

TOWN OF STETTLER

AND

COUNTY OF STETTLER HOUSING AUTHORITY

Stettler Housing Assessment



January 2020

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Acknowledgements

The Town of Stettler and County of Stettler Housing Authority gratefully acknowledges the time and expertise of those who were consulted with in the preparation of this report.

We would like to thank Leann Graham and Betty Tschritter for their direction, input and assistance throughout the project. We would also like to thank the all the key housing stakeholders and all Stettler residents who participated in our engagement activities and provided valuable information and insights into housing need in the Town of Stettler.

Project Team

The Stettler Housing Assessment was prepared by Refocus Housing Strategies (RHS) on behalf of Altus Group Inc.

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1 Introduction

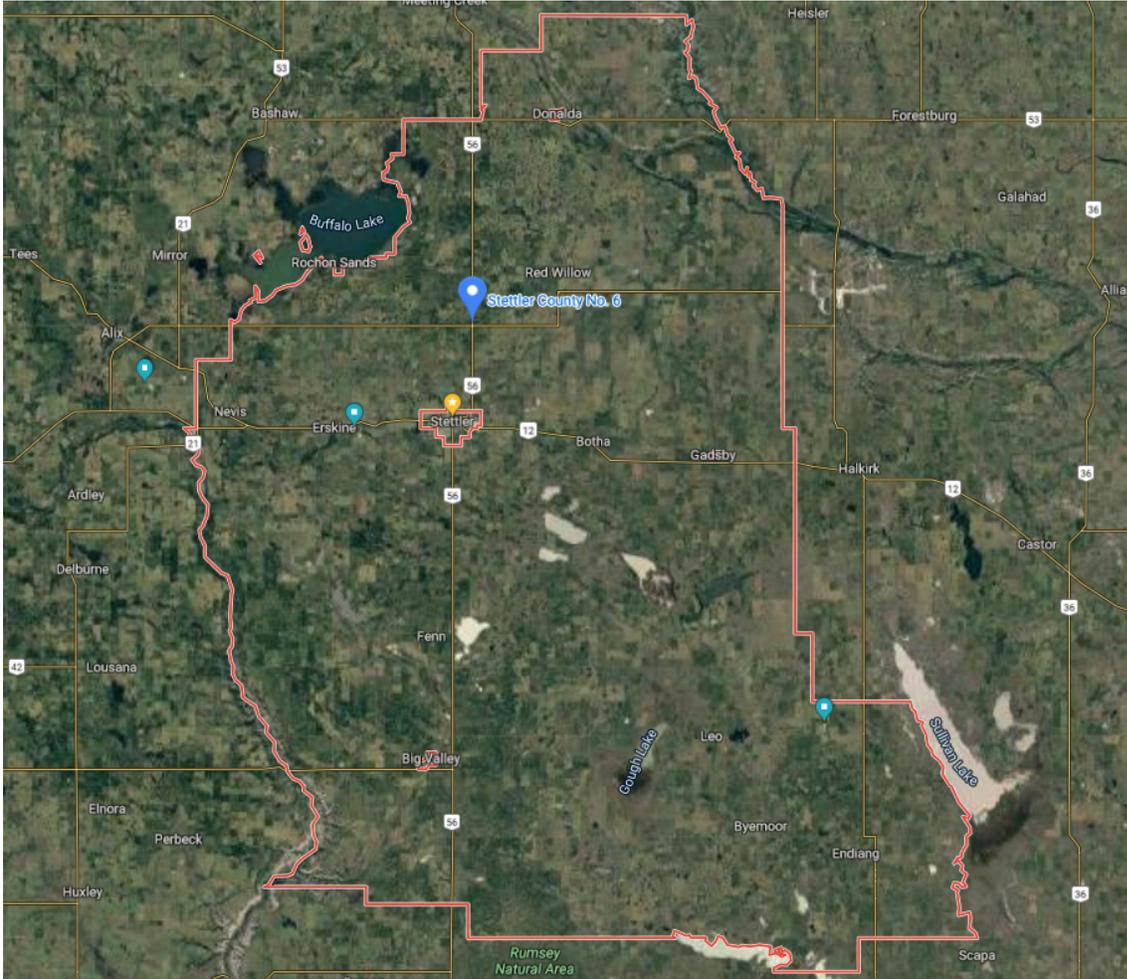
1.1 Purpose of the Study

The Town of Stettler (“the Town”) and the County of Stettler Housing Authority (“CSHA”[†]) recognize there are housing challenges in their community and together they want to strengthen their understanding of current and future housing needs within their community in order to address them. As such, Altus Group has been engaged to conduct a community housing study which encompasses the entire housing continuum from homeless populations, seniors, special needs through to non-market and market housing. To inform the Town’s understanding of current and future housing needs across the entire housing continuum this assignment involves the following broadly defined categories:

Housing is crucial to the quality of life and wellbeing for individuals and families, but the availability of adequate or affordable housing also plays a vital role in community economic development. The same factors contributing to urban housing challenges are also faced by rural communities but are at a disadvantage compared to urban areas. Smaller widely dispersed populations, poor access to services and transport, and isolation from support networks constrain the availability of affordable rental housing in rural areas. Furthermore, large geographies can come with increased costs.

The Housing Needs Assessment consists of an evidence-based market and non-market housing research in the demographic and economic context of the County of Stettler which services the area southeast of Buffalo Lake including hamlets like Erskine, Byemoor, Endiang, Nevis and Botha. While the focus of the study is on the Town of Stettler, the County of Stettler and the Province of Alberta provide context and are shown as comparators. Figure 1:1 illustrates the primary geographic study area.

Figure 1:1 Town of Stettler and Stettler County Study Area



. Source: Google Maps, Refocus Housing Strategies 2020

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1.2 Study Approach

The preparation of the Housing Needs Assessment incorporates a mixed-methods approach consisting of a quantitative analysis of available data to develop a baseline understanding of the current housing spectrum in the Town of Stettler, as well as qualitative data gained through key stakeholder interviews and community consultation. Overall, the project will identify and report on the current housing situation, analyze demographic trends as they apply to housing, and identify the gaps within sectors of the housing continuum.

Conceptually, the study approach consisted of:

- collecting the data to generate economic, demographic and housing profiles of the Town of Stettler and the surrounding region
- analyzing housing demand and housing supply data to attribute housing shortfalls to specific communities
- ~~–~~Explore people’s experience especially of underrepresented populations. Personal stories would give greater depth and understanding of the challenges to secure appropriate housing.
- ~~–~~Involve people in guiding need priorities. It is here that the communities’ important role of influencing the housing need priority setting becomes evident.
- The results of this analysis will identify any social, affordable and market housing shortfalls by household type.

Housing discussions in many communities are commonplace, and solutions are challenging. That is why it is critical to establish a strong base of knowledge on which to build solutions to the Town’s housing challenges. Clarifying the issues and identifying focus areas is the role of this Housing Needs Assessment (HNA). Specifically, the goals of this Housing Needs Assessment (HNA) are:

- Clarify the problem – what are the housing needs, and who is affected?
- Identify focus areas – which needs are the most pressing?

To complement the data analysis and provide additional context of housing issues, nine interviews with key stakeholders were completed in August 2019. Interviews were completed with stakeholders working in the following fields:

- Non-market housing and services
- Market rental and ownership
- Seniors housing / support services
- Community / economic organizations

The report is organized as follows:

This first section of this report provides an overview of the study methodology and data sources. Section two follows with an economic overview of the regional and provincial economic drivers that support the community. Section three provides a housing demand analysis focused on demographic and household trends. Section four presents the current housing stock analysis, including owner and rental housing and special needs. Key findings summarize each of these sections. Section five estimates the level of housing affordability closing with Section six with a discussion of housing priorities.

Summaries of the community engagement activities are provided in the Appendix A.

1.3 Data Sources

This report draws on available statistical information on demographics and housing, as well as the knowledge and experience of housing-related stakeholders in the Town of Stettler and the County of Stettler. Data required for this study consists of a combination of primary and secondary, qualitative and quantitative data collection techniques.

Published demographic and income data are compared at the Town, County and Provincial levels where available and relevant. An initial survey of all available published data and reports enables identification of any data gaps.

The most recently available quantitative data is used in this report. However, there are several data limitations the reader should be aware of. The most recent Statistics Canada demographic data is based on the 2016 Census which now dates back nearly four years while income and housing data availability is more current. Material shifts over this time frame impacting the conclusions of this study are not likely but possible. In general, economic data are most often available at a provincial level and economic data for small geographic areas such as rural communities are not readily available.

An additional complicating factor in allocating economic activity to a specific geography (e.g. a rural municipality) relates to the interconnected nature of markets and of urban and rural communities. A symbiotic relationship exists between urban service centers and nearby rural communities and distinguishing the urban and rural contributions of a particular industry, such as agriculture or resource extraction.

The second limitation is that the projections contained in this report are based on assumptions available to us today and represent a plausible base case should the assumptions remain true over time. In addition, the projections data is based on the total population data (and not the population in private households).

The third limitation is due to the voluntary nature of the 2011 National Household Survey, the data is considered less reliable. Because of this, the 2006 Census data is used for comparison purposes where possible.

This report makes reference to shelter costs which refer to CMHC's definition which is the total monthly shelter cost paid by the household for their dwelling. For renters, shelter costs include rent and any

payments for electricity, fuel, water, and other municipal services. For owners, shelter costs include mortgage payments (principal and interest), property taxes, and any condominium fees, along with payments for electricity, fuel, water, and other municipal services.

1.4 Caveat

This report has been prepared by the information and assumptions outlined in the text. However, it is not possible entirely to document all factors or account for all the changes that may occur in the future. This report relies on information from a variety of secondary sources. While every effort is made to ensure the accuracy of the data, Altus Group cannot guarantee the complete accuracy of the information used in this report from these secondary sources. This report has been prepared solely for the purposes outlined herein and is not to be relied upon or used for any other purposes or by any other party without the prior written authorization of Altus Group Limited.

2 Economic Context

The collapse of global oil prices in 2014 triggered a sharp drop in energy sector expenditures and an economic slowdown in the province of Alberta. As construction on major oilsands projects wrapped up while new developments in the wings await corporate final investment decisions, investment has continued to fall. Real business investment in the province is expected to fall again in 2019—the fifth consecutive year of losses. Alberta’s growth prospects depend a great deal as well on investments in the energy sector.

Investment prospects in Alberta’s oil and gas sector provide reasons for optimism regarding Alberta’s medium-term economic outlook. Projects on the horizon including Teck Resources Frontier Oil Sands Mine, and other major projects that have been recently added to the province’s major project list include the May River Oil Sands Project, and Phase 2 of the Whitlam Wind Power Project. Oil sands projects approvals are not a certainty given the Federal government’s choice between their climate change pledge and the Alberta economy. On the plus side, positive announcements about the Trans Mountain Pipeline and Enbridge’s Line 3 pipeline point to a significant increase in the province’s oil export capacity, the lack of which has constrained its growth for the past several years. Given a gradual increase in energy exports and a steady rise in capital investment, growth in the range of 1.5% to 2% this year and by 2% to 2.5% in 2021 is forecasted.

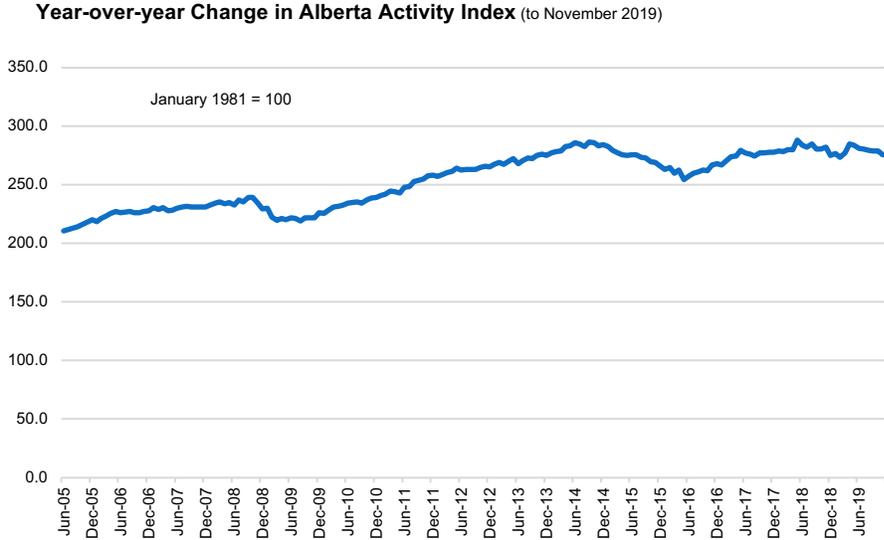
Alberta’s treasury remains dependent on non-renewable resource revenues as do employment rates in Alberta which rise and fall with the price of oil and investment levels in the energy sector, and the financial well-being of the economy in general. The province’s most recent recession is a result of a structural change in the energy market in addition to a cyclical downturn in oil prices. Alberta’s economy has been able to adjust and adapt to the boom and bust cycles associated with wide swings in globally set energy prices. The more recent structural changes, that is a shift in the basic ways a market operates brought on by technical progress and global goals to reduce carbon emissions, have long-term pervasive impact on the Alberta economy still largely dependent on oil. With few exceptions, this is reflected in the stubbornly high unemployment rates for certain demographics throughout province.

The Alberta Activity Index (AAX) is a composite index which provides a trend view of selected economic activity in Alberta. The AAX tracks economic activity using a weighted average of nine monthly indicators of the most important sectors in the Alberta economy including average weekly earnings, retail trade, wholesale trade, manufacturing shipments, new truck sales, housing starts, rigs drilling, oil production, and employment.

With the latest data, Alberta's monthly economic activity index, shown in Figure 2:1, now at its lowest level since the 2015-2016 recession, reports:

- Provincial activity lost ground nearing the end of 2019 amid a slowdown in global economic growth and transportation disruptions.
- The Alberta Activity Index (AAX) fell 1.1% m/m to a 9-month low in November. The monthly decline was broad-based, with only housing starts posting a notable gain.
- Activity continued to wane in the second half of 2019, declining in 6 of the last 7 months.
- The AAX remained up 0.9% from the February 2019 low, however, it was down 2.2% from a year ago, just before the impact of the widening oil price differential and production limits weighed on activity.

Figure 2:1 Alberta Activity Index (AAX)



Source: Alberta Treasury, RHS 2020

2.1.1 Alberta Labour

Statistics show total Provincial employment is back to where it was in 2014 prior to the recession. But results are mixed with little employment growth from the private sector. By contrast, four years into the latest crash, half of the resource jobs lost have not been recovered. Industry efficiencies combined with structural changes suggests these jobs will not resurface.

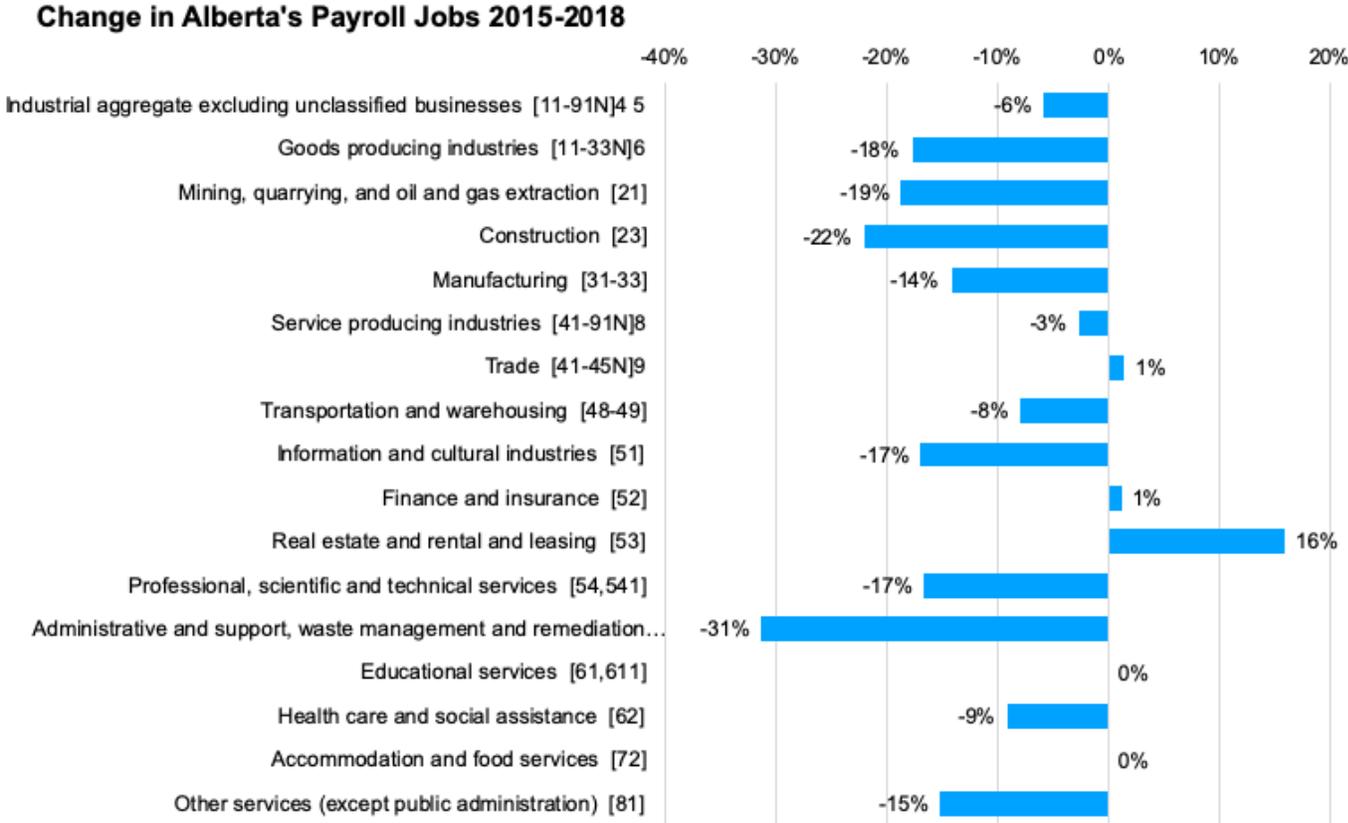
Figure 2:2 shows a breakdown by industry of the change in Albert’s full-time payroll employment from 2015 to 2018. While all major sectors experienced declines in total employment, the goods producing sector was the hardest hit.

The latest Statistics Canada Labour Survey numbers show Alberta employment stayed flat between December 2018 and 2019. The number of full-time jobs in the province fell by 20,000 during 2019, and part-time jobs were up by 16,000. In December 2019, Alberta's seasonally adjusted unemployment rate

was 7.0%, an increase of 0.6% from December 2018, compared to the Canadian average of 5.6 per cent. During the last 12 months, Alberta’s population also increased, as did the size of the labour force, which may also have raised unemployment.

Unemployment rates in the Province remain significantly higher for certain demographics. Specifically, males aged 15 to 24 are facing an unemployment rate of 16 per cent compared with 10.9 per cent of females in the same demographic.

Figure 2:2 Change in Alberta's Payroll Jobs by Industry 2015 - 2018

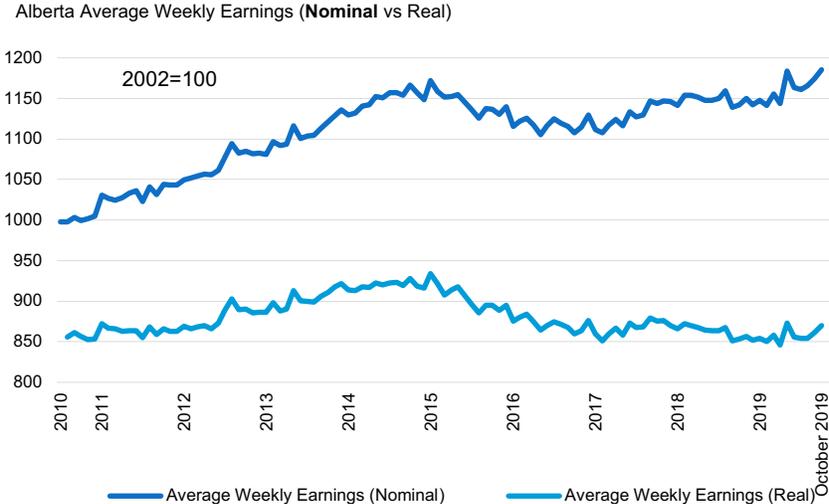


Source: Statistics Canada, RHS 2020

In November 2019, Alberta workers earned, on average, more than \$1,191 per week, a 3.6% increase over November 2018. Not only was this higher than any other province, but also nearly \$100 more per week than when the recession ended in October 2016. Nationally, average weekly earnings were reported to be \$1,043 in November 2019, up 3.2% over the same period. Figure 2:3 compares nominal average weekly earnings growth with inflation adjusted earnings. Real earnings have been declining since 2015.

Almost every industry has seen nominal average wages grow, and three-quarters of the job gains mentioned earlier were in sectors with above-average weekly earnings, such as in resources, utilities, construction, and manufacturing.

Figure 2:3 Alberta Average Weekly Earnings



Source: Alberta Labour, RHS 2020

Unemployment will continue to be high, forecast to remain at an average of 6.9 per cent next year and 6.7 per cent in 2021.

While there are certainly challenges ahead for the Alberta economy, Alberta tops the provincial rankings: median household income, employment rate and per capita GDP, to name a few. Its population is relatively young and affluent. The oil and gas industry are anticipated to stabilize after the volatility of the last few years. As Canada's largest hub for oil and gas activity, Alberta is projected to see the greatest increase in industry employment (+2,200) during the forecast period of 2018 to 2020.

2.2 Regional Economic Trends

Stettler (T) is the economic hub for East Central Alberta. Surrounded by rich rolling prairie, the Town combined with the County of Stettler has a regional population of about 11,000. The trading area of the regional community extends to a total permanent population of 40,000 and a summer population of over 43,000. The Town of Stettler, the largest center between Red Deer and the Saskatchewan border, is the chief service center for a diversified regional economy featuring agriculture, oil and gas, and tourism.

The Town has excellent connectivity within the Region and as part of the Eastern Alberta Trade Corridor (EATC) as well as close proximity to the CANMEX Corridor. is located along Highway 12, 80 kilometers east of the City of Red Deer/Town of Lacombe markets and the Queen Elizabeth II Highway corridor.

As a rural center, the Stettler regional community offers a range of services with many amenities found in larger cities, including schools, shopping, healthcare (Stettler Hospital and Care Centre) and recreation. The Stettler Recreation Centre has two arenas, an Olympic size swimming pool and a gymnasium. There are Catholic and public elementary schools in Stettler, public elementary schools in Erskine, Byemoor, Donalda, Big Valley and Botha, and a public high school in Stettler

The dominant industry in the labour force is agriculture, for investment is utilities, and for GDP is mining and oil and gas extraction. Future significant investment is expected to be predominantly in pipeline and industrial projects.

The future performance of these industries is tied to the prevailing price market, government policy, cultivating access to new markets and weather conditions. Steady growth is anticipated in the oil and gas and agriculture sectors.

2.2.1 Regional Labour Market

The Stettler region was hit hard by the 2015-16 recession. Stettler is part of the east central Camrose-Drumheller economic region of Alberta. At 4.2%

(Figure 2:4) the Camrose-Drumheller Region boasts the lowest unemployment rate in all of Alberta. The Region’s diverse economy made up of small and large businesses from a wide range of industries including, manufacturing, agriculture & agri-foods, oil & gas, petrochemical and transportation & logistics.

On an industry basis, job gains in construction and in manufacturing were offset by a decline in agriculture and wholesale and retail trade. Nevertheless, the Region is expected to see very little variation in their agricultural employment levels over the next three years with a tepid picture for cash receipts and thus revenues, driven by generally flat price expectations for most crops and China’s recent ban on canola seed shipments.

Figure 2:4 Unemployment Rate, Alberta Regions

Unemployment Rate (%), Alberta Regions

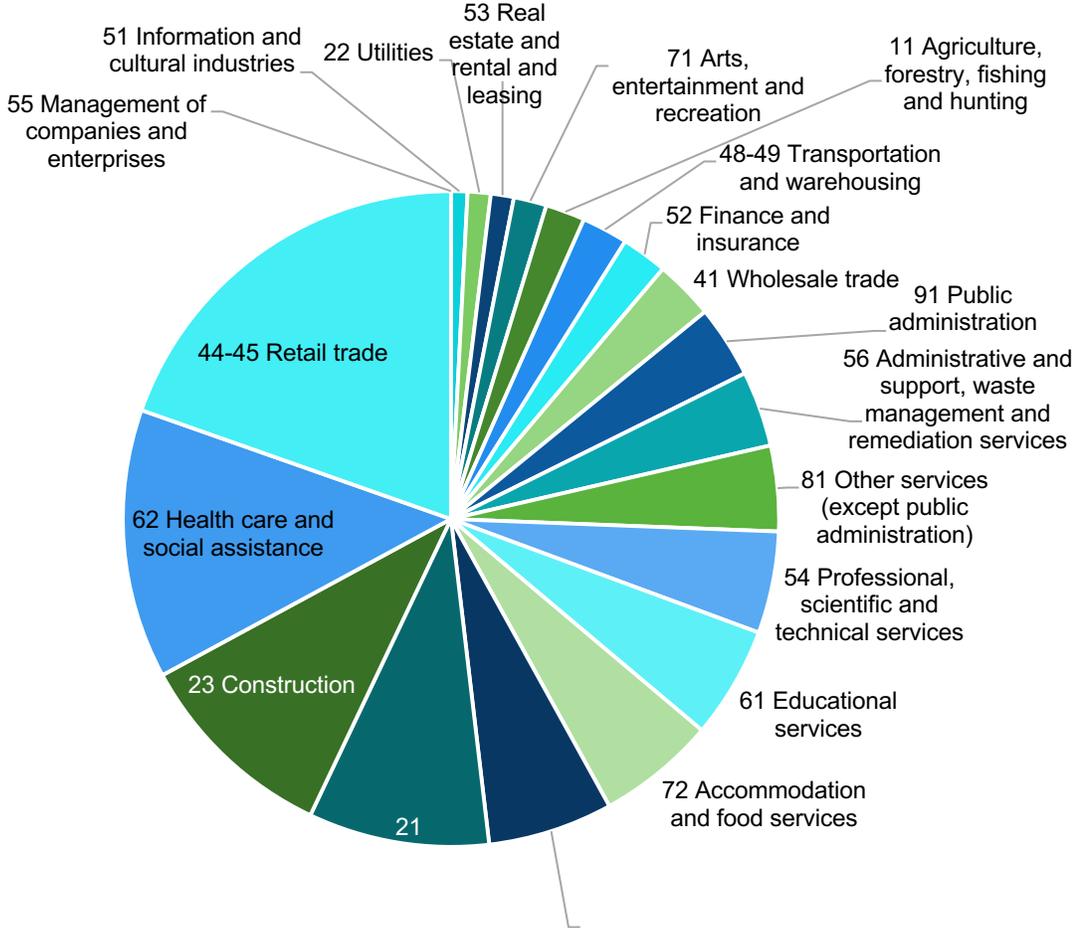
| Unadjusted, 3- Month Moving Average | December 2019 | November 2019 | December 2018 |
|--|---------------|---------------|---------------|
| Wood Buffalo - Cold Lake | 4.2 | 4.3 | 5.1 |
| Edmonton | 7.4 | 7 | 5.8 |
| Red Deer | 6.6 | 6.5 | 4.4 |
| Banff - Jasper - Rocky Mountain House and Athabasca - Grand Prairie -Peace River | 5.9 | 5.7 | 5.2 |
| Calgary | 6.8 | 6.7 | 7 |
| Camrose - Drumheller | 4.2 | 3.7 | 7 |
| Lethbridge - Medicine Hat | 4 | 4.9 | 4.5 |

Source: Alberta Labour, Altus Economic Consulting

The labour force by industry classification breakdown for the Town of Stettler (Figure 2:5) shows that retail trade and health care provide the most number of jobs by industry in the Town. Construction follows with mining and manufacturing close behind.

Figure 2:5 Labour force by Industry Classification, Stettler (T), 2016

Labour Force by Industry Classification, Stettler (T), 2016



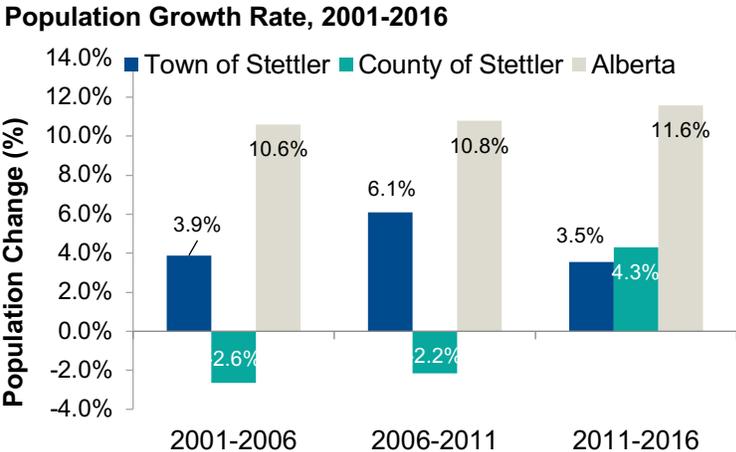
3 Housing Demand Analysis

Housing is intertwined with the demographics and economy of a community. Trends in population growth, aging, and household formation will have a significant impact on the type of housing that is needed in the community and what gets built. This section contains information on the demographic context of the Town of Stettler: population, number of households, household sizes and family types.

3.1 Population Trends and Projection

Between 2001 and 2016, the Town of Stettler grew at a faster rate than the County as a whole, by 13.5% (an annual growth rate of 0.90%) compared to a net negative growth rate of -0.5% for the County over the same time frame. Alberta’s population growth averaged 2.2% over 2001-2016. Most of the Town’s growth occurred between 2006 and 2011. The Town of Stettler’s population in 2016 was 5,952.

Figure 3:1 Population Growth, 2001 - 2016

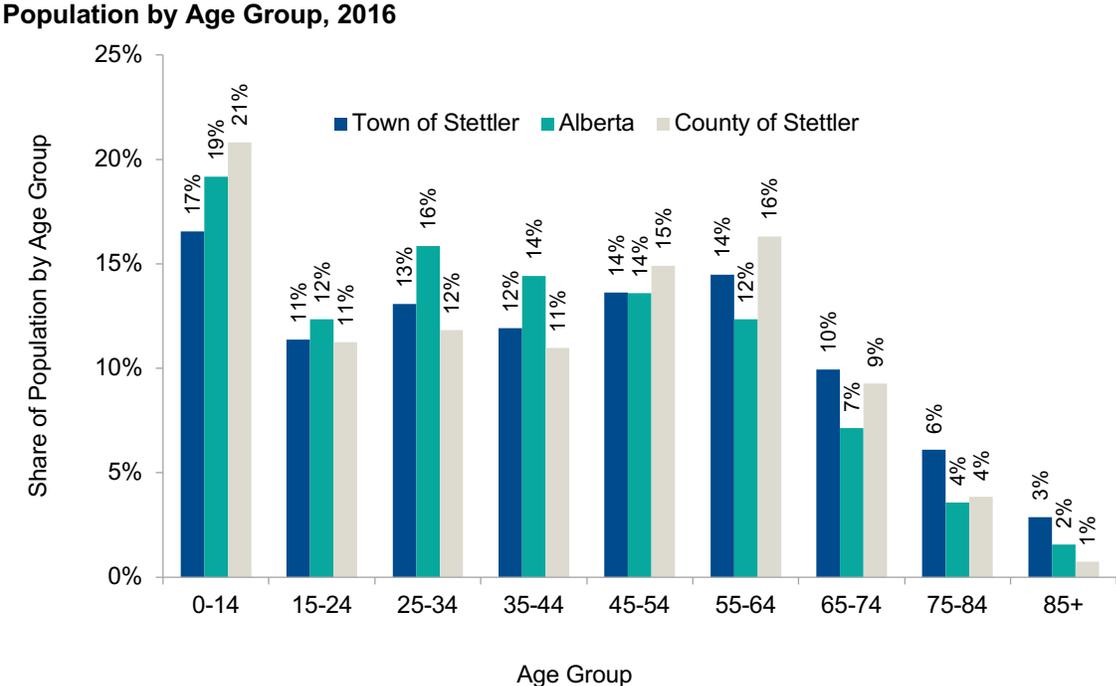


Source: Statistic Canada, Altus Group Economic Consulting, 2019

3.1.1 Population by Age

Stettler (T) is an aging community with a high proportion of adults 65 years of age and over (22%). This is higher than in the County and in Alberta (21 percent and 17 percent respectively). Stettler’s (T) primary working age population (15 to 64), is 59.9% of the total population as compared to 68.5% of Alberta as a whole. Figure 3:2 compares the Town of Stettler’s population age distribution by percentage of age cohort. The largest age cohort in the Town, County and province is the 0-14 age group.

Figure 3:2 Population Age Distribution Comparison, Town of Stettler, 2016



Source: Statistic Canada, Altus Group Economic Consulting, 2019

In 2016, a total of 28% of the people in the Town of Stettler were youth under the age of 25, while 19% were seniors over the age of 65 years. In comparison, the Province of Alberta had a higher percentage of youth aged under 25 years (31%) but a lower percentage of seniors over the age of 65 years (13%). Young adults aged of 25 to 44 years made up 25% of all residents in Stettler (T) in 2016, while older adults aged 45 to 64 years made up 28%.

The Town of Stettler and County populations are aging at a faster rate than the Alberta population generally. The Town of Stettler 2016 median age was 41.3, compared to the County and the province at 40.6 and 36.7 respectively. Figure 3:3 depicts a linear comparison of the 2016 age distributions.

Figure 3:3 Stettler Population Age Distribution Comparison 2016

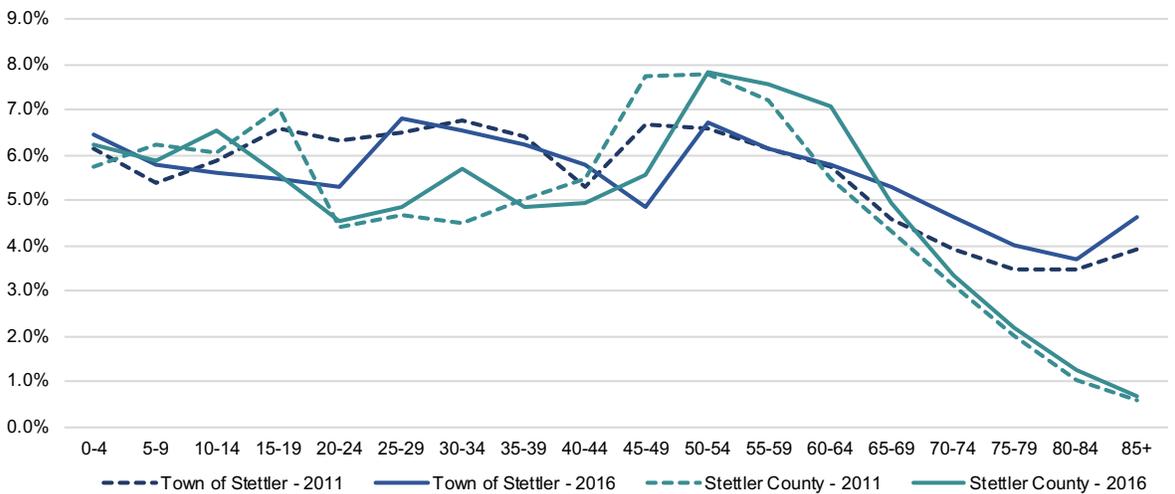
Population by Age Group, Town of Stettler vs Stettler County vs Alberta, 2016



The age distribution of Stettler (T) did not change significantly between 2011 and 2016 (Figure 3:4). However, there was a general trend over this period that saw age groups under 65 decline slightly over this period (from 80% of the population to 78%), while age groups 65 and over grew modestly (from 19.4% of the population to 22.3%).

Figure 3:4 Stettler Population Age Distribution Change, 2011-2016

Population by Age Group, Town of Stettler vs Stettler County, 2011 and 2016



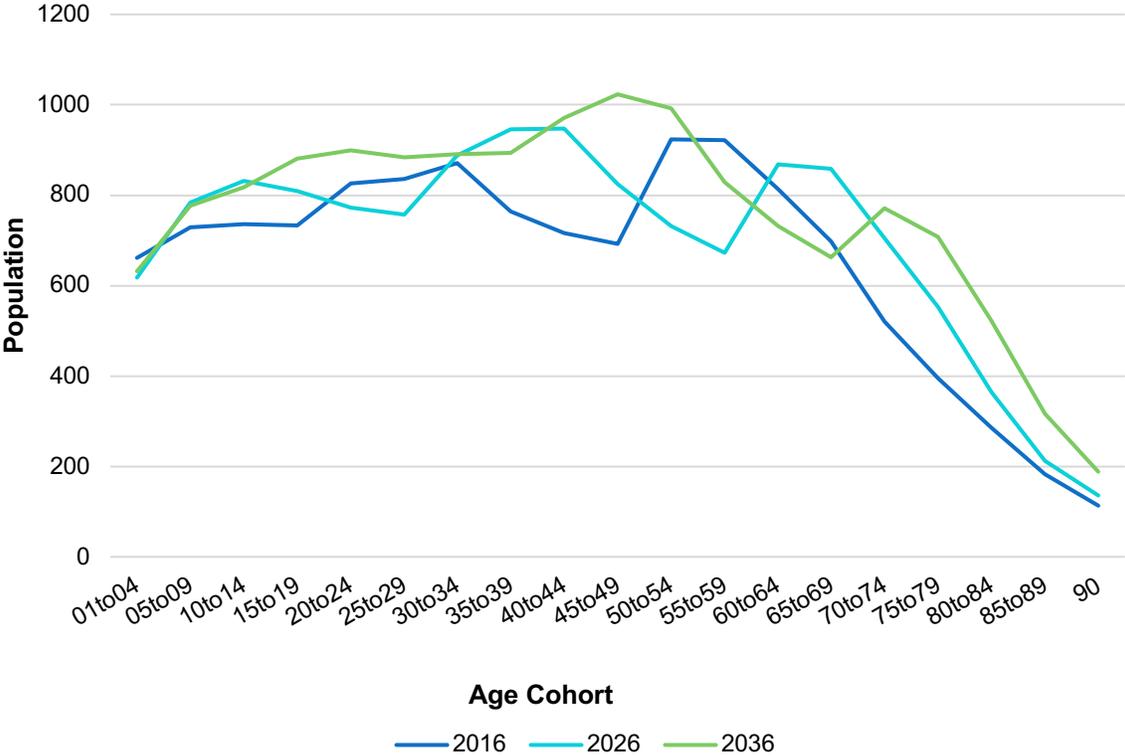
Source: Statistics Canada, Altus Group Economic Consulting 2019

3.1.2 Population Forecast

Alberta Health Services (AHS) forecasts the Stettler and County population growth to increase by 21% from 2016 to 2041, from a total population of 12,420 to 15,000, or an average of 0.84% annually. The 65 plus age group is expected to increase from a population of 2,196 in 2016 to 3,243 by 2041, a 48% increase. This 65 plus age cohort growth projectory is forecasted to gain momentum beginning in 2026. Figure 3:5 depicts the age distribution shifts in ten year increments beginning with 2016, 2026 and 2036. The detailed population forecast data table is included in Appendix B.

Figure 3:5 County of Stettler Population Forecast, 2016-2036

Population Growth Forecast by Age Cohort, County of Stettler



Source: AHS, RHS 2020

3.1.3 Household Trends and Projections

While population trends and characteristics are important indicators of housing need, the characteristics of households are more directly related to housing need as each household requires a housing unit. As such, it is important to understand the trends in the number, tenure, size, and type of households in a community to understand the housing need in that community.

There were 2,410 households in the Town of Stettler and 1,850 households in the County of Stettler in 2016. Between 2006 and 2016, the number of households grew by 10.5 percent, in Stettler (T) and 7.2% in Stettler County. With the job market improvement, and household formation is on the rise, the demand for housing increases filling fill up vacant homes, pushing up prices and rents.

Household formation boosts housing demand and therefore construction, regardless of whether that household formation is due to rising population growth or rising headship rates. Headship rates varies by demographic groups. A higher headship rate means fewer adults per households – or, equivalently, more households for a given population. recent gain in household formation appears to be due to basic demographic shifts the source of household formation has implications for future demand for housing. Estimating population growth, headship rate can be calculated from which an implied household formation by age group can be generated. The detailed headship rates and implied household growth are included in Appendix C.

Estimated household growth projection which indicate the requirements for new housing are shown below in Figure 3:6 Population Estimates and Implied Household Formation.

Figure 3:6 Population Estimates and Implied Household Formation, County of Stettler¹

| Age Cohort | 2016 Population | 2026 Population | Population Change 2021-2016 | Implied Add'l # Households | 2036 Population | Population Change 2026-2036 | Implied Add'l # Households |
|-------------------------|-----------------|-----------------|-----------------------------|----------------------------|-----------------|-----------------------------|----------------------------|
| 15 - 24 | 1,559 | 1,582 | 23 | 3 | 1,780 | 198 | 22 |
| 25-34 | 1,707 | 1,644 | -62 | -30 | 1,776 | 131 | 63 |
| 35-44 | 1,481 | 1,893 | 412 | 215 | 1,864 | -28 | -15 |
| 45-54 | 1,616 | 1,557 | -59 | -39 | 2,015 | 459 | 303 |
| 55-64 | 1,735 | 1,541 | -194 | -112 | 1,561 | 21 | 12 |
| 65-74 | 1,219 | 1,564 | 345 | 193 | 1,435 | -130 | -73 |
| 75-84 | 681 | 916 | 236 | 155 | 1,229 | 312 | 206 |
| 85 + | 296 | 347 | 52 | 46 | 505 | 158 | 141 |
| Total Population | 10,293 | 11,045 | 751 | 432 | 12,165 | 1,121 | 660 |

Source: Population Projections by AHS, Household estimates by RHS 2020

¹ The projections outlined show just one potential scenario for Stettler (T) over the next five years and are based on assumptions that emphasize historical growth and the current age distribution. As the community has a very high proportion of seniors, these projections do not fully account for households who may wish to live in the community but cannot find appropriate and affordable housing options. Nor do they account for latent housing demand from young people living with their parents, renters seeking better housing, or Stettler (T)-based workers who may live in another County community but who would be interested in moving to Stettler (T). Population growth is highly connected to development. The type and affordability of housing that is built in coming years will influence who lives here.

The number of households in the County of Stettler is projected to continue to grow until 2026 by an additional 751 households. By 2036, the number of additional households in the County is forecast to increase by an additional 660 households. Most of the growth is expected to occur in the 45-54 (additional 303 households) and the 75 plus age groups (additional 347 households). At the same time the number of households in the 35-44 and 65-74 age categories is expected to fall as these cohorts age. The increasing number of households will have a significant impact on the type of housing needed in community. In particular the senior population will be shifting into increasing levels of care as they go through the aging process. That said, statistically, 90% of seniors remain in their own private homes, with some supports.

3.1.4 Age of Household Maintainers

In 2016, the largest proportion of households (35.8%) were led by adults aged 45 to 64 years. Households led by seniors (aged 65 years and over) made up 26.7% of all households, while households led by young adults (aged 25 to 44 years) made up 32.9%. Households led by youth aged 24 and below represented 4.4% of all households in Stettler (T).

Figure 3:7 Change in Total Number of Households by Age of Primary Maintainer, Town of Stettler

Total Number of Households by Age of Primary Maintainer, Town of Stettler

| | 2016 | | 2011 | | 2006 | | % change 2006 - 2016 |
|----------------------------|-------|------------|-------|------------|-------|------------|----------------------|
| | 2,415 | % of Total | 2,350 | % of Total | 2,180 | % of Total | |
| Total Number of Households | 2,415 | | 2,350 | | 2,180 | | 10.78% |
| 15 to 24 years | 105 | 4.35% | 145 | 6.17% | 190 | 8.72% | -44.74% |
| 25 to 34 years | 430 | 17.81% | 370 | 15.74% | 375 | 17.20% | 14.67% |
| 35 to 44 years | 365 | 15.11% | 365 | 15.53% | 385 | 17.66% | -5.19% |
| 45 to 54 years | 460 | 19.05% | 480 | 20.43% | 415 | 19.04% | 10.84% |
| 55 to 64 years | 405 | 16.77% | 390 | 16.60% | 280 | 12.84% | 44.64% |
| 65 to 74 years | 325 | 13.46% | 300 | 12.77% | 260 | 11.93% | 25.00% |
| 75 + | 320 | 13.25% | 315 | 13.40% | 275 | 12.61% | 16.36% |

Source: Statistics Canada, RHS 2020

From 2006 to 2016, households led by seniors aged 65 plus (41.4%) and older adults aged 55 to 64 years (44.6%) saw the highest rate of growth. Another group that grew faster than the overall households in Stettler (T) were young adults aged 25 to 34 years (14.7%).

Households led by youth aged 24 or younger decreased significantly by 44.7%, while households led by working adults aged 35 to 44 years (-5.19%) shrank and aged 45 to 54 years (10.8%) grew at the same rate as total households overall.

This suggests that while the current housing need is focused on dwellings that are suitable for families, the need for housing for older adults and seniors that facilitates aging in place is increasing. However, the increase in the number of households led by young adults aged 25 to 34 years suggests there is also

a need for dwellings suitable to first-time homebuyers, younger people just starting their careers, and young families.

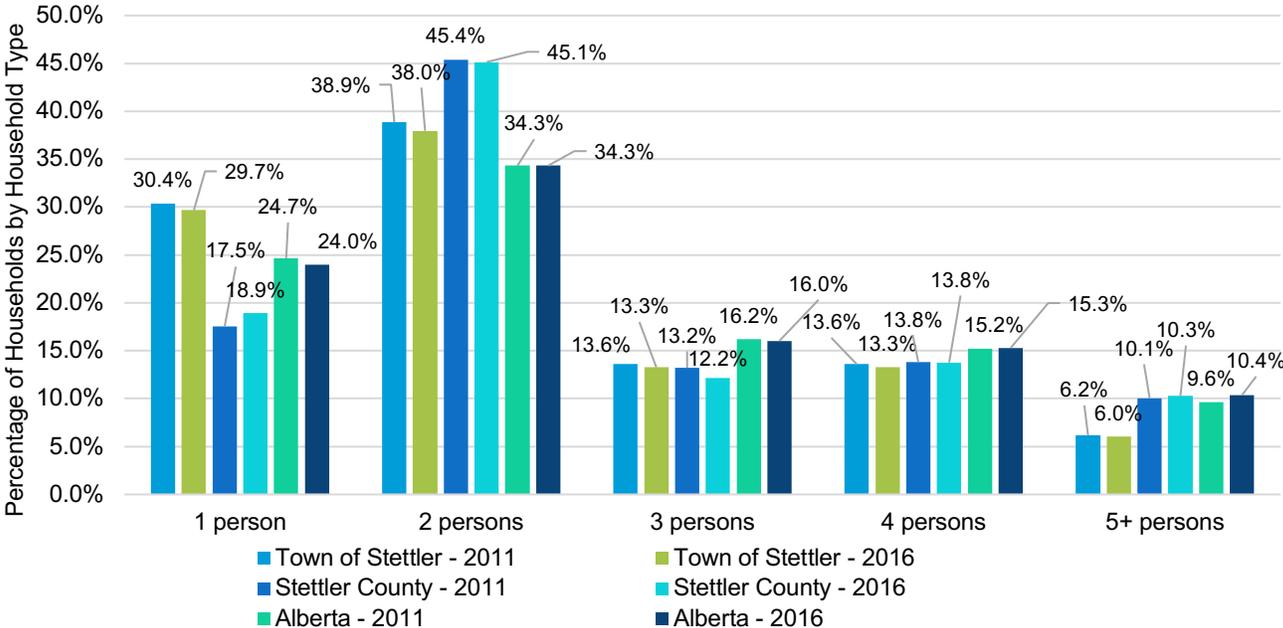
3.1.5 Household Size

While the overall distribution of household size in Stettler (T) did not change significantly between 2006 and 2016., there was a slight decrease in the number of one- and two-person households (69.3% in 2011 to 67.7% in 2016). The number of three-or-more-person households remained relatively constant between 2011 and 2016. Stettler (T) has a high percentage of one- person households (29.7%), compared to the County (18%) (Figure 3:8).

Stettler’s (T) significantly higher distribution of one person households are reflected in an average household size of 2.3 persons per household, which is lower than the County at 2.6 persons per household. Stettler’s (T) average household size has remained constant over the past three Census periods (2006, 2011, and 2016). The larger proportion of smaller households in Stettler (T) may be partly due to the higher proportion of seniors, older adults and young adults who have yet to start a family.

Figure 3:8 Household Size Comparison, 2011 and 2016

Household Size in Private Dwellings, Town of Stettler vs Stettler County and Alberta, 2011 and 2016



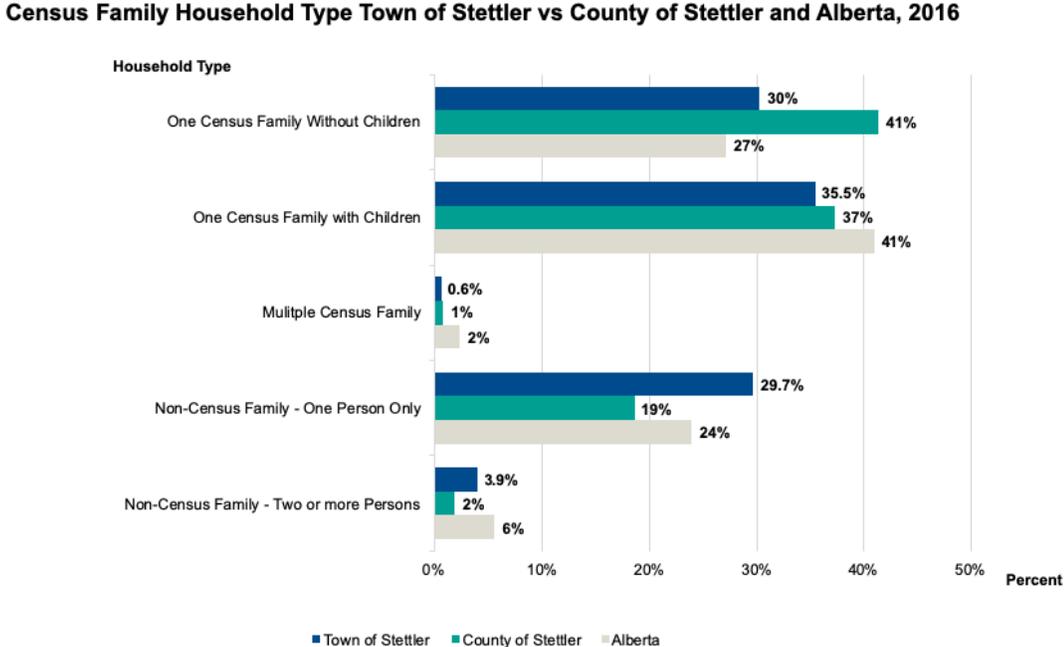
Source: Statistics Canada, Altus Group Economic Consulting 2019

3.1.6 Household Type

In 2016, 30% percent of all households in Stettler (T) were made up of individuals not in Census families, meaning they live alone or with roommates. Couples with children (couples with children and lone-parent families) were the most common family type (35 percent), followed by families without children which make up 30% of households in Stettler (T). Reflecting small household sizes above, 64% of household types in Stettler (T) are couples without children or individuals living alone or with roommates (“not in Census family”).

Figure 3:9 illustrates the census family by household type comparisons between Stettler (T), the County and the Province.

Figure 3:9 Census Family by Household Type Town of Stettler, 2016



In comparison with the County, Stettler (T) has a much lower proportion of couples without children (30% in Stettler (T) and 40% in the County), significantly higher proportion of individuals not in Census family (30% in Stettler and 10% in the County), and a marginally lower proportion of families with children (35% in Stettler (T) and 37% in the County).

The distribution of household types in Stettler (T) over the last two Census years have followed a similar trend to the County of Stettler overall. Individuals living alone in both areas remained the same, and the proportion of couples without children have remained generally unchanged. Families with children increased significantly in both, 25.7% to 35.5% in Stettler(T) and 29.7% to 38% in the County.

3.1.7 Senior Households

In 2016, senior households made up 26.7% of all households in Stettler (T) and this number increased by 41.4% from 2006 to 2016. This growth trajectory is expected to continue for another two decades.

This also suggests that there is currently a need for housing options suitable for seniors and for aging in place. This is further supported by the results of the resident survey and “round table” sessions where of respondents stated that one of the things, they would change in the current housing system in Stettler (T) is the availability of affordable and accessible housing options for aging seniors.

Figure 3:10 Family Characteristics by Age of Primary Maintainer (aged 15 and over), Town of Stettler

Family Characteristics of Adults by Age Cohort, Town of Stettler, 2016

| | 15 to 24 | 25 to 34 | 35 to 44 | 45 to 54 | 55 to 64 | 65+ |
|---|----------|----------|----------|----------|----------|-------|
| Total - Family characteristics of adults (aged 15 and over) | 630 | 790 | 715 | 685 | 695 | 1,000 |
| Adults living in census families | 505 | 615 | 635 | 550 | 535 | 650 |
| Married spouses and common-law partners | 95 | 525 | 525 | 475 | 490 | 605 |
| Without children in their census | 60 | 155 | 85 | 230 | 385 | 565 |
| With children in their census family | 40 | 370 | 435 | 250 | 100 | 45 |
| Lone parents (in lone-parent census families) | 20 | 40 | 85 | 55 | 25 | 35 |
| Adults not living in census families | 130 | 175 | 85 | 140 | 155 | 345 |
| Living with other relatives | 25 | 10 | 10 | 10 | 10 | 20 |
| Living with non-relatives only | 65 | 70 | 15 | 35 | 20 | 25 |
| Living alone | 35 | 95 | 60 | 100 | 130 | 285 |

Source: Statistics Canada, Altus Group Economic Consulting 2019

The data show that based on household type, similar to the previous analysis on household size, the greatest housing need is for smaller households such as singles and couples without children as they made up 64% of all households. However, couples with children made up 35% of all households. As such, housing suitable for families is also needed.

3.2 Household Income

The financial capacity of a household is an important element in determining housing need. As such, this section looks at the income of households in Stettler (T).

The Census reports on income data from the year previous to the year in which the Census was completed; for example, the income data in the 2016 Census is based on 2015. The information in this section is shown based on the year of the Census. Median income identifies the mid-point of income distribution in the community, or that half of the sample makes more than the median income and half earns less.

The median household income of the total number of households in Stettler (T) has grown by a meagre 1.8% percent from 2006 to 2016 to \$71,717 and is significantly lower than the County. This could be due to the high proportion of single occupant households and seniors in the Town compared to the County. While the Stettler (T) median income rose by 8.4% between 2006 to 2011 the 2015-2016 recession had a bigger impact on income in the Town.

Figure 3:11 Median Income by Household Structure

Before Tax Median Income by Household Structure, 2016

| | Town of Stettler | | County of Stettler | |
|--|----------------------------|--|----------------------------|--|
| | Total Number of Households | Median total income of households (\$) | Total Number of Households | Median total income of households (\$) |
| Total Number of Households | 2415 | \$71,717 | 1850 | \$89,728 |
| Census family households | 1605 | \$90,432 | 1470 | \$100,672 |
| One-census-family households without additional persons | 1505 | \$89,088 | 1415 | \$99,584 |
| One couple census family without other persons in the household | 1290 | \$95,130 | 1340 | \$102,571 |
| Without children | 710 | \$85,952 | 750 | \$89,856 |
| With children | 585 | \$111,462 | 585 | \$117,760 |
| One lone-parent census family without other persons in the household | 215 | \$48,213 | 75 | \$59,136 |
| With a male lone parent | 45 | \$66,816 | 30 | \$62,720 |
| With a female lone parent | 170 | \$43,840 | 40 | \$58,112 |
| Other census family households [3] | 100 | \$107,264 | 55 | \$123,136 |
| Non-census-family households | 815 | \$41,792 | 385 | \$43,456 |

Source: Statistics Canada, Refocus Housing Strategies

As the figure below shows (Figure 3:12 Median Income Total Economic Families), median incomes have risen steadily for all economic family categories in the County of Stettler. The median income in the County jumped by 36% between 2011 and 2016.

While individuals living alone or with roommates (“not in Census Family”) are the most common household type in Stettler (T), they had the lowest median household income in 2016. Couples with

children, who are the second most common household type, reported earnings more than double the median household income of individuals living alone – likely due to dual incomes.

Figure 3:12 Median Income Total Economic Families

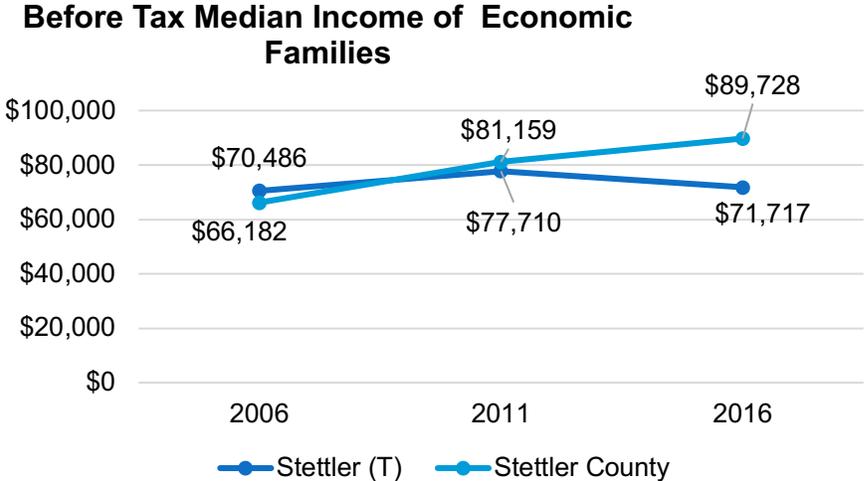
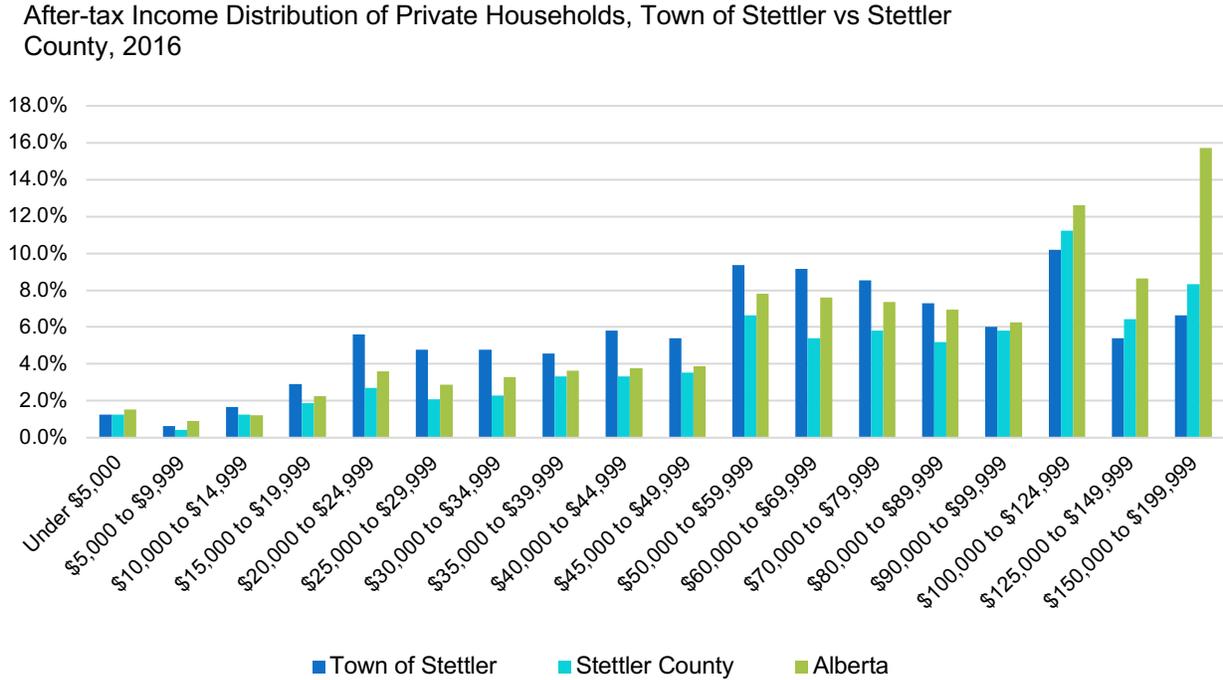


Figure 3:13 Income Distribution of Private Households, Town of Stettler, 2016 compares percentage of households by after tax income category for the Town of Stettler, Stettler County and the Province. Overall the County and the Province reported higher median incomes than the Town of Stettler. Just over 31% of households take home more than \$100,000 annually while 33% take home under \$50,000.

The incidence of low income in a community can be measured in a variety of ways. For the purpose of this study, Statistics Canada’s Low Income Cut Offs – After Tax (LICO - AT) were used. The cut-offs are income thresholds below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing compared to the average family in an area. The approach estimates an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter and clothing.

Alberta as a whole reported a higher prevalence of low income across all age groups (Figure 3:14 Prevalence of Low Income) as compared to Stettler (T) and Stettler County. However, the Town of Stettler had a proportionate higher percentage of low income in the 0-17 age group than the County.

Figure 3:13 Income Distribution of Private Households, Town of Stettler, 2016



Source: Statistics Canada, Altus Group Economic

3.2.1 Incidence of Low Income

The incidence of low income in a community can be measured in a variety of ways. For the purpose of this study, Statistics Canada’s Low Income Cut Offs – After Tax (LICO - AT) were used. The cut-offs are income thresholds below which a family will likely devote a larger share of its income on the necessities of food, shelter and clothing compared to the average family in an area. The approach estimates an income threshold at which families are expected to spend 20 percentage points more than the average family on food, shelter and clothing.

In 2015, 12% of the population in the Town of Stettler had low income status.

The number of residents who fell into this category decreased by 16.0% from 2005.

The proportion of residents in the Town with low income status is slightly higher than the proportion in the County as a whole (10.1%) in 2015. The County had much higher rates of seniors (65 plus) in low income (2.9% vs. 1.0%) However the number of seniors in low income was lower compared to the Province of Alberta as a whole (1.0% vs 3.3%).

Figure 3:14 Prevalence of Low Income

Prevalence of low income based on the Low-income cut-offs, after tax (LICO-AT) (%)

| | <u>Town of Stettler</u> | <u>Stettler County</u> | <u>Alberta</u> |
|------------------------|-------------------------|------------------------|----------------|
| 0 to 17 years (%) | 6.4% | 3.6% | 8.6% |
| 18 to 64 years (%) | 4.6% | 3.6% | 7.0% |
| 65 years over over (%) | 1.0% | 2.9% | 3.3% |

Source: Statistics Canada, Altus Group Economic Consulting 2019

3.3 Key Findings: Demographic Profile

- Over the 2006-2016 decade, the population growth rate (13.5%) of Stettler (T) exceeded that of the County’s (2.1%). Recent demographic trends show that Stettler (T) is an aging community: 22% of residents are 65 years of age and over, compared to 21% in the County and 17% for the province. Stettler (T) and the County populations are forecasted to grow by 21% by 2041.
- Between 2006 and 2016, the number of households in Stettler (T) grew at a marginally slower rate than the population overall, by 10.5% percent compared to 9.6% percent, respectively. Changes from 2006 to 2016 show that the number of one- and two-person households have remained relatively consistent. Families with children as a proportion of total households, took a big jump over the decade for both the County and the Town of Stettler., 25.7% to 35.5% in Stettler(T) and 29.7% to 38% in the County which is likely the result of the Millennial (age20-35 in 2016) cohort establishing their own households. This increases demand for housing which may not be available or affordable and will impact the diversity and vibrancy of the community.
- The data points to an increasing need for affordable housing for older adults and seniors that facilitates aging in place. However, the increase in the number of households led by young adults aged 25 to 34 years suggests there is also a need for dwellings suitable to first-time homebuyers, younger people just starting their careers, and young families.
- The overall median income in Stettler (T) in 2016 was \$71,717. Median income indicates the midpoint of income distribution in the community, where half of the households earn more than median income and half earn less.
- Individuals living alone and lone-parent families have the lowest median income households in Stettler (T) \$41,792 and \$48,213 respectively. Female lone parent household’s median income was \$43,840 while male lone parent household’s median income was \$66,816.
- The County reported a low unemployment rate of 4.2% coupled with a high labour participation rate of 74%. This compared to Stettler’s (T) participation rate in 2016 of 69.4% and the Province of 71.8%.

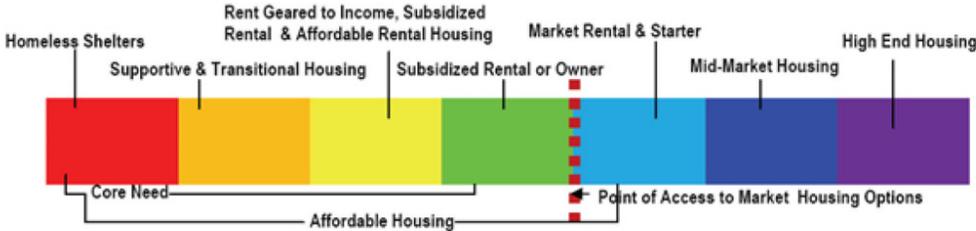
4 Housing Supply Analysis

This section outlines the major findings of this housing needs assessment into the following aspects of the housing continuum:

- Homeownership, including market and attainable homeownership
- Rental, including market, near-market, below-market, and secondary rental
- Supportive and transitional housing, including deep affordability rental, supportive options for seniors, and other forms of supportive housing

Housing supply is measured by the available housing options in a community. An important aspect of assessing housing supply is to examine recent housing activity, the tenure and condition of dwellings, and the supply of housing for residents with unique needs. This allows an analysis of the extent to which housing supply matches housing need and helps identify gaps in the current housing supply.

Figure 4:1 Housing Continuum



The housing stock of a community reveals both the history and potential future in the community. Housing and related infrastructure are expensive investments, particularly in the current market conditions. They do not always keep up with changes in demographic and economic conditions. This section presents an inventory of housing-related information in Stettler (T) related to housing tenure (ownership and rental), dwelling type, dwelling size, and dwelling age. It also contains information about the housing stock by the private market, rental market, and non-market housing, sales prices, and rents.

4.1 Current Housing Stock

The term “housing stock” refers to the total number of private occupied dwelling units as defined by Statistics Canada. Characteristics of housing stock analyzed here are structural type of dwelling, the number of bedrooms, period of construction, the condition and value. Data on structural type of dwelling is collected for all “private dwellings” while the remaining variables are only collected for private “occupied” dwellings.

Collective dwellings are not included in dwelling counts but people that live there are, which, creates a mismatch between private dwelling counts and population enumeration. While the number of people living in collective housing can be estimated by simply subtracting the people in private households from the total population this can lead to confusion when estimating household size, where one needs to be careful to properly match up populations and dwellings. In particular, dividing the standard population (which counts all people) by dwellings (which only counts private dwellings), gives incorrect results. Nevertheless, that gives us an idea of the scale and distribution of institutional residents.

4.1.1 Dwelling Types

In 2016, Stettler (T) had a total of 2,572 dwellings and Stettler County had 2,137 dwelling units. Of the total number of dwelling units 2,383 and 1,850 were occupied by their usual residents in Stettler (T) and Stettler County respectively². The difference between the two measures includes those dwelling units that may be recreational properties, temporarily vacant, or abandoned and are therefore not included in housing stock metrics.

As is indicated in Figure 4:2 Housing stock by Built Type, housing stocks across Alberta consist overwhelmingly of single-detached homes. Single detached homes³ represent 71.8% of Stettler's (T) and 69.1% of Stettler County's housing stock. Increasing housing diversity has been actively pursued by the Town administration including the recent additions of a number of duplexes, 4-plex and townhome developments.

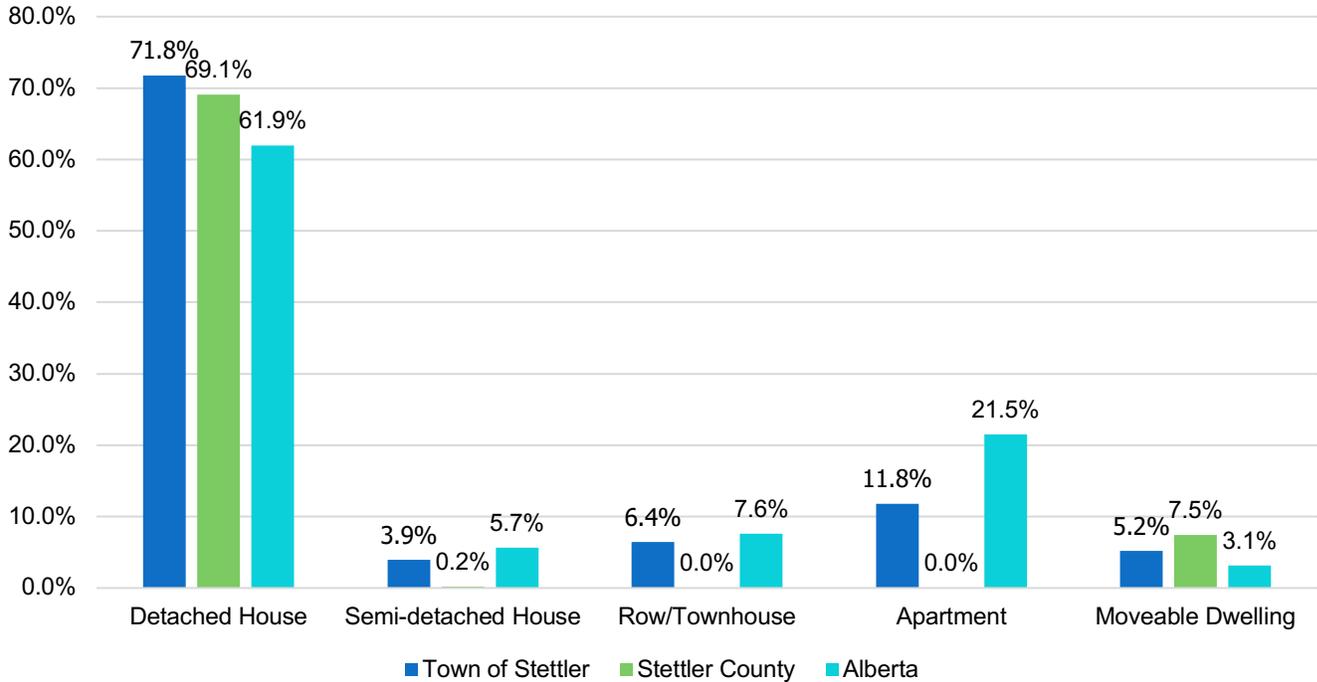
While single detached homes may be the ideal for many households, particularly larger families with children, they may not be the most appropriate dwelling type for other households, such as young adult starters on the housing market, seniors willing to downsize, persons with disabilities, or persons living alone. As such, having a housing supply which is predominantly single detached homes limits the options for certain households.

Adequate, affordable and appropriate housing is critical to a community's success. Housing diversity is an important component related to housing affordability and accessibility. A broad range of available housing types and price levels is needed for all income levels and household types. The housing stock in Stettler (T) has not kept up with the community's changing demographics such as housing that works for young people just starting out, moderate income families with children, empty-nesters, and work force housing.

³ A mobile home fixed permanently to a foundation is coded as a single-detached house.

Figure 4:2 Housing stock by Built Type

Housing Stock by Built Type, Town of Stettler vs Stettler County and Alberta, 2016



Source: Statistics Canada, Altus Group Economic Consulting 2019

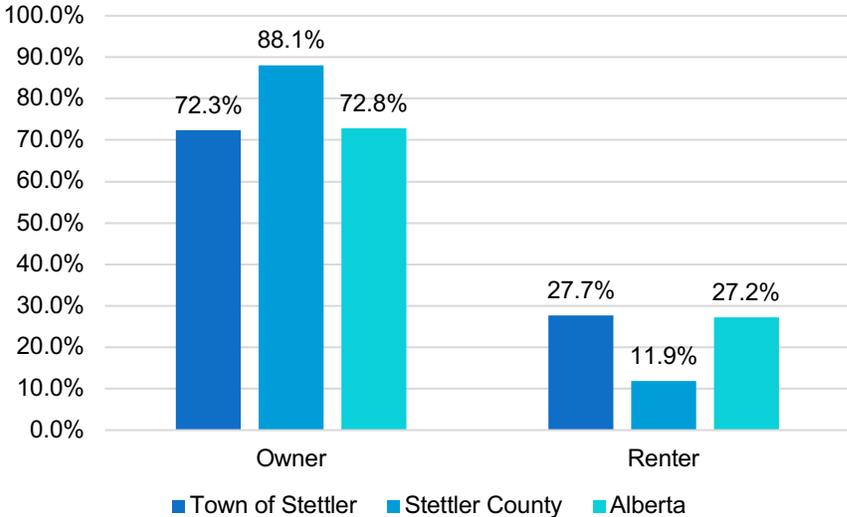
4.1.2 Housing Tenure

Stettler (T) has a similar homeownership rate with 72.3% of households owning their home, compared to 72.8% of households across Alberta as shown in Figure 4:3. However, renters in Stettler (T) still made up a significant portion of the community: 27.7%, or 670 households. The ratio of owners to renter households has remained relatively stable over the past three Census periods (2006, 2011, and 2016).

Of the 670 renter households in Stettler (T), 11.9% (80 households) lived in subsidized housing. This proportion is higher than the Province where 10.4% of renter households lived in subsidized housing.

Figure 4:3 Housing by Tenure Type

Housing by Tenure Type, 2016



Source: Statistics Canada, Altus Group Economic Consulting 2019

In 2016, the majority of renter households in Stettler (T) by age of primary household maintainer were led by ages 25 – 34 at 200 households, followed by the 45-54 age group with 125 households. Of the 670 renter households, 100 household maintainers were 65 plus.

While ownership remains the predominant tenure in Stettler (T), growth rates suggest the demand for rental housing is increasing faster than the demand for ownership housing.

Figure 4:4 Housing Tenure by Primary Maintainer, Town of Stettler, 2016

Housing Tenure by Age of Household Maintainer, Town of Stettler vs Stettler County and Alberta, 2016

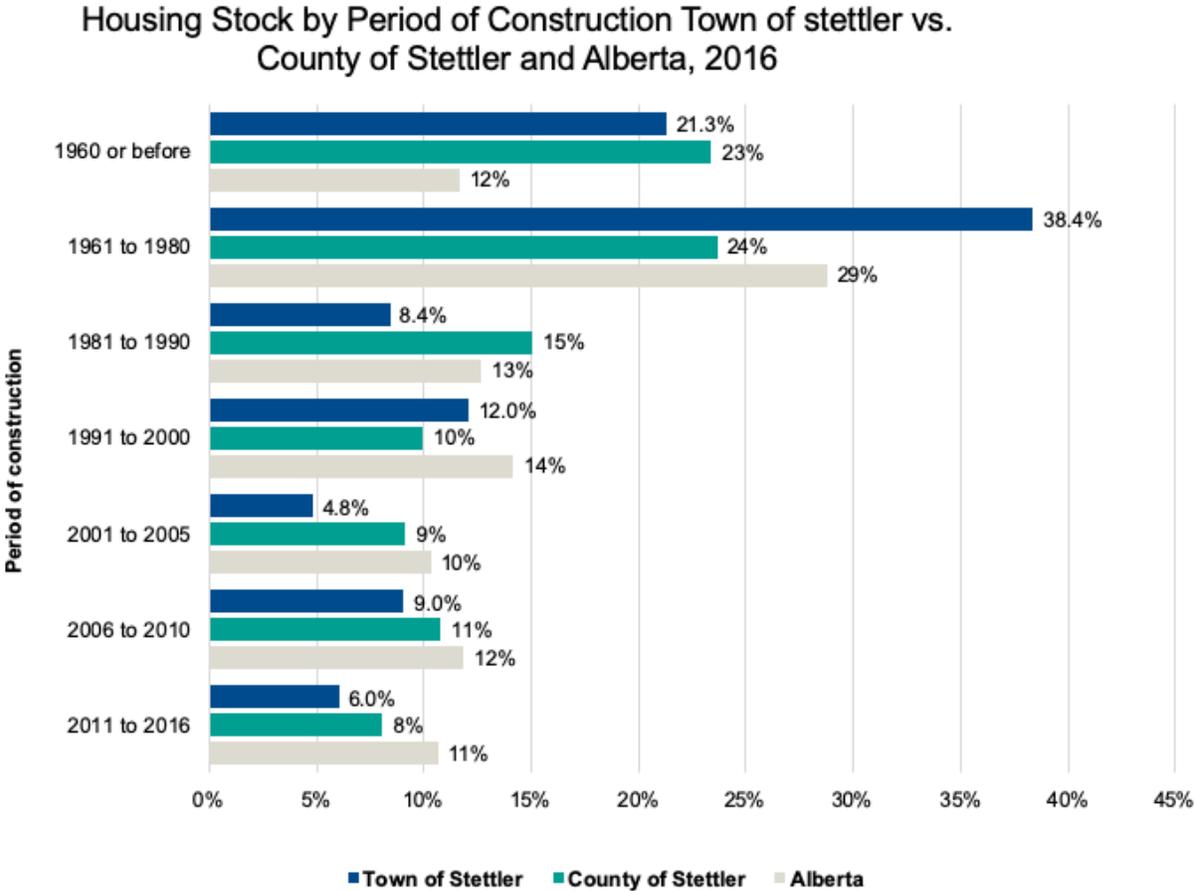
| | Town of Stettler | | Stettler County | | Alberta | |
|--|------------------|--------|-----------------|--------|-----------|---------|
| | Owner | Renter | Owner | Renter | Owner | Renter |
| Total - Age of primary household maintener | 1,750 | 670 | 1,630 | 220 | 1,105,795 | 412,155 |
| 15 to 24 years | 40 | 65 | 15 | 20 | 13,740 | 39,780 |
| 25 to 34 years | 230 | 200 | 175 | 50 | 157,725 | 122,365 |
| 35 to 44 years | 275 | 90 | 270 | 35 | 218,715 | 87,080 |
| 45 to 54 years | 335 | 125 | 315 | 55 | 241,380 | 66,785 |
| 55 to 64 years | 320 | 90 | 440 | 45 | 237,590 | 49,185 |
| 65 to 74 years | 280 | 50 | 245 | 10 | 141,655 | 26,855 |
| 75 to 84 years | 190 | 35 | 140 | - | 72,385 | 14,195 |
| 85 years and over | 80 | 15 | 35 | 10 | 22,605 | 5,905 |

Source: Statistics Canada, Altus Group Economic Consulting 2019

4.1.3 Age and Condition of Housing Stock

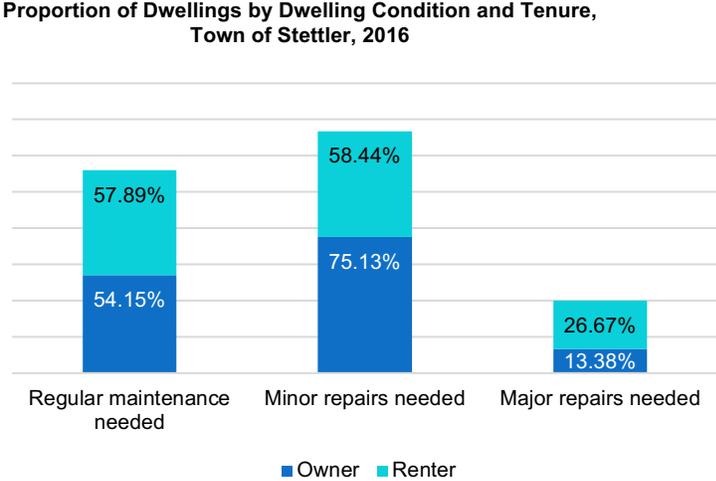
The majority of dwellings in Stettler (T) (68.1%) were constructed before 1991, while 10.6% of dwellings were built from 2011 to 2016. In comparison, 54% of all dwellings in the Province of Alberta were built before 1991 while 11% were built from 2011 to 2016. New home construction slowed dramatically after 1980, as compared to previous decades, in both Stettler (T) and in the County, as shown Figure 4:5 below.

Figure 4:5 Housing Stock by Period of Construction



In general, owned dwellings are in better condition compared to rented dwellings in Stettler (T). In 2016, 26.67% of all rented dwellings in Stettler (T) required major repairs compared to 13.38% of all owned dwellings.

Figure 4:6 Proportion of Dwellings by Dwelling Condition, Stettler (T), 2016



4.1.4 Number of Bedrooms

The National Occupancy Standard (NOS) is a metric that attempts to measure pressure households feel to upgrade their number of bedrooms. A dwelling unit is deemed suitable under NOS if every household member has their own bedroom, with the exception that couples may share a bedroom, as well as two children if they are under the age of 5 or of the same sex and under the age of 18.

Dwellings in Stettler (T) and Stettler County have typically been homes built to accommodate larger families. Of the 2,415 private dwellings, 70% had 3 or more bedrooms. However, only 33% of households have 3 or more persons, compared to 68% that are only one or two persons (see Figure 3:8). This may point to a few trends:

- Because of the older population in Stettler (T), there are many households that are likely aging in place and living in homes that once served larger families but now only serve one or two people. Some of these households may be interested in downsizing.
- Some of the larger homes are likely used by multiple singles living together as roommates.
- The high cost of housing (which is addressed in following sections) may be pricing out households with children who would have historically lived in larger homes.

Figure 4:7 Number of Bedrooms in Occupied Private Dwellings

| Total - Occupied private dwellings by number of bedrooms | Stettler (T) | | County of Stettler | |
|--|--------------|-------|--------------------|-------|
| | 2016 | 2011 | 2016 | 2011 |
| Total | 2,415 | 2,350 | 1,850 | 1,840 |
| No bedrooms | 0 | 0 | 0 | 0 |
| 1 bedroom | 135 | 85 | 40 | 25 |
| 2 bedrooms | 580 | 780 | 340 | 365 |
| 3 bedrooms | 775 | 815 | 750 | 710 |
| 4 or more bedrooms | 925 | 670 | 725 | 730 |

Source: Statistics Canada, RHS 2020

4.2 Market Housing

All of the new homes added from 2006 to 2016 were owned homes. No new purpose-built dwellings were constructed over this period. This indicates the majority of new renter households are housed in existing rental units or most new rental supply is created in the secondary rental market where ownership units are converted into rental by small private landlords or investors.

4.2.1 Homeownership Market

Using historical sales data from the Central Alberta Realtor Association (CARA) was collected and is shown in the graph below (Figure 4:8). Between 2009 and 2018, the average price for homes varied by less than 10%. The average, which aggregates sales of all housing types including townhouses, condominiums, and manufactured homes, is skewed down because of the high number of lower priced older properties. Review of current listings indicate the home prices range from a low of \$34,900 for a mobile home to \$759,900 for an executive single detached home.

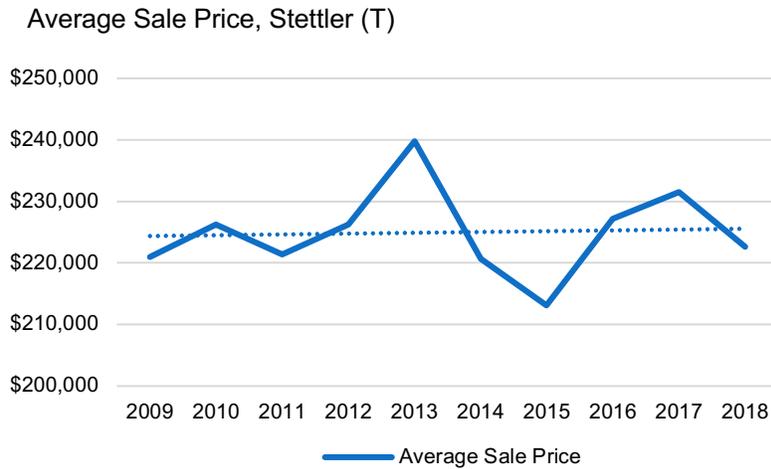
The Town has two actively developing residential subdivisions – Meadowlands in the southwest and Emmerson in the northwest of Town center. Available posted lot prices in Emmerson with one lot price listed at \$78,645 and Meadowlands lot prices range from approximately \$49,000 to \$66,500. Current newer home sale list prices for the two communities range from approximately \$350,000 to \$759,900. According to interviews with resident, the southwest quadrant of Stettler (T) is a more desirable place to live.

From summary residential permit data obtained from the Town of Stettler, we surmise there have been approximately three to four new homes constructed annually since 2016. In an interview with a local home builder indicated lot sales for new home construction have been very slow at about one annually over the past few years. New home construction sale price range most prevalent is \$ 400,000 - \$450,000.

Statistics Canada includes a self-assessed property value in the 2016 census data for Stettler (T) which follows in Figure 4:9 Dwelling Average Value Town of Stettler vs County of Stettler and Alberta, 2016. In a dynamic market these assessments are of limited value. More current housing average sale price data

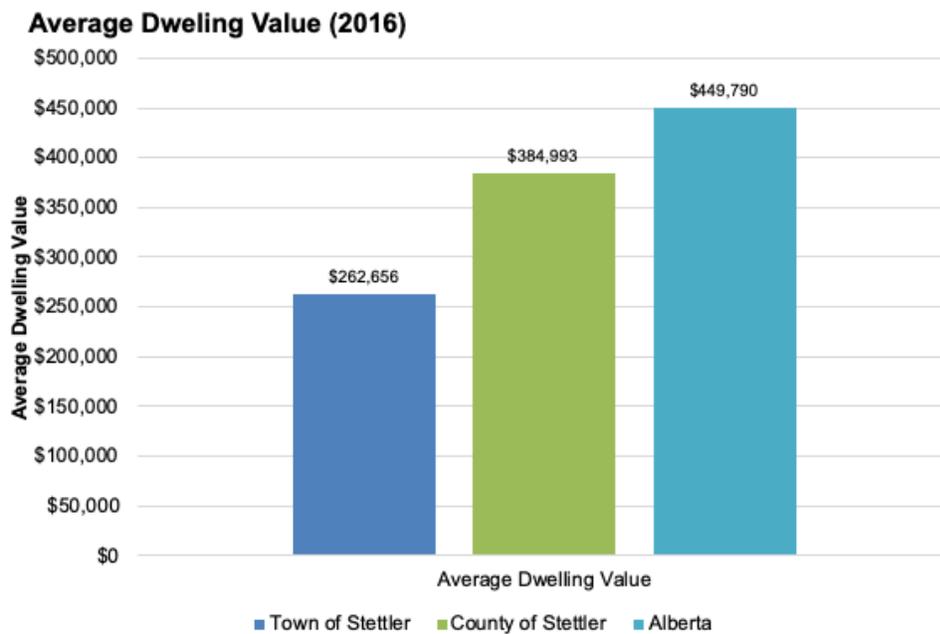
tracked by CARA is shown in Figure 4:8 Average Residential Sale Price, Stettler (T). Detailed average monthly housing sales data is included in Appendix D.

Figure 4:8 Average Residential Sale Price, Stettler (T)



Source: CARA, Altus Group Economic Consulting 2019

Figure 4:9 Dwelling Average Value Town of Stettler vs County of Stettler and Alberta, 2016



4.3 Rental Housing

Rental housing fulfills a number of important roles in the housing market in a community. It offers a flexible form of accommodation, provides relief from day-to-day maintenance, and often provides more modest-sized units. In addition, rental housing is generally more affordable compared to ownership housing. In most cases, rented dwellings tend to have lower monthly costs and only require the first and last months' rent as deposit. The flexibility and affordability of rental housing is ideal for some households, such as seniors wishing to downsize or who are on a fixed income, young adults starting their career, or people living alone.

The private rental market in a community is generally made up of the primary or purpose-built rental market and the secondary rental market. The primary rental market includes all self-contained rental units where the primary purpose of the structure is to house tenants. The primary rental market includes purpose-built rental apartments and rowhouses. The secondary rental market represents self-contained units which were not built specifically as rental housing but are currently being rented out. These units include rented single-detached, semi-detached, row/townhouses, duplex apartments (i.e. separate dwelling units located within the structure)

The secondary rental market is a good source of rental units, offers a more diverse supply as these units include single and semi-detached homes as well as secondary units compared to predominantly apartment and townhouse units in the primary rental market. However, units in the secondary rental market are typically also more expensive.

4.3.1 Purpose Built Rental Housing

The primary rental market, also known as the purpose-built rental market, is occupied rental units in privately initiated, purpose-built rental structures. These can be in apartments or row houses. The data in the following tables was compiled from the 2018 Apartment Vacancy and Rental Cost Survey published annually by Alberta Seniors and Housing which surveys rental housing in smaller communities across Alberta.

The total purpose-built rental universe in Stettler (T) is 213 units. Figure 4:10 provides a breakdown of those units by number of bedrooms and rental range. The majority of rental units (121) are two-bedroom units of which 24% or 29, are vacant. Rental rates for these range between \$650 - \$799 per month. Rental rates are the actual amount a tenant pays for their private market rental units. No adjustments are made for inclusion or exclusion of amenities and services such as heat, water, electricity, and parking. There are no four-bedroom units and only four bachelor units. The bachelor units rental rate ranging between \$500 - \$649 per month and reported no vacancies.

Figure 4:10 Purpose Built Rental Housing by Unit Type and Monthly Rent, Town of Stettler, 2018

| Town of Stettler Vacancies by Rental Range & Unit Type | | | | | | | | | | |
|--|------------|--------|------------|--------|------------|--------|------------|--------|------------|--------|
| | Bachelor | | 1-Bedroom | | 2-Bedroom | | 3-Bedroom | | 4-Bedroom | |
| | # of Units | Vacant |
| > \$500 | - | - | - | - | - | - | - | - | - | - |
| \$500-\$649 | 4 | 0 | 9 | 1 | 9 | 0 | - | - | - | - |
| \$650-\$799 | - | - | 33 | 3 | 121 | 29 | - | - | - | - |
| \$800-\$949 | - | - | - | - | 4 | 0 | 17 | 0 | - | - |
| \$950-\$1099 | - | - | - | - | 4- | - | 12- | 2- | - | - |

Source: Alberta Government, Altus Economic Consulting

Average rental rates by number of bedrooms are provided in Figure 4:11 below. The maximum rent charged in 2018 for any purpose-built rental unit in Stettler (T) was \$1,000.

Figure 4:11 Rental Housing Average Rent & Range by Unit Type, Town of Stettler, 2018

| Town of Stettler Rental Housing Weighted Average Rent & Range by Unit Type | | | | | | | | | |
|--|-------------|-----------|-------------|-----------|--------------|-----------|-------------|-----------|-------|
| Bachelor | | 1-Bedroom | | 2-Bedroom | | 3-Bedroom | | 4-Bedroom | |
| Average | Range | Average | Range | Average | Range | Average | Range | Average | Range |
| \$581 | \$525-\$620 | \$672 | \$550-\$750 | \$738 | \$600-\$1000 | \$921 | \$900-\$950 | - | - |

Source: Alberta Government, Altus Economic Consulting

Vacancy rates are also spliced by building type, shown in Figure 4:12. Percentages indicated should be considered with caution because of the small sample sizes. They become less informative and more misleading. There are no vacancies in the row houses and only two of a total of 16 located in 4-plex buildings.

Figure 4:12 Vacancies by Building Type

| Vacancies by Building Type | | | | |
|----------------------------|--------|---------|-----|-----------|
| | 4-Plex | Walk-up | Row | Store Top |
| # of Units | 16 | 176 | 17 | 4 |
| Vacancies | 2 | 32 | 0 | 1 |
| % | 12.50% | 18.20% | 0 | 25% |

Source: Alberta Government, Altus Economic Consulting

Figure 4:13 Vacancies by Age of Building Town of Stettler, 2018

| Vacancies by Age of Building | | | | | |
|------------------------------|------------|-----------|----------|-----------|-----------|
| | < 6 Months | 7-23 Mths | 2-5 Yrs. | 5-10 Yrs. | 10+ Years |
| # of Units | | | | | 213 |
| Vacancies | | | | | 35 |
| % | | | | | 16.40% |

Source: Alberta Government, Altus Economic Consulting

Overall rental rates have increased by about 12% on average, from 2009 to 2018. Bachelor units increased the most by about 13.5% over that period. Even during periods of very low vacancy rates experienced over 2012-2014, average rental rates remained relatively constant. There have been no new purpose-built rental units constructed in Stettler (T) in more than 10 years (Figure 4:13).

Several towns in the Region were selected as comparators to examine whether rental property vacancy rates were unique to Stettler. Figure 4:14 illustrates that they are not although the nearby Town of Hanna reported substantially reduced vacancy rates in 2018. This may be due to pipeline activity in the area.

Figure 4:14 Vacancy Rate Comparison

| Vacancy Rates Community Comparison | | | |
|------------------------------------|-------------------------|-------------------------|----------|
| | 2017 Vacancy Rate | 2018 Vacancy Rate | % Change |
| Town of Stettler | 15.1 | 16.4 | 1.3 |
| Penhold | 11.1 | 26.8 | 15.7 |
| Drumheller | 9.6 | 18.2 | 8.6 |
| Hanna | 23.3 | 9.6 | -13.7 |

Source: Alberta Government, Altus Economic Consulting

4.3.2 Secondary Rental Housing

The secondary rental market consists of all rental-occupied housing units that do not fall under the purpose-built umbrella. It includes rented condominiums, subsidized rental units, rented freehold row houses and rental units in structures with fewer than three units.

Most rental stock in Stettler (T) in the secondary market includes secondary suites, rented condominiums, townhomes, and single-detached dwellings. Shown in Figure 4:16, the number of privately owned single detached homes rental properties exceeds the number of purpose-built rental apartments. This indicates the majority of new renter households are housed in new rental supply created in the secondary rental market where ownership units are converted into rental by small private landlords or investors.

Stettler’s (T) secondary market housing rental rates and vacancies are not tracked or published. Rental household data collected through the housing survey reports rental rates, phone calls to a number of property owners, and an online survey of Stettler residents, suggests that rental rates in the secondary market have higher rental rates on average, than in the purpose-built universe. A survey of posted rental rates online and discussions with several property investors generated (Figure 4:15) are shown below. The addition of utilities to the base rent can add 20% onto the cost of housing.

Figure 4:15 Secondary Rental Market Rental Rates

| Secondary Rental Market Rental Rates February 2020 | | |
|---|---------------------|------------------|
| Type | Monthly Rent | Utilities |
| Basement suite | \$650 | plus |
| Mobile home | \$650 | plus |
| Townhome | \$850 | plus |
| Main floor house | \$950 | plus |
| Main floor house | \$975 | incl |
| 4-Plex Townhome | \$1,200 | plus |
| Townhome | \$1,200 | plus |
| Detached House | \$1,250 | incl |
| Detached house | \$1,400 | plus |
| Detached house | \$1,700 | plus |

Source: RHS 2020

Figure 4:16 Household Housing Tenure by Dwelling Type, 2016

Household Housing Tenure by Dwelling Type

| | Total - Tenure | Owner | Rental |
|--|----------------|-------|--------|
| Total - Structural type of dwelling | 2,415 | 1,745 | 670 |
| Single-detached house | 1,730 | 1,450 | 280 |
| Apartment in a building that has fewer than five storeys | 0 | 0 | 0 |
| Other Attached Dwelling | 550 | 175 | 375 |
| Semi-detached house | 90 | 45 | 45 |
| Row house | 160 | 75 | 85 |
| Apartment or flat in a duplex | 25 | 10 | 20 |
| Apartment in a building that has fewer than five storeys | 260 | 45 | 215 |
| Other single-attached house | 15 | 0 | 15 |
| Movable dwelling | 130 | 120 | 15 |

Source: Statistics Canada, RHS, 2020

4.4 Non- Market Housing

Non-market housing is an important source of housing for many families and individuals who are unable to afford market rents or who require other types of housing supports. This section summarizes available data on non-market housing. Every community has a different profile for non-market housing and differences in supply are related to unique demographic needs and historical investments. There are no established guidelines or standards for the number of non-market units that are needed in a community. Funding for non-market housing typically comes, at least in part, from senior governments which generally require a demonstration of need before investing. Non-market housing may also be built through the initiative of local non-profit organizations through fundraising or partnerships with private developers.

Non-market housing is made up of emergency accommodation and permanent housing units where monthly rent rates are geared-to-income or set at below-market rates. These housing units are generally provided through the non-profit and public sectors such as the Stettler County Housing Authority.

4.4.1 Emergency and Transitional Housing

There are no units dedicated to women and children, persons with disabilities, or individuals experiencing homelessness. Data on transitional and supportive living is suppressed for privacy reasons.

Emergency and transitional housing to serve the Town’s homeless population is not currently available in either Stettler (T) or County. In rural areas, homelessness is less visible because people are more likely to be living in overcrowded or unsafe housing, rather than on the street. There are fewer options for safe and affordable housing, fewer shelters, and fewer rental units in rural communities.

Homelessness can take many forms. While people living on the street or in their cars are the most obvious forms of homelessness, people who have no permanent homes, such as those who are couch surfing or living in motels, are also considered part of the homeless population. A formal homeless

population count has not been conducted in Stettler (T) however, an estimate of 15 homeless people in the Town was proffered at the “round table” session.

4.4.2 Below Market Housing

The County of Stettler Housing Association owns and manages several one-bedroom apartments, 2- and 3-bedroom townhouses which are below market rental accommodation conditional on income, suitable for families and small or individual households. The challenges expressed by a number of survey respondents as well as “round table” participants related to narrow conditional access.

4.4.3 Senior Housing

It is important to note the connection between the various housing options available to seniors and the care continuum. Housing options range from living independently in a single-family dwelling to living in a residential care facility with 24/7 nursing and other forms of care. Between the two extremes, there are numerous combinations of housing, medical and non-medical care. For example, there are many seniors living in their own homes or in apartments with some level of home care.

The majority of Stettler seniors in private housing lived in single family detached houses, as did the Alberta population as a whole.

The senior population living in collectives is mostly made up of women, reflecting the higher proportion of women in the province’s senior population. The proportion of senior women is particularly higher in residences such as nursing homes and residences for senior citizens, where the population of senior women is twice that of senior men. In line with the total senior population growth in the past five-year period, the population growth of senior men living in collectives outpaced that of women (24.2% compared to 12.7% for women).

Figure 4:17 lists the continuing care and supported living seniors’ housing along with current rates, in Stettler (T). Both private and public facilities are available for a total of 138 spaces for higher level care and 205 of independent supported living units. The publicly supported ISL facilities reported numerous vacancies on a consistent basis.

Figure 4:17 Seniors' Supported Housing, Stettler (T)

| Independent Living (with supports) | Number of Rooms | Room Types | Rent | Plus Full Board |
|------------------------------------|-----------------|-------------------------------|----------------------|--------------------------------------|
| Heart Haven Lodge | 70 | Bed/sitting | \$471-\$748.00 | \$864.00 |
| | 4 | 1 Bed/couples | \$942.00 - \$1,036 | \$864.00 |
| Paragon Place | 68 | Bachelor and 1 Bed Apartments | \$748.00- \$1,139.00 | \$884.00 |
| Willow Creek | 43 | Bed/Sitting | \$680.00-\$1,036.00 | \$864.00 |
| | 10 | 1 Bedroom Apt. | \$942.00 | \$873.00 |
| Points West | 10 | 1 Bed Apartment | \$2,350-\$2,750 | included 1 meal/day and housekeeping |
| | | 2 Bed Apartment | \$2,995-\$3,300 | |
| Continuing Care | | Care Level | Rate | |
| Heritage House (Stettler Hospital) | 50 | LTC | \$2,074 | |
| Points West | 88 | DSL4/DSL4D | \$2,074 | |

Source: RHS 2020

4.5 Key Findings: Housing Supply

- Stettler’s (T) housing stock is overwhelmingly (71.8%) single detached homes which, when the majority were constructed, were in keeping with the population profile at the time.
- 68% of the housing stock in Stettler (T) was constructed before 1991. These homes are now at least 30 years old and likely require renovation and upgrades to today’s standards. In 2016, 26% of renter occupied dwellings and 13.38% of owner-occupied dwellings required major repairs.
- 2016 Statistics Canada data reports that 70% of the housing stock in Stettler had 3 bedrooms or more but only 33% of households have 3 or more persons living there, suggesting there is a need for smaller dwellings.
- Although the Town administration has been encouraging the development of greater housing diversity, the housing stock options available to the changing demographics in the community, such as growth of smaller households, young people just starting out, empty nesters, independent seniors and single households, have not kept up.
- The high rate (72%) of home ownership compared to nearly 30% renter households has been a stable ratio over the past three census periods.
- The majority of renter households were led by age 25-34 primary household maintainers, indicating young families and individuals.
- No new purpose-built rental housing has been constructed in over ten years. Any new rental supply has been created in the secondary rental market by private investors which consist

primarily of single detached and row housing properties. These rental properties now exceed the number of purpose-built rental housing. This suggests there is a growing demand for rental housing in Stettler (T).

- 2018 purpose built rental housing data provided by the Alberta Seniors and Housing annual apartment vacancy and Rental cost survey, reported a 16.4% vacancy rate primarily consisting of 32 two-bedroom units.
- Seniors' continuing care (LTC and DSL4/4D)) and supported living housing (ISL) in Stettler (T) is offered by both private and public facilities totaling 138 spaces for higher level care and 205 of independent supported living units. There are consistently vacancies in the public independent supported living units while the privately held units are all occupied however, there are only 10 private ISL units compared to 195 public units. The private unit rental rates are double compared to the public units. Housing that's affordable and suitable for independent active seniors is not readily available in Stettler(T).
- There is no temporary or emergency housing in Stettler (T). The "round table" stakeholder discussion session illuminated a need for temporary and transitional housing for women and children escaping domestic violence and an estimated 15 homeless population.
- Non-market housing is provided by the County of Stettler Housing Authority. A number of two- and three-bedroom townhouses and one-bedroom apartments are available to families earning below an income threshold. Households must make application to be considered for one of these dwellings.

5 Housing Affordability

5.1.1 Housing Gaps

A housing affordability gap analysis was completed to understand how shelter costs relate to household incomes in Stettler (T). The income data used is based on the 2016 Census and has not been adjusted to account for limitations. This analysis is based on median incomes by household type provided by the 2016 Census and primary market data provided for 2018.

This analysis illuminates gaps between median incomes and community housing costs. Actual individual circumstances vary significantly. It is important to note that the median incomes shown in the data table means that one half of the number of households earn below that amount. These households' affordable monthly shelter expenses would therefore be below the median affordable amount calculated at 30% of gross household income.

Figure 5:1 below shows that median income couples are generally able to afford average rents in the primary rental market and average homeownership costs. First time home buyers are often challenged by down payment requirements and are required to add mortgage insurance to the cost of purchasing a home.

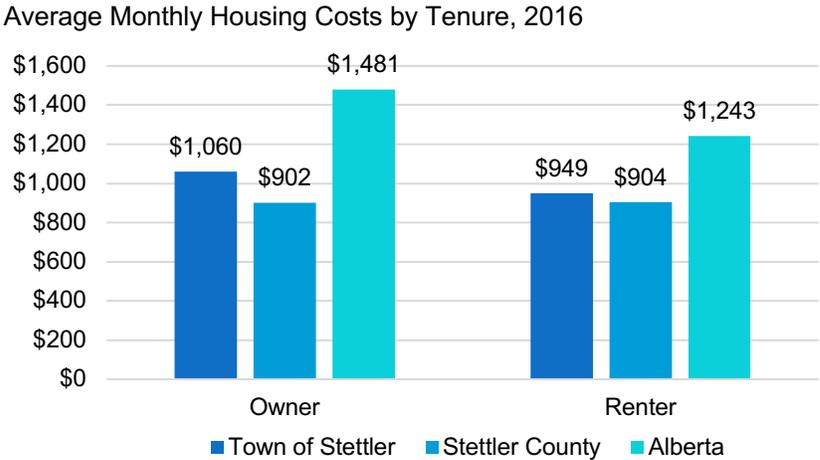
The major gaps in affordability are most pressing for lone-parent families and individuals not in census families. Individuals earning a median income of \$41,792 would be able to afford average rental rates in Stettler (T) however those households which earn less, would have a gap in affordability compared to the average rent (Figure 5:2) . Just over 33% (800 households) of Stettler (T) households with employment income earned less than \$50,000 annually and 15% (365 households) earned less than \$30,000 annually. For those households, the 30% of income benchmark for affordable monthly shelter costs would be substantially lower than the median calculated.

Figure 5:1 Median Affordable Shelter Costs by Household Type

| | Total Number of Households | Median total income of households (\$) (2015) | Median Affordable Monthly Shelter Expenses 30% of HH Income |
|------------------------------------|-----------------------------------|--|--|
| Couples Without children | 710 | \$85,952 | \$2,148.80 |
| Couples With children | 585 | \$111,462 | \$2,786.55 |
| Lone parent male | 45 | \$66,816 | \$1,670.40 |
| Lone parent female | 170 | \$43,840 | \$1,096.00 |
| Individuals not in Census Families | 815 | \$41,792 | \$1,044.80 |

Source: Statistics Canada, RHS 2020

Figure 5:2 Average Monthly Housing costs by Tenure, 2016



Source: Statistics Canada, Altus Group Economic Consulting 2019

5.1.2 Housing Indicators

According to the Canada Mortgage and Housing Corporation (CMHC), a household is living in acceptable housing when it is: • Adequate (does not need major repairs); • Suitable (has enough bedrooms for the household); and • Affordable (costs less than 30% of before-tax income). A household is living below standards when one or more of the conditions listed above are not met. A household is in core housing need when their housing is not acceptable, and the household does not have enough income to meet expenses of an acceptable alternative.

In Stettler (T) and the County of Stettler, affordability is the greatest challenge facing households (shown in Figure 5:3). Of all households in Stettler (T), 20.5% faced housing unaffordability in 2016 (spent more 30 percent or more on shelter costs), while 6% dealt with inadequacy and 2.7% with unsuitability. For comparison, 14.8% of County households faced unaffordability in 2016, while 8.1% dealt with inadequacy and 1.6% with unsuitability.

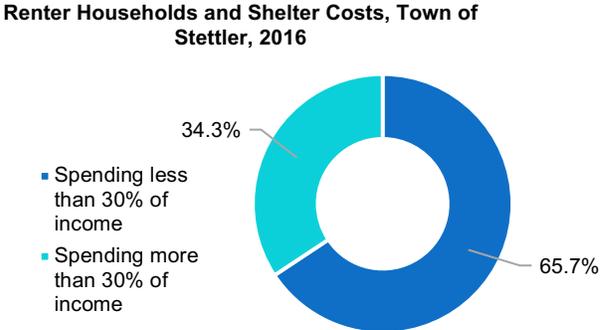
Figure 5:3 Housing Need Indicators

| | Rate of Unaffordable Housing | | | Rate of Inadequate Housing | | | Rate of Unsuitable Housing | | |
|-------------------------|------------------------------|-------|-------|----------------------------|-------|------|----------------------------|------|------|
| | 2006 | 2011 | 2016 | 2006 | 2011 | 2016 | 2006 | 2011 | 2016 |
| Town of Stettler | 14.0% | 20.6% | 20.5% | 8.9% | 16.0% | 6.0% | 3.0% | 4.5% | 2.7% |
| Stettler County | 16.9% | 14.7% | 14.8% | 13.7% | 12.8% | 8.1% | 3.8% | 4.3% | 1.6% |

While there has been some stability in the proportion of households who face challenges in one or more housing indicators, the number of households in Core Housing Need is growing.

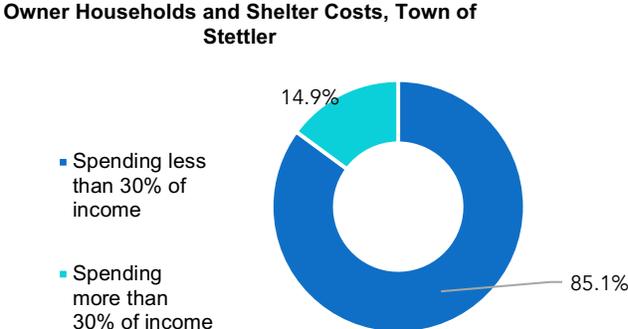
For a large portion of renters facing unaffordability, the availability of units is as significant of an issue as the affordability of units. The current low vacancy rate reported by Town residents means that many households must choose housing options that are not affordable because of a lack of supply of suitable units or choose unsuitable housing.

Figure 5:4 Renter Households Shelter Costs, Town of Stettler



Source: Statistics Canada, Altus Group Economic Consulting 2019

Figure 5:5 Owner Households Shelter Costs, Town of Stettler



Source: Statistics Canada, Altus Group Economic Consulting 2019

Those living in core housing need tend to have significantly lower average incomes. Senior women are more likely to live alone and have low incomes and therefore are more likely to live in core housing need. In fact, in 2016, 57.4% of seniors living in core housing need consisted of women who lived alone. Additionally, in 2016, most seniors with core housing need lived in apartments and were renters.

5.2 Key Findings: Housing Affordability

- 34% of renter households and 15% of owner households in Stettler (T) are spending more than 30% of their household income on housing
- Renter households are at greater risk of CORE housing need than homeowners.
- Lone parents and in particular lone female parents, are more likely to be living in unaffordable housing.
- Individuals not in census families present the highest risk for spending greater than 30% of household income on housing
- Couple households with and without children earning a median or above household income are generally able to afford rents in the rental market and homeownership costs in Stettler (T).
- Just over 33% (800 households) of Stettler (T) households with employment income earned less than \$50,000 annually and 15% (365 households) earned less than \$30,000 annually. For those households, the 30% of income benchmark for affordable monthly shelter costs would be substantially lower than the affordable medians calculated.

6 Conclusions

The housing needs assessment shows two major findings: 1) Stettler's (T) housing challenges are primarily based on affordability in relation to low and moderate incomes and 2) greater affordability and variety of housing is needed to attract and retain a diverse community of all ages and stages of life. The demand for a diversity of affordable and suitable rental housing is outstripping the current supply. Housing challenges are compounded by a lack of public transportation and transportation costs are a larger part of the budget in rural households. Housing is especially an issue for seniors, low income families and individuals, and single parent families in rural areas. Unemployment is a critical factor in housing insecurity in the youth population.

Currently, housing needs for low to moderate income young single and couple households and independent active seniors present as the most pressing. The addition of moderately priced rental properties that also offer some barrier free units would address the households that are looking to downsize and those with mobility disabilities.

A relatively small homeless population was identified. Establishing a voluntary "mat" program in the community would serve as an interim measure until transitional housing can be secured.

The regional Stettler population is projected to continue to grow by 21% to 2041. The 65 plus age cohort is forecasted to increase by 47% over the same time frame. As the population ages, and size of households decreases, the number of households increases. Households are projected to by an additional 751 households in the County by 2026 and by 2036, the number of additional households in the County is forecast to increase by an additional 660 households. Most of the growth is expected to

occur in the 45-54 (additional 303 households) and the 75 plus age groups (additional 347 households). At the same time the number of households in the 35-44 and 65-74 age categories is expected to fall as these cohorts age. In particular the seniors' population will be shifting into increasing levels of care as they go through the aging process.

The projected increasing number of households and shifts in household characteristics will have a profound impact on the type of housing needed in the community in future.

APPENDIX A: Community Engagement

APPENDIX B: Stettler Population Forecast

Appendix C: Stettler County Household Growth Forecast

Appendix D: Stettler Housing Resale Data