Appendix 2

Housing Technical Study

City of St. Albert
Planning & Development

MARCH 2015

Table of Contents

II. HOUSING ANALYSIS 3

A. Introduction 3
B. Data and Information Sources 4
C. Regional Housing Trends 5
D. New Housing Starts 8
E. Existing Housing Characteristics 15
F. Household Occupancy Trends 19
G. Housing Continuum 25
H. Seniors Housing Trends 26

List of Figures

Figure II.A - Regional Housing Types 6
Figure II.B - Capital Region Homeownership Rates 6
Figure II.C - Percentage of Housing Starts 2012-2013 8
Figure II.D - St. Albert Housing Starts 2003 - 2011 9
Figure II.E - 2013 Single-family Dwelling Completions 11
Figure II.F - Median Single-family Dwelling Prices 2006 – 2013 12
Figure II.G - St. Albert Housing Mix 2012 16
Figure II.H - Period of Construction 17
Figure II.I - Renter and Owner Occupancy 19
Figure II.J - Age Groups of Primary Maintainer - Renter and Owner Households 20
Figure II.K - Number of Rental Units 21
Figure II.L - 2011 Percentage of Rental Housing Stock by Price Range 24
Figure II.M - Percentage of seniors within Neighbourhoods 2012 27
Figure II.N - Senior Occupancy by Housing Type 27
Figure II.O - St. Albert Moves of Residents over 65 29

List of Tables

Table II.1 - Housing Starts by Municipality 8
Table II.2 - St. Albert Single-family Dwellings by Price 11
Table II.3 - Single-family Dwelling Sales 2013 15
Table II.4 - Multi-Family Sales 2013 16
Table II.5 - Residential Property Assessment Value Distribution 17
Table II.6 - Regional Rental Stock 22
Table II.7 - Private Apartment Rental Rates - CMHC 2011 22
Table II.8 - Historical Vacancy Rates 23
Table II.9 - Housing Continuum Price Targets 25
Table II.10 - Senior Housing Choices by Household Type 28

II. Housing Analysis

A. Introduction

In the coming decade, the economic prosperity of the Capital Region will attract new businesses and industry to regional communities. Within St. Albert, the designation of 243 ha (600 acres) of light industrial land within the City's boundaries will furnish the City with the opportunity to provide a greater focus on industrial and commercial development. A larger industrial and commercial tax base will improve the City's fiscal position with a stronger local employment base, enhancing lifestyle and employment opportunities for residents.

Industrial development is expected to drive population growth, and spin-off economic opportunities for local business. The degree to which St. Albert can capitalize on its potential will depend significantly on the competiveness of its industrial land base, and the availability of housing to suit employment needs (Miller, 2011).

This section will explore the City's current housing stock, dwelling age, type, and condition, housing prices and rents. This information will provide the basis for projecting future housing demands, and affordability ranges. Housing preferences also play a key role within housing demand, generally based on household type and age. Close proximity transportation options, recreation services, shopping, and parks all contribute to the desirability of one location over another.

B. Data and Information Sources

Statistical sources for this analysis include information from the 2011 Canada Census, the 2011 National Housing Survey, the St. Albert municipal census, Statistics Canada taxfiler data from various years, and Canada Mortgage and Housing Corporation (CMHC) housing and rental market reports.

The National Housing Survey was conducted in the spring of 2011 by Statistics Canada through a voluntary questionnaire to selected recipients. References to income and housing values were based on 2010 data sources. For comparison purposes, this report utilizes incomes from the 2011 Canada Census and 2010 taxfiler data, both referencing 2010 incomes.

While the 2011 National Housing Survey (NHS) was conducted three years ago, there is a two year lag time between data collection and data release. Information on income, earnings, housing and shelter costs from the NHS were released in Sept. 2013, and is the most current data available comparing incomes with housing costs and tenure.

The Capital Region Board (CRB) sub-regional housing needs assessment template was utilized in preparation of this report, including information from the custom data purchased by the CRB for the sub-regional housing assessment project.

In addition to statistical analysis, community thoughts and concerns have been included through two sources, the Social Master Plan and the Residential Housing Survey. This information provides qualitative data to complement the quantitative data from statistical sources.

1. Data Limitations

All counts in census tabulations are subjected to random rounding. Random rounding transforms all raw counts to random rounded counts. All counts are rounded to a base of 5, meaning they will end in either 0 or 5. For all quantitative variables, a statistic is suppressed if the number of actual records used in the calculation is less than 4.

In addition to random rounding, area and data suppression has been adopted to further protect the confidentiality of individual respondents' personal information. This means that counts of specific categories may vary from counts of total categories. Data may be suppressed in smaller categories which do not provide an accurate assessment of need in these instances.

C. Regional Housing Trends

1. Existing Dwelling Types

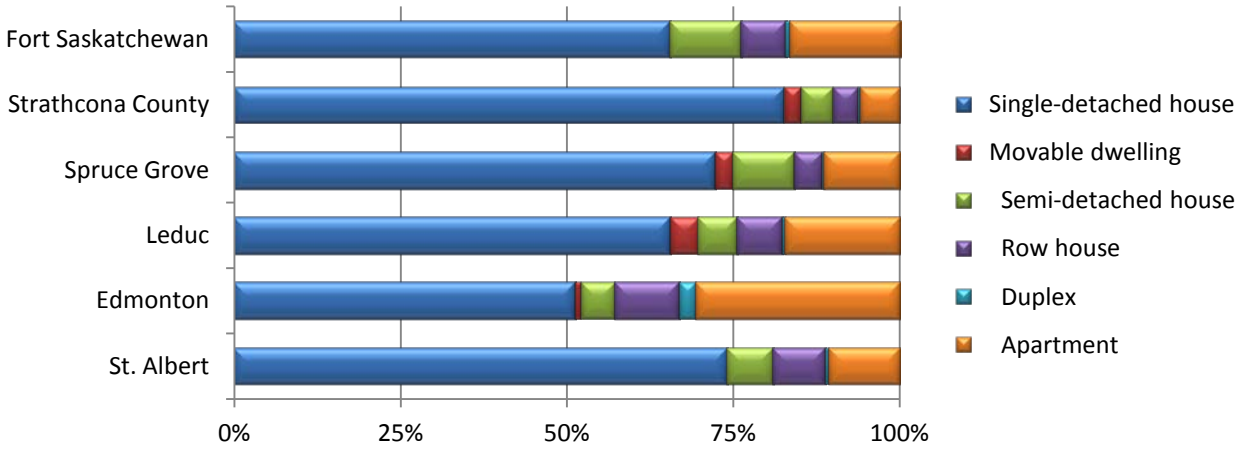
A comparison of the City's housing stock indicates a lesser variety of housing types in St. Albert than most comparators, excluding Strathcona County as shown in Figure II.A. Strathcona County has the highest predominance of single-family dwellings, with the most limited variety of other housing forms.

- Edmonton's housing stock is the most diverse, with the highest percentage of apartment and rowhouse dwellings.
- Leduc and Fort Saskatchewan's housing mix is relatively comparable, with a mixture of single-family, rowhouse, and duplex dwellings.
- Spruce Grove is St. Albert's closest comparator with regards to housing mix, with a similar percentage of single detached homes, but shows a variation in other housing forms.
- St. Albert shows a lower percentage of apartment dwellings. Since these statistics were gathered in 2011, the number of multi-family housing permits and completions has increased significantly.

Key Point

A greater mixture of housing forms within the City could potentially increase growth opportunities, as the City would appeal to a greater demographic range, provided these housing choices are comparative in price to other regional locations.

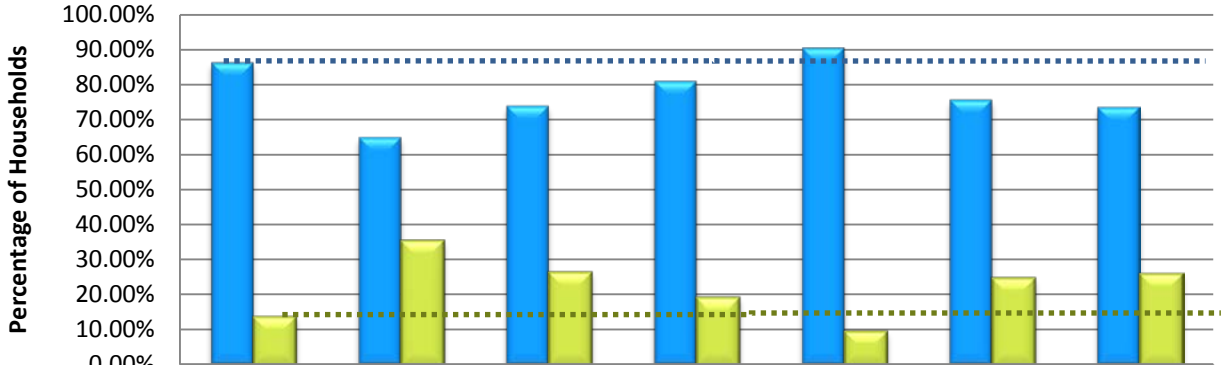
Figure II.A - Regional Housing Types



a) Rental/Ownership Mix

St. Albert has a higher percentage of homeowners than regional and provincial comparators as shown in Figure II.B. High ownership rates and a greater percentage of single-family dwellings are typical of Canadian bedroom communities. A greater percentage of owner occupied dwellings is a sign of community prosperity and stability.

Figure II.B - Capital Region Homeownership Rates



	St. Albert	Edmonton	Leduc	Spruce Grove	Strathcona County	Fort Sask.	Alberta
Owner	86.27%	64.87%	73.84%	80.93%	90.42%	75.58%	73.56%
Renter	13.73%	35.13%	26.16%	19.02%	9.60%	24.49%	25.75%

A high percentage of existing homeowners are long term residents. The Residential Housing Survey showed 227 respondents having lived in St. Albert for 11 or more years, and 83 of those for 30 or more years. Long term residency indicates general satisfaction with the City and living status.

A sense of community cohesion and safety has been noted as one of the City's attributes in the Residential Housing Survey.

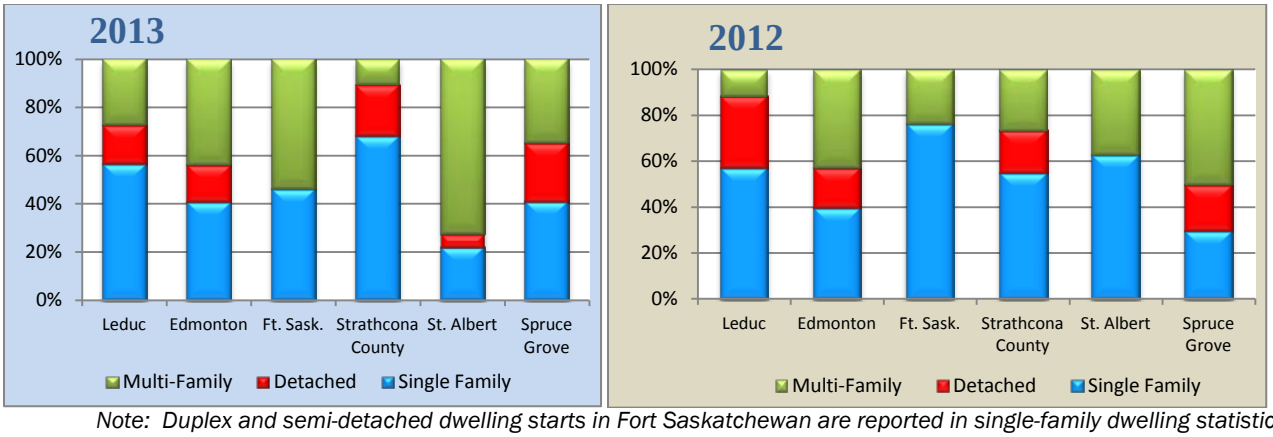
> *"I moved in from the country northwest of St. Albert and I chose to live in St. Albert over any other area because it's beautiful and it's a comfortable sized city to live in."*
>
> *"I feel safe here. I like the small city atmosphere, the people here are nice. Everything I need is in St. Albert."*

D. New Housing Starts

New housing starts indicate the planned direction of growth, however there may be a significant lag between housing starts and completions, particularly in large multi-family projects.

Over the last two years St. Albert has experienced a significant increase in building and development permits, particularly within the multi-family housing market, as shown in Figure II.C. In 2013, St. Albert experienced a record 161% increase in housing starts, with the highest percentages within the multi-family category. While the percentages of single-family housing starts appear to be significantly lower in 2013 (Figure II.C), in reality there was a decrease of 18 units from 2012, as shown in Table II.1. St. Albert may be "catching up" to the growth trend experienced by other Capital Region communities, due to the steps taken to encourage growth. The City also shows a higher number of multi-family housing starts than historically experienced by regional comparators.

Figure II.C - Percentage of Housing Starts 2012-2013



Note: Duplex and semi-detached dwelling starts in Fort Saskatchewan are reported in single-family dwelling statistics.

Table II.1 - Housing Starts by Municipality

2012 Starts	Leduc	Edmonton	Fort Saskatchewan	Strathcona County	St. Albert	Spruce Grove
Single-family	256	3,653	250	312	198	200
Detached	141	1,596		105	0	134
Multi-Family	53	3,969	78	152	118	340
Total Units	450	9,218	328	569	316	674
2013 Starts	**Leduc**	**Edmonton**	**Fort Saskatchewan**	**Strathcona County**	**St. Albert**	**Spruce Grove**
Single-family	287	4,230	239	332	180	276
Detached	80	1,614		104	46	164
Multi-Family	139	4,557	281	52	599	236
Total Units	506	10,401	520	488	825	676
% Difference from 2012	12%	12%	58%	-15%	161%	0.3%

Source: CMHC Housing Now

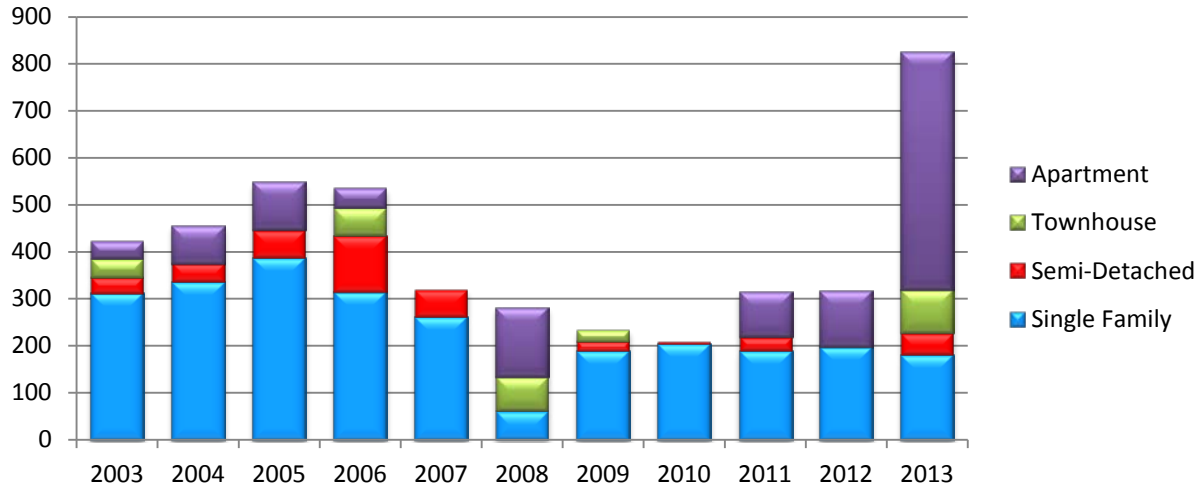
The actions undertaken by the City to provide more opportunities for new development appear to be changing the City's housing mix in the positive manner. The strong economic growth of the Capital Region is also a significant contributor towards housing growth in all communities.

1. Multi-family Developments

St. Albert's building permits over the last three years have seen a dramatic shift from single-family dwellings to a wider range of multi-family housing options as shown in Figure II.D. It can be expected that this development pattern will continue due to the following factors:

- The Capital Region Board regulation stipulates that the City must require all new residential areas of the City to meet the minimum residential target density of 30 units per net residential hectare. The intent of these density targets is to reduce the amount of land consumed by low density residential development (single-family dwellings), which will result in a higher percentage of housing in multiple unit forms to meet density targets. South Riel, Erin Ridge North, Ville Giroux and Riverside will see an increased number medium and high density housing than existing areas of the City.
- A greater variety of housing choices in a variety of housing forms and tenures will be required to meet the needs of the City's changing demographics to fulfill the City's economic development and smart city goals.
- Lower cost housing options are more affordable to develop as multiple units than detached single-family dwellings.

Figure II.D - St. Albert Housing Starts 2003 - 2011



Source: Building Permit Statistics – City of St. Albert

While a large proportion of the senior and rental housing market are multi-storey apartment dwellings, the City has the ability to increase its focus on duplex, townhouse, and semi-detached housing forms. There appears to be greater flexibility in housing choices in comparator communities than St. Albert as indicated in Figure II.C.

a) Multi-Family Rental Housing

A large proportion of the new multi-family developments have been rentals, with 914 units started or completed since 2010. Demand within the multi-family rental housing market has been high, as new rental projects have been fully occupied within months of completion. This success has spurred the development of additional rental units.

While the availability of rental units has increased, affordability has decreased. New units are being rented at premium rates, as they have more amenities than the City's older rental housing stock, and are newer. New two bedroom units are being rented at rates between $1,375/month to $1,475/month compared the average rental rate of $1,190/month for 2 bedroom units[1].

2. Detached Dwellings

Detached housing forms make up the smallest percentages of new housing starts, as shown in Figure II.C and Table II.1, with fewer units developed in St. Albert than comparator communities. As detached dwellings are generally more affordable than single-family dwellings, this may be one of the areas that the City can work on to encourage more development.

Key Point

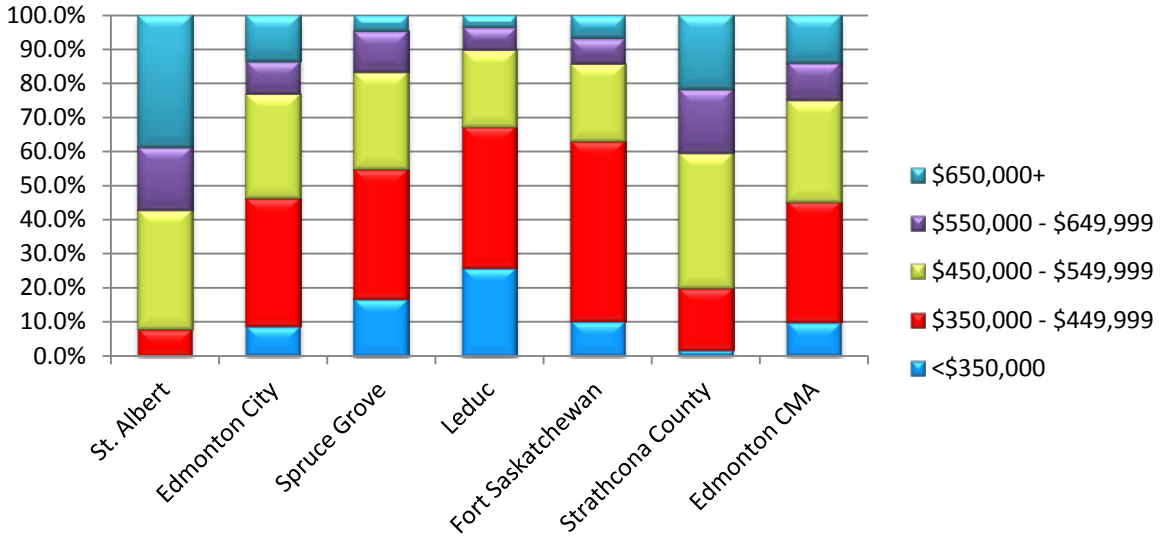
Duplex, townhouse, and semi-detached housing forms may give the City an opportunity to provide greater diversity in housing choices for new and existing residents.

3. Single-family Dwellings

Single-family dwellings are a significant percentage of each Capital Region community's housing market. However, there is a significant difference between price ranges of St. Albert's housing and comparator communities as shown in Figure II.E. Growth within the single-family dwelling category in Spruce Grove, Leduc, and Fort Saskatchewan shows a high percentage of housing below the $450,000 price point and a smaller percentage of housing above this price point.

[1] *CMHC Rental Market Report, Fall 2013.*

Figure II.E - 2013 Single-family Dwelling Completions



Source: CMHC Housing Now Edmonton CMA, January 2014

In comparison, St. Albert's market focus has been principally above the $450,000 price range, with less than 10% of the City's housing stock developed below $450,000, and virtually no single-family dwellings developed below $350,000 as shown in Table II.2[2].

Table II.2 - St. Albert Single-family Dwellings by Price

St. Albert	2008	2009	2010	2011	2012	2013
Units less than $350.000	0.8%	0.7%	0.5%	0.6%	0.0%	0.0%
Total Units Developed	237	137	182	166	208	150
St. Albert Median Price	$579,200	$565,500	$518,600	$548,800	$539,900	$580,900
Mortgage Payments	$144,277	$140,910	$129,380	$136,803	$134,615	$144,695

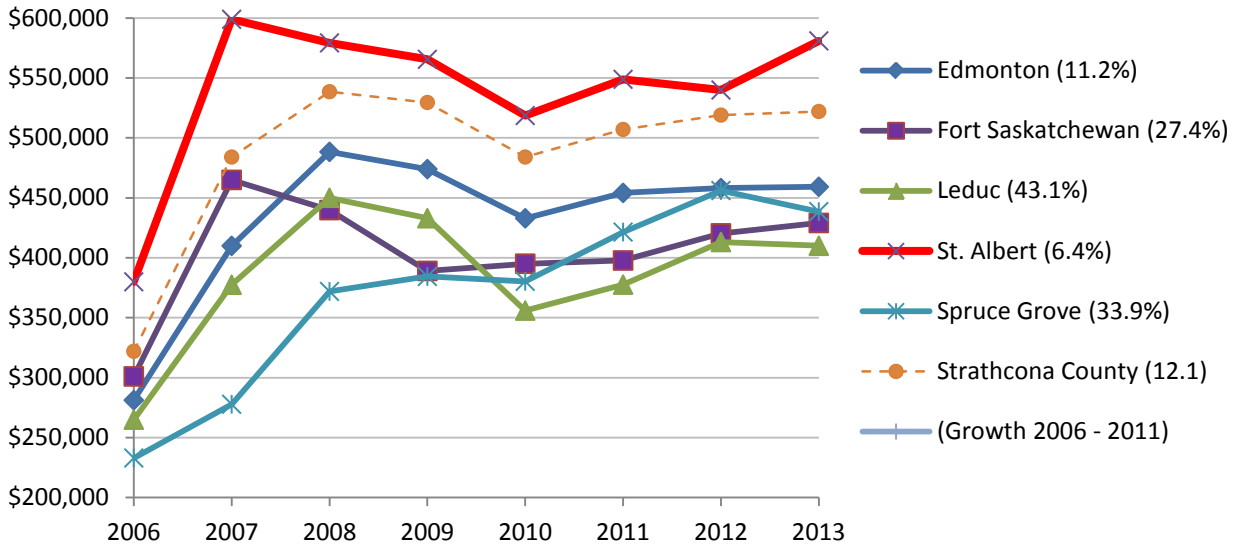
St. Albert shows a higher percentage of housing starts above $650,000 than any other regional comparator, with 57% of the City's housing market above this price range. This housing is within the move-up housing market, with median housing prices most suited for households earning more than $129,000 per year (refer to Table II.2), which is higher than the City's median income. A significant portion of households earning median incomes are mature couple families in their highest income earning years, who are more likely to own or purchase homes of greater value.

[2] *Note: Payments assume 30% of income is spent on housing, 5% interest rate, 25 year amortization, 10% down, CMHC mortgage insurance, heat, water and taxes.*

St. Albert's population exhibits a relationship between the age of the householder and housing options: younger households are more likely to rent or live in homes priced at the lower end of the market; older householders are more likely to own homes of greater value.

This difference is a strong indication that the City's new ownership housing market is less balanced than other regional communities, and not within competitive price ranges. Median single-family housing prices in St. Albert exceeded all comparator communities except Strathcona County by more than $100,000 as shown in Figure II.F. For the past six years, St. Albert has developed less than 0.8% of its single-family housing stock below the $350,000 price range (Table II.2). The lack of single-family housing starts within the lower price ranges appears to be driving the entry level housing market to other Capital Region communities with more housing choices affordable to the modest income levels earned by younger households.

Figure II.F - Median Single-family Dwelling Prices 2006 – 2013



In previous years, the limited amount of available land for development was also a significant factor influencing higher housing prices. Before annexation in 2007, the supply of lots was directed towards demand for higher end housing products on larger lots.

Lot prices are influenced by the initial cost to purchase, development costs including municipal fees and levies, districting (higher density districts command higher prices than single-family districts), proximity to transportation, and community amenities. Supply and demand also has an impact on prices.

Private developers are responsible for land development in the City. The City's responsibility is to ensure that services and standards comply with municipal requirements.

4. The Importance of Entry Level Housing

The demand for new housing is directly linked to household formation[3] as it represents the biggest component of long-term demand for new housing. Households tend to purchase their first home as young adults, and in many cases, later exchanging these dwellings for greater amenities, or housing that more closely matches their needs as their families evolve. Up to age 55, finding a bigger house is the prime motivation for moving, corresponding to the desire for a better quality dwelling or neighbourhood.[4]

Households initially become established in the community where they purchase their first home, typically between the ages of 25 – 44. Households are more likely to remain in their current community when they choose to move up the housing ladder, particularly if they have children in school. This is why it is important that the City has an adequate supply of entry level housing suitable for young families, singles, and couples, in order to attract and retain these residents.

Households in their early income earning years currently have limited opportunities to get into St. Albert's housing market as they earn less. While there is a good supply of older housing stock within modest price ranges, not all households want older homes. The cost and time involved with upgrading a home may not be desired, or these households may lack the ability to take on such a project.

Households are attracted to communities which give them the most value for their price range. The record growth rates of Spruce Grove, Leduc, and Fort Saskatchewan are a key indicator of this trend. As migration is expected to be the main driver of growth within the Capital Region, new migrants will be attracted to the communities that provide them with the housing choices they demand, in the price ranges they can afford.

The lack of lower priced housing options also discourages younger households from staying in St. Albert, and suggests that these households are choosing comparator communities. St. Albert has experienced a drop in the City's population of 25 – 44 year olds, whereas this age group makes up a higher component of comparator community populations.

Key Point

While housing prices may be one of a number of factors that have impacted St. Albert's ability to grow, it is an area that the City can focus its efforts on, to encourage a wider range of housing choices moving forward.

---

[3] *Household formation represents the number of new households that will be formed over the long term, and is the underlying driver of long-term demand for new housing and thus new home construction.*

[4] *Canada Mortgage and Housing Corporation, Canadian Housing Observer 2011, Demographic and Socio-economic Influences on Housing Demand page 57.*

The Residential Housing Survey also indicated that residents and non-residents also preferred to be located closer to their work, while also considering other amenities within the community.

Survey Comments:

"St. Albert doesn't offer affordable new homes as an option. Must buy an older home with maintenance and updates required."

"I can afford to rent a property that basically meets my needs but if I were looking at buying something, I would not be able to afford what I want in St. Albert, and would have to move elsewhere."

E. Existing Housing Characteristics

1. Housing Prices

Dwelling prices within the City range according to neighbourhood and household size. Sales data from 2013 show that the most affordable areas are the older neighbourhoods of Sturgeon, Mission, Akinsdale, Forest Lawn, Braeside, and Grandin, as shown in Table II.3. Older housing stock is generally smaller in size than newer housing products, with fewer amenities.

Northridge, and Erin Ridge have the highest number of house sales, and are also the most active areas of new construction. Most areas of the City experienced changes in ownership within the 4% to 6% range in 2013.

St. Albert's housing mix has a high percentage of single-family dwellings. Duplexes, semi-detached dwellings, townhouses, and multi-family apartment units made up less than 25.7% of the City existing housing mix, as shown in Figure II.G.

Table II.3 - Single-family Dwelling Sales 2013

Neighbourhood	No. of Sales	Average Price per Area	Average Year Built	Average House Size	Average Cost (sq ft)	Area Turnover
STURGEON	31	$325,823	1962	1,120	$291	4.7%
MISSION	27	$341,456	1969	1,261	$271	5.1%
AKINSDALE	57	$356,734	1978	1,372	$260	4.5%
FOREST LAWN	34	$368,673	1973	1,316	$280	4.1%
BRAESIDE	51	$374,266	1971	1,349	$277	6.3%
GRANDIN	80	$375,866	1967	1,413	$266	4.9%
DEER RIDGE	102	$393,677	1993	1,537	$256	5.1%
HERITAGE LAKES	64	$410,528	1996	1,519	$270	5.7%
WOODLANDS	24	$418,875	1981	1,706	$246	3.6%
PINEVIEW	23	$450,626	1985	1,942	$232	4.3%
LACOMBE PARK	121	$476,893	1986	1,688	$283	5.4%
NORTHRIDGE	115	$500,261	2008	1,931	$259	11.9%
ERIN RIDGE	154	$518,708	2004	1,982	$262	10.1%
INGLEWOOD	4	$546,250	1987	2,279	$240	4.2%
OAKMONT	62	$579,826	2002	1,836	$316	6.4%
KINGSWOOD	42	$648,491	2001	1,976	$328	5.3%
Total Sales	990					

Source: City of St. Albert Assessment Department

Table II.4 - Multi-Family Sales 2013

Average Price	Average Sale Price	Highest Price	Lowest Price	Lowest 25%	Highest 25%
Apartment Condominiums	$239,653	$505,000	$128,000	$128,000 - $202,900	$281,000 - $505,000
Duplex	$319,000	$675,000	$217,500	$217,500 - $259,000	$345,000 - $675,000
Rowhouse	$282,553	$528,000	$160,000	$160,000 - $217,500	$302,084 - $528,000

Multi-family housing has a wide range of prices as shown in Table II.4. In 2013, the lowest price was $128,000, affordable to a households earning $39,000/year. The City also has a number of multi-family dwelling forms exceeding $500,000.

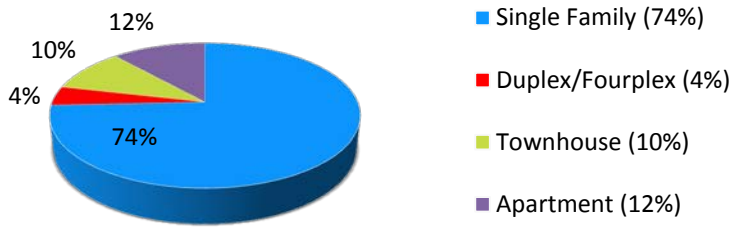
2. *Type and Condition of Housing Stock*

St. Albert's housing mix consists principally of single family dwellings with 26% in multi-family housing forms as shown in Figure II.G. The majority of the City's housing is in good condition, with less than 4% (955 dwellings) needing major repairs.

Most of St. Albert's dwellings are also considered suitable, with an appropriate number of bedrooms for the household size. In 2011, 1% of owner dwellings (255) and 6% of renter dwellings (205) were considered unsuitable for the household size.

In 2011, 40 dwellings did not meet combined repair and suitability standards, which is a negligible amount.

Figure II.G - St. Albert Housing Mix 2012

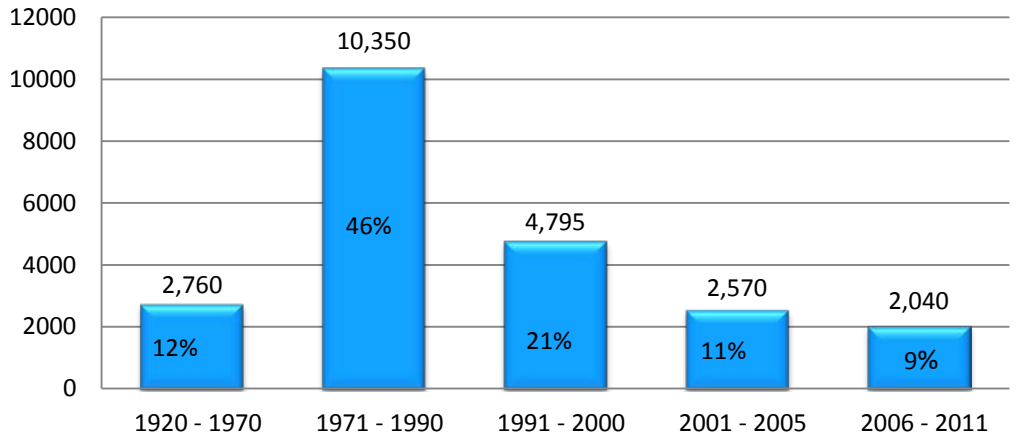


Source: 2012 St. Albert Municipal Census

3. *Age of Housing Stock*

The highest percentage of the City's housing stock (46%) was built from 1971 – 1990, which were the years of the City's highest growth. Since 2000, the number of dwellings has increased by 20% as indicated in Figure II.H, which is a lower percentage than the Capital region average of 24%. As a result, St. Albert has a lower percentage of newer homes than comparator communities.

Figure II.H - Period of Construction



Source: 2011 National Housing Survey

Homes built from 1971 to 1990 are generally modest in size and amenities. 62.4% of the City's housing stock was assessed below $400,000 in 2013. Annual incomes needed to purchase a home in these price ranges have been included in Table II.5.

Table II.5 - Residential Property Assessment Value Distribution

Percentage of Housing	Less than $300,000	$300,000 - $400,000	$400,001 - $500,000	$500,001 - $600,000	$600,001 - $700,000	Greater than $700,001
2011	23.6%	43.2%	21.3%	7.2%	2.6%	2%
2013	21.7%	40.7%	23.1%	8.4%	3.4%	2.7%
Required Annual Income to Purchase	<$74,500	$74,500 to $98,300	$98,300 to $122,000	$122,000 to $145,500	$145,500 to $170,000	> $170,000

Qualifying incomes based on 5% down, 4.5% mortgage rate, with 25 years amortization

The difference between housing assessments in 2011 and 2013 show that the percentage of lower priced homes is dropping, and the percentage of homes priced above $400,000 is increasing. Households would require incomes above $98,300 to pay for homes worth more than $400,000.

4. Housing Regeneration

While the majority of the City's neighbourhoods are relatively young (less than 50 years old), there is an increase in housing redevelopment occurring in the older areas of Grandin, Mission, Sturgeon and Braeside.

Dwellings generally have an average serviceable life of approximately 75 years, if they are well maintained and kept in good condition. Size and lack of amenities are also one of the factors that results in the older dwellings being replaced with new housing. While housing replacement is desired from a community development standpoint, redevelopment costs are considerable. It is

more expensive to purchase an older home, tear it down and rebuild. Therefore it must be economically feasible to redevelop the property by building a larger home or a multi-family housing form.

Redevelopment options often include higher density housing choices in order to make the project financial viable. If development restrictions are too great in infill areas, there is a risk that existing housing stock may not be regenerated.

Key Point:

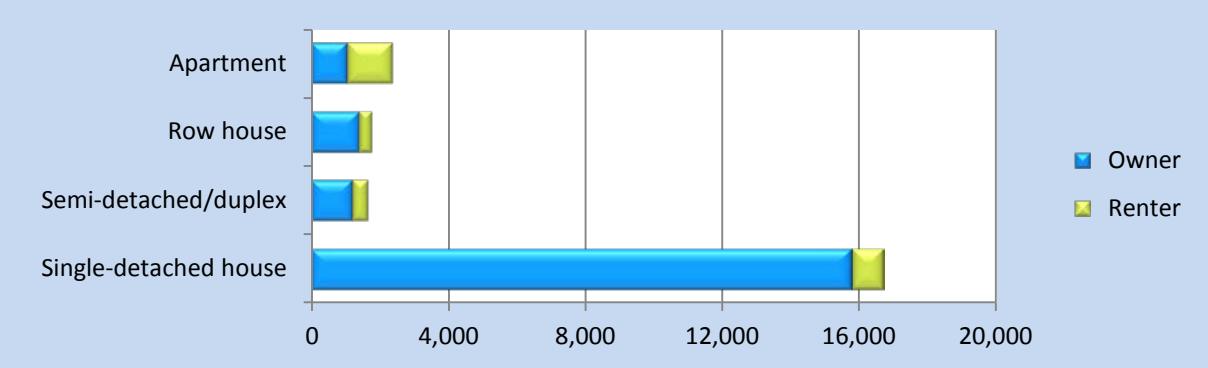
Multi-family infill development is generally more financially feasible than single-family infill development, due to the cost of purchasing an existing lot with an older home.

F. Household Occupancy Trends

The majority of St. Albert's dwellings are owner occupied. Of those, single-family dwellings make up the highest percentage, as shown in Figure II.I. Multi-family duplexes, semi-detached and row housing stock also show a high owner occupancy rate of 70%.

Apartment dwellings make up the highest percentage of the City's purpose built rental housing stock, with renters living in 55% of apartment dwellings. Interestingly, 98% of owner occupied multi-family housing stock is owned by seniors.

Figure II.I - Renter and Owner Occupancy



a) Benefits of Homeownership

High owner occupancy rates are a sign of community stability. While homeownership may be more expensive over the short term, provides greater affordability over the long term.

Senior homeowners particularly benefit from homeownership. A study by Statistics Canada in 2002[5] found that retired households (65 and over) living mortgage-free in owner occupied dwellings carried a considerable lower housing cost burden than tenants, and if needed, they would be able to negotiate a reverse mortgage to access their built-up household equity, trade to a lower cost home, or rent with the equity received from the sale of their home when housing needs change.

The 2011 National Housing Survey shows that St. Albert owner households spend less on housing costs than in comparator communities, with median expenses of $1,249/month. This statistic is quite interesting, as new median housing costs are higher than comparators. One reason for this difference may be a higher percentage of mature homeowners who have lived in their housing for a longer period of time.

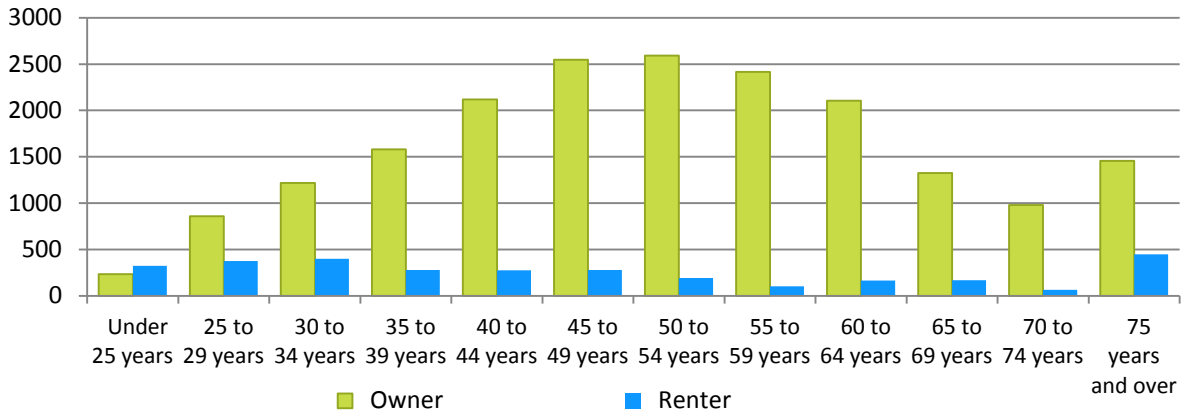
[5] *Housing: An income Issue, June 2002, Volume 3, number 6 accessed from http://www.statcan.gc.ca/pub/75-001-x/00602/8442-eng.html on*

St. Albert renter households spend $1,279/month on housing costs. Over the long term, renter housing costs continue to rise to meet the costs of inflation as shown in Table II.7. This makes it more difficult for renter households to transition from the rental market, as they are less able to save for a downpayment.

2. Age of Owner and Renter Households

The highest numbers of homeowners are within the 35 – 64 age brackets, with renters more evenly distributed across all age groups as shown in Figure II.J. The numbers of renters are highest under the age of 34, modestly decreasing up to age 65. Renters over 75 outstrip all other age groups, most likely due to the number of seniors transitioning from privately owned dwellings to rented multi-family dwellings or senior specific housing types.

Figure II.J - Age Groups of Primary Maintainer - Renter and Owner Households



3. Rental Occupancy Trends

Rental housing plays an important role in the City's housing stock, as a viable component of a healthy housing sector. Rental units provide a more affordable and flexible choice than homeownership over the short term. The choice to rent may be influenced by various economic lifestyle, or demographic factors. Households often choose to rent when they first move out of their parents home, when they move to a new community, when their family situation is more suited to renting, or when they prefer to not have the responsibility and maintenance involved with homeownership. The choice to rent may also be impacted by income.

Approximately 1/3 of Canadian households are renters. A balanced vacancy rate is widely accepted at 3% to 5%[6], in order for the rental housing market to operate efficiently. Low vacancy rates mean that rental choices may be limited, in high demand, and may be commanding higher rents than if the market was more balanced.

[6] *No Vacancy: Trends in Rental Housing in Canada, Federation of Canadian Municipalities, May 2012.*

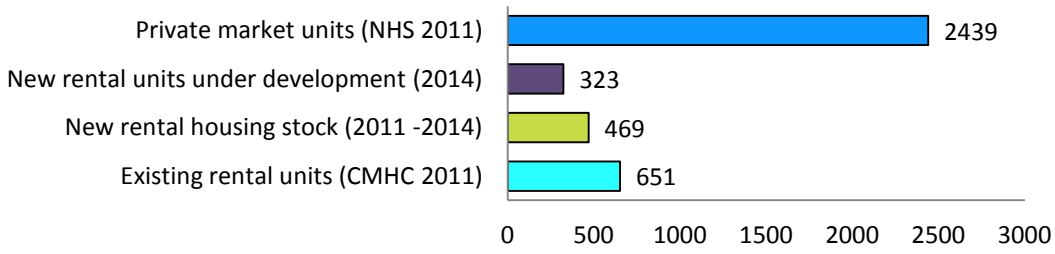
A healthy rental market supports a mobile workforce, which is a desirable component of the Capital Region's economic future. The continued migration of new workers to Alberta is expected to maintain the low vacancy rate.

4. Rental Housing Mix

The City's rental housing mix is a combination of purpose built rental units and private units rented through the secondary rental market (private homeowners renting their properties for income). Surprisingly, approximately 76% of the City's rental units are owned and rented by private investors. The remaining 24% are provided through purpose built rental housing stock, which is tracked by CMHC on an annual basis.

Since 2011, the City has experienced a significant increase in the number of purpose built rental units, as shown in Figure II.K. This increase can be attributed to the historically low vacancy rates within St. Albert, as well as the positive uptake of new rental units developed. The majority of new units include features such as in-suite laundry, two bathrooms, five appliances, and elevators, which are uncommon in older purpose built rental buildings. The most significant increase has been in the number of two bedroom units, which are well suited for roommates sharing.

Figure II.K - Number of Rental Units



While new units offer attractive amenities, they are also being rented at significantly higher rates than the City's older rental housing stock, a trend that has been seen across the country. There will continue to be a greater mismatch between the amount renters can afford to pay, and the rent demanded.

The number of new purpose built rental units are expected to double the number of units tracked by CMHC on an annual basis, but are not expected to significantly change the City's rental/ownership ratio; due to the high proportion of owned housing. There may be a risk that a portion of the newly developed rental units may be lost to condominium conversions if the condominium market improves.

Table II.6 - Regional Rental Stock

	St. Albert	Edmonton	Leduc	Spruce Grove	Strathcona County	Fort Sask.	Alberta
Percentage of rental housing	13.7%	35.1%	26.2%	19%	9.6%	24.5%	25.7%

St. Albert has a lower percentage rental stock than most comparators excluding Strathcona County as shown in Table II.6. This has resulted in greater demand for rental housing.

5. *Average Rental Rates*

From 2006 to 2013 rental rates in St. Albert rose an average of 54% as shown in Table II.7. Increases were highest in 3 bedroom units, and lowest in 1 bedroom units. St. Albert has no statistically significant bachelor units, so these numbers cannot be tracked.

This rental increase is strong considering that the cost of living index rose by 12% over the same term. As wage increases are closely related to the consumer price (CP) index, it is no wonder that renter households find it increasingly harder to make ends meet.

Table II.7 - Private Apartment Rental Rates - CMHC

	Average Rents (CMHC)								
St. Albert	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**Change**
Bachelor	a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
1 bedroom	$643	$736	$845	$897	$851	$871	$941	$953	48%
2 bedroom	$773	$900	$1,028	$1,029	$995	$1,034	$1,087	$1,190	54%
3 bedroom	$818	$1,028	$1,158	$1,206	$1,177	$1,200	$1,230	$1,293	58%
St. Albert Average	$ 750	$881	$1,008	$1,033	$1,017	$1,051	$1,080	$1,158	54%
Edmonton CMA Average	$727	$859	$930	$916	$917	$934	$965	$1,028	41%
CP Index	0.0	2.2%	2.3%	0.3%	1.8%	2.9%	1.5%	0.9%	12%
Dollar Value	$100	$102.00	$104.34	$104.66	$106.54	$109.63	$111.27	$112.28	$12.28

6. Vacancy Rates

St. Albert's vacancy rate has been generally lower than the Edmonton CMA over the last seven years, as shown in Table II.8. In 2008, the City experienced abnormally high vacancies in 3 bedroom apartments, which skewed the City's vacancy rates over the CMA averages. This event coincided with the renovations to Sturgeon Point Villas, which has the largest proportion of 3 bedroom apartment units.

Low vacancy rates, higher rents, and a lower proportion of rental properties as shown in Table II.8 and Figure II.L, have created supply/demand situation where the City's rental market is over inflated based on regional rents. This price difference indicates that renters are choosing to live in St. Albert for reasons other than rental cost. The Residential Housing Survey results show that schools, parks, safety, and amenities played a key role in St. Albert being the community of choice.

"We work extra because this is where we want our kids to go to school. They would be devastated if we moved to Edmonton. Another sacrifice to renting in St Albert is that there is no extra money to put my three kids into sports or extracurricular programs."

Table II.8 - Historical Vacancy Rates

Year	2007	2008	2009	2010	2011	2012	2013
St. Albert	**1.6%**	**3.7%**	**2.3%**	**2.3%**	**0.5%**	**0.9%**	**1.2%**
Edmonton City	1.6%	2.4%	4.5%	4.2%	3.3%	1.7%	1.4%
Edmonton CMA	1.5%	2.4%	4.5%	4.2%	3.3%	1.7%	1.4%

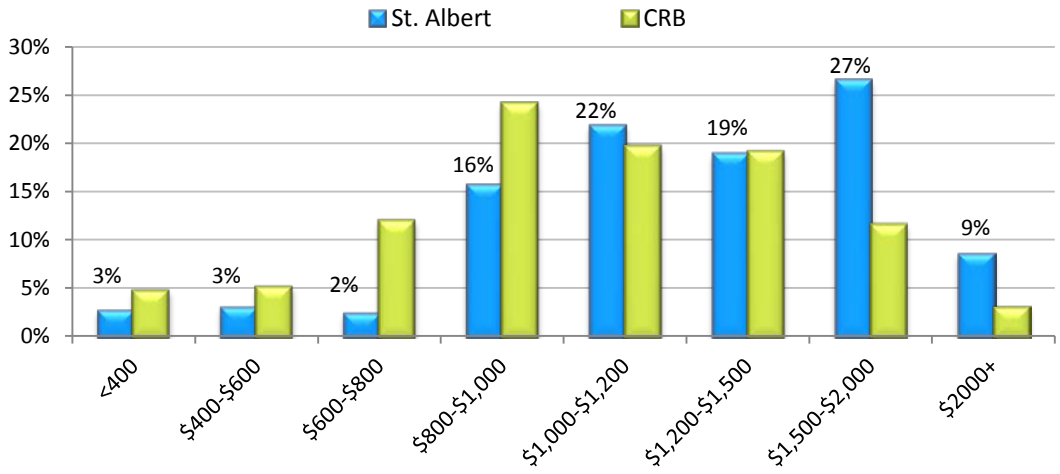
Source: CMHC Rental Market Reports

7. Rental Costs

Approximately 24% of St. Albert's rental stock is priced below $1,000/month, as compared to 46% of regional rental stock, as shown in Figure II.L. The 2011 National Housing Survey shows some rentals below $400/month, however as there were no publicly advertised units at these prices, it suggests that these units are rented privately through the secondary rental market, a housing management body, or not-for-profit organization, and likely are not available to the general public.

- The highest numbers of rental properties are within the $1,000 - $2,000/month price range (68%).
- St. Albert's average rental shelter cost is $1,328/month - $250 higher than the CRB regional average of $1,078/month.

Figure II.L - 2011 Percentage of Rental Housing Stock by Price Range



Source: 2011 National Housing Survey

G. Housing Continuum

The Capital Region Board has refined the housing continuum based on household income and type, to assess standard measures of affordability. These housing price ranges are recommended as the City's benchmark targets for both affordable and market housing, as shown in Table II.9, which can be updated annually.

Table II.9 - Housing Continuum Price Targets (Capital Region Board)

Capital Region Average income* (= base for benchmarks)		$85,000			
		Non Market Social	**Intermediate Affordable**	**Moderate market**	**Full Market**
Single	(Income as % Benchmark =)	0-35% Average Income	35 -60% Average Income	60% -100% Average Income	>100% Average Income
Max Income benchmark		$29,750	$51,000	$85,000	>$85,000
Affordable rent limit		$744	$1,275	$2,125	>$2,125
Affordable purchase limit		$134,379	$230,364	$383,939	>$384,000
Family	(Income as % Benchmark =)	0-50% Average Income	50-80% Average Income	80%-100% Average Income	>100% Average Income
Income benchmark		$42,500	$68,000	$85,000	> $85,000
Affordable rent limit		$1,063	$1,700	$2,125	>$2,125
Affordable purchase limit		$191,970	$307,151	$383,939	>$384,000
Total	(Income as % Benchmark =)	0-50% Average Income	50-80% Average Income	80%-100% Average Income	>100% Average Income
Income benchmark		42,500	68,000	85,000	> 85,000
Max afford rent		$1,063	$1,700	$2,125	>$2,125
Max afford buy		$191,970	$307,151	$383,939	>$384,000

H. Seniors Housing Trends

St. Albert's appears to be a senior's community of choice due to community amenities and close proximity to doctors, hospitals, and senior specific services. General satisfaction has been noted in the Residential Housing Survey from seniors on St. Albert's amenities.

"We like that it's a smaller community, it's relatively quiet, and the services are good. Lots of green spaces, our doctor is here, our kids live here, most of our friends live here, we're involved in the community, love the garbage collection system, we can do most of our shopping here now, etc."

"I feel safe here. I like the small city atmosphere, the people here are nice, everything I need is in St. Albert."

"I needed to be closer to medical services, lodge living and feel more safe there."

1. Senior's Housing Choices

Homeownership rates among seniors are higher than earlier generations of comparable ages, and are expected to likely increase in the future[7]. Condominium ownership rises after the age of 50, peaking at age 75 and older. This housing tenure is well suited for seniors, particularly single level apartments, as they combine the advantages of homeownership with maintenance, and offer a greater sense of security than single-family dwellings. Condominiums can provide more opportunities for socialization than single-family dwellings, which is particularly important as seniors' mobility decreases.

- In 2011, 85% of St. Albert households with a senior maintainer owned their homes. The remaining 15% were renters.
- 68% of single seniors were homeowners, 31% rented.
- The 2012 municipal census showed that senior owner occupancy of multi-family dwellings was high with seniors living in 70% of owner occupied townhome dwellings and 98% of owner occupied apartment condominiums as shown in Figure II.M.
- 2006 Provincial statistics show that approximately 71% of Alberta seniors lived in owned dwellings. An estimated 19% resided in rental accommodation and about 7% lived in provincial housing settings, including seniors' lodges. Approximately 3% of seniors lived in long-term care facilities.

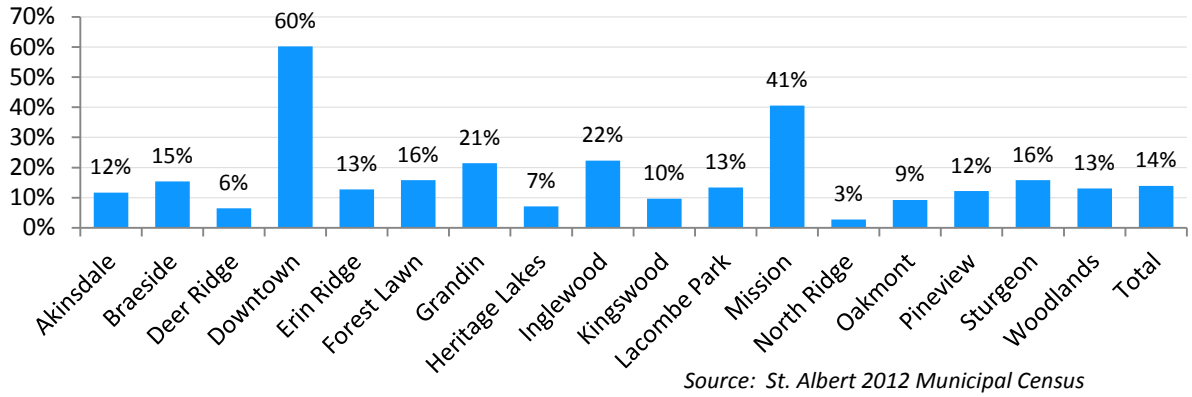
[7] *Demographic and Socio-economic influences on Housing Demand, Canadian Housing Observer, 2013, Page 57.*

a) *Where do St. Albert Seniors Live?*

The highest population of seniors live in Grandin, Mission, and Lacombe Park neighbourhoods, principally in single-family dwellings, as shown in Figure II.M. Overall, 33% of owner occupied single-family dwellings contain at least one senior.

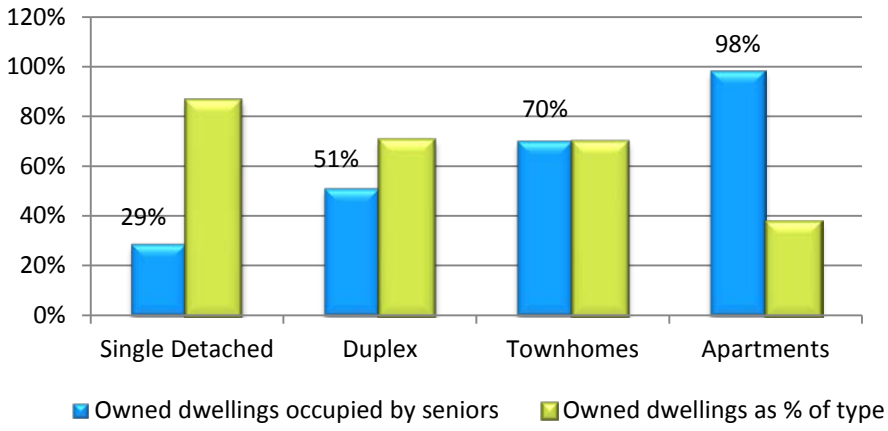
As a percentage of total neighbourhood population, the highest percentage of seniors live in the Downtown and Mission neighbourhoods as shown in Figure II.N.

Figure II.M - Percentage of seniors within Neighbourhoods 2012



Source: St. Albert 2012 Municipal Census

Figure II.N - Senior Occupancy by Housing Type



Source: St. Albert 2012 Municipal Census

b) *High rates of Single-family Ownership*

There is a high percentage of senior couple and single homeowners who live in single detached dwellings as shown in Table II.10. In comparison, senior renter households predominately live in apartments.

There appears to be a gradual transition from the single-family home to apartment and townhome dwellings as seniors' age. This trend is also seen nationally where seniors tend to transition from owned to rental dwellings, particularly after age 75.

Rental housing has a number of advantages for seniors; as there are reduced maintenance responsibilities, increased flexibility to move if health challenges occur, and greater opportunities for activities and socialization in senior specific developments.

Table II.10 - Senior Housing Choices by Household Type

	Senior Owners		Senior Renters		Percentage of rented dwellings occupied by seniors
	Couples	Singles	Couples	Singles	
Single Detached	72.7%	43.2%	26.8%	5.8%	2.7%
Duplex	4.8%	5.3%	7.4%	2.2%	3.7%
Townhome	12.1%	22.7%	14.9%	9.5%	5.1%
Multi-storey multi-family	10.3%	28.7%	50.7%	82.5%	9.4%
Total Seniors (2012 census)	1823	1159	67	137	

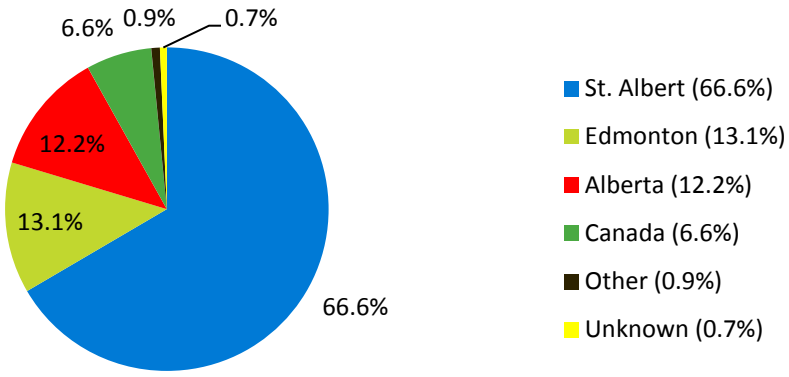
Source: St. Albert 2012 Municipal Census

c) *Changes in Housing Needs*

Seniors appear to be choosing to remain in St. Albert as their housing needs change. The 2012 municipal census statistics show a high percentage (66%) of senior moves within St. Albert, possibly to accommodate aging-in-place, changes in family status, health or income reasons. Seniors were also attracted to St. Albert from Edmonton and other parts of Alberta, as shown in Figure II.O.

The large population of seniors may result in a higher incidence of moves in the future. In 2012, more than half of senior households lived in single-family dwellings, accounting for 3,184 residences. As this population ages and housing needs change, a high percentage may stay in St. Albert, but transition to multi-family residences or senior specific residences with housing services in the future. This may result in a higher number of older residences sold, representing a good opportunity to attract new families to the City.

Figure II.O - St. Albert Moves of Residents over 65



Source: St. Albert Municipal Census 2012

2. Income Challenges

Household incomes tend to decline gradually after age 55, with seniors over 75 earning the lowest median incomes for both owner and renter households.

As female seniors outnumber males in older age groups, this can lead to the assumption that a larger proportion of single seniors are female. This demographic may have not worked outside the home in their adult life, instead choosing to stay at home and raise their families. Limited work history also reduces their eligibility for Canada Pension benefits, resulting in increased reliance on Old Age Security and Guaranteed Income Supplement benefits.

Lower incomes of female seniors makes this demographic more likely to need affordable housing, as retirement income is closely related to previous work history and savings, which can decrease in relative purchasing power over time.

3. Health Care Trends

As seniors age, health and mobility issues have a substantial impact on housing choices. St. Albert seniors are expected to have the same needs as national trends indicate[8]. Household preferences tend to change to renting after age 75 as health care needs increase. After age 85, seven out of ten seniors will be living in a care facility.

- The rate of disability increases steadily with age. Close to a quarter of those in the 65 - 74 age categories have a mobility problem. In the 85+ age category, over half have mobility problems.

[8] *Research Highlight "Impacts of the Aging of the Canadian Population on Housing and Communities" Socio-economic Series Issue 08-003. Ottawa: Canada Mortgage and Housing Corporation, February 2008. p. 2.*

- Dementia also has an increased impact. The risk for dementia doubles every five years after age 65[9]. It has also been found that 2% to 10% of all cases of dementia start before the age of 65.

a) Age Related Services

Households move less often as they mature, which implies that many seniors have strong attachments to their homes, associated routines, memories, and social networks[10]. In order to support seniors in their family home, and accommodate changes in mobility and health care needs, there will be a growing demand for home adaptations, seniors' maintenance services, and lifestyle assistance services such as meals, housekeeping, socialization programs, and homecare to enable seniors to be independent as long as possible. The projected increase in the seniors' population also means that it will be essential to support as many seniors in their own homes as possible, in order to alleviate pressures on seniors' specific housing.

The current baby boomer generation are upwardly mobile mature adults, who will also have higher expectations from seniors programs and services than previous generations.

Key Point:

The expected growth in the senior's population, combined with a higher percentage of seniors within the City will result in unprecedented demand for senior's housing and senior specific services. These needs will be particularly pronounced after the age of 75.

4. Use of the Alberta Property Tax Deferral Program

The Alberta Seniors Property Tax Deferral Program was implemented by the Province in 2013, to give eligible senior homeowners the option to defer all or part of their property taxes through a low-interest home equity loan with the Alberta government. Taxes are then paid by the Province directly to the municipality on the senior's behalf.

The loan must be repaid with interest (currently at 3%) when the home is sold. While the Program does increase the debt owed by the senior, it also relieves the senior of an annual expense, allowing that portion of their income to be utilized for other expenses.

In 2013, 50 St. Albert senior households took advantage of the program; however the number of seniors who would benefit from the program could be substantially higher. In 2011 there were 405 senior homeowners spending more than 30% of their income on housing with incomes less than $40,000/year.

---

[9] *World Alzheimer Report 2012, A public health priority. (2012). World Health Organization (WHO)*

[10] *Demographic and Socio-economic influences on Housing Demand, Canadian Housing Observer, 2013, Page 57.*