

AN UPDATE ON HOUSING SUPPLY AND DEMAND IN BRANDON AND SURROUNDING REGION 2005



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Executive Summary

This report updates the housing supply/demand projections for the City of Brandon and surrounding Region to January 2005. The major categories updated include social housing, both owned and rented market housing, and seniors' housing.

Social Housing

The Brandon community has made significant gains in addressing acceptable social housing for its citizens. In the last three years, organizations, through public/private partnerships, have increased the capacity and quality of social housing units. Public/private partnerships and not for profit organizations have provided housing opportunities through leveraging of capital provided by government programs and financial institutions. The most significant change is the relationship between the Brandon Neighbourhood Renewal Corporation and the City of Brandon. This partnership has created a coordinated approach to acceptable housing in the City for services, infrastructure and capital. It must also be noted that the community has directly and indirectly received support from HRSDC (federal), Canadian Mortgage and Housing Corporation, the Province of Manitoba and the City of Brandon. The current efforts, however, do not constitute a needed long-term strategy.

New to the City is a focus on homelessness within the community. Facilitated by the Homelessness Committee, Brandon has successfully used federal programs to establish a three unit homelessness shelter in the core area. Other organizations currently are investigating the feasibility of providing shelter for homeless families.

Transitional housing providers continue to provide quality shelter for social clients in the community. Three new beds (Westman Recovery) have been added to the inventory. Viability of these units in the future rests with government purchase service agreements that reflect the increasing costs of providing acceptable shelter.

Housing for social assistance clients at shelter allowance rates has been built, but demand continues to outpace supply, as evidenced by waiting lists. Providing acceptable housing for this segment of the population continues to be a challenge for the community. BNRC has coordinated public/private capital to facilitate units in larger private rental developments and not for profit initiatives. The gap between shelter allowance rates and median private rates will continue to discourage new capacity without expanded partnerships. Rent supplements are being used on a small scale to address the gap (shelter versus market rates) in the community and should be expanded to accelerate the movement of tenants into acceptable housing. Rent-geared-to-income housing providers (Brandon Friendship Centre, Dakota Ojibway Tribal Council and Manitoba Housing) reported no new housing stock for 2003-2004. Revenues from employed clients have risen but the rate of transition into private sector housing has not changed. The rise in market housing costs discourages transition. A gap has been identified in the housing ladder for the transition of clients from rent-geared-to-income to market housing.

Market Housing

The real estate market set record highs in both 2003 and 2004. Significant in-migration and out-migration of residents continues, with a balance between gains and losses. Gains, however, involved primarily young residents, and losses primarily middle-aged residents. More seniors are gained than lost through migration.

Adjusting Supply/Demand for Owned Market Housing

The housing ladder is functioning well in that movement between single-family dwellings (SFDs) has been active and constitutes the largest share of real estate transactions. Up-scaling is more common than down-sizing.

Movements from rentals to SFDs (n=618) far out-number movements from SFDs to rentals (n=233). Most buyers moving out of rentals are young (<35 years; 70%), suggesting first-time home buyers. Average sales prices suggest that most seniors leaving SFDs (av. =\$88,500) are selling to young buyers (av. =\$84,500). This is an important component in the regional housing market from the standpoint of affordable low income home ownership. In total, 264 SFDs were gained from the real estate market (senior units excluded).

The average share of multiple-listed residential sales (MLS) in the region surrounding Brandon increased to 28% in 2003/2004, up 6% from the long term average. This reflects the impact of 2PPCLI and the lower average house prices outside of the City.

Brandon and Area Planning District (BAPD) records show an increase of 309 new single-family dwellings, newly-sited mobile homes and RTMs in 2003/2004. Adding the 264 SFDs gained from the real estate market to new dwellings, the 573 total SFDs gained exceeds the projected demand in 2002 for 479 owned homes. **The original projected demand for 661 SFDs in 2000 (including Maple Leaf, 2PPCLI and induced growth) has been met and exceeded.** Growth has now moved beyond expectations based on Maple Leaf locating in Brandon. Any additional economic development, however, including a second shift at Maple Leaf, will add new demand that may require monitoring. In short, an active real estate market and response by the private sector builders and developers has covered the owned housing demand projected for 1998-2005.

Summary of Projected Housing Demand in Brandon and Region

Years Projected	Owned Housing	Rental Housing
2000	661	1058
2002	479	748
2005	0 (+96)	160

Adjusting Supply/Demand for Rental Housing

The 2002 projections for rental housing indicated a need for 748 additional rental units from 2005 onward. During 2003/2004, 618 residents vacated rental units into owned homes and 233 vacated owned houses for rental units, for a net gain of 385 units. BAPD issued permits for 227 new multi-family units in 2003/2004. Twenty-four of these were for seniors only, leaving 203 units to reduce demand. **In 2003/2004, therefore, supply was increased by 588 units, leaving a latent demand for 160 additional units from 2005 onward.** Low vacancy rates in both the formal and informal rental markets suggest that demand continues to exceed supply in rentals. BNRC was involved in all new low income rental development in 2003-2004 (88 units).

An Update on Housing Supply and Demand in Brandon and the Surrounding Region - 2005

This report updates previous work concerning the supply and demand for housing of all types within Brandon and the surrounding region. Monitoring housing during a period of rapid growth is essential. Both the public and private sectors are involved in supplying appropriate housing for all residents, and supply and demand drives all housing efforts.

For the majority of Canadian households, access to adequate, affordable housing is achieved with little difficulty. Approximately 63% of Canadian households are homeowners, and, on average pay only 9.5% of their household income for shelter (Canada Mortgage and Housing Corporation). On average, renters pay considerably more of their income for shelter (approximately 24%), but more than 35% of renters could purchase an average starter home. Despite these figures, reflecting overall desirable housing circumstances, 12% of total households (CMHC 1996) still have housing circumstances falling below acceptable standards.

Format of this Report

This document is divided into two major sections. The first section concerns an update on supply and demand for social housing. This includes discussion of Brandon's Third Sector as it relates to supply and demand and management of the City's social housing stock.

The second section includes analysis and discussion of recent changes in the supply and demand for market housing. This is subdivided into owned and rental properties, with seniors housing as a separate category (both assisted and market stock). New construction of both single and multiple family dwelling units is reviewed for the 2003-2004 period. Housing is further discussed by the special categories of transitional and low-income units, and mobile homes.

Key Definitions

The term "acceptable housing" is used by CMHC to refer to housing that is in adequate physical condition, of suitable size, and is affordable:

- **Adequate dwellings** are those reported by residents as not requiring major repairs (defined as defective plumbing or electrical wiring, or structural repairs to walls, floors or ceilings);
- **Suitable dwellings** have enough bedrooms for the size and composition of resident families, according to the National Occupancy Standard (NOS) requirements;
- **Affordable dwellings** cost less than 30% of before-tax household income.

A household is said to be in **core housing** need if its housing falls below at least one of the adequacy, suitability, or affordability standards, and would have to pay more than 30% of before tax income to pay the median rent of alternative local housing.

Although housing, overall, is often an income problem rather than a housing supply problem, some individuals have complex issues with disabilities, mental health or addiction. These individuals require appropriate social assistance programs integrated with targeted housing.

Within our definition of affordable housing is a clear distinction between **social housing** and **affordable housing**. Social housing is not economically self-sustaining and, therefore, cannot be supplied by the private sector with a reasonable expectation of return on investment. Without on-going public sector support, often in partnership with the third sector, social housing is not economically sustainable. A clear distinction between social housing and affordable housing occurs in that social housing has entry qualifications (restricted access) and affordable housing is open to all residents (universal access). Conversely, affordable housing is economically sustainable and can be supplied by the private sector either in partnership with the public sector or independently.

The term affordable housing often is applied incorrectly only to **low-income housing**. Low income housing applies to employed persons or family units whose incomes allow entry into either the owned or rental housing market only at lower cost levels. However, owing to the complex nature of housing, affordability at all income levels is important because economic development in a municipality requires housing that is affordable at all price levels for the housing ladder to function appropriately. Unless movement occurs throughout the housing ladder, low income market rental and owned housing units will not become available to low income earners.

New construction costs are rising more rapidly than inflation within the resale and rental markets because of the combination of labour and material costs and higher infrastructure charges. The only way to lower costs is to form collaborative partnerships among municipal, provincial and federal governments, home-builders and renovators, land planners and developers, and lending institutions (Alberta, 2000).

Brandon has a dedicated non-profit and cooperative housing sector that is the major coordinator and supplier of targeted housing (non-market). This sector includes nonprofits, cooperatives, and community based groups representing charitable, religious, and special interest organizations. It also includes organizations whose initial mandate focused on other community or institutional endeavours such as the Lions and Kinsmen. Brandon also has two Aboriginal non-profit housing authorities that manage 246 family units in the city.

Other definitions

Market Housing includes residences that are above median market rent (CMHC) and are not subsidized by any program.

SAR(s) represents social assistance recipients who lack the basic necessities of life based on demonstrated needs.

Manitoba Housing is the provincial program within Manitoba Family Services and Housing that assumes direct responsibility for the ongoing management of all housing stock owned by the province and/or registered in the name of Manitoba Housing and Renewal Corporation through a single entity called the Manitoba Housing Authority (MHA).

SFD represents single-family dwelling. This includes traditional single-detached houses, modular homes, mobiles and condos. All of these are assessed by the same criteria.

SOCIAL HOUSING IN BRANDON

“Social housing” involves all housing that receives public subsidies and is owned or operated by either the province or a non-profit or cooperative housing organization (generally known as the “third sector”). Social housing requires an ongoing subsidy over the life of the asset. The lack of acceptable social housing is a significant hardship for SAR households, preventing them from meeting their basic needs of nutrition, clothing, transportation, or saving for future needs. Examples of need include single parents with children, elderly (over 65) and clients requiring a level of care. SAR clients who pay more than 30% of their income for housing are considered cost burdened. Provincial social assistance recipients (SAR) who do not meet the requirements for the existing housing stock are provided a shelter allowance to access housing in the private sector.

Research on social housing in Brandon shows a need for more housing as demonstrated by waiting lists provided by various agencies. Further investigation found that shelter allowance provided under the Employment and Income Assistance Act to SAR clients is not indexed, and generally does not relate to the actual market rent levels in Brandon. SAR clients’ options for housing are limited and they often are forced to default to unacceptable forms of housing. Although the provincial government increased total SAR benefits by \$11 per month in 2004, the housing shelter allowance rate remains at the 2002 level (\$285/mo). The third sector organizations that provide housing do not have the capital resources or the capacity to further subsidize SAR clients.

Brandon’s Third Sector (not for profit organizations)

This sector’s importance in the Brandon housing system is underscored by the fact it owns or manages a significant portion of the social housing in Brandon, second only to Manitoba Housing (Provincial). Social housing includes:

- Transitional housing (including homeless shelters)
- Shelters for Women and Children
- Supported housing (level of care)
- Subsidized social housing units

The strength of the third sector lies in its ability to organize volunteers, access capital to support projects, and link housing with other support services for their target groups. The third sector provides, in addition to regular non-profit housing, other community services such as transitional housing, assisted care and shelters for women and children at risk. The not for profit sector is key in identifying housing issues and needs (Brandon Housing Coalition, Social Planning Council) in Brandon. These organizations are playing an advocacy role for those citizens with housing problems as they seek out shelter in the private sector. In addition, many third sector organizations have developed considerable expertise in property management and service coordination (forward and backward linkages) within their target groups.

In the late 1980s the provincial and federal government assisted in building family housing for First Nations people. Brandon has two not for profit housing authorities that provide housing based on the clients ancestry and needs. The Brandon Friendship Housing Authority has 42 family units in Brandon, which are fully occupied, and have 150 families on a waiting list to access this form of subsidized housing. The housing authority receives rent geared to income (27%) from the client and the shortfall in housing costs is made up by the province through

agreements. The Dakota Ojibway Housing Authority (DOTC) in Brandon manages 204 family housing units under the same support system, and has 100 families on a waiting list. Neither of these organizations has increased housing capacity during 2003-2004.

Manitoba Housing (Province of Manitoba) owns 426 family housing units, supports 32 seniors units in Lion's Manor, and, under agreement with the private sector, provides a rent supplement for an additional 25 units. The rent supplement is the difference between individuals' abilities to pay rent and market rents.

Brandon Community Welcome Co-op is a not for profit organization that operates two housing facilities (clients requiring supportive housing and low income integrated housing) under agreement with Manitoba Housing. Manitoba Housing provides the organization an annual grant to cover shortfall in operation. The co-op has a waiting list of clients that would like to move from private sector to co-op housing. This organization has not increased capacity during 2003-2004.

It was impossible to cross-check waiting lists as families may have made applications to all the agencies providing subsidized social housing. It was generally agreed that Brandon may have a minimum of 150 families waiting to access subsidized social housing. Many of these families currently occupy housing that is unacceptable for the size of their family unit and income. Some of these family units currently live outside of Brandon.

The number of clients on waiting lists suggests that social housing tenants benefit from a number of key advantages that are not available to SAR clients renting from the private sector. They have security of tenure, fixed rents geared to income, and the quality of most public owned housing is superior to what is offered in the private market using shelter allowance guidelines.

The affordability gap (maximum shelter allowance as a percentage of average market rent) is at about 70% of Brandon's low market value. This gap (rent less allowance provided) in Manitoba was approximately \$134 per month in 1999, and likely has increased slightly since. The gap in allowance creates stress for the clients. Those renting in the private sector often use the personal allowance portion (food and clothing) to offset the shelter allowance shortfall. Agencies in Brandon that work with SARs indicate that clients are defaulting to lower levels of housing that fall below acceptable housing standards to balance their needs.

The front line service providers to SAR clients continue to recommend that the funding gap between social shelter allowance and private market rents must be addressed. They recommend that the social allowance rents be aligned with private market costs, which, in turn, are linked to annual permitted rent increases.

Housing for citizens accessing social allowance is both an income problem (shelter allowance), and a shortfall in the supply of government housing. Social assistance shelter allowance for a single person remains at \$285.00 per month, often forcing clients to access unacceptable housing.

Transitional Housing in Brandon

Brandon has four transitional housing programs for individuals and families suffering acute need. The YWCA administers two facilities, one for citizens in transition and one for women and children in crisis. Samaritan House provides longer-term accommodations for women and children. Westman Recovery has 4 rooms for targeted addiction recovery, and 6 rooms for

other citizens in transition. This is an increase of three units during 2003-2004. CMHA has added 29 new units to the community inventory, with a mixture of SARS and rent geared to income units. CMHA (1202 Rosser) has added three homeless units, which are new to the community since the last report.

**Table 1
Social Housing Inventory in Brandon**

Organization	Target Group	Units	Occupancy	Waiting List
Brandon Friendship Housing Authority	First Nation Ancestry (families only) Rental @ 27% of income	42	100%	150 Families
Dakota Ojibway Housing (DOTC)	First Nation Ancestry (families only) Rental @ 27% of income	204	100%	100 Families
Manitoba Housing (Prov of MB)	Low income assisted housing	426 Family Units 25 rent supplement units(private accommodation) 32 Lions Manor	100%	134 (variable) applications
Cdn Mental Health (1202 Rosser)	Low income assisted housing	29 apartments 3 homeless units	97%	Not available
Brandon Community Welcome Co-op (1036 Louise)	Citizens requiring supportive housing	6	100%	Not available
Brandon Community Welcome (Armstrong Place)	Independent living(low income integrated)	9	100%	Not available
YWCA	Citizens in Transition	21 (Rooms)	95%	Variable
YWCA Westman Women Shelter	Women and Children in crisis	24 (Beds)	Variable	Variable
Samaritan House	Longer term accommodation for women	4-self contained two bedroom apartments	100%	Variable
Westman Recovery	Addictions recovery and transition clients	10 rooms	Variable	As needed

Observations on Social Housing 2005

Discussions with social housing providers (family units/rent geared to income) indicate that a portion of their employed clients are currently contributing more income dollars toward rent. The change is due to increased economic opportunity for clients as they access higher paying or new employment opportunities. Historically a small portion of tenants would transition into private market housing when faced with rising housing costs under the rent geared to income schedule. The current rental gap between public and private units for families retards the expected movement out of public housing into private housing. Few public housing units turn over owing to this rent differential. The needed entry into private housing is not occurring and providers are looking for opportunities in the public/private sector to transition renters into owned accommodation.

Homelessness

This transitional housing category is new since the last report. The Brandon Homelessness Committee has provided a leadership role in addressing homelessness in Brandon. CMHA

provided 3 new units (1202 Rosser) this year. Occupancy in March was 86%, with 7 clients accessing shelter. Demand numbers are not available at this time.

SARs

The availability of acceptable housing has increased with the new capacity created through construction or renovation of existing units. The provincial rent supplement program/incentive created opportunities for clients to access more acceptable shelter that is closer to their shelter allowance.

Westman Recovery added three new rooms to their existing facility for clients in recovery and transitioning into the community.

Not for profit organizations working with SAR clients continue to explore opportunities in providing shelter in Brandon. Responses from agencies indicate continued difficulty in creating acceptable housing at current support rates.

MARKET HOUSING IN BRANDON AND THE SURROUNDING REGION

Market housing refers to dwellings that are developed, constructed, owned and operated by the private sector. Recent innovative public-private partnerships in the development of housing do not substantially change the ownership and control of private interests owing to the fact that these partnerships are only for development. Market housing includes exchange in the existing housing stock (real estate markets) and new construction. This involves both privately owned dwellings and commercial rental units.

The Real Estate Market in 2003-2004

The real estate market in Brandon was first analyzed in 2002 in a manner that allows some determination of its impact on supply and demand in housing in the City. A second survey was conducted in 2005 among realtors to determine the nature of residential movement.

A sample of 170 individual property transactions for the years 2003-2004 was obtained from four Brandon Real Estate agencies (Century 21, Home Life, Remax, Royal LePage) (Table 2). This constitutes 9.3% of the 1826 total properties sold in the City in 2002-2004. A series of questions applied to both the buyers and sellers of properties in an effort to define impact of sales on the supply and demand aspects of Brandon's owned properties. Information sought included the following:

1. Type of dwelling and selling price
2. If the seller was moving out of Brandon
3. If the seller was not leaving Brandon, which applies
 - Moving from SFD to SFD
 - Moving from SFD to Condo
 - Moving from SFD to rental
 - Other (countryside, seniors housing, estate)
4. If the buyer was moving into Brandon
5. If the buyer was not moving into Brandon, which applies
 - Moving from rental into SFD

- Moving from SFD to SFD
- Moving from Condo to SFD
- Moving from SFD to Condo
- Other

A mobile home is considered to be a single-family dwelling. Condos, however, are treated as a separate category of housing because many are available only to seniors and impact the housing market differently. Growth in the seniors housing market was not projected in the original supply/demand model (which was based on growth in employment (Rounds and Associates 2001, 2002, 2003).

Table 2
Results of Housing Sales Survey (n=170) projected to all sales (n=1826)
in 2003-2004*

Category	Response	Responses		Average Value
		No.	%Transactions	
Sellers	Moving out of Brandon	555	30	\$109,500
	If not moving out, then			
	SFD to SFD	759	42	\$136,500
	SFD to Condo	29	2	\$137,500
	SFD to Rental	233	13	\$118,500
	Estate sale	102	6	\$88,500
Buyer	Other (senior's home)	146	7	\$75,000
	Moving into Brandon	546	33	\$123,900
	If not moving in, then			
	SFD to SFD	494	30	\$152,000
	Rental to SFD	618	37	\$84,500
	SFD to Condo	14	1	\$105,500

* The seller and buyer categories are treated as discrete groups for calculations

The following points are derived from the data in Table 2:

- Of interest is the balance in people moving in and people moving out of Brandon. In-migration and out-migration are normal in all housing markets, and probably has always occurred. This balance is viewed as offsetting and not important in housing supply/demand based on increases in employment. This movement is significant in that it involves 30% of all properties.
- Most residents leaving Brandon are between 35-55 years of age (50%) but 19% are >55 years, suggesting retirement elsewhere. Of interest are the 30% of those leaving Brandon that were young residents (<35 yrs) who had purchased homes. In-migrants buying houses include 43% young, 35% middle-aged and 22% seniors.
- The average prices of houses sold by those leaving and purchased by new residents suggest that new residents are buying somewhat higher priced homes. This partly

reflects homes purchased by 2PPCLI members whose incomes are higher than the Brandon average.

Analysis of the remaining movements in Table 2 is based on the definition of single-family dwelling (SFD). In addition to the typical single-detached house, SFDs include mobile homes and RTMs. Condos are a confusing category because they can be owned or leased under different conditions. Condos are separated here because new units are seniors only, which impact the housing market differently.

Movements of residents from SFD to SFD reflect either up- scaling or down- sizing. Sellers who move to another SFD have average property values of \$136,500, while buyers have average values of \$152,000. This suggests that up-scaling is more common than downsizing movements. In total, internal movements between SFDs among Brandon residents is the most common reason for housing sales, accounting for 42% of sellers and 30% of buyers (Table 2).

Sellers moving from SFDs to rental units involved 233 transactions in 2003-2004, and buyers moving from rental to SFDs include 618 houses. Most sellers moving into rentals involved seniors and marriage separations. Most buyers moving out of rental into SFDs are under the age of 35 years (70%) suggesting first time homebuyers. The average values for these sales suggest that many seniors are moving out of older homes (\$88,500), and many first time buyers are purchasing older homes (\$84,500). This is an important component of Brandon's housing market because those moving out of rentals are freeing up rental units for the general population.

Regional Housing Market

Sales of residential housing in the region surrounding Brandon were monitored by assessing the share of total MLS sales between 1998 -2004 (Table 3). Of the 5,885 residences sold through MLS listings during the seven year period, houses outside of Brandon constituted 24.6% of all sales. Regional sales averaged 24% during 1998, 1999 and 2000, dropped slightly in 2001 and 2002, and increased to 27% in 2003 and 29% in 2004. Total sales increased in all years except 2002.

Table 3
Regional Residential Sales 1998-2004

Year	Total MLS Residential Sales		Sales in Brandon		Sales in Region	
	No.		No.	%	No.	%
1998	744		572	77	172	23
1999	791		598	76	193	24
2000	813		603	74	210	26
2001	875		695	79	180	21
2002	836		654	78	182	22
2003	878		637	73	241	27
2004	948		677	71	271	29
Total	5,885		4,436	75	1,449	25

The higher shares of sales in regional residences in 1998-2000 likely reflect the impact of the first shift employees at Maple Leaf seeking more affordable rural homes. The significant increase in regional sales in 2003 and 2004 reflect the relocation of 2PPCLI to CFB Shilo. In

total, the fact that 25% of all residential sales during the last seven years are rural clearly shows that rural areas not only have benefited from Brandon's economic growth, but also have reduced the housing demands within the City.

ADJUSTING SUPPLY/DEMAND ESTIMATES FOR OWNED HOUSING

Projections

Initial housing estimates, which included 2PPCLI, suggested a need for 661 owned properties in the City of Brandon from 2004 onward. Entering the 2003/2004 period, these early projections had been reduced to 479 owned homes owing to construction during 2001/2002. Reduction in demand is an on-going process that includes changes in the existing market and new properties derived through construction or renovation. The previous analysis of the real estate market is used to estimate changes in the existing market (housing stock), while permits issued by Brandon and Area Planning are used to estimate new housing units.

Changes from the Real Estate Market

Movement into and out of owned properties in Brandon results in a net gain of 9 SFDs. Residents moving from SFDs into condos (n=29), estate sales (n=102) and seniors homes (n=146) also free-up owned dwellings. In total, this involved 286 owned properties.

New Construction 2003

BAPD records include permits for 79 single-detached family dwellings in 2003. In addition, permits were issued for 67 mobile homes in the City. Twenty mobiles were sited in Monterey Estates in 2003 (seniors only). Of these 12 were owned by Brandon residents who moved out of SFDs, which would be picked up by the real estate market. In total, therefore, 47 SFDs can be deducted from demand from mobile home expansion. Three RTMs also were sited.

New Construction 2004

BAPD records indicate significant new housing activity in 2004. A total of 196 new single-family units were developed, including 92 single-detached houses, 18 RTMs, and 86 mobile homes. Of the mobiles sited, 16 were seniors only in Monterey Estates. In total, 180 new SFDs were added to supply in 2004.

Adjusting Supply/Demand for Owned Housing

In total for 2003-2004, therefore, deductions from demand include 264 SFDs from the real estate market, 171 new single-detached dwellings from new construction, 117 newly-sited mobile homes (subtracting the 36 seniors-only units), and 21 new RTMs. **The total of 573 SFDs exceeds the latent demand for 479 owned housing units projected in 2002. The projected housing demand for 661 owned dwellings relating to the first shift of Maple Leaf Park, 2PPCLI and concomitant induced economic, employment and population growth has been met and exceeded.**

ADJUSTING SUPPLY/DEMAND ESTIMATES FOR RENTAL HOUSING

Projections

The 2002 estimates for rental housing, including 2PPCLI, indicated a need for 748 new rental units in Brandon from 2004 onward. Adjustments to this estimate include residents who moved from rental to owned properties, and construction and renovations that resulted in new multi-family units.

Changes from the Real Estate Market

During 2003/2004, 618 residents vacated rental units when they purchased homes (Table 2). This involves 37% of all real estate transactions involving buyers during the two-year period. This suggests significant housing change for young residents (<35 years), many of whom have lived in Brandon for less than 5 years. The first shift at Maple Leaf and the first wave of induced employment, therefore, continues to be stabilizing in owned housing.

Countering the opening of rental units is a reduction in supply caused by current residents moving from SFDs to rental properties. Table 2 lists 233 such movements. The real estate survey, however, indicated that 73%, or 170 of these shifts involved seniors. Assuming all seniors moved to non-seniors rental units, all 233 rental units were removed from supply. Using this assumption, remaining demand for rental units will be underestimated because at least 24 seniors will have moved to seniors only housing.

New Rental Construction 2003-2004

BAPD issued permits for 227 new multi-family units in 2003-2004. Of these, 112 units were new construction and 115 were new renovated rental units with commercial designation. At least 24 of these rental units are designated for seniors, effectively removing them from the supply/demand estimates. This leaves 203 new or renovated rental units to reduce demand.

Adjusting Supply/Demand for Rental Units

Entering 2003-2004, there was a projected demand for 748 rental units. Supply was increased by 618 vacated units and 203 newly-constructed rental units, for a total of 821 rental units during the two years. This was countered by the loss of supply by residents moving from SFDs to rentals, or 233 units. This reduces demand from the projected need for 748 rental units in 2002 to 160 additional units in 2005. This is a low estimate owing to the unknown movement of seniors. The greatest need remains for low income employed residents, and low income seniors.

Perspective on the Brandon Rental Market

5. CMHC conducts an annual rental market survey in October of each year. Vacancy rates in Brandon's formal rental market are as follows:

2000 - 1.6%

2001 - 0.6%

2002 - 1.3%

2003 - 1.1%

2004 - 1.0%

A healthy rental market ranges between 3-4% vacancy rate. Obviously, supply does not exceed demand in rental housing.

6. Five Brandon rental properties have asked that their complexes be removed from the City's relocation guide in 2005 because they are getting too many inquires for too few vacancies.
7. A newspaper survey was completed to ascertain the rental status of informal rentals in Brandon (3 or fewer units not covered by CMHC). An average of 26 vacancies was listed over four Saturdays in January 2005. Of these, 81% rented in the first week, 10% in the second week and 9% in the third week. No ads ran more than three weeks. This reflects an active market.
8. Housing staff at Maple Leaf Park state that finding appropriate rentals remains problematic for employees. This is particularly difficult for people needing daycare and public transit within walking distance. Location and price are the two most important criteria for selecting place of residence.

SPECIAL HOUSING CATEGORIES

Assisted Housing for Seniors

Brandon has a network of rental properties for seniors with restricted incomes and special needs. In total, 349 units are operated on a rent geared to income basis using Manitoba Housing guidelines of no more than 25-27% of income charged for rent. This is five fewer units than in 2002 because Princess Park converted 15 units into 10 mobility units. Most operate with age 55 yrs+ restrictions, but some special needs cases are allowed at an earlier age. Of the 349 units that fall under Manitoba Housing control 15% are one bedroom and 85% are studio suites. If tenants are on social assistance a flat rate of \$285 applies for single individuals and \$387 for double occupancy. Self-supporting tenants are charged 25% of gross income for studio suites and 27% for one-bedroom apartments. Generally, annual income must be less than \$15,000-18,000 to qualify. Other small fees apply for utilities (\$11-12/mo) and parking (\$12/mo) if needed. Applicants are screened for eligibility on a point system based on income, assets, health needs and current living arrangements.

Manitoba Housing directly operates the following seniors housing blocks: Grand Valley (51 units), Lawson Lodge (51 units), Princess Park (73 units), Princess Towers (100 units) and Winnipeg House (82 units). In addition, Manitoba Housing criteria and assistance are applied under cooperative agreements with Kin Village (47 units), Sokol Manor (32 units) and Lions Manor (32 units). Sokol Manor also has 10 EPH supportive units at \$1250/mo for all services, with staff paid by BRHA.

A few other accommodations offer various degrees of supportive housing to seniors. Green Acres offers 4 one-bedroom units for \$242/mo and 17 studio suites for \$198/mo. Hobbs Manor (100 units), Kiwanis Court (36 units) and Odd Fellows (52 units) also provide seniors housing, often for special needs seniors. In total 685 rental units offer a range of reduced rent programs to low-income seniors.

Most establishments have waiting lists, but defining demand is impossible because of unknown overlap on lists. There appears to be a need for more subsidized seniors housing, but total demand cannot be estimated.

Market Housing for Seniors

Brandon has an extensive network of housing options for seniors who do not require financial assistance. Opportunities range from completely independent living to full-service accommodations. Dwellings may be either owned or rented under a variety of financial arrangements (rent, fee simple ownership with paid services, life-lease etc.). The City's seniors population continues to increase, and currently constitutes 16% of the population. The seniors housing market is not included in projected supply /demand estimates, which are based on employment.

A complete analysis was not completed on the seniors housing market. Growth in designated seniors dwelling units, however, is evidenced by rapid expansion in mobile home parks (Monterey Estates), condos (Village Green), and apartments (Crocus Crescent etc.) Continued expansion is anticipated in all categories of seniors' market housing.

Transitional Housing for Employed New Residents

With the advent of continued rapid expansion in Brandon's workforce, including block immigration, a need continues for transitional housing for newly employed residents. This continues to be filled in two ways. First, Economic Development Brandon has an updated relocation guide for the City of Brandon. This guide lists contacts for both rental and owned properties.

Second, Maple Leaf Pork maintains a transitional housing network to accommodate new employees. The Maple Leaf system includes an agreement with Brandon University residences to house in-migrants. The University can accommodate workers for weekly fees, and is flexible in length of stay arrangements. In addition, Maple Leaf maintains a house that can accommodate up to 11 in-migrants while they search for permanent housing. Both of these arrangements allow flexibility for newly recruited line workers. Maple Leaf also owns one house that is used for temporary housing of management, administrative and certified crafts personnel either recruited or transferred to Brandon. This property accommodates up to 5 residents, including families and employees.

Affordable (Low-Income) Rental Housing

Private builders/developers openly state that development and construction costs for rental properties are too high to allow construction of units that rent at what normally is considered low-income rental rates (<\$500/mo). By securing government program funding and working with the housing industry, the Brandon Neighbourhood Renewal Corporation (BNRC) assists in producing "affordable units" through both conversion and new construction.

In 2003-2004, BNRC programs assisted in the completion or development of 112 new and conversion rental units. Conversion units involve existing vacant and commercial buildings with used space that is converted to rental units. Of the 112 new rental units, **88 are available to low-moderate income individuals, 13 are available at social assistance rates**, and 24 are available at market rates. This mix of rental types is the most viable combination for builders/developers. BNRC supported units include all low-income and SARs rentals created during the last two years. During 2003/2004 BNRC provided \$1,209,230 in funding support for 88 total units. Private equity contributions totalled \$6,439,459, with total project values at \$7,648,689.

Mobile Homes in Brandon

Brandon has always had mobile home parks. Mobiles provide affordable housing for many low-income residents, and new mobiles offer an alternative form of housing for all income levels. Current plans will allow future expansion of mobile homes as a housing option. The Patricia Heights subdivision in south Brandon provides 80 sites, the 53 new lots developed on the north hill in 2002 are all filled and more are planned, and expansion is occurring in Brentwood Village. All of these areas will involve the general public. Monterey Estates has adequate land for future expansion for seniors-only mobiles (121 of 235 sites are occupied).

Housing Construction in Brandon 1998 – 2004

Brandon and Area Planning District records show considerable variation in housing construction permits during the last 7 years (Table 4). Nearly two-thirds of the 659 SFD permits between 1998 and 2004 were issued in three years: 1998, 2003 and 2004. This coincides with the opening of Maple Leaf Pork in 1998-99, the announcement of 2PPCLI relocation to CFB Shilo in 2003, and continued growth in the City. Duplexes were common in 1998, accounting for 18% of

all dwelling units, but have been insignificant since. Most duplexes built since 1998 are senior's only dwellings.

Multiple family dwellings have three major years of construction: 1999, 2002 and 2003. The 1999 peak construction period was primarily in response to demand for rental accommodations created by the first shift at Maple Leaf Park. Apartment development was insignificant in 1998, 2000 and 2001, but construction increased dramatically again in 2002 and 2003.

**Table 4
Brandon Housing Permits Issued 1998 – 2004**

Year	SFD	Type of Dwelling		Total
		Duplex (# units)	Multi-Family (# units)	
1998	128	34	23	185
1999	48	8	250	306
2000	45	4	26	75
2001	24	4	26	54
2002	67	2	111	180
2003	151	4	182	337
2004	196	0	58	254
Total	659	56	676	1391

Virtually all dwelling units constructed since 1998 are occupied, as rental vacancies have hovered around 1% between 1998 -2004, and few single family dwellings have been built on speculation and are currently on the market.

Planned Expansion in Housing Development

Although a complete inventory of official subdivision plans with developed and developable lots was not completed, enough information is available to suggest that **adequate land and plans are in place to supply the need for new houses and rental properties for the foreseeable future.**

The following is a brief list:

- 26 of 26 developed lots in the Waverly Subdivision listed in 2002 have been sold, and 24 additional lots have been developed and sold during 2003-2004
- Cotton Ridge Subdivision is developing mixed housing on 80 acres of land in south Brandon
- Approximately 75 more lots are developed/planned in West Brandon
- Several lots are available, and more land remains in Fotheringham West Subdivision
- The Martin Properties is developing 160 acres in southwestern Brandon, with 23 lots developed and 18 sold, and 12 houses built to date
- The City of Brandon owns several parcels of land that could be used for future development
- The Pilling Subdivision has 30 houses built and all 33 lots developed and sold.

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