



2019 District of Mackenzie Housing Needs Report
Prepared for District of Mackenzie
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EXECUTIVE SUMMARY

To identify the current housing stock, the mix of housing units and their appropriateness and condition, as well as future and emerging needs the District of Mackenzie engaged MNP to undertake a housing needs assessment. The assessment is intended to be the first step in developing a housing strategy for the community.

Mackenzie has a resource-based economy which relies heavily on the forestry sector, and to a lesser extent, mining operations. However, recent developments have dampened the outlook for the forestry sector. Mining operations in the area have and are expected to continue to mitigate some of the impacts of the forestry sector downturn in the community. Other positive growth prospects within the community include the construction of two mines, construction of the Coastal GasLink Pipeline, and the growth of tourism opportunities related to outdoor recreation.



Source: District of Mackenzie

Population fluctuations have been part of Mackenzie's history. Mackenzie was established in the 1960s during the construction of the W.A.C. Bennett dam and grew to a peak population of 6,000 in 1996. Following a downturn in the forestry sector the population declined between 2006 and 2011. Improvements in the forestry sector led to modest increases in the population between 2011 and 2016 and in 2016 the population was estimated to be approximately 3,700.

Our review of data published by Statistics Canada found that in 2016:

- There were 1,630 households in Mackenzie
- The average household size in Mackenzie was 2.3 persons, down from 2.6 persons in 2006.
- Households with children, households without children, and one-person households each accounting for roughly a third of all households in the community.
- Seniors (65 years and over) accounted for 11 percent of the population, a significant increase from the 3.4 percent in 2006.
- 80 percent of all dwellings were homes with three or more bedrooms.
- 8.9 percent of dwellings required major repairs and this share increased between 2006 and 2016.



The information available from public sources suggests that the housing stock in Mackenzie is both affordable and suitable for the population. However, stakeholders in the community interviewed by MNP indicated that there was a limited stock of accessible housing and that the need for major repairs to the existing stock was significantly higher than reported by Statistics Canada.

A review of the demographic, income and housing supply data for Mackenzie, along with findings from interviews with relevant stakeholders within the community, revealed a number of gaps in housing supply and availability:

- There have been very few new housing units built in the past decade, limiting overall housing supply.
- Availability of rental housing varies significantly depending on the level of economic activity in the region.
- Accessible housing for seniors and citizens with mobility challenges is particularly scarce as are smaller housing units.
- The share of housing units in need of major repairs is growing, and the lack of emergency housing puts pressure on other agencies.

Based on trends in household formation, the state of the current housing stock and the gaps identified between housing need and housing supply emerging housing needs in the community include:

- Housing for seniors and accessible housing.
- Smaller housing units to accommodate smaller households.
- Repairs to the existing housing stock.

To assess housing needs over the period 2020 to 2025 population and housing needs projections were developed based on three growth scenarios. Table A shows the population and housing unit projections by scenario. Comparing the housing stock to the projected population and housing units suggests that the current housing stock is sufficient to meet projected demand through 2025. However, the mix of housing units is not consistent with the changing demographics in the community, and the projections do not account for the state of the current housing stock. To address issues surrounding the accessibility and adequacy of housing units as reported in the Census and by community stakeholders, repairs need to be made to existing homes as well as modifications to accommodate seniors and persons with mobility challenges.

Table A: Population and Housing Needs Projections by Scenario, 2020 and 2025

	2020	2025	Percentage change (2020-2025)
Low growth scenario (population declines by 5 percent)			
Population	3,855	3,662	-5.0%
Housing units needed	1,675	1,590	-5.1%
Housing units available	1,720-1,760	1,720-1,760	0.0%
Baseline growth scenario (population is stable)			
Population	3,888	3,888	0.0%
Housing units needed	1,690	1,690	0.0%
Housing units available	1,720-1,760	1,720-1,760	0.0%
High growth scenario (population grows by 3.5 percent)			
Population	3,925	4,062	3.5%
Housing units needed	1,700	1,765	3.8%
Housing units available	1,720-1,760	1,720-1,760	0.0%

1. INTRODUCTION

Background and Purpose

Mackenzie is a community located at the south end of Williston Lake in central British Columbia (“BC”). It was established in the 1960s during the construction of the W.A.C Bennet dam and grew to a population of 6,000 by 1996. Since then, the population has declined to approximately 3,888 in 2019. The region is rich in natural resources and features a variety of outdoor recreation opportunities.

The community, like many other resource-dependent communities, has experienced fluctuations in economic activity and population. The District of Mackenzie (the “District”) identified the need to undertake a housing needs assessment to identify current housing stock, the mix of housing units and their appropriateness and condition, as well as future and emerging needs. The housing needs assessment is intended to be the first step in developing a housing strategy for the community.

To meet new legislative requirements¹ and better understand current and future housing needs to support community planning, the District engaged MNP LLP (“MNP”) to assess current and projected housing needs in the community.

Scope

The geographic scope of the housing needs assessment was restricted to the municipal boundaries of Mackenzie (Figure 1). In the Statistics Canada data used in the study, the municipal boundaries of Mackenzie are represented by the census subdivision Mackenzie, District municipality.

The scope of the study encompassed:

- Gathering data from publicly available sources and through stakeholder consultation.
- Assessing current and projected housing needs over the five-year period 2020 to 2025 based on the available data.

Structure of the Report

The remainder of the report is organized as follows:

- Section 2 provides a description of the approach used for the study.
- Section 3 contains a demographic and economic profile of the community.
- Section 4 provides an assessment of the current and future housing needs in the community.

Figure 1 – Municipal boundaries of Mackenzie



¹ Effective April 16, 2019, the Province of British Columbia requires local governments to collect data, analyze trends and present reports that describe current and anticipated housing needs in BC communities. The Province has identified that housing needs reports are a means for communities to better understand their current and future housing needs. These reports can help identify existing and projected gaps in housing supply by collecting and analyzing quantitative and qualitative information about local demographics, economics, housing stock, and other factors.

Limitations

This report is provided for information purposes and is intended for general guidance only. It should not be regarded as comprehensive or as a substitute for personalized, professional advice.

We have relied upon the completeness, accuracy and fair presentation of all information and data obtained from the District, the Housing Needs Reports Data Catalogue, and other public sources, believed to be reliable. The accuracy and reliability of the findings and opinions expressed in the presentation are conditional upon the completeness, accuracy and fair presentation of the information underlying them. As a result, we caution readers not to rely upon any findings or opinions expressed for business or investment decisions and disclaim any liability to any party who relies upon them as such. Before taking any particular course of action, readers should contact their own professional advisor to discuss matters in the context of their particular situation.

Additionally, the findings and opinions expressed in the presentation constitute judgments as of the date of the presentation and are subject to change without notice. MNP is under no obligation to advise of any change brought to its attention which would alter those findings or opinions.

Finally, the reader must understand that our analysis is based upon projections, founded on past events giving an expectation of certain future events. Recent economic events affecting the community create challenges in estimating future population and housing supply. The events are too recent for the longer term impact to be fully understood at the time of this assessment. As such, future events are not guaranteed to follow past patterns and results may vary, even significantly. Accordingly, we express no assurance as to whether the projections underlying the economic and financial analysis will be achieved.

2. APPROACH AND METHODOLOGY

Figure 2 provides a high-level summary of the approach used by MNP to conduct the housing needs assessment. The approach incorporates the guidelines published by the Province of British Columbia for conducting housing needs assessments.²

Figure 2: Approach Used to Assess Housing Needs

Data Collection	Identify Population and Economic Trends	Developed Housing Needs Assessment
<ul style="list-style-type: none">• Gathered data from the Province of British Columbia Data Catalogue for Housing Needs Assessments and other publicly available sources.• Gathered data on building permits, housing values and housing sales from the District, BC Assessment and BC Northern Real Estate Board.• Gathered information on the current state of housing stock and future housing needs from community stakeholders.	<ul style="list-style-type: none">• Reviewed current and projected population trends.• Reviewed economic outlook for key industries.• Developed a demographic and economic profile of the region.	<ul style="list-style-type: none">• Assessed current housing stock.• Identified gaps between housing needs and supply.• Estimated housing supply through 2025.

² BC Ministry of Municipal Affairs and Housing. "Guidelines to Requirements for Housing Needs Reports." Available here: https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/tools-for-government/uploads/summaryhnrequirements_apr17_2019.pdf

Data Sources

To assess current housing needs and estimate future housing needs in Mackenzie, we used a combination of primary and secondary research:

- **Primary research:** We conducted interviews with accommodation providers, major employers, service organizations and other relevant community stakeholders to gather information on the current state and availability of housing as well as insights into trends and developments that will influence housing needs between 2020 and 2025.
- **Secondary research:** We gathered information from publicly available sources and the District on population, incomes and the current housing stock.

Table 1 outlines the data elements and sources derived from secondary sources.

Table 1: Secondary Research Data Sources

Data Element	Source
Population	Statistics Canada Census and BC Stats
Household Size and Composition	Statistics Canada Census
Household Income	Statistics Canada Census
Housing Stock	Statistics Canada and BC Housing
Housing Values	BC Assessment
Households in Core Housing Needs ³	Statistics Canada Census
Economy and Labour Force	Statistics Canada
Building Permits	District of Mackenzie
Housing Sales	BC Northern Real Estate Board

3. DEMOGRAPHIC AND ECONOMIC PROFILE OF MACKENZIE

Housing needs are determined by a number of factors including the economy, population, income levels, composition of households, and the current stock of housing units. Therefore, it is important to consider the demographic and economic profile of the community when assessing housing demand.

Location

Mackenzie is a district municipality within the Fraser-Fort George Regional District in central BC. Located along Highway 39, Mackenzie is a two-hour drive north of Prince George.

Economy

Mackenzie has a resource-based economy which relies heavily on the forestry sector, and to a lesser extent, mining operations. The unemployment rate in Mackenzie tends to be above the provincial average. In 2016, the latest period for which data were available, the unemployment rate was 8.7 percent in Mackenzie and 6.7 percent in BC overall.⁴

³ According to Statistics Canada, 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).

⁴ Statistics Canada, Census of Population, 2016

Table 2 shows the percentage of total employment by industry in 2006 and 2016. In 2006, goods-producing industries accounted for 56 percent of total employment in Mackenzie, with the majority of those jobs being in the manufacturing sector. Following the US housing market crash in 2006 and the ensuing financial crisis in 2008, US demand for forest products fell and mills curtailed operations. Employment within the community shifted towards the service-producing industries as a result of losses in jobs in the manufacturing and agriculture, forestry, fishing and hunting sectors. While the forestry and wood product manufacturing industries recovered somewhat between 2011 and 2016, employment levels remained below their 2006 levels. Manufacturing jobs accounted for approximately a third of all jobs in Mackenzie in 2016, down from 43 percent in 2006. In recent years, the District has focused on capitalizing on its location in the scenic Rocky Mountains and at the southern end of Williston Lake to diversify the economy to include tourism.

Table 2: Employment and Percentage of Total Employment by Industry*, 2006 to 2016

Industry	2006		2016	
	#	%	#	%
Goods-producing industries	1,510	56%	1,145	52%
<i>Manufacturing</i>	1,155	43%	700	32%
<i>Agriculture, forestry, fishing and hunting</i>	295	11%	260	12%
<i>Construction</i>	60	2%	90	4%
<i>Mining, quarrying, and oil and gas extraction</i>	0	0%	85	4%
<i>Utilities</i>	0	0%	10	0%
Service-producing industries	1,190	44%	1,045	48%
<i>Retail Trade</i>	225	8%	205	9%
<i>Public administration</i>	140	5%	185	8%
<i>Educational services</i>	145	5%	100	5%
<i>All other services</i>	680	25%	555	25%
Total**	2,700	100%	2,190	100%

Source: Statistics Canada, Census of Population, 2006 and 2016

*Due to rounding, the sum of employment and percentage of employment in sub-industries may not add up to the employment and percentage of total employment by goods-producing and/or service-producing industries.

**The total is sum of employment by industry. Due to rounding by Statistics Canada, the summed total may not add up to total employment reported in the Census.

Outlook

The region has a diverse fibre supply which has attracted several large industrial forest manufacturing facilities to the area. However, sector developments in 2019 such as high fibre costs and weak lumber markets led to curtailments at the three mills in the community in July 2019. One sawmill reopened in September 2019 and the finger joint mill was still running one shift as of October 2019; however, the outlook for the forestry sector in Mackenzie is uncertain.

Mining operations in the area have and are expected to continue to mitigate the impacts in the community of the forestry sector downturn. Both the Willow Creek metallurgical coal mine located southwest of Chetwynd, and the Mount Milligan gold-copper mine located between Mackenzie and Fort St. James, currently employ Mackenzie residents. Many of the skills used in forest product manufacturing are transferrable to the mining sector. Consequently, workers that have had their shifts reduced or have been laid off from mills may find employment at one of the local mines.

Given the strong global demand outlooks for coal through 2025,⁵ and rising gold and copper prices that are expected to continue into 2020,⁶ mines are expected to support employment and economic activity through 2025. Other positive growth prospects include the construction of two mines (the Aley Niobium Project and the Kemess Underground Project) and the construction of the Coastal GasLink Pipeline.

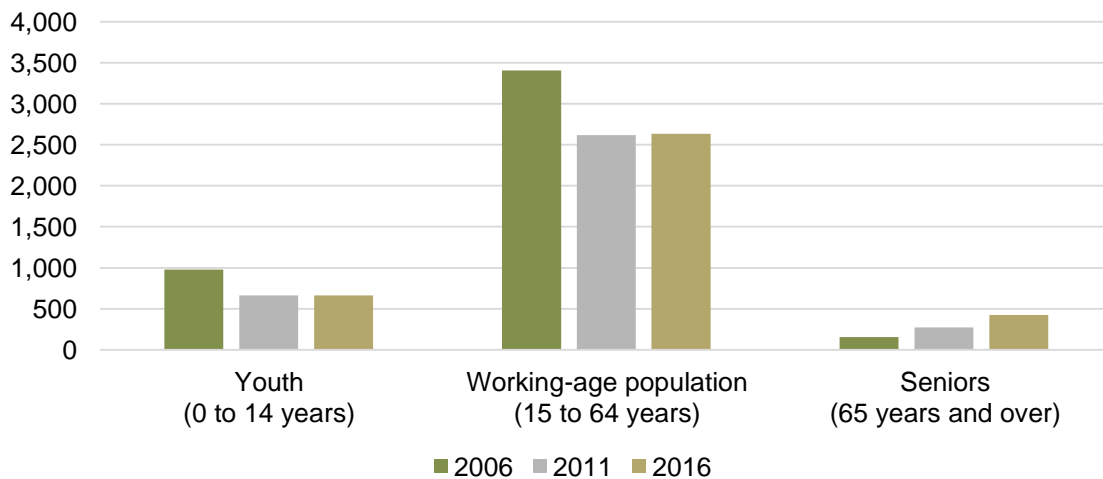
Population and Age Distribution

Between 2006 and 2011 when the forestry sector experienced a downturn, the population of Mackenzie declined by 21 percent, from approximately 4,500 to 3,500. Between 2011 and 2016, as the forestry sector recovered, the population grew modestly to approximately 3,700. In 2019 BC Stats estimated the population of Mackenzie to be 3,888.

The average age of the population in Mackenzie in 2016 was 38.8 years, up from 33.6 years in 2006. The median age reported was 39.3 years in 2016, up from 35.8 years in 2006. In 2016, the average age of the population in Mackenzie was lower than the BC (41.8 years) and Canada (41.0 years) averages. Similarly, the median age in Mackenzie was lower than in BC (42.5 years) and Canada (41.2 years).

Figure 3 shows the population by age group between 2006 and 2016. The number of youths (0 to 14 years) and working-age persons (15 to 64 years) in Mackenzie have declined since 2006. Meanwhile, the number of seniors (65 years and over) has increased and represented 11 percent of the total population in 2016.⁷

Figure 3: Population by Age Group



Source: Statistics Canada, Census of Population, 2006, 2011 and 2016

Mackenzie's labour force participation rate is relatively high compared with labour force participation rates in BC but declined from 77.5 percent in 2006 to 72.4 percent in 2016.⁸ The decline is consistent with the aging population.

⁵ IEA. Coal 2018. Available here: <https://www.iea.org/coal2018/>

⁶ World Bank. Commodity Markets Outlook. October 2019. Available here: <https://openknowledge.worldbank.org/bitstream/handle/10986/32633/CMO-October-2019.pdf>

⁷ According to Statistics Canada, seniors are defined as those aged 65 years and older. For the purpose of subsidized housing, BC Housing defines seniors as those aged 55 years and older. Based on consultations with community stakeholders, in Mackenzie, the senior population is generally regarded as persons aged 55 years and older. In 2016, the population aged 55 years and older represented approximately 37 percent of the total population.

⁸ Statistics Canada, Census of Population, 2006 and 2016

Household Income Trends

Table 3 shows the median household income in 2006 and 2016. The median household income reported in Mackenzie was \$95,931 in 2016, about one percent lower than what was reported in 2006. Due to the prevalence of higher-paying resource jobs in the community, Mackenzie reported a much higher median household income than BC (\$69,995) and Canada (\$70,366).

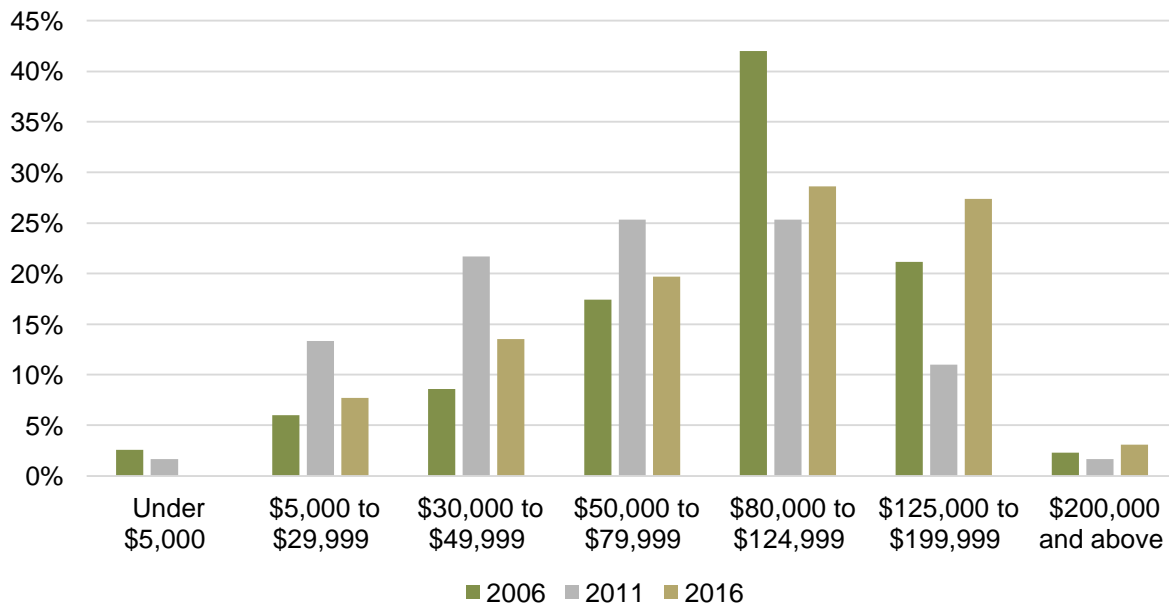
Table 3: Median Household Income⁹

2006	2016	Percentage change (2006-2016)
\$96,935	\$95,931	-1.0%

Source: Statistics Canada, Census of Population, 2006 and 2016

Figure 4 shows the share of households by income bracket. In 2006, approximately 63 percent of households reported incomes between \$80,000 and \$199,999, with most in the \$80,000 to \$124,999 bracket. By 2016, approximately 56 percent of all households reported incomes between \$80,000 and \$199,999, with equal shares within the \$80,000 to \$124,999 and \$125,000 to \$199,999 brackets.

Figure 4: Share of Households by Income Bracket



Source: Statistics Canada, Census of Population, 2006, 2011 and 2016

Household Size and Composition

In 2016, the average household size in Mackenzie was 2.3 persons. Household size has declined slightly from 2.6 persons in 2006 but was unchanged from 2011.

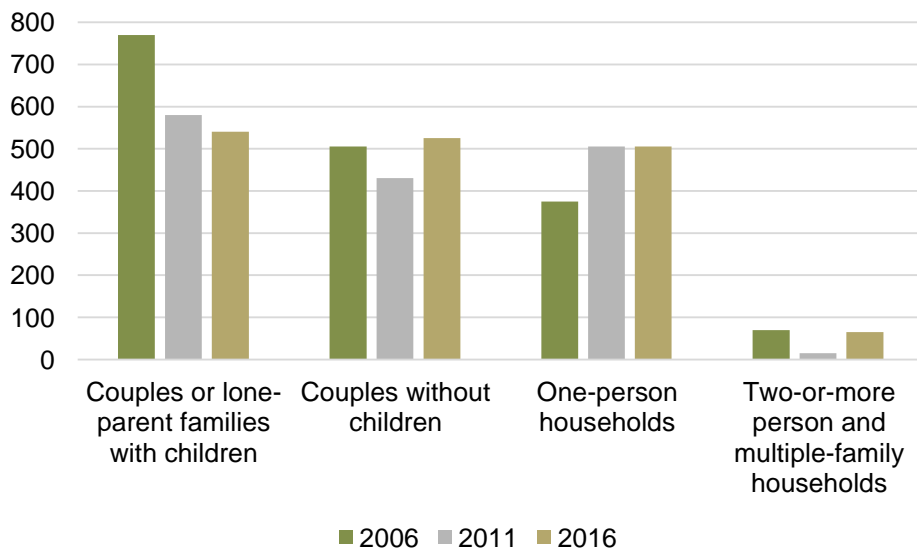
Approximately 79 percent of households in 2016 were owner households, with the remaining 21 percent of households being renter households. While high rates of home ownership are typical for smaller communities,

⁹ Reported median household income in 2011 was excluded due to a high risk of inaccuracy. The global non-response rate for Mackenzie in the 2011 National Household Survey was 49.2 percent. According to Statistics Canada, a smaller GNR indicates a lower risk of inaccuracy.

the share of owner households has declined marginally from 82 percent in 2006. Based on the 2016 Census, housing stock is in line with the most recent Official Community Plan, approved in 2014.¹⁰

Figure 5 shows the number of households by type from 2006 to 2016. The number of households with children has declined by approximately 30 percent over the last three Census periods, while one-person households increased by 35 percent. In 2016, households with children, households without children and one-person households each accounted for roughly a third of all households in Mackenzie. These trends are consistent with an aging population and have important implications for housing needs given the changing demographics.

Figure 5: Number of Households by Type



Source: Statistics Canada, Census of Population, 2006, 2011 and 2016

4. HOUSING NEEDS ASSESSMENT

Current Housing Needs and Available Stock

According to the 2016 Census, there were approximately 1,630 households in Mackenzie in 2016.

Table 4 shows the number of dwellings by type, and as a share of total dwellings in 2016. The majority of dwellings were single-detached houses, which accounted for 70.9 percent of all dwellings. The 2016 Census reports only 95 apartment units in Mackenzie; however, according to housing providers in the area, there were over 200 apartment units in the community in 2019. Adjusting for this discrepancy, apartment units account for approximately 11 per cent of all dwellings in Mackenzie. Community stakeholders also reported that over half of the mobile home park lots were vacant in 2019. It was also noted by community stakeholders that very few of the dwellings did not have stairs, limiting their appropriateness for seniors and residents with mobility challenges.

¹⁰ District of Mackenzie. Official Community Plan. 2014. Available here: <https://mackenzie.civicweb.net/document/18737>

Table 4: Number of Dwellings by Type, 2016

Type of Dwelling	Number of Dwellings*	Share of Total Dwellings
Single-detached house	1,148	70.9%
Semi-detached house	10	0.6%
Row house	154	9.5%
Apartment units in a building that has fewer than five storeys	94**	5.8%
Movable dwelling	224	13.8%
Total	1,630	100%

Source: Statistics Canada, Census of Population, 2016

* The number of dwellings was calculated based on the share of the sum of dwellings by type and the total number of dwellings reported. Due to rounding by Statistics Canada, the sum of dwellings by type may not equal the total number of dwellings reported in the Census.

**Note that the number of apartment units reported in the 2016 Census is much lower than that reported by community stakeholders who stated there are over 200 apartment units in Mackenzie.

Table 5 shows the number of dwellings by size, and as a share of total dwellings in 2016. Approximately 80 percent of all dwellings had three or more bedrooms. The community was built to service the resource sector and most dwellings were built prior to 1980. Consequently, the housing stock was developed for a younger population and is focused on homes suitable for young families (i.e. large, single-detached houses). While the 2016 Census indicates that there are no bachelor suites in Mackenzie, interviewees reported that there are a small number of 0-bedroom dwellings available in the community.

Table 5: Number of Dwellings by Size, 2016

Size of Dwelling	Number of Dwellings	Share of Total Dwellings
0 bedrooms	0*	0.0%
1 bedroom	95	5.8%
2 bedrooms	245	15.0%
3 bedrooms	630	38.7%
4 or more bedrooms	660	40.5%
Total	1,630	100%

Source: Statistics Canada, Census of Population, 2016

*Note that the number of 0 bedroom units reported in the 2016 Census is lower than that reported by community stakeholders, who stated that there are a small number of bachelor suites in Mackenzie.

Table 6 and Table 7 show the number and share of dwellings by date built and those requiring major repairs in 2016. According to Statistics Canada, dwellings that require major repairs are considered to be inadequate housing.¹¹ With the majority of homes built between 40 and 60 years ago, data from the 2016 Census show that approximately nine percent of dwellings in Mackenzie required major repairs in 2016, up slightly from 2006.

¹¹ Statistics Canada. Core housing need, 2016 Census. November 15, 2017. Available here: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/chn-biml/index-eng.cfm>

Table 6: Number and Share of Dwellings by Date Built, 2016

Date Built	Number of Dwellings*	Share of Total Dwellings
1960 or before	30	1.8%
1961 to 1980	1,208	74.1%
1981 to 1990	209	12.8%
1991 to 2000	124	7.6%
2001 to 2005	25	1.5%
2006 to 2010	15	0.9%
2011 to 2016	20	1.2%
Total	1,630	100%

Source: Statistics Canada, Census of Population, 2016

*The number of dwellings was calculated based on the share of the sum of dwellings by date built and the total number of dwellings reported in the Census. Due to rounding by Statistics Canada, the number of dwellings by date built may not exactly match the number of dwellings reported in the Census.

Table 7: Number and Share of Households Requiring Major Repairs by Size, 2016

Household by size	Households in Dwellings Requiring Major Repairs	Share of Total Households
1 person households	35	2.1%
2 persons households	55	3.4%
3 persons households	10	0.6%
4 persons households	35	2.1%
5 or more persons households	10	0.6%
Total*	145	8.9%

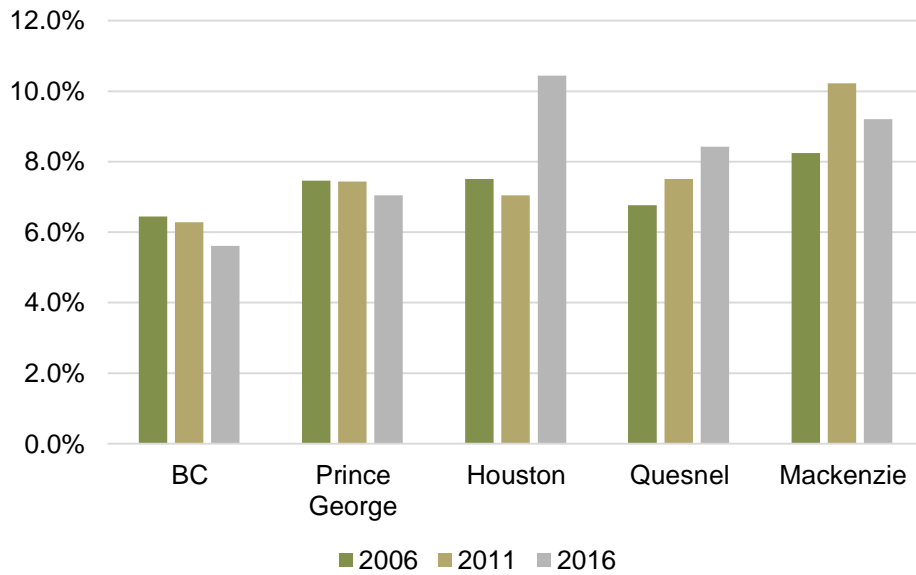
Source: Statistics Canada, Census of Population, 2016

*The total is the sum of the number of households requiring major repairs. Due to rounding by Statistics Canada, the summed total may not equal the total number of households requiring major repairs reported in the Census.

Figure 6 shows the share of households in dwellings requiring major repairs in Mackenzie and in other regions over the period 2006 to 2016. In other resource-dependent communities with similar population distributions, such as Houston and Quesnel, the share of households in dwellings requiring major repairs has increased since 2006 and was at levels similar to Mackenzie in 2016. These trends are consistent with resource-based economies that are also susceptible to sector downturns. Downturns often result in less investment in housing, repairs and new construction. However, across BC and in Prince George, a larger regional service centre south of Mackenzie, the proportion of dwellings requiring major repairs has fallen since 2006 and was at lower levels than Mackenzie in 2016. These data indicate that the share of dwellings in need of major repairs in Mackenzie, while in line with similar communities, has increased and was above the shares observed in larger cities and across the province in 2016.

Community stakeholders interviewed indicated that the number of dwellings requiring major repairs reported in the 2016 Census was much lower than expected. According to interviewees, as the community was built quickly to service the resource sector, the housing stock was built also quickly with less of a focus on long-term housing needs.

Figure 6: Share of Households in Dwellings Requiring Major Repairs by Region, 2006 to 2016



Source: Statistics Canada, Census of Population, 2006, 2011 and 2016

Table 8 and Table 9 show the number and share of households by affordability and in overcrowded dwellings in 2016. The data suggest that in 2016 the housing stock in Mackenzie was both affordable and suitable for the population. Approximately 6.4 percent of households reported a housing affordability problem and less than one percent of households reported overcrowding.^{12, 13}

Table 8: Number and Share of Households by Affordability and Size, 2016

Household by Size	Number of Households Spending Over 30% of Income on Shelter Costs	Share of Total Households
1 person households	65	4.0%
2 persons households	10	0.6%
3 persons households	15	0.9%
4 persons households	10	0.6%
5 or more persons households	0	0.0%
Total*	100	6.4%

Source: Statistics Canada, Census of Population, 2016

*The total is the sum of the number of households spending over 30 percent of income on shelter costs. Due to rounding by Statistics Canada, the summed total may not equal the total number of households spending over 30 percent of income on shelter costs reported.

¹² According to the Canada Mortgage Housing Corporation, households that spend more than 30 percent of total household income on shelter costs are defined as having a “housing affordability problem”.

¹³ According to National Occupancy Standard requirements, overcrowded dwellings are those that do not have enough bedrooms for the size and make-up of resident households.

Table 9: Number and Share of Households in Overcrowded Dwellings, 2016

Household by Size	Number of Households in Overcrowded Dwellings	Share of Total Households
1 person households	0	0.0%
2 persons households	0	0.0%
3 persons households	0	0.0%
4 person households	0	0.0%
5 or more persons households	10	0.6%
Total	10	0.6%

Source: Statistics Canada, Census of Population, 2016

Figure 7 and Figure 8 compare the housing affordability and suitability measures in Mackenzie with the provincial average and other northern communities. Households in Mackenzie reported the lowest share of overcrowded households and the lowest share of those facing housing affordability problems over the period 2006 to 2016.

Figure 7: Share of Households Spending Over 30% of Income on Shelter Costs by Region, 2006 to 2016

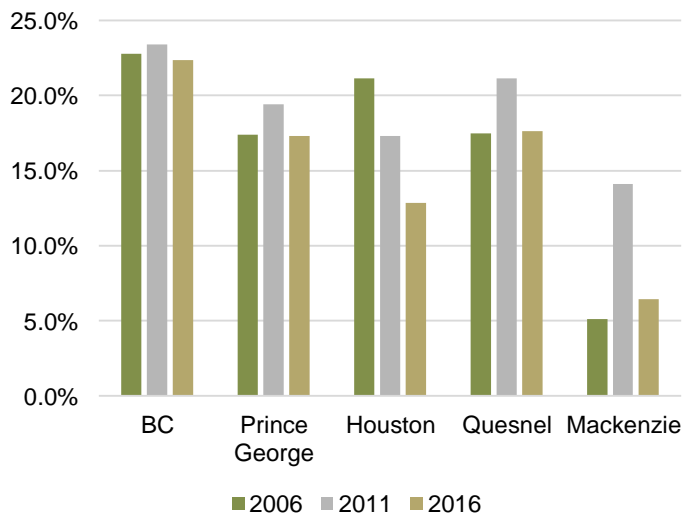
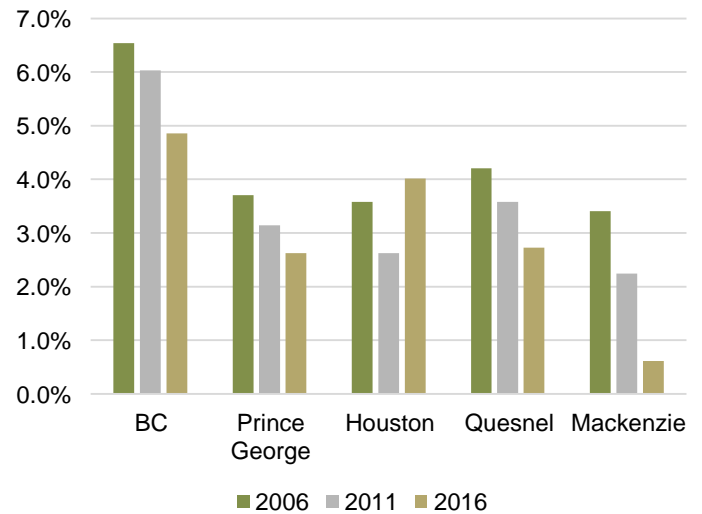


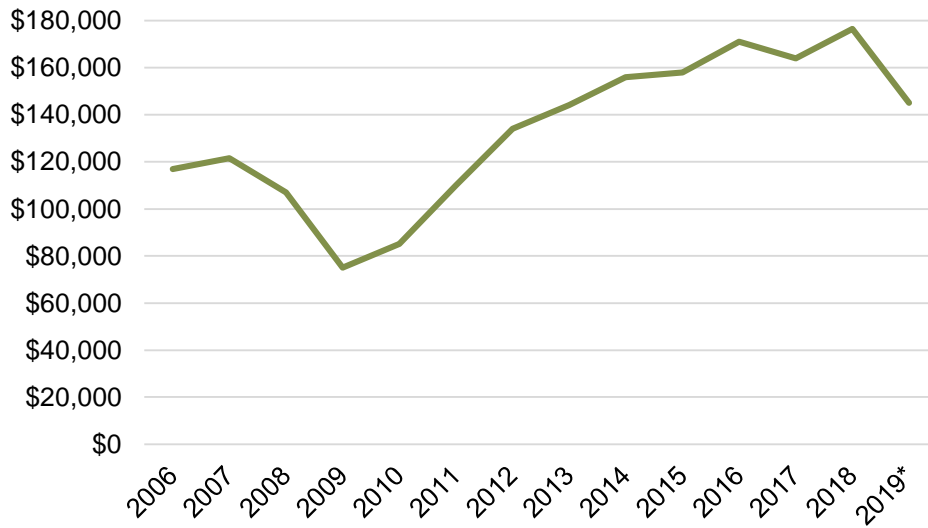
Figure 8: Share of Households in Overcrowded Dwellings by Region, 2006 to 2016



Source: Statistics Canada, Census of Population, 2006, 2011 and 2016

Figure 9 shows the average housing price in Mackenzie between 2006 and 2019. After falling from 2007 to 2009, house prices increased steadily through 2018, reaching a high of \$176,400. In the first ten months of 2019, the average house price has fallen to \$145,000. The trends are consistent with the decline in population, following weak economic conditions in the area between 2006 and 2011 and subsequent improvements.

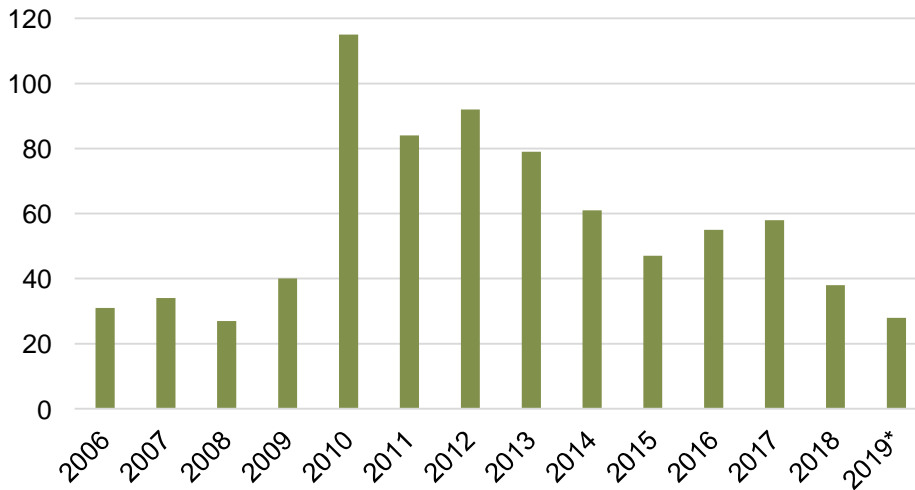
Figure 9: Median House Prices, 2006 to 2019¹⁴



Source: BC Northern Real Estate Board
 *2019 data reflects sales up to October 31, 2019.

Figure 10 shows home sales volume in Mackenzie between 2006 and 2019. The number of home sales peaked in 2010, with 115 homes sold. Since then, home sales have declined, totalling 58 sales in 2016 and 28 sales in the first ten months of 2019.

Figure 10: Home Sales, 2006 to 2019



Source: BC Northern Real Estate Board
 *2019 data reflects sales up to October 31, 2019.

¹⁴ According to the BC Northern Real Estate Board, these data represent the average house price in Mackenzie.

Gaps Between Housing Needs and Housing Supply

A review of the demographic, income and housing supply data for Mackenzie, along with findings from interviews with relevant stakeholders within the community, reveal a number of gaps in housing availability.

New Housing Supply

Table 10 shows the net change in housing units by type between 2008 and 2018. New housing supply in Mackenzie was limited over the period. According to data provided by the District, 55 units were built, while 54 units were demolished or moved, resulting in a net increase of one unit over the period 2008 to 2018.¹⁵ There was a net decrease of 14 mobile home units, single family dwellings increased by six units and there were eight other units added to the housing stock.

Table 10: Net Change in Housing Units by Type¹⁶

Year	Single Family Dwellings	Mobile Homes	Other*	Total
2008	0	-13	1	-12
2009	0	-11	0	-11
2010	1	-10	8	-1
2011	4	16	0	20
2012	4	-3	0	1
2013	-1	2	0	1
2014	0	0	0	0
2015	0	0	0	0
2016	-1	4	0	3
2017	-1	0	0	-1
2018	0	1	0	1
Total	6	-14	9	1

Source: District of Mackenzie

*Other housing units include one yurt and eight seniors housing units.

According to community stakeholders, capacity for new builds (e.g. serviced lots) exists within Mackenzie but the uncertainty surrounding the forestry sector has impacted the confidence of potential investors. There are also considerable cost challenges for new construction as limited construction capacity exists within the community. Contractors often need to be sourced from Prince George, over two hours away.

Rental Housing

According to interviewees, the availability of rental units in Mackenzie varies by the type of unit. Renovated or updated rentals were reported to be in high demand while the number of secondary units (e.g. basement suites) is limited. Vacancy rates in September 2019 ranging between 20 and 40 percent were reported across all rentals, despite most being occupied a year ago.

Community stakeholders reported that vacancy rates are dependent on the state of the local economy and its key industries. When mills are running at full capacity, rental units are generally fully occupied. During a slowdown in the forestry sector, vacancy rates tend to rise as workers relocate. However, housing providers expect the rental vacancy rate to decrease into 2021 as a result of an increase in rental applications in the Fall

¹⁵ According to the 2006 and 2016 Census reports, a net decline of 130 dwellings was reported in Mackenzie over the ten-year period. Based on interviews with community stakeholders and building permit data provided by the District, the total net change in households from 2006 and 2016 was close to zero over this period.

¹⁶ The net change in housing units is calculated as the number of new housing units constructed minus the number of housing units demolished.

of 2019 from those seeking work on major projects in the area (e.g. mine and pipeline construction). The expected influx of workers may be somewhat offset by those leaving the community in the near term following the forestry sector downturn.

Table 11 shows the September 2019 average rental rates in Mackenzie and the October 2018 rates in Prince George. The data suggest that rents are relatively high in Mackenzie compared with Prince George. In Mackenzie rents range from \$600 for a bachelor to up to \$1,500 for a unit with 4 bedrooms. In Prince George rents range from \$640 for a bachelor to \$948 for a unit with 4 or more bedrooms.

Table 11: Average Rental Rates

Rental size	Average rental rate	
	Mackenzie*	Prince George**
Bachelor	\$600 to \$800	\$640
1 bedroom	\$600 to \$950	\$727
2 bedrooms	\$850 to \$1,050	\$871
3 bedrooms	\$950 to \$1,300	\$948
4 or more bedrooms	\$1,000 to \$1,500	

Source: MNP interviews with Mackenzie housing providers and CMHC.

*as at September 2019

**as at October 2018

Housing for Seniors and Accessible Housing

A shortage of housing for seniors and accessible housing was reported by multiple interviewees. There are only eight seniors housing units available in the community¹⁷, and a third of the population is aged 55 years or older. This suggests that housing units suitable for seniors are undersupplied in Mackenzie.¹⁸ Similarly, accessible housing for seniors or those with mobility challenges (e.g. ranchers, apartment buildings equipped with an elevator) is limited.

The lack of housing for seniors and accessible housing is especially challenging for elderly persons wanting to stay within the community and downsize to a smaller home. It was also noted that although many seniors would like to move to a smaller and more accessible home, they would also like extra space for a live-in caretaker or to host family and friends. This suggests demand from seniors would be for one- and two-bedroom suites. Lastly, while relocation is an option, interviewees stated that most seniors would be unable to move to another community without taking out a mortgage, due to reported lower home values in Mackenzie compared with larger urban centres.

Housing Units Needing Repairs

Data from the 2006, 2011 and 2016 Censuses indicate that the share of dwellings in need of major repairs in Mackenzie has increased and was above the shares observed in larger cities and across the province in 2016. According to community stakeholders, a large portion of the housing stock is in need of repairs, renovations and updates. It was also mentioned that the need for repairs extends beyond the housing units themselves, but also to the infrastructure for mobile dwellings within the mobile home parks. Interviewees reported that the community has relatively few qualified and affordable contractors to perform such work. Consequently, housing units are not being repaired or updated as often as needed.

¹⁷ BC Housing manages two subsidized housing properties in Mackenzie: Autumn Lodge and Spruce Grove Apartments. Autumn Lodge has eight units for seniors and persons with disabilities. Spruce Grove Apartments offers 30 units to families

¹⁸ According to Statistics Canada, seniors are defined as those aged 65 years and older. For the purpose of subsidized housing, BC Housing defines seniors as those aged 55 years and older. Based on consultations with community stakeholders, in Mackenzie, the senior population is generally regarded as persons aged 55 years and older.

Emergency Housing

Although homelessness was not a major concern among interviewees, some reported that the lack of shelter and emergency housing can be problematic in certain situations. The lack of emergency housing has led to pressures on the hospital beds during inclement weather. This tends to occur during periods of extreme cold in the winter as transient or homeless individuals tend to take shelter in the hospital. Additionally, transition housing is non-existent and there are limited emergency housing options for vulnerable women and children.

Future/Emerging Housing Needs

Based on trends in household formation, the state of current housing stock and the gaps identified between housing needs and housing supply, future and emerging housing needs are outlined as follows:

1. Housing for Seniors and Accessible Housing.

Given the growing proportion of seniors and a lack of accessible housing in Mackenzie, future housing needs include units suitable for seniors and persons with mobility challenges.

2. Smaller Households.

With an average household size of 2.3 persons and shift to non-family households, there is emerging housing demand for one- and two-bedroom units to accommodate smaller households.

3. Adequate Housing.

The share of dwellings requiring major repairs has increased since 2006 and is higher than the proportion observed in BC and Prince George. Consequently, future housing needs include the repair, renovation or update to existing housing stock.

Population Projections

To estimate future housing needs and supply, changes in population should be considered. In addition to births and deaths, changes in population are dependent on migration flows in and out of the community due to the current and projected levels of economic activity. Recent developments in the forestry sector suggest that population growth may be negatively impacted by layoffs at local mills and through ripple effects in other industries. Although community stakeholders expressed some optimism regarding the overall economy, the full effects of these layoffs and mill curtailments are unknown at the time of this assessment. Consequently, population projections are provided as a range, based on three growth scenarios.

The projections were informed by previous population growth rates and trends in Mackenzie, an assessment of the current economic climate in the community, and interviews with various community stakeholders.

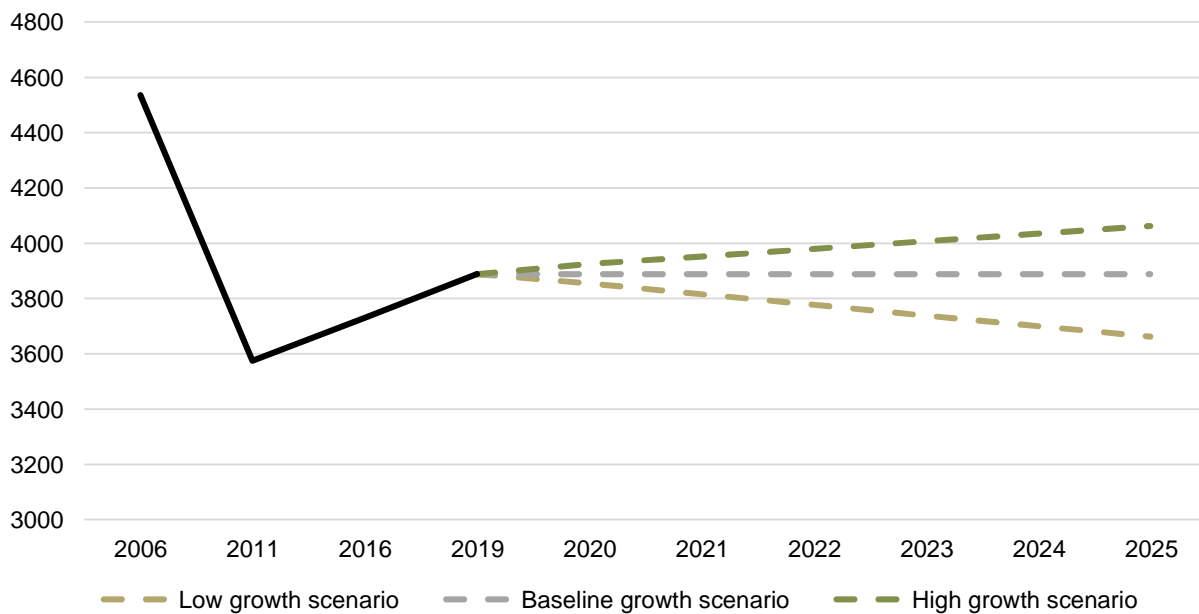
- The **low growth scenario** assumes that, as a result of a slowdown in the forestry sector, the population will decline by 5.0 percent over the period 2020 to 2025.
- The **baseline growth scenario** assumes that the population is stable and population growth is 0 percent over the period 2020 to 2025.
- The **high growth scenario** assumes population growth is in line with what is forecasted by BC Stats for the Fraser-Fort George region over the period 2020 to 2025 (3.5 percent).

Table 12 and Figure 11 show the population and household projections for each scenario. According to BC Stats, the population in 2019 was estimated at 3,888. Based on the 2016 Census data, data provided by the District and interviews with community stakeholders, the total number of households was estimated to be between 1,720 to 1,760 units in 2019.

Table 12: Population and Household Projections in 2020 and 2025

	2019		2020		2025		Percentage change in Population (2020-2025)
	Population	Households	Population	Households	Population	Households	
Low growth scenario	3,888	1,720 - 1,760	3,855	1,675	3,662	1,590	-5.0%
Baseline scenario			3,888	1,690	3,888	1,690	0.0%
High growth scenario			3,925	1,700	4,062	1,765	3.5%

Figure 11: Population Projections by Scenario



Source: Statistics Canada, BC Stats and MNP estimates

Estimates of Housing Supply

Estimates of the housing stock in 2019 were based on estimated units from the 2016 Census, information on demolitions and new housing units provided by the District and information on the number of apartment units gathered through stakeholder interviews. The 2019 housing stock was estimated to be between approximately 1,720 and 1,760 units (Table 13).

Table 13: Estimates of Housing Stock, 2019

Type of Dwelling	2016 Census	Net Change in Housing Units (2016-2018)	Adjustment based on interviews with community stakeholders	Estimated 2019 Housing Stock
Single- and semi-detached houses	1,158	-2	0	1,156
Apartment units	94	0	+84 to +124	178 to 218
Other	378	+8	0	386
Total	1,630	+6	+84 to +124	1,720 to 1,760

Comparing the housing stock to the population projections suggests that the current housing stock is sufficient to meet projected demand through 2025; however, the mix of housing units is not consistent with the changing demographics in the community.

To estimate housing demand for each of the growth scenarios, we assumed the following:

- In all scenarios, there would be increased demand for smaller units due to downsizing by seniors (i.e. one- and two-bedroom units).
- In all scenarios, changes in population would primarily affect households comprised of couples without children and two- or-more person households.

Table 14 shows estimated housing needs by unit size in 2020 and 2025.

Table 14: Estimates of Housing Needs by Unit Size, 2020 and 2025

	2020	2025	Percentage change (2020-2025)
Low growth scenario			
0 - 1 bedroom	95	100	5.3%
2 bedrooms	250	260	4.0%
3 bedrooms	640	590	-7.8%
4 or more bedrooms	690	640	-7.2%
Total – Low growth	1,675	1,590	-5.1%
Baseline growth scenario			
0 - 1 bedroom	95	100	6.3%
2 bedrooms	255	265	4.0%
3 bedrooms	650	650	0.0%
4 or more bedrooms	690	675	-2.2%
Total – Baseline growth	1,690	1,690	0.0%
High growth scenario			
0 - 1 bedroom	95	105	18.8%
2 bedrooms	265	295	7.7%
3 bedrooms	650	680	4.6%
4 or more bedrooms	690	685	-0.7%
Total – High growth	1,700	1,765	3.5%

It is important to note that while the estimates of housing supply reflect population projections and future housing needs, they do not take into the account the state of the current housing stock. To address issues surrounding the accessibility and adequacy of housing units as reported in the Census and by community stakeholders, repairs need to be made to existing homes as well as modifications to accommodate seniors and persons with mobility challenges.

APPENDIX A: ABOUT MNP

MNP is the fastest growing major chartered accountancy and business advisory firm in Canada. Founded in 1958, MNP has grown to more than 70 offices and 3,000 team members across Canada. In British Columbia, MNP has more than 900 staff located in 20 offices throughout the province. The map below shows our office locations.

MNP provides a wide range of accounting, finance and business advisory services to clients. These include:

- Assurance.
- Taxation.
- Corporate Finance.
- Mergers and Acquisitions.
- Enterprise Risk Services.
- Forensic Accounting.
- Consulting.
- Insolvency and Corporate Recovery.
- Succession.
- Valuations and Litigation Support.



About MNP's Economics and Research Practice

Economic and industry studies are carried out by MNP's Economics and Research practice. Based in Vancouver, the Economics and Research practice consists of a team of professionals that has a successful track record of assisting clients with a wide variety of financial and economic impact studies. Our work has encompassed a wide range of programs, industries, company operations and policy initiatives, and has helped clients with decision-making, communication of economic and financial contributions, documentation of the value of initiatives and activities, and development of public policy.