purchasing rental units to house new employees moving to Terrace. While this works favorably for employers and employees, the Housing Committee should monitor this shift in the rental market and plan for possible displacement due to shifts in who is renting units.
- b) *Develop a regional mechanism for cooperation:* A regional steering committee or task force can be an important tool for sharing information among key stakeholders, developing high-level regional plans, increasing awareness of housing issues and lobbying senior levels of government. It is helpful to recognize that the housing market is regionally integrated and

to support planning and programming accordingly. Several region-wide coalitions exist, usually representing multi-sectoral avenue for a range of stakeholders to cooperate on housing issues. Metro Vancouver's Regional Steering Committee on Homelessness, was established in 2000 and oversees the implementation of the Regional Homelessness Plan. The Committee is comprised of over 40 members, including service providers, community-based organizations and all levels of government.<sup>15</sup> Other examples of regional housing committees exist on the Sunshine Coast (Sunshine Coast Housing Committee) and the Lower Columbia Region (Lower Columbia Community Development Team's Affordable Housing Committee). Both these committees are multi-sectoral groups, consisting of non-profits, local government staff and representatives and members of the private sector (e.g. development/real estate/finance).

- c) *Increase density in rural areas:* Stakeholders also felt that increasing density in rural areas was an important component of ensuring diversity and affordability of housing stock over the long-term. A lack of sewage treatment facilities and public water infrastructure can be a significant limitation to increased density in these areas. Stakeholders suggested that the development of a sewage treatment plant in the Thornhill area would allow greater density. The Regional District can also act by easing restrictive bylaws where feasible (e.g. allowing secondary suites and carriage houses) to increase the availability of affordable housing.
- d) *Increase welcoming community support services:* With a significant increase in population projected to 2021, community service providers in Terrace should collaborate to develop a roundtable that can plan for the increase burden on community services, and that can systematically assist newcomers and immigrants to access the services they need and better integrate into the community.
- e) *Lobby senior government:* Lobbying has been a key component of the Housing Committee's work and is outlined as a recommendation in the 2012 Action Plan. By working with other communities through a regional body, the Housing Committee can continue these lobbying efforts and provide a stronger voice in discussions with both federal and provincial governments. Key areas for lobbying include increasing the shelter component of income assistance and making single persons eligible for the Rental Assistance Program (RAP).
- f) *Lobby the CMHC to increase subsidies for on-reserve housing:* In collaboration with local First Nations bands, advocate for increased and

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<sup>15</sup> More information on the Committee can be found here:

<http://www.metrovancouver.org/PLANNING/HOMELESSNESS/Pages/default.aspx>

improved housing. Current subsidies are woefully inadequate, given the extremely high levels of demand, and the increased housing material and construction costs.

- g) Work with local institutions of higher learning to support student and staff housing:* Where possible, the Housing Committee should seek to collaborate with NWCC and UNBC to support their efforts towards securing adequate housing for students and staff, including visiting professors and lecturers.
- h) Reach out to other Northern communities that have experienced economic booms:* Research the lessons learned from other communities that have undergone rapid economic and population transition to better understand the stress placed on the housing system and how this may be most appropriately addressed. This may also include research on how growth may be leveraged for lasting community benefits.