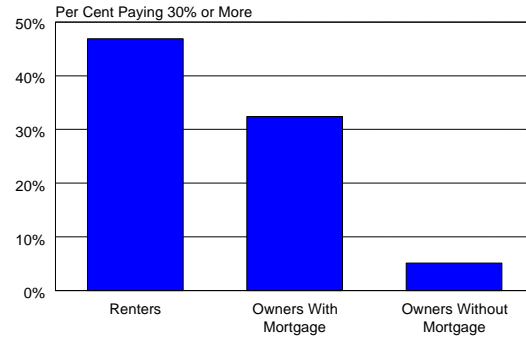

Focus on Housing Affordability in BC

Almost 30 Per Cent of British Columbians Have Housing Affordability Problems

According to the 1996 Census, 29.2 per cent of British Columbia households have affordability problems. As a rule of thumb, households are considered to have affordability problems if more than 30 per cent of household income is spent on housing costs. At that level of spending it is likely that inadequate funds will be available for other necessities, such as food, clothing and transportation.

Renters are more likely to spend 30 per cent or more of their household income on housing than are homeowners. In 1996, in British Columbia, 47 per cent of renters were in this category, compared to only 20 per cent of homeowners. This is up from approximately 40 and 14 per cent respectively in the 1991 Census. The difference between renters and homeowners is less extreme when homeowners without mortgages are omitted. Over 32 per cent of homeowners with a mortgage spent at least 30 per cent of their household income on housing, but only 5 per cent of homeowners without a mortgage spent that much.

Renters in BC are more likely than owners to be spending 30 per cent or more of their income on shelter

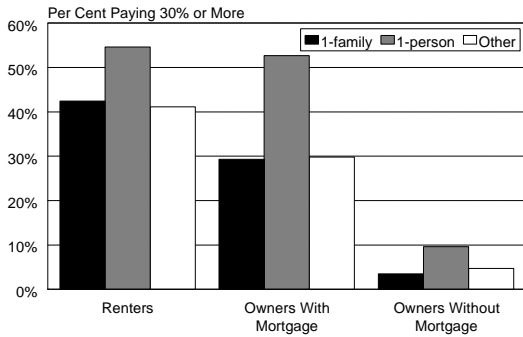


Source: 1996 Census

With respect to average monthly cost of housing, renters actually spend less than homeowners. The average cost was \$799 for homeowners, versus only \$704 for renters. However, due to a lower average household income, renters are still more likely to experience affordability problems. The average income of a renter household was only \$33,901, compared to \$59,939 for a homeowner household.

People who lived alone were the most likely to spend more than 30 per cent of their income on housing. Over half the renters and half the homeowners with a mortgage who lived alone were in this category. Overall, about 41 per cent of people who lived alone spent at least 30 per cent of their income on housing. By comparison, less than 30 per cent of households as a whole are in the same bracket.

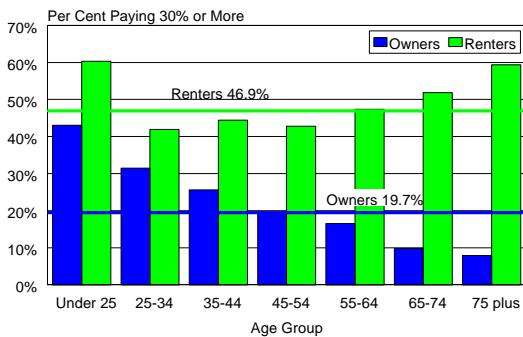
One-person households are most likely to spend 30 per cent or more of their income on shelter



Source: 1996 Census

Affordability of housing differs by age group as well, with younger people having more affordability problems than older people. Over 60 per cent of renters and 43 per cent of homeowners under the age of 25 spent 30 per cent or more of their household income on shelter. This is compared to an average of approximately 47 per cent of all renters and 20 per cent of all owners. For homeowners, the affordability problem diminishes with age as mortgages are paid off, but for renters the affordability gap is much smaller between age groups, and actually increases for renters over 65.

Younger people and elderly renters are more likely to pay 30 per cent or more of their income on shelter

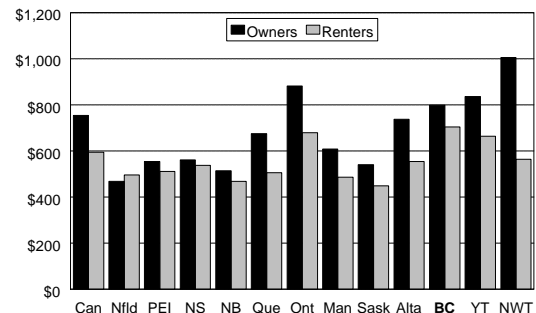


Source: 1996 Census

Housing in British Columbia is more expensive, on average, than in Canada as a whole. Average monthly shelter costs in British Columbia for both homeown-

ers and renters are above the Canadian average. For homeowners, BC was behind only Ontario and the Territories in terms of average monthly costs. For renters, BC was the most expensive of all provinces and territories in 1996. Costs for homeowners range from a high of \$1,006 per month in the Northwest Territories, to a low of \$469 in Newfoundland, while BC has an average of \$799 per month. For renters, British Columbia's average of \$704 per month is the high end, while renters in Saskatchewan enjoy the lowest costs for shelter at \$449 per month. British Columbia had the highest proportion of homeowners with a mortgage spending more than 30 per cent of their household income on shelter, and only Nova Scotia had a higher proportion of renters in this category.

BC is above the Canadian average in average monthly shelter costs



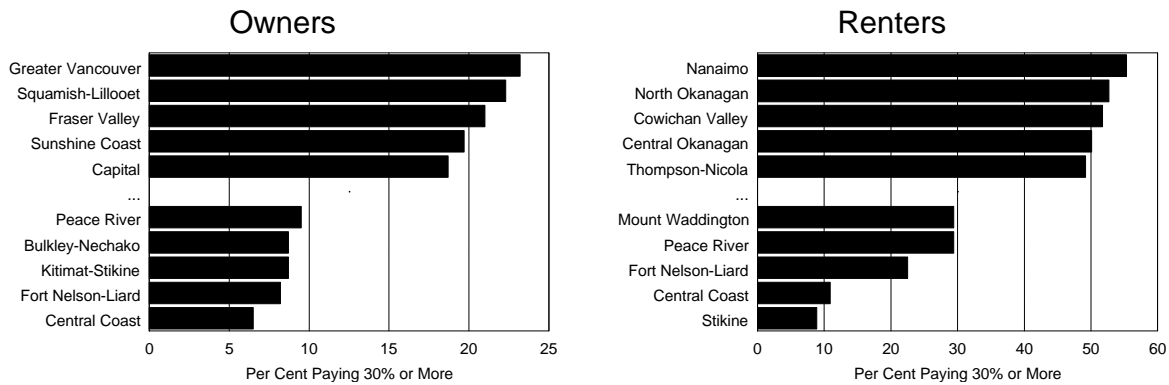
Source: 1996 Census

Within British Columbia there are also regional disparities with respect to housing affordability. For homeowners, the proportion of households paying 30 per cent or more of their income on shelter ranges from a high of 23.2 per cent for the Greater Vancouver Regional District, to a low of 6.5 per cent for the Central Coast. For renters, the range is from a high of 55.3 per cent in the Nanaimo Regional District to a low

of 8.9 per cent in the Stikine region. There is a clear tendency toward greater affordability problems in urban areas over rural areas. This is due, for the most part, to the higher cost of living in these urban areas. The high population growth rates that the urban areas of

British Columbia have experienced over the last decade have resulted in higher demand for housing, and as a consequence, higher housing costs. This in turn meant that home buyers were saddled with higher mortgages, and renters experienced higher rents.

There is a significant regional disparity in British Columbia with respect to housing affordability



Source: 1996 Census



Regional Shelter Costs in British Columbia, 1996

Regional District	Average	Average	Per Cent Spending 30% or	
	Gross Rent (\$)	Owner's Major Payments (\$)	More on Shelter Renters	Owners
Alberni-Clayoquot	544	594	46.3%	13.6%
Bulkley-Nechako	504	586	33.9%	8.7%
Capital	713	799	47.8%	18.7%
Cariboo	535	589	40.0%	12.9%
Central Coast	461	445	10.9%	6.5%
Central Kootenay	543	490	48.4%	13.0%
Central Okanagan	695	709	50.1%	17.3%
Columbia-Shuswap	547	527	41.4%	14.1%
Comox-Strathcona	622	652	45.7%	15.6%
Cowichan Valley	617	640	51.7%	14.9%
East Kootenay	533	559	43.4%	10.0%
Fort Nelson-Liard	748	777	22.5%	8.2%
Fraser Valley	661	797	48.1%	21.0%
Fraser-Fort George	628	747	43.5%	11.5%
Greater Vancouver	754	942	46.0%	23.2%
Kitimat-Stikine	569	644	31.0%	8.7%
Kootenay Boundary	484	520	47.3%	12.5%
Mount Waddington	546	631	29.4%	9.7%
Nanaimo	656	674	55.3%	18.4%
North Okanagan	609	629	52.7%	16.2%
Okanagan-Similkameen	571	548	48.5%	14.1%
Peace River	557	615	29.4%	9.5%
Powell River	557	542	47.8%	12.7%
Skeena-Queen Charlotte	578	727	30.8%	11.3%
Squamish-Lillooet	795	914	40.1%	22.3%
Stikine	499	280	8.9%	10.6%
Sunshine Coast	601	679	47.1%	19.7%
Thompson-Nicola	616	666	49.2%	14.2%
British Columbia	704	799	46.9%	19.7%

Notes:

Owner's major payments refers to the total average monthly payments made by owner households to secure shelter.

Income is the 1995 total household income, where household income is the sum of the total incomes of all members of that household.

Source: 1996 Census