

Residential Needs, Housing Supply and
Community Development in
Northern British Columbia
West of the Rockies

MISMATCH



Tim Pringle
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AND COMMUNITY DEVELOPMENT
IN NORTHERN BRITISH COLUMBIA WEST OF THE ROCKIES

May 4, 2009

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Executive Summary

The northern region of British Columbia west of the Rockies is thinly sprinkled with Aboriginal and non-Aboriginal settlements whose destinies have been shaped by decades of development driven by resource industries, energy production, transportation, agriculture, fisheries, and social service requirements. Market towns constitute the principal settlements – “urban” centres affording a wide range of goods, services, and amenities and possessed, usually, of the largest population in a district. In most of these communities, since the mid-1990s, population size has remained stubbornly static or has actually declined. Yet development, as measured by housing construction and Main Street business activity, continues. Why?

This study, *Mismatch*, asserts that in order to answer that question, the nature of the market towns themselves ought to be better understood. To a considerable extent their resiliency illustrates phenomena which are the focus of two lines of research on the current frontiers of rural and community development studies, namely *place-based community development and development through the provision of residential opportunities*.

Very little in human settlements is so clearly place-based as housing. Housing creates place identification, and a focus on housing is a fine-grained planning strategy that relates social values to the built environment. Investment in housing energizes and sustains local economies through the power of high economic multipliers, at the same time as it usually represents the most significant repository of household wealth. If a local population diminishes beyond certain thresholds, higher central place functions are lost one by one, creating a runaway process whose stereotypical end result is a ghost town. The cost of letting several settlements in northern BC become ghost towns would be enormous – billions of dollars of wasted public infrastructure and residential and commercial development.

In a similar vein, residential opportunities limit people’s attraction and attachment to place. Residential development relates housing and the population and economies of rural communities. If residential options are few, will residents with the means and opportunity to relocate remain or stay? Will the residential options offered in the market towns attract new residents with the economic freedom to go where they please?

With this perspective on the northern BC context for settlement change, the study reported in this document sought to answer two research questions: First, is there indeed a shortage of housing for certain categories of discretionary residents and in-migrants in northern B.C. west of the Rockies? Second, if numbers of households within certain categories of discretionary residents and in-migrants are constrained by housing supply, what can be done about it?

Field research on settlement change and place-based community development supports the view that latent demand for a greater diversity of residential choices is indeed present in northern BC west of the Rockies. Seniors and near-seniors seek dwelling options appropriate for their lifestyles and/or level of physical ability. Amenity migrants place a priority on rural subdivisions designed to a high standard. Aboriginal persons, especially in the middle decades of life, are moving into some market towns, although not all, at rates far greater than in the past.

The study concludes that northern communities are not experienced in place-based approaches to managing settlement change. They appear ill-equipped to engage in the critical sequence of acknowledging and

quantifying more than a decade of population decline, the demographic realities of an aging population, and resultant impacts on the nature of demand for new and renovated housing units of various types.

Place-based community development planning is inherently bottom-up and at first seems counter-intuitive. Elements of the process may be driven by non-governmental organizations and informal groups of citizens whose understanding of community development may differ radically from that of decision-makers accustomed to thinking in terms of broad economic sectors. The contributions made to a local economy by “mailbox” or remittance income is invisible – Statistics Canada and the Census do not even measure them – and many business people simply will not believe that such income is as important to their well-being as, for example, the forest sector. Place-based community development hinges on not just social activists and progressive citizens but local politicians and business people coming to appreciate the ability of many current and potential households to choose to locate where their housing and lifestyle needs may be well met.

Mismatch suggests that residential development opportunities in northern BC can be illustrated both generically and with specific examples. Most detail is provided for a project comprising an Aboriginal and non-Aboriginal “Neighbourhood within a Building” in Prince George and an “Alpine Village” in central Smithers.

The “Concluding Remarks” section of the report lays out several observations which appear to be critical to the nexus between place-based community development and housing in northern BC west of the Rockies. The conclusions also point towards research questions which might be appropriate for future studies.

Acknowledgements

The lead authors thank the Real Estate Institute of British Columbia and the Real Estate Foundation of British Columbia for sponsoring and funding this research and providing the publication *Mismatch: Residential Needs, Housing Supply, and Community Development in Northern British Columbia West of the Rockies* to communities in the northern region of BC and to practitioners in the real estate field. The Institute and Foundation are willing to pursue basic questions about factors that influence settlement change in BC. Examples of previous research are *Hot Properties: How Global Warming Could Transform B.C.'s Real Estate Sector (2007)* and *How Growth in the Recreation and Resort Property Market Is Driving Change in the East Kootenay Region (2006)*. These agencies collaborate through the Foundation's Communities in Transition initiative, which focuses on the non-metropolitan regions of B.C.

Dr. Tom Hutton wrote the Preface for this publication and his collaboration provides important insights about the changing economic context of northern B.C. west of the Rockies. The lead authors are also obliged to Robert Brown, Chesterman Property Group Inc., for contributing the pro forma that underpins the demonstration project described near the end of the narrative. Ray Gerow of the Prince George Aboriginal Business Development Centre has generously shared his ideas about and expertise in residential issues of concern to persons of Aboriginal descent. The demonstration project is his idea.

Many individuals responded to the authors' requests for interviews and we thank all of them. The research would not have reached the conclusions it did – conclusions whose usefulness it will be up to others to judge – were it not for the wealth of observation and common sense to which we had access through our interviews.

Preface

REGIONAL DEVELOPMENT TRENDS IN BC

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Centre for Human Settlements, University of British Columbia

Resource extraction and export trade constituted the principal driver of the British Columbia economy as a whole for most of the 20th century. Drawing on a remarkable endowment of natural resources, including forest fibre, minerals, oil and gas, water and fisheries stocks, BC sustained a long period of economic growth in the postwar decades. The province suffered through a sequence of boom-and-bust cycles characteristic of staples economies, but overall experienced sustained growth of gross domestic product, trade and employment formation. Further, the bulk of resource commodities and products were exported from British Columbia to other markets in Canada, the U.S., and abroad, driving BC's trade, earning high levels of sales, income and revenues, and therefore underpinning the province's *economic base*.

THE REGIONAL GEOGRAPHY OF BC'S RESOURCE ECONOMY

The development of BC's resource-driven economy in the post-Second World War period shaped a distinctive geography. Extraction and a certain amount of processing and limited secondary manufacturing occurred within the regions *in situ*, while corporate management, finance, specialized intermediate services, manufacturing and distribution and export activity was highly concentrated in the Lower Mainland, centred on Vancouver. Even at the high point of BC's resource economy, therefore, there was a spatial asymmetry of control and benefits which tended to favour the metropole of Vancouver, again consistent with the economic theory of resource production in advanced societies.

That said, for much of the 20th century resource extraction and processing provided a platform of community and regional development throughout the province as a whole, including the interior and coastal regions, and Vancouver Island. Access to abundant, high-quality resources provided the basis for a development trajectory which comprised healthy companies, many of which were domiciled within the province; a large labour force, with generally high-paying jobs; and vibrant communities with quality public services, amenities, and neighbourhoods. During the expansionist years of the 1950s, 1960s and 1970s, British Columbia enjoyed a form of balanced growth among its diverse regions: in large part a consequence of the Government's policy commitment to 'opening up' the interior and northern regions, a bold vision supported by capital and other resources of the state. New development infrastructure in the interior regions included schools and colleges, as well as highways, extensions to the rail system, and ports. In a larger context, the growth of BC and its constituent regions can be seen as one of the most dramatic development storylines in Canada in the postwar era.

The recession of the early 1980s was exceptionally deep, and the extent of the commodity price shock produced both *cyclical* (short- and medium-term) and *structural* (with permanent losses in production capacity and labour) effects, marking the beginning of more problematic conditions for the resource sector. The effects of this recession were felt widely throughout the province, demonstrating the tight pattern of inter-regional linkages in British Columbia characteristic of the era. (In Vancouver, for example, unemployment reached 13 per cent, notwithstanding its larger and more diversified economy, relative to non-metropolitan regions of the province). The Vancouver economy recovered by the mid-1980s, owing to the Expo boom and international immigration, but some of BC's resource regions continued to experience a protracted downturn, notably the coastal forest sector and the mining industry.

In the decades following the deep recession of the early 1980s, BC's resource economy has experienced significant recovery in certain sectors and regions, although the pattern has been uneven. Positive development storylines have emerged in the high-amenity zones in the south, including the Okanagan and Kootenay regions, and the oil and gas boom in the Peace River country. A number of towns and communities have experienced encouraging tourism development, including eco-tourism and cultural tourism, in (for example) coastal areas and the Cariboo. These trends are reflected in recreation developments which include ski resorts, four-season mountain resort communities, and themed recreation and retirement communities where golf courses, vineyards, water recreation and other features are the principal form-makers. However, because there is scant research into the demographic and capital flows that enable such development, its ongoing role in regional economics is unclear.

REGIONAL DEVELOPMENT CHALLENGES IN THE 21ST CENTURY

The challenges to regional development throughout much of British Columbia are daunting. These challenges are set out in detail elsewhere in the literature, but include, for purposes of illustration:

- resource depletion and environmental degradation, following a half-century of accelerated extraction of the best-quality resources;
- increasing competition, from regions competing on both quality (e.g. Scandinavia and Germany) and price (Russia. South America);
- continuing disputes concerning exports to key markets, marked most notably by the ongoing litigation with U.S. over softwood lumber;
- the 'rationalization' of resource extraction and production within globalized commodity markets, resulting in sequences of plant consolidation and closures in BC and elsewhere in Canada;
- ongoing labour shedding and pressures on the resource sector workforce associated with capital substitution and restructuring;
- the erosion of domestic corporate control of resource activity ensuing from global processes which have concentrated head office activity in first-order business and financial centres;
- the uncertainties of resource development prospects associated with unsettled First Nations treaty claims throughout much of British Columbia.

It may also be worth mentioning that the changing regional balance of political power and influence has tended to reinforce the development momentum of the high-growth zones of British Columbia's 'south,' including Metro Vancouver, the Capital Regional District, and the Okanagan. Without a strong, positive policy response to these trends, the 'default scenario' for British Columbia will likely be one of worsening inter-regional disparities, a continuing shift of BC's economic centre of gravity toward the south, and resultant social alienation and deeper pockets of deprivation throughout much of the province.

These problems notwithstanding, there are to be sure promising avenues of development in every region of British Columbia, although realizing this potential will require political commitment and injections of capital, talent and entrepreneurship, as well as experiments in new forms of governance and local-regional development policy. While the resource sector will always represent a significant element of the BC economy, development policies for the regions must be directed increasingly to exploiting human, rather than natural, resources. Human capital is perhaps the ultimate form of renewable resource, and well-targeted investments can yield very positive socio-economic returns.

OUTLINES OF A NEW REGIONAL DEVELOPMENT STRATEGY FOR BRITISH COLUMBIA

A new development vision is required for British Columbia for the next 50 years, to match the boldness and sweep of the vision for the post-war era. This vision should incorporate action to stimulate development in

each of BC's diverse regions, backed up by appropriate investments – public and private – in human, social and cultural capital, as well as policies for advancing the resource sector.

While many hark back to the resource-led development pathway of the post-war period in BC, and to the visions and investments which generated much of the province's growth momentum, the overarching policy model was in many respects simple (or straightforward). The defining program paradigm was one of infrastructural capital for resource extraction, including ancillary public goods (schools) and services (education, welfare). The power of the resource sector was such that it generated substantial secondary investment, spending and developing across a range of goods and service industries.

The vision and policy model for BC's regions in the 21st century will look very different from the model of the post-war period. The resource sector, while always important, will no longer be enough on its own to drive development in all regions. Even in the most successful resource regions, the increasingly capital- and technology-intensive nature of employment in these sectors tends to support much smaller, leaner workforces. Secondly, the development possibilities and scenarios for regions and communities across the province will differ significantly from place to place, reflecting, for the purposes of illustration, differences in location and situation, resource endowments, population growth and demographic factors, and local-regional cultural assets. Thirdly, realizing the potential of BC's diverse regions will require new forms of governance and policy supports. There has already been significant and productive innovation in parts of BC, for example the establishment of new partnerships and agencies in response to the mountain pine beetle infestation. While the Government of British Columbia will necessarily be a key player in the revitalization of regional and community economies, this mission cannot be driven solely from Victoria. The strengthening of development policy capacity within the regions *in situ* is surely part of the long-term response to the economic conditions of the future.

SOME INDICATIVE NEW POLICY AREAS AND EMPHASES

While the take-off growth of the postwar era in British Columbia was supported principally by major infrastructural investments, a more nuanced approach will be required to promote regional revitalization and renewal. Given the conditions which obtain in many regions of BC, the need for effective policy responses is indeed urgent. That said, there is also a need for patience, commitment, and willingness to experiment in collaborative fora, drawing on the intellectual resources of many.

The new policy model will likely include in many regions a blend of programs for promoting human capital – the most renewable resource for the province as a whole.

The “new drivers” of sustainable development will include, notably, *talent, entrepreneurship, leadership, know-how, and cultural skills*, complementing the “traditional platforms” of resources, geography, location, and physical and technical labour.

Further, successful long-term strategies for BC's diverse regions and communities will require other ‘inputs’, notably education, amenity, and a sense of community. Over the past decade or so a large research literature has established that successful economies require these elements to attract and retain skilled workers, families, and start-up businesses.

One of the critical needs for successful regions and communities in the 21st century is that of *housing* – both quantity and quality of housing. There is wide agreement among economists, policy specialists, and planners that a healthy stock of housing is one of the most fundamental assets for regional and community development. Housing (including a diversity of forms, densities and tenures of it is a major “draw” for progressive firms, investors and skilled workers, and is the crucial element to community-building. At the same time, a deficiency of suitable housing is clearly a major cause of friction in any revitalization program. This report develops an analysis of the importance of housing strategies for regions in northern BC west of the Rocky Mountains. The analysis is further concentrated on two communities at different scales: Prince George, the principal city of the region, and Smithers, a smaller community.



INTRODUCTION

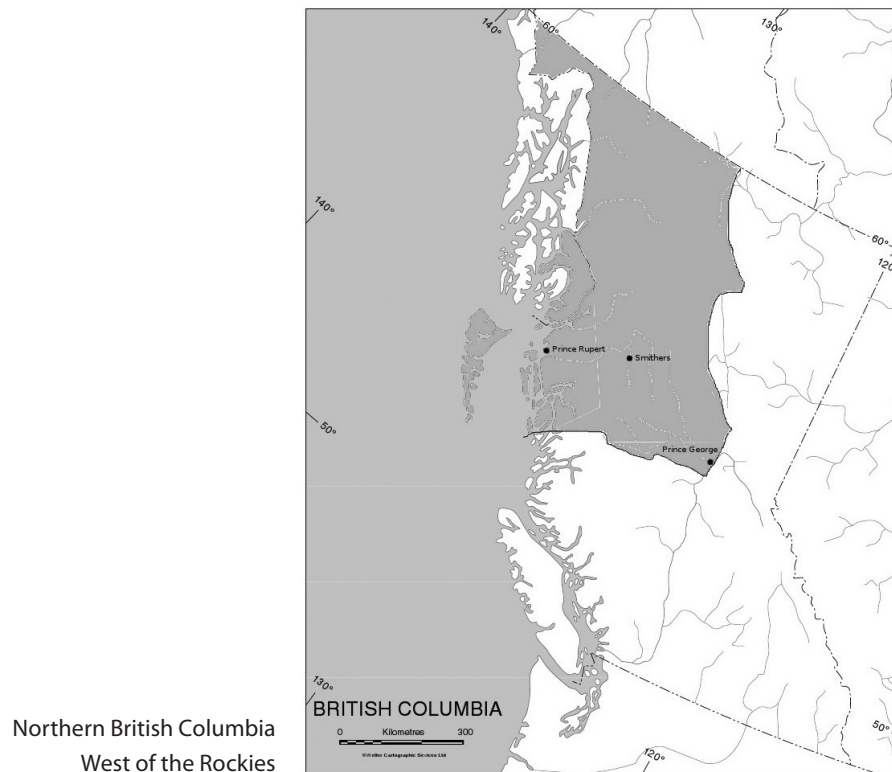
HOUSING NEEDS IN NORTHERN BC WEST OF THE ROCKIES, IN THE CONTEXT OF CHANGE

During the current decade, in nearly all regions of British Columbia, communities have confronted high levels of demand for approvals of real estate development proposals. In late 2007, three proposals for development of complete communities in the Comox Valley of Vancouver Island advanced a 25% increase (about 6,000 units) in the total residential stock (then about 25,000 units) over a 12-year period. For several years in the East Kootenay region, the number of housing units grew at a rate faster than population was growing (Pringle and Muir-Owen 2006). A remarkable level of demand for resort and recreation properties drove much of the demand there as in other regions of BC such as the Okanagan. Because of the inflationary pressures of such demand on local real estate markets, some communities (in particular Whistler, Ucluelet and Invermere) have established housing authorities to provide attainable housing for workforce residents and lower-income households.

Northern British Columbia west of the Rockies, the subject region for this study (Map 1) has not experienced these trends. (Northern BC east of the Rockies has undergone a very different fate because of oil and gas development and is excluded from the study for that reason.) In fact the regional population remains stubbornly static or in decline. The communities readily grew during the resource-driven expansion period 1960-1985, attracting new residents who often settled permanently. A survey of all northern households conducted in July 2008 by Mustel Group on behalf of the Real Estate Foundation found that 42% of respondents have always lived in the north and that among those households which moved to the region, 58% did so 11 or more years ago. Still, 42% of those who relocated to the northern region did so after 1996; and the survey provides some information about their motivations.

Several factors seem to characterize the north-central and northwestern regional stagnation. To a large extent these regions have remained dependent on the forest industry and diversification in the sector or emergence of other economic opportunities has been limited. In contrast, those BC regions with rapid growth (as measured by real estate development) during the decade have more diversification in their economies (as measured by the BC Stats Economic Diversification index) and in their real estate markets. For example, the East Kootenay region has three real estate markets: Resort, recreation and local (Pringle and Muir-Owen 2006). Proximity to the Alberta market, particularly Calgary, and purchasers from other parts of BC have driven much of the demand, and it is reflected in the incidence of non-resident ownership, which comprised about 25% of all residential property titles. Such demand has significantly contributed to the doubling of average residential prices in the period 2000 to 2007.

Generally, north-central and northwestern BC have one type of real estate market, the local market. While some area communities such as the Bulkley and Robson Valleys attract in-migrants whose principal motivation for moving is that they want to live in a place with high-quality natural and cultural amenities, no broad trend for this type of real estate market is apparent. By this measure, regional communities do not have potential for high-demand real estate activity, at least in the near term.

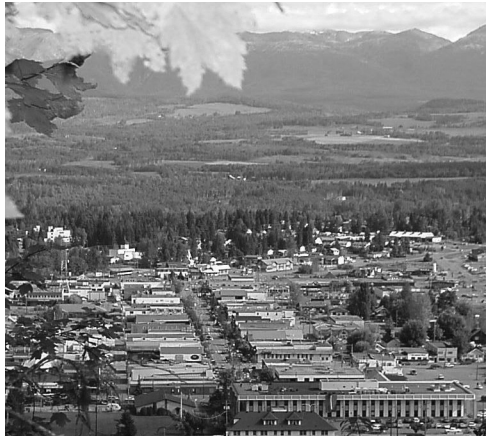


Rather, certain regional communities are *market towns* (Powe and Gunn 2008), centres that have come to provide goods and services not just to their own residents but to residents of the countryside and neighboring non-market towns at least as far as halfway to the next market town. They supply not just gasoline and a narrow range of foodstuffs but hospital care, the wide range of foods available in large supermarkets, legal and insurance services, sporting goods, furniture, and so on. The non-market towns are places where people live to be close to work, usually industrial or resource-based, but from which they must drive to a market town for most of their goods and services. Smithers is a market town, whereas Telkwa, the Hazeltons, and for the most part even Houston, are non-market towns. Kitimat, despite its quite large population, is a non-market town, because, as the local people say, its downtown is in Terrace.

The spacing of northern BC market towns can be explained by Walter Christaller's *central place theory* and the fact that people dislike commuting for much more than half an hour. The location of the major market towns is mostly explained by railway history – the placing of divisional points – which itself was mostly determined by such features of physical geography as the junctions of main river valleys.

Non-market towns are uniformly suffering severe population decline not just because of the shrinking labour requirements, or outright collapse, of the resource industries but because they have very little except resource jobs to keep their residents. People may have little desire to stay in them at retirement. Nor are they the kind of places to which people are attracted when they have “mailbox” incomes (about which, more below). Although residents of non-market towns often have high incomes because so many of them work in the well-paid resource industries, they spend most of their money elsewhere, so it does not circulate locally, and therefore the towns do not develop.

Planners and others involved in contributing to the futures of these communities and surrounding areas will do well to understand both the general dynamics of market towns in thinly settled regions and their own place-specific demographic trends. In particular, this paper posits that northern BC communities west of the Rockies may gain much in the near and mid-term by understanding their changing age and ethnic make-up and their varied, often nearly invisible housing needs. In fact, two decades of economic and demographic change appear to have brought about a range of *latent* housing needs, notwithstanding stagnant or declining population levels.



Smithers, BC

CHANGING DEMOGRAPHICS IN NORTHERN B.C. WEST OF THE ROCKIES

According to the Census of Canada, many towns, villages, and regional districts of the central British Columbia interior and northwest coast have been undergoing depopulation for at least the past twelve years. Sustained depopulation can have dire implications (discussed below) for local governments and residents of the communities and areas in which it occurs. If a community in decline regards depopulation as a bad thing, one course of action available to it is to try to turn trends around by adopting measures that may sustain or boost local employment, such as strengthening existing industries, attracting new businesses, or creating conditions within which internal economic development is more likely to take off. The study reported here examines another alternative, namely the provision of housing for certain kinds of households whose intention to in-migrate into a place or to stay in it despite incentives to move is not seriously constrained by the need to live close to work.

Northern BC west of the Rockies is a “predominantly rural region” in the terminology of the Organization for Economic Co-operation and Development (OECD) (1994). Definitions of “rural” are many and varied (du Plessis et al. 2004), but the OECD characterization of a predominantly rural region as one in which more than 50% of the population lives in rural communities and a “rural community” has a population density of less than 150 persons per square kilometre is representative. The Regional District of Bulkley-Nechako, for example, has a population of about 38,500 residents distributed through an area of about 73,440 square kilometres, or less than 2 persons per square kilometre. According to the Statistics Canada *Rural and Small Town Canada Analysis Bulletin* 2(4), February 2001, however, the urban areas within the region might be defined as “intermediate urban areas,” with 15% to 50% of the population living in rural communities.

The market towns of the study area are Prince George, Vanderhoof, Burns Lake, Smithers, Terrace, and Prince Rupert, and to a small and declining extent Houston and Kitimat. These are the settlements which serve higher-order central place functions in the Regional Districts of Fraser-Fort George, Bulkley-Nechako, Kitimat-Stikine, and Skeena-Queen Charlotte. According to the 2006 Census of Canada, the aggregate population of this region (or these two regions, if one prefers a division into North-central and Northwest) was 188,170. Municipal and census agglomeration figures for the market towns are provided in Table 1. An italicized entry illustrates how a market town can serve a far larger population than its municipal population would suggest (Smithers with Telkwa, Bulkley-Nechako Electoral Area A, Houston, and the general Hazeltons area).

Table 1

**CENSUS POPULATIONS OF MARKET TOWNS
IN NORTHERN BC WEST OF THE ROCKIES (2006)**

Prince George (city)	70,891
Prince George (census agglomeration)	83,225
Vanderhoof	4,064
Burns Lake	2,107
Houston	3,163
Smithers	5,217
Smithers-Telkwa-Houston, Bulkley RD "A," Hazeltons and area	19,095
Terrace (city)	11,320
Terrace (census agglomeration)	18,581
Kitimat	8,987
Prince Rupert (city)	12,815
Prince Rupert (census agglomeration)	13,392

The market town concept is important to the question of community sustainability and housing for many reasons. For example, effective strategies and policies bearing on the welfare of these towns will necessarily reflect the demographics and economic characteristics of the outlying catchment areas they serve. Similarly, the attraction of these towns may depend on the continued attractiveness of the natural amenities of their outdoor recreational commuting basin. Considered the other way around, the welfare of the hinterland populations will often depend on good planning on the part of the market towns, which have the ability to sustain regional economies, including rural housing markets, or to sink them, since provincial legislation gives them the dominant role on regional district boards of directors and in decision-making relating to industrial, commercial, and general business development lying within the regional district boundaries. In the realm of housing, typically the largest share of residents within a market catchment area, wherever they work, reside within the boundaries of the market town. Even in the market basin centred on Terrace, where the regional district population abutting the municipality is as large as that within the city, there is almost no multiple unit housing, other than duplexes and triplexes, in the small and unincorporated hamlets. Approximately 70% of households in northern BC as a whole own their residences. The 30% that rent are probably concentrated in the market towns where the multiple-unit dwellings exist. The farther into the future one looks, the more decisively modern road transportation and economies of scale can be expected to impose the market town-rural hinterland pattern on northern BC.

According to both the Census of Canada and BC Stats, all larger municipalities in the Highway 16 corridor of British Columbia with one exception, Burns Lake, have lost population since 1996 (Tables 2-3). Cumulative losses range as high as 26.8%. In other words, in at least two communities the population in 2008 was only three-quarters what it was in 1996 (Table 4). Decline is generally slower in the unincorporated areas, but it is happening there too (Table 5).

Besides simple loss of population, almost everywhere in northern BC west of the Rockies the complexion of local populations is changing in the direction of an aging and more Aboriginal demographic. For example, between 1996 and 2006 the proportion of seniors grew in Prince George (city) from 6% to 9% of the total population; in Smithers from 7% to 10%; and in Kitimat (for which the statistics are first for the city, then for the census agglomeration) and Prince Rupert (city) from 6% to 10%. The proportion of residents identifying themselves as Aboriginal grew in Prince George (city) from 7% to 11% of the total population; in Smithers from 4 to 15%; in Kitimat from 5% to 8% (city and then census agglomeration); and Prince Rupert (city) from 27% to 35%.

Table 2

PERCENTAGE CHANGE IN POPULATION OF TOWNS,
2001 CENSUS OVER 1996 CENSUS AND 2006 OVER 2001

	2001/1996	2006/2001
Prince George	- 3.7	- 2.0
Vanderhoof	- 0.2	- 7.4
Burns Lake	13.1	8.2
Houston	- 9.1	- 11.6
Smithers	- 3.7	- 3.6
Terrace	- 1.1	- 6.5
Kitimat	- 7.6	- 12.8
Prince Rupert	- 12.4	- 12..6

Table 3

PERCENTAGE CHANGE IN POPULATION OF TOWNS,
2007 ESTIMATES OVER 2006 ESTIMATES AND 2008 ESTIMATES OVER 2007 ESTIMATES*

	2007/2006	2008/2007
Prince George	0.8	0.3
Vanderhoof	- 0.3	- 1.4
Burns Lake	0.5	-0.8
Houston	- 4.4	- 0.4
Smithers	- 1.4	- 0.1
Terrace	0.4	- 0.3
Kitimat	- 2.1	1.5
Prince Rupert	- 1.1	- 0.4

*Estimates are from BC Stats Municipal Population Estimates, 1996-2007, Sorted by Name; and BC Stats Municipal Population Estimates, 1996-2008

Table 4

POPULATION OF TOWNS IN 2008 AS A PERCENTAGE OF POPULATION IN 1996

Prince George	94.7
Vanderhoof	84.4
Burns Lake	115.1
Houston	73.2
Smithers	89.8
Smithers-Telkwa	93.2
Terrace	81.4
Kitimat	79.4
Prince Rupert	73.9

Table 5

POPULATION OF REGIONAL DISTRICTS AND THEIR RESPECTIVE UNINCORPORATED AREAS

Fraser-Fort George	93.1
Unincorporated	94.7
Bulkley-Nechako	88.9
Unincorporated	92.4
Kitimat-Stikine	86.1
Unincorporated	96.3
Skeena-Queen Charlottes	76.2
Unincorporated	67.4

Leading causes of population decline in northern BC west of the Rockies appear to be ever-increasing resource labour productivity, variable pulp and paper products demand, declining terms of trade for resource extraction industries, regional depletion of some natural resources (particularly fish and high-grade timber), physical isolation of communities from large urban centres, lack of economic diversification, and high costs of production and service. Similar population and economic decline is occurring in other northern territories such as Scandinavia, Russia, and northern Ontario (Slack, Bourne, and Gertler 2003) as well as the vast dry interior of Australia. Some of these factors may change in future, since we live in a time of economic turmoil, but there is no reason to expect they will change soon.

The research literature on what happens when the population of a small community declines is surprisingly scant. (It is surprising because even wealthy North America is littered with ghost towns.) One would assume that, for example, senior government per capita transfers of funds to regional and local governments would be reduced, negatively affecting school board budgets and health and social services and delaying infrastructure works. The ability to muster sufficient numbers of volunteers for some activities would be less, and some kinds of housing stock would be under-utilized. Perhaps most importantly, local businesses would be faced with a contracting market, in which case some of them would fail or move to places with a larger population base, fewer would start up, and most would suffer from shrinking income. Hence the clearest sign that population decline is taking place and that it is a bad thing may well be boarded-up store windows on Main Street rather than empty houses in the residential neighbourhoods.

Are north-central and northwest municipal officials concerned about depopulation? Some of them are. For example, the long-serving past mayor of the Town of Smithers, Jim Davidson, observes that while he believes Smithers is not seriously threatened by depopulation within its own boundaries, the health of its downtown businesses depends on the regional market, since people from as far away as Burns Lake and even Dease Lake buy their goods and services in Smithers, and population decline in much of that large area is very severe indeed. On the other hand, municipal officials who consider the census populations to be gross underestimates are naturally unconcerned about decline. Indeed, the working assumption of the District of Houston is said to be that Houston should be allocating land and services for a population growing at a rate of 1% or 2% per year rather than a population decreasing, according to census counts and BC Stats estimates, at rates up to 4% per year. Notwithstanding its assumption of growth, the District of Houston is preparing for the contingency of a major mill closure by striving to attract mining company headquarters and facilities, and it appreciates that settlements farther east, such as Burns Lake and Vanderhoof, are almost certain to lose hundreds of residents as the mountain pine beetle epidemic runs through its remaining economic phases. In short, although there may be some consensus that regional depopulation is real and is having at least indirect effects on all settlements of northern BC west of the Rockies, the market towns are individually behaving as if it is not their problem.

When diminishing populations cause a downward spiral in the ability of a city, town, or village to sustain local businesses, property values, schools, municipal borrowing, municipal infrastructure, volunteer fire

departments, civil society (in the form of clubs, churches, service organizations, charities), and so on, the end point is a ghost town or something like it. Figures in Halseth and Sullivan (2002: 72f., 133, and 153) indicate that when the population of Tumbler Ridge declined about 50% between 1991 and 1998, property assessment values dropped by about 62% in constant dollars. Simply for houses, the loss in value in 1986 constant dollars was \$30,600,000 (and in 2009 dollars far more). In northern British Columbia west of the Rockies two towns went all the way to ghosthood in modern times, namely Cassiar and Kitsault. LeBlanc (2003), in her scholarly history of Cassiar, gives no total for wasted infrastructure when the town closed down in 1992 but she does say that the cost of just one school was several million dollars and when moveable property was auctioned off, over three million items were on offer. A Web site belonging to the present owner of Kitsault, which was mothballed in 1980, states that estimates for building a comparable town today run to \$250 million (Chandra Krishnan 2009, <http://www.kitsault.com/history.html>). Both these settlements are small compared with Mackenzie or Houston, to say nothing of Prince Rupert or Kitimat.

THE ROLE OF HOUSING IN COMMUNITY DEVELOPMENT

During the past century, community development specialists have gradually changed their view from one in which housing is peripheral to community economic and social development to one in which it is integral to development (where “development” means improved resiliency and quality of life; Harris and Arku 2006). For example, housing influences the local economic climate (Blakely and Bradshaw 2002) and as Fort McMurray has been finding out, can actually become a leading limitation on development. But among the many reasons why communities should foster housing construction and renovation well adapted to local needs is that housing is or can be not just an accessory to economic development but an important industry in its own right and the essential precondition to stabilizing or increasing the population of permanent residents.



Entering
Smithers, BC

Housing has an intimate cause-and-effect relationship with demographic change. In the simplest terms, when populations are rising, the market builds more dwellings “on spec.” When populations are stable or sinking, the market builds only housing of kinds for which the profit margin is wide or quite assured. When populations are growing, the average age of the expanding housing stock increases only slowly. When populations are declining, little new housing is added to the community stock so average age goes up. When rates of in-migration to a community are high, the median age of the population will tend to be lower, especially if the local economy is resource based, so the kinds of housing desired will be two-storey single-family houses and single-family apartments. When rates of in-migration are low, the median age of the population will gradually climb and eventually the kinds of housing desired will shift to small houses with ground-level entrances and condominiums offering peace, quiet, and privacy. Early in adult life, economically active people are content to commute long distances. Later in life, at least a significant minority of them seek residential locations from which they can walk or cycle to services and amenities. And so on.

The general trend of waning population in northern BC west of the Rockies, even when broken down by community, provides only a rough indication of how well or ill matched people are with housing. Detailed information about the characteristics of households that remain in a place, leave it, or might like to settle in it for non-economic reasons could reveal gross inconsistencies between what people need or want and what the housing market supplies – in other words, inconsistencies between what the market furnishes and *latent* housing needs. A major thrust of the study reported here was to attempt to identify some of these latent needs.

In sum, housing is far from the only avenue along which something might be done to stem population decline in northern British Columbia west of the Rockies, but it is a dimension of community dynamics which research has identified as important and relevant to development. Moreover, housing in northern BC has typically been regarded as a complex of problems, whereas there are good reasons for regarding it, and more broadly residential choice, as presenting opportunities as well as challenges. The scope of the study reported here is therefore this rather narrow one: *What contribution, if any, could the provision of appropriate housing stock make to sustaining the resident populations and economies of at least the market towns of northern BC west of the Rockies?*



THE STUDY

THEORY

For the most part, the study drew its theoretical perspectives from two lines of research on the current frontiers of rural and community economic development, namely *place-based community development and development through the provision of residential opportunities*.

PLACE-BASED DEVELOPMENT

Researchers in economics, geography, and planning believe that in modern circumstances small, remote communities must pursue place-based community development. One of the two central features of place-based development theory is a focus on particular places instead of widely distributed economic sectors, and locales rather than broad regions. The argument is that in a global marketplace in which cheap and easy transportation and communications have largely erased distance and the removal of trade barriers has exposed most producers to competition from around the world, the way for a small community to thrive is not to seek a comparative advantage on the same terms as innumerable other communities but to identify, enhance, and promote what is unique or at least special about the community and its locale. Place-based development is particularly appropriate for remote rural communities. Dawe (2004), for example, documents how the Orkney Islands of Scotland, by stressing their strengths and their cultural and geographic identity, have come to thrive despite their outlier position on the cold northwest margins of Europe.

Very little in human settlements is so clearly place-based as housing. Housing styles, housing age, housing condition, housing patterns, and many other aspects of housing are profoundly expressive of local cultures, local conditions, local economies, and local sense of identity. Housing therefore creates place identification, and a focus on housing is a fine-grained strategy that relates social values to the built environment. In this spirit the current initiative *Measuring up the North*, sponsored by the North Central Municipal Association and the BC Paraplegic Association, has involved many communities in assessing the level of “visitability” (age-friendly and accessible) of homes, businesses and public precincts in northern communities. *Measuring up* proponents consider such accessibility values good “place-makers” and desirable for all residents and visitors.

A second emphasis in place-based development theory is the desirability of working with investments instead of subsidies. This approach is reflected, for instance, in the document *Retention and Attraction of People to the Cariboo-Chilcotin Region* (Cariboo-Chilcotin Beetle Action Coalition 2006), in Markey, Halseth, and Manson (2007), and in *The New Rural Paradigm: Policies and Governance* (Crosta, Davies, and Maguire 2006). In Canada, including British Columbia, senior governments have been withdrawing from subsidizing housing, therefore few subsidies are available anyway.

The economist Thomas Michael Power (1996a) says local quality and local economic development are “the real economic base.” Not all communities of northern BC west of the Rockies are well endowed in local quality, but certain ones have some of it and could grow more if they set their minds to it. These communities are mostly of the “market town” sort.



Willowvale neighbourhood
Smithers, BC

DEVELOPMENT THROUGH PROVISION OF RESIDENTIAL OPPORTUNITIES

As alluded to in the Introduction, British academic planners have recently devoted considerable effort to examining the relationship between housing and the population and economies of rural communities (Powe and Gunn 2008). In rural Britain, as in British Columbia, it may be that not much can be done to prevent hamlets and some villages from losing viability. For the so-called “market towns,” though, the conclusions of the researchers are different. Adapted to the context of northern BC, here are some of the British findings of interest:

- Housing development of the right sorts should be able to help market towns maintain the viability and vitality of their business centres by sustaining local populations;
- Lack of housing development of the right sorts may actually contribute to population decline in market towns, as people move away or fail to in-migrate for lack of the kinds of housing they want or need;
- Business centres of market towns are most likely to be patronized by residents who are less mobile than most – people lacking their own motor vehicle, people who do not commute long distances to work; people who are not themselves drivers;
- Recent in-migrants to market towns draw some of their services from farther afield than long-term residents, on average, but still they do most of their spending in the local business centre;
- From a national (Britain) or provincial (British Columbia) perspective, energy demands are less if population is retained or grows in market towns as compared with large cities or small, non-market communities; that is, retaining or increasing the share of the population in market towns means less driving for shopping and entertainment purposes among the population as a whole and therefore contributes to environmental and social sustainability.

Strategic positioning of targeted housing in market towns is not the only promising approach to using residential opportunities as tools of community development. In recent decades in Canada and the United States, many migrants to rural areas have not been chiefly motivated by a job or business opportunity, if at all. Rather, they have independent means of one kind or another and they are moving in order to establish a new residence in a place abounding in natural, built, or cultural amenities. Many such “amenity migrants”

prefer homes in the rural and even remote countryside, where, according to the British Columbia system of local government, they are in “unincorporated areas” – areas beyond the boundaries of incorporated cities, towns, villages, and municipal districts. Smithers, for instance, draws proportionately fewer amenity migrants than the unincorporated Electoral Area A around it. To some extent, then, it may seem contradictory for towns to try to attract amenity migrants. But many other amenity migrants are seeking small-town amenities such as friendliness, walkable distances to services, do-it-yourself cultural events, and closeness of countryside. Furthermore, when an amenity migrant household locates in the commercial catchment of a market town, it too can be expected to do a large share of its shopping and purchasing of services locally. So whether regional amenity migrants opt to live inside or outside market town boundaries, market towns will derive benefits from ensuring appropriate housing is available for prospective amenity migrants. Both economists and regional planning researchers have endorsed the strategy of promoting community economic development by attracting rural amenity migrants (e.g., Chipeniuk 2008; Knapp and Graves 1988; Severinghaus 1990).

Amenity migrants include people with various sorts of “mailbox” income: Investment income, pension income, and transfer payments related to age, disability, Aboriginal status, or service entitlements. Other categories of migrants not tied to a specific place by livelihood are young people who migrate on the assumption that they will be able to find sources of income once they arrive in a place; mature individuals with the financial reserves to take up a new job if and when they wish, after moving to a new community; later-life individuals and couples who might wish to live with their grown children; grown children who might wish to live near their elderly parents; and even homeless people. Many households actually residing in a place similarly have discretion in whether they stay or migrate elsewhere. A typology of discretionary migrants and residents is provided in Appendix 1. It is worth inquiring into the housing choices and requirements of able-bodied amenity migrants not just because they are a numerous category but because apparently even the severely disabled and elderly resemble other amenity migrants in their destination preferences, provided they are not also constrained by low income or the absence of a spouse (Walters 2000, 2002).

Common sense leads one to expect that shortage of appropriate housing deters potential in-migrants from moving to a community different from the one in which they currently reside. Research literature on this question is limited but it agrees that potential in-migrants can be discouraged not just by the costliness of rental accommodation but by the reluctance of planning authorities to allocate land or permissions for new housing development (Fielding 1993).

Housing construction and renovation generated by in-migrants of the amenity migrant kind bring powerful economic benefits with them. According to university extension documents readily available over the Web (accessed by searching for *Housing construction and economic multiplier* or similar terms), every new dollar brought into a community to pay for construction, such as the purchase of a house by an amenity migrant or a senior government grant for social housing, has an income multiplier of about 3.0. That is, when a household arrives in Smithers, for example, with a mobile professional practice such as consulting or a job such as piloting passenger jets or a business such as selling souvenirs, or more humbly as a couple with a pension or a disabled person with a federal or provincial remittance income, and that household buys or builds a new residential property for \$250,000, most of the \$250,000 is spent on local labour and supplies, and much of what local carpenters and lumber stores receive is again spent locally on food and employees, and so on through several cycles, to the tune of about \$750,000 before “leakage” brings the process of local expenditures to an end. (For references, see Chipeniuk (2008).)

But that is not the end of the story. Every year, the members of the new household spend money locally in their business or professional or employment activities, and if such money is brought to the community from elsewhere, as “mailbox” income, it has an economic multiplier too. Beyond that, of course, the members of the new household spend money throughout the year just eating, clothing, and entertaining themselves, and to the extent that they pay these expenses with money brought to the community from elsewhere, these household expenditures have their own local economic multiplier. And so on. All these local expenditures circulate through the community to the extent of a factor of about 2.0.

Contrariwise, each household which out-migrates without replacement carries with it not just its own spending but that of its economic multiplier. Because communities are arranged in a hierarchy according to the goods and services they provide and consume, an accumulation of out-migrating residents can lead to a downward spiral in the higher-order economic functions a community offers. A few years ago, for this reason, the Hazeltons lost their only large supermarket.

RESEARCH QUESTIONS AND METHODOLOGY

In short, research indicates that it makes good sense for a community to address population and economic decline by taking measures ensuring that households neither leave nor fail to come for lack of the kind of residential accommodations they desire. The study reported here therefore sought to answer the following research questions: First, is there indeed a shortage of housing for certain categories of discretionary residents and in-migrants in northern B.C. west of the Rockies? Second, if numbers of households within certain categories of discretionary residents and in-migrants are constrained by housing supply, what can be done about it?

Three principal methods were employed to answer these questions. One was to review a wide array of documentary evidence, including census materials and reports commissioned by the Real Estate Foundation of British Columbia and other organizations. A second was to interview an equally wide array of persons knowledgeable about housing markets and housing needs in northern BC: Experienced realtors, builders of housing, housing developers, local government planners, provincial government staff, academic researchers, and so on. A third was to interpret the findings from the documentary and interview research in the light of commonly accepted principles of good planning, of which there are many, but in particular those subsumed under the umbrella term “Smart Growth” and “sustainable development. (For the goals and principles of Smart Growth, see Appendix 2. For the principles of sustainable development, refer to *Local Agenda 21 Planning Guide: An Introduction to Sustainable Development Planning* (IDRC and the International Council for Local Environmental Initiatives 1996).)

The refereed planning research literature is not helpful in determining best practices for the identification or measurement (Chiddick 1987) of diverse housing needs and wants, as opposed to needs in the extreme sense of deprivation. Nor, for small communities and regions, does the grey literature accessible through modest searching have much to say on the subject. Hence the informal and open-ended interview methodology.

For practical reasons, two case communities were selected for the study, Prince George and Smithers. Prince George is by far the largest settlement in northern British Columbia. Smithers is well known for its strong, unusually progressive planning culture and the appeal it has for amenity migrants. As it turns out, neither of these communities is representative of the study area as a whole, but close scrutiny of the housing situation in them throws much light on the challenges being faced by their less well endowed neighbours.

EVIDENCE

This section of the report summarizes salient findings from the review of documents and evidence gathered in the course of the study, with special attention to the questions of whether and which kinds of housing are in short supply in northern BC west of the Rockies.

DOCUMENTARY EVIDENCE

According to Stats BC community profiles compiled from data of the 2006 Census, there is no general shortage of housing in northern British Columbia west of the Rockies. On the contrary, communities such as Prince Rupert, Terrace, Kitimat, the Hazeltons, Houston, and Vanderhoof have far too many unoccupied dwellings (Table 6). Although some of these dwellings may be second homes, given the nature of the

communities in which they are found – non-resort communities suffering from steep losses in population -- it seems safe to assume that most of them are simply vacant. High vacancy rates drive down sale prices and rental rates and expand buyer or renter choice. Unfortunately, affordability data are not yet available for the 2006 Census. However, affordability data for the 2001 Census are consistent with the view that households in the study region have access to cheaper housing than British Columbians do on average; far cheaper in the case of owner-occupied housing. What is more, on average incomes in the market towns of northern BC west of the Rockies, historically although less so now, have been higher than the BC average.

Table 6

PERCENTAGE OF PRIVATE DWELLINGS OCCUPIED
IN TOWNS OF NORTHERN BC WEST OF THE ROCKIES*

	Pop. change 2001-06 (%)	Unoccupied private dwellings (%)
Prince George CA**	- 2.1	6.3
Vanderhoof	- 7.4	13.0
Burns Lake	8.2	6.2
Houston	- 11.6	14.4
Telkwa	- 6.5	6.1
Smithers	- 3.6	4.2
New Hazelton	- 16.4	15.9
Terrace CA	- 7.0	9.0
Kitimat CA	- 12.6	14.8
Prince Rupert CA	- 12.5	14.7

*Based on 2006 BC Stats Census Profiles

**CA = Census Agglomeration

This study did not examine northern BC housing quality, but it too is likely to fare well in comparison with urban areas. Statistics Canada's *Rural and Small Town Canada Analysis Bulletin* 2(4 –February 2001) notes that for all rural areas of Canada predominantly rural regions “had the lowest proportion of households with housing below standards (31 per cent)” and that “similar patterns were seen provincially within each province.” Admittedly, analysis of more recent data might reveal a different picture, since little new housing has been built in northern BC west of the Rockies since the 1980s and average incomes in this area have declined relative to those in the southern parts of the province. In *Housing in Northern British Columbia: Understanding Needs and Supply* (Pringle and Mancera in preparation), the Real Estate Foundation reported that from 2000 to 2008, according to BC Assessment data and City of Prince George statistics, Prince George, a regional centre with a “metropolitan” population of about 83,000, added just 1,690 residential units (1,060 single-family dwellings, including 238 on parcels of 2 acres or more; about 275 multiple-unit dwellings; 261 multiple-unit dwellings for seniors; and 93 strata rental units). The total equates to about 241 units per year over the 7-year period, a replacement:addition ratio of 0.78% for the period or less than 1% per year. It is true that newer housing is coming into the supply at a faster rate for the aging population, particularly persons over 65 (536 units of the 1,690 total, or about 32% of the new residential stock). However, even this modicum of good news must be alloyed with the realization that from 1996 to 2006 the population of persons 65 years of age and older increased by 50% and subsequently it has continued to rise dramatically, as will be discussed below.

In the study area, three larger settlements are modest exceptions to the rule of severe population decline, namely Smithers, Burns Lake, and Prince George. They are also exceptions in availability of housing. In the

2006 Census unoccupied housing was only 4.2% of all private dwellings in Smithers, 6.2% in Burns Lake, and 6.3% in Prince George (Table 6). Hence housing availability was tight in those communities in 2006, and perhaps still tighter in 2007 and 2008, when local economies were stronger. By 2009, though, all three communities were being affected by retrenchment in forestry, mining, and other resource-related economic sectors, so competition for housing has relaxed. Furthermore, people wishing to reside in the vicinity of Smithers, at least, have the alternative of buying or renting in Telkwa, only 15 km away and possessed of a larger stock of unoccupied and cheaper housing, or even Houston or the Hazeltons, where there is an abundance of unoccupied housing for those who are prepared to commute 60 to 70 km one way (as in some circumstances people are).

Despite widespread population decline in the study area, fewer household dwellings are unoccupied than might be expected. For decades now, average household size has been falling in Canada, and as has already been mentioned, northern B.C. has exhibited the same phenomenon. Between the 1996 and 2006 Censuses, household size diminished in all communities of the study area, from 2.7 or 2.8 persons per household to about 2.5 persons per household. The consequent effects on housing demand are elusive to common sense. In rough terms, let us suppose in 1996 the 5,600 people of a community were occupying 2,000 dwellings at an average of 2.8 people per household. By 2006, with a population 5% or 280 people lower (5,320) but with an average of 2.5 persons per household, the community would require 2,128 dwellings ($5,320/2.5$). Because household size has decreased in correspondence with population, it has meant rough stability in the number of unoccupied dwellings in some communities. In Smithers, it appears actually to have contributed to demand for more dwellings (Table 6). However, it has probably not been enough of a factor to make empty housing difficult to find in most of the communities of the study area.

Census profiles show drastic differences in average house values as between northern B.C. dwellings and B.C. as a whole – in the neighbourhood of \$150,000 or \$200,000 in the study area versus over \$400,000 for the province. Northern housing is comparatively cheap, but the disparity in values and trends impedes movement from a community such as Prince George to a retirement location in the south. One does not sell a house in Prince George and use the proceeds to buy its equivalent in Vancouver or Kamloops.

Abundance of vacant housing does not necessarily mean that all residents or prospective in-migrants can obtain the kind of housing they need or want and can afford.

Indications of special housing wants and needs are found in certain studies sponsored by the Real Estate Foundation of British Columbia, namely the Mustel Group's *Housing Needs in Northern British Columbia* (2008) and Lumina Services' *Seniors' Housing Needs in Northern BC* (2008). The Mustel report presents results from a telephone survey. The Lumina report draws on published statistical materials, on five focus groups held in different communities, and on population forecasts.

While these reports illuminate housing needs for the northern British Columbia populace as a whole, especially in the case of the Mustel study it must be borne in mind that sample figures have been aggregated from communities whose demographic, social, and service characteristics may be extremely unlike. For example, some communities are mill towns, with low average ages, high average incomes for males and low average incomes for females, few amenity migrants but many residents who intend to move as soon as they retire. Other communities are economically complex, with high average ages, lower average incomes but comparatively equal incomes as between males and females, a high proportion of amenity migrants and strong place attachment. Some communities have hospitals and regional airports; some do not. Some are "market towns" in the sense explained earlier, others offer little more than a grocery store, a service station, and a health clinic. One is a middle-size city; most are towns or villages. And so on. Combining statistics from such distinct units of analysis can have the effect not just of obscuring meaningful phenomena associated with different sub-populations but of producing meaningless averages.

An additional methodological problem with the Mustel study is that its data on housing preferences are partially derived from the unconstrained hypothetical question (p. 13) "If you were to make some kind of change in your current residence, what would be your preference?" The problem, of course, is that there

are always constraints on acting on preferences, and not just constraints from cost or availability of what one needs or wants.

Nevertheless, it is of interest that the Mustel report (p. 13) identifies substantial proportions of the overall northern population as being attracted to the idea of moving to a townhouse or condo (4%), some form of assisted living providing some meals, housekeeping, and personal care (2%), seniors' housing with no extra services (2%), or supportive housing that provides some meals and housekeeping (1%). The Mustel report (p. 15) concludes that in northern B.C. affordable housing is the main need not being met – this in potential or partial contrast to the Statistics Canada assessment for rural Canada as a whole -- and that there is a significant need for seniors' housing of one kind or another. Many minor findings of the Mustel report are potentially valuable in analyzing housing needs, for instance the finding that the average Aboriginal household size is 2.9 persons (p. 33), considerably higher than for non-Aboriginal populations.

The Lumina report (p. 36) draws several major conclusions about kinds of housing in short supply, here quoted exactly:

- Housing for independent seniors wanting to downsize. In most cases the type of housing desired is ground oriented, single storey, low maintenance housing. The majority of northern residents interested in this kind of housing prefer ownership to rental.
- In most communities, supportive housing.
- Good quality affordable rental housing with elevators for independent seniors (i.e., no services).
- Assisted living and long term care facilities.

Lumina (pp. 36-37) suggests that Prince George seniors are less well served by the housing market than are the smaller communities, and that supportive housing and good-quality affordable housing are unlikely to be provided in smaller communities unless through the initiative and partnership of local governments, nongovernmental organizations, and partnerships. (These conclusions are supported by other research, conducted by the Community Services Department of the City of Prince George and University of Northern British Columbia master of arts Anne Hogan in her thesis on housing in Prince George, not yet published.

In its report on northern housing needs and supply (the Mustel report), the Real Estate Foundation presented the results of a survey of on-reserve housing carried out by the Prince George Aboriginal Business Development Centre. In general there are persistent difficulties in obtaining funding to construct on-reserve housing despite the need being considerable, to say the least. Some responding bands indicated they did not anticipate a solution within the next ten years. Furthermore, the state of maintenance of existing on-reserve housing is poor.

Persons of Aboriginal descent (self-identified as North American Indian, Metis, Inuit, or "other" in the Census) comprise 19.8% of the population of the regional districts which are the focus of this study (Fraser-Fort George, Bulkley-Nechako, Kitimat-Stikine, and Skeena-Queen Charlotte. In the Prince George area about 57% of the Aboriginal population lives off- reserve. The term "off-reserve" is difficult to define exactly because some reserves abut municipal areas. Aboriginal persons living "off-reserve" are located in, or with a focus on, a proximate municipal area. In the Bulkley Valley, about 67% of the Aboriginal population lives off-reserve. In the Skeena and Nass regions, the ratios of on- and off-reserve concentrations are more variable depending on the locale.

For the purposes of this research, the authors relied on two well documented sources for descriptions of the persistent issues concerning housing for Aboriginal persons. The report *Aboriginal Housing in British Columbia: Needs and Capacity Assessment*, (Catherine Palmer & Associates Inc. 2007), done for the BC Office of Housing and Construction Standards, identified similar needs in the northwest and Fraser-Fort George regions. These included:

- Lack of affordable housing.
- Limited availability of market rental dwellings and housing for Aboriginal students.
- Aging inventory of housing, more than 80% of dwellings built before 1991.
- Minority population cohorts in need of suitable housing: single parents, elders, and disabled persons.

Because many Aboriginal communities are remote, the costs of getting construction supplies to building sites can be very expensive and weather dependent.

In addition to the Mustel survey, the Real Estate Foundation hired the Prince George Aboriginal Business Development Centre to conduct a survey on on-reserve housing concerns among a sample of bands in the northwest and Fraser-Fort George regions. The report, *First Nations Housing Needs in Northern British Columbia* (September, 2008) cited a range of common issues for more remote northwestern reserve communities.

- Poor quality of construction and maintenance of houses.
- Frequent concerns about water supply and handling of liquid waste.
- Lack of dwellings and consequent long waiting periods for households (sometimes many years) to obtain a dwelling.
- Problems collecting rents, particularly where unemployment levels are high.

The report notes in its conclusion that “there were similar complaints and comments from many of the Reserves across Northern BC. The main issues are that the demand for housing is high, there is a lack of money and manpower to meet that demand, the condition of the housing is poor, and many of the residents face health issues.” Communities that were interviewed “have wait-lists of between 20 to 40 families, and one had more than 100 families waiting for a house.” Finally, the report notes that “the two main factors enabling the development of new units are money and manpower.”

The Mustel survey, previously referred to, included an over-sample of persons of Aboriginal descent to ensure representative coverage of this portion of the population. About 81% of respondents reported living on-reserve and their views reflect the findings of the studies referred to above. When asked if their own household’s needs and those of persons they knew were being met, 51% said “yes”. Those who responded “no” cited the following concerns:

- Renovations are taking too long to complete / ran out of money
- Lack of family housing
- Lack of affordable housing, prices too high
- Lack of quality built homes on the reserve (e.g., leaking, poor insulation).

For several years the Prince George Aboriginal Business Development Centre has focused on potential strategies to develop and manage housing for the both the Aboriginal and non-Aboriginal communities. While lack of access to working capital has delayed realization of these plans, the Centre has continued to work for an entrepreneurial solution. A demonstration project described in Part C of this report has been jointly developed by the Aboriginal Business Development Centre and the Real Estate Foundation. The concept, dubbed “a neighbourhood in a building,” focuses on the range of “latent” housing needs revealed in this research and *Housing in Northern British Columbia: Understanding Needs and Supply* (Pringle and Mancer in preparation).

A sobering aspect of the documentary evidence emerges from the incidence of distressed households, perhaps a proxy for poverty. In the context of provincial and regional populations, Statistics Canada counts

households that have incomes 50% or more below the median income for all reference-area households. In the northwest region, 24.3% of households have incomes below the ratio for all of BC, which is 21.4%. This disparity suggests that in the northwest region, about three more of every one hundred households, or 627 additional households, are distressed than would be the case if the region experienced the provincial rate of distressed households.

FINDINGS FROM INTERVIEWS IN PRINCE GEORGE AND SMITHERS

A few details about the interviews conducted in the course of this study are provided in Appendix 3. Only the main findings about housing needs and availability are presented here, loosely categorized as pertaining to Housing information and its use; Demand and supply in urban areas; Experimentation; Demand and supply in rural areas; and Discussion of solutions.

HOUSING INFORMATION AND ITS USE

According to all parties interviewed on this topic, the lines of information connecting housing needs with housing supply are informal, inadequate, and plagued by errors and omissions. Realtors say that builders never ask them what prospective buyers and renters are looking for. Builders say they develop what they know has worked in the past, which may not be what households need in the present. Municipal planning authorities admit they do not have the resources to gather data on housing in any sustained and rigorous manner. The market mediates between demand and supply but not well, because of small numbers of contractors in small communities, much empty housing, and wild short-term fluctuations in demand.

Even if data on housing needs and sub-markets were systematically collected, it might not be used by the main actors in housing for Prince George and the area around it. Several interviewees indicated that in their opinion these actors, including city councilors, are not the kind of people who are temperamentally given to drawing conclusions from paper information. Builders assert that they have little use for systematically gathered data on housing needs. One builder stated that he has never used such data in his life and when he has tried building to needs identified by others it has never worked. He does not “track” his own customers. A different builder argues that Prince George lacks the scale at which attempting to act on market segmentation would be worth while.

No doubt northern BC municipal planning authorities and some real estate actors use the statistical compilations of Statistics Canada, Canada Mortgage and Housing and the forecasting provided by Credit Union One and the Chief Economist of the BC Real Estate Association. Recently, the City of Prince George social planning office has begun to seek precision on the housing needs of specific consumer groups. Clearly, though, there are large gaps of understanding. Little fine-grained housing research has been produced over the years with the exception of specific needs research pertaining to non-market housing.

DEMAND AND SUPPLY IN URBAN AREAS

The Prince George market is served by both developers and builders – the distinction being that developers specialize in bringing forth the more innovative and capital-intensive projects. Builders tend to furnish construction for developers or to carry out their own less risky projects. A builder’s own project is likely to be based on established designs and processes, previously tested in the market.

Several builders in Prince George and Smithers remarked that there is an important distinction between housing *needs* or *desires* and housing *markets*. Even if many potential buyers need or want ground level-entry and single-storey ranch-style houses, for example, that does not mean they are prepared or able to pay the extra money required to build them. (Single-storey houses are more expensive than two-storey houses because they cover more land, require more roof area, and make it more difficult to use the same plumbing stacks for an equivalent amount of living space.) Trade-offs between better adapted but more

expensive housing and poorly adapted but cheaper housing are probably widespread in northern housing markets, especially when depopulation has made much cheap housing available. If so, simply developing housing stock to suit people's expressed needs will not necessarily accomplish anything. In both Prince George and Smithers, realtors say that recent small, ground-level entry housing developments have been very slow to sell.

One builder argues that buyers are unprepared to pay more for small, single-storey, level-entry houses because of a problem with "perception of value": They think small houses should cost correspondingly less than big ones, and if small houses are more expensive than people anticipate on a square-footage basis, they fear the builder is taking advantage of them. The same builder believes people want bigger houses because they view their house as not just a dwelling but an investment.

In the opinion of at least two actors, somewhat confirmed by random comments of the builders interviewed, Prince George builders build the kinds of housing with which they are most familiar and have had greatest commercial success. There appears to be insufficient competition or market complexity in Prince George to induce a subset of developers and builders to specialize in, for example, level-entry housing or smaller homes for single retirees. In Smithers, however, there is at least one developer who sees himself as being specialized in building inexpensive but solid housing.

Virtually all realtors interviewed in both Prince George and Smithers are of the opinion that it is difficult for buyers and renters to find (1) dwellings suitable for persons at or near retirement and wanting smaller, ground level-entry homes; (2) dwellings suitable for physically handicapped persons. Realtors in Prince George believe there is insufficient housing for independent seniors in the downtown although the Bowl is well adapted to the needs of independent seniors.

There are some indications of builder awareness of changing housing needs. One builder acknowledges that increasingly, long-term residents of Prince George are retiring in the area, not least because their offspring live there, and consequently they need condos and other kinds of scaled-down housing. He detects larger numbers of arrivals of amenity migrants in the past couple of years and anticipates there will be many more of them as the four-lane "connector" highway is built in stages, gradually reducing the time from Vancouver to six hours. (By "amenity migrants," this interviewee perhaps meant second home owners.)

There is a modest amount of evidence for actual building in keeping with changing housing needs. One realtor-developer has developed a very small ground-level condo-style block in downtown Prince George (3 or 4 units) and intends to build a larger block (up to 20 units). Another says he is getting into the building of "green" housing.

One realtor says affordability of single-storey housing would keep a lot of people from moving out of Prince George as they age, although his impression is that even as matters stand more seniors are staying than leaving. Some of the factors involved are place attachment, attachment to grown offspring and grandchildren, the difference between housing costs in the north and the south, and a growing concentration of urban amenities in Prince George.

The Prince George housing market is served by both local and outside builders and developers. One realtor considers the split at about 40:60 as between local and Lower Mainland based. In the Smithers area, similarly, there are both local and outside builders.

Developers must assess capital risk, including both their own assets and those they borrow. A challenge in developing real estate (housing, commercial, or mixed-use projects) in northern markets is to anticipate the duration of market windows of growing demand. That is, because market demand may peak in a relatively short time, it may be easy to oversupply certain kinds of development and difficult to market the last batch of units or leasable area. Only developers with deep pockets can afford to carry inventory and sustain themselves through the downturns and long periods of market stagnation typically associated with northern communities.

One interviewee suggested that many households in Prince George and other communities of the study area spend their high incomes on depreciating “toys” such as pickup trucks, snowmobiles, big recreational boats, and ATVs, rather than on housing, which serves as an investment. This phenomenon means that at retirement, lacking house equity, they have no alternative but to live in places where housing is cheap.

EXPERIMENTATION

The conclusion of a senior Prince George planner is that if experimentation with specialized housing is to be undertaken in Prince George, it will probably need to be in partnership with local government or some provincial or federal ministry, department, or agency. The leading actor in Prince George housing for households with special needs is the City in partnership with BC Housing. The political leadership of the City of Prince George, however, has not been inclined to give priority to housing.

City of Prince George staff consider that the gaps in the Prince George housing supply are (i) visitable and accessible housing, (ii) affordable rentals, (iii) permanent housing for aging persons currently living in shelters, and (iv) social housing (housing provided at below-market development costs and with rent subsidies for the occupants).

Developers blame government for high housing costs. One of them says about 27% of the cost of housing is taxes. Several of those interviewed attributed the lack of new rental housing in Prince George to a high CMHC lending rate (8%). They say it is better to sell than to rent. One individual noted that most of the apartment buildings in Prince George were built 35 years ago, when there was no GST. In 2009 the developer must pay GST. In the past, too, there were government incentives for this kind of building. Now there are not.

A real estate authority says that developers are not building entire subdivisions of residential housing in the rural areas around Prince George. It is too risky. Notwithstanding the absence of large-scale rural developments arising from the vision of a single developer, some of the incrementally developed concentrations of rural residential are large. An interviewee estimates the number of residents around Cluculz Lake at roughly 1,400 and he says there are concentrations of residential housing around several other lakes up to an hour away from Prince George, as well as in the acreage country on the fringes of the city. The Cluculz Lake settlement is apparently on the verge of becoming a village – perhaps the first community in northern B.C. to have no economic history except amenity migration.

SUPPLY AND DEMAND IN RURAL AREAS

Currently, two major and innovative housing developments in the vicinity of Smithers are targeting amenity migrants, namely Watson’s Landing, within the boundaries of the Town and offering lots which are fully serviced but several kilometres away from the edge of contiguous urban settlement; and Hudson Bay Mountain Estates, on the edge of the Ski Smithers ski resort. Watson’s Landing is subdivided into 29 lots on the edge of Lake Kathlyn and looking across at the 7,000 foot, glacier-hung northeast face of iconic Hudson Bay Mountain. Hudson Bay Mountain Estates is a 208-lot subalpine subdivision about 25 km from Smithers by road. Several smaller and more conventional rural subdivisions are in the advanced planning or early development stages.

Although amenity migrants to the Bulkley Valley, as elsewhere, often seek rural residence, one Smithers realtor asserts that since the peak in gasoline prices a year ago there has been less demand for rural properties unless they are “tight to town.”

According to an authority in the Ministry of Agriculture, during the past year there has been a surprising demand for small acreages with arable land. Perhaps because of high food prices, or just a desire for home-grown food, people would like to engage in mixed, intensive farming. In the opinion of the expert, what might work well are 40-acre lots with arable or pasture. To avoid the problems of subdividing within the ALR (Agricultural Land Reserve), such parcels could be carved out of Crown land above or beyond the

ALR. A spokesperson for the ILMB (Integrated Land Management Bureau), however, states that the ILMB has examined Crown land from the perspective of rural residential development and it has determined that almost no Crown land in the Bulkley Valley is suitable for subdivision but also uncommitted to other purposes, such as forestry or grazing.

Resort developers interviewed consider the Bulkley Valley to have very great potential for attracting amenity migrants and second home owners. They expect the Hudson Bay Mountain Estates development, if successful, to stimulate residential development in rural areas of the Valley, perhaps as far away as the Hazeltons, and in the town of Smithers as well as on "the Hill."

Resort developers appreciate the need for housing for young people, in particular the young people who work for them. (Affordable housing for resort workers is a problem well attested in the academic literature on ski resorts.) Hudson Bay Mountain Estates has obtained Regional District zoning amendments allowing owners of its new residential properties to place two residences on each lot, one of them a cottage or suite.

Interviewees expressed mixed opinions about the possibility of linking the sale of principal residences in high-amenity rural locations with the sale of small urban second homes, for example lake resort homes with condos in downtown Prince George or alpine chalets in the Hudson Bay Mountain Estates development with strata housing in Smithers. Some thought it might work. Others were dubious.

SOLUTIONS PROPOSED OR ENTERTAINED BY INTERVIEWEES

Experienced realtors in Smithers mentioned the need for a new development modeled along the lines of the apparently very successful Alpine Court, an existing ground-oriented seniors' development, but perhaps built to a higher class. They consider superior security to be a factor "snowbirds" would take into account in shifting residence from larger dwellings, because many seniors are away from their homes for long periods of time. Realtors feel retirees would like gated communities for this reason, condos because of the minimal requirements for maintenance, and stratified ownership. One realtor mentioned that two potential builders had asked him about "high-rise" developments for snowbirds, with elevators, stratified, aimed at the lower end of the market (\$150,000-\$200,000). He believes this kind of housing would be a good business proposition if a few units were pre-sold. He is surprised places like that are not already being built.

In the Bulkley Valley, affordable housing for people with social problems of mild or moderate severity is readily available except in Smithers. However, social agency attempts to persuade developmentally challenged clients needing affordable housing to move from Smithers to Houston, where housing is both available and cheap, have not been successful because these persons are so strongly attached to Smithers. They have not wanted to leave their friends, the urban fabric with which they are familiar, or their established services. Attachment is great even when the persons involved have lived in Smithers for only a short time.

A Smithers developer contends that gated communities would solve a lot of latent housing needs because they would provide security against theft and vandalism. He says they would be useful even in First Nation communities and in downtown Smithers. He is willing to experiment with this kind of housing in partnership with public bodies. Because of the Bulkley Valley ethos, however, in which social stratification is strongly disliked, gated communities might not be welcome in this part of British Columbia.

The Prince George Aboriginal Business Development Centre, in association with the Real Estate Foundation of British Columbia, is producing a concept for an innovative multiple-unit housing development in downtown Prince George. The housing needs it may serve are estimated from recent research in which various population cohorts identified their own housing requirements and preferences. The development will have many features specially adapted to the needs of Aboriginal people, such as security for young adults recently moved from reserves or other rural areas, elders living in the complex as models of respect,

and common kitchen and dining areas. (More information about this concept is provided in Part C of this report.)

As a final thought about solutions, it is telling that no interviewee mentioned joint-ventures, other than alluding to financing, for development of projects. It makes sense in some circumstances to supply diverse dwellings needs (different types of units, consumers and tenures) by developing multiple-use (several kinds of residences) or mixed-use (residential, commercial and/or retail) projects. Such projects might attract joint-partners, including market and non-market investors. Some of the advantages of this type of approach include:

- The built area of the project might become large enough to achieve the most favorable economies of scale.
- The financial risk would be shared by several rather than one corporate entity.
- In the case of strata development, interests could be owned, sold or rented according to the partners' needs. Some residences or commercial/retail could be market development. Other space might be for non-profit purposes. In some cases the non-profit partner might take its development at "wholesale."
- The opportunity to pre-sell strata interests likely would be feasible in a joint venture of market and non-market partners. From the market developer's point of view, risk would be reduced if the non-market partner purchased a portion of the development at the outset. The non-market partner would get the customized space it needed.
- There could be agreements, including housing agreements in favor of the local government or other covenants to protect public investment.
- Such a project might reflect design and location values that suit the redevelopment or revitalization objectives of a community.
- The joint-venture or multiple-partner approach is itself integrative.

The demonstration project outlined in Part C reflects a number of these possibilities.

OBSERVATIONS AND CONCLUSIONS

MISMATCHES BETWEEN MUNICIPAL PLANNING ASSUMPTIONS AND REALITY

As reported throughout this document, community planning processes employed by municipalities in northern British Columbia west of the Rockies often rely on weak demographic analysis and wishful thinking about economics. Despite strong statistical evidence of demographic decline, some mayors and councils claim their communities are growing and will continue to grow. Amid disappointments arising from the strategy of chasing resource-extraction industries, mayors and councils have tended to over-weight their developmental hopes for a return to the "boomtown" days of sawmills and gold mines, apparently viewing "cowboy economics" (Power and Barrett 2001) as a hard-headed approach to development. To be fair, only recently has research of provincial economic policy for rural regions attracted attention to the need for "a new approach to public investment as a strategic tool for development (i.e. rather than just a transfer)" (Hutton 2008). Reordering of economic policy ought to realize important benefits, including, in the words of Hutton (2008):

Realizing the potential of interior regions and communities to capture new trajectories of development; promoting a better spatial pattern of development in BC in which each area of the province contributes to the overall development momentum; extracting more value from investments already in place; mobilizing under-utilized human, social and natural capital; leveraging higher levels of corporate and private investment;

and promoting a more cohesive provincial society by establishing a richer landscape of opportunities throughout BC as a whole.

COMPLEXITY IN COMMUNITY DEVELOPMENT THEORY AND LOCAL PLANNING

Official community plans, regional growth strategies, and other large scale plans involve research, public processes, strategies, policies, and ultimately the plan elements themselves. Together, these planning elements constitute a community or regional approach to dealing with settlement change (whatever humans do upon the landscape). Because the activities of human settlement are complex and interrelated (as are ecological systems), no simpler approach promises better results. More successful plans recognize the challenges of complexity and the need to state key values and interpret them in practices intended to protect or enhance community well-being. To oversimplify, but usefully, community development means to achieve social, economic, environmental and governance well-being.

Taking this premise as a given, one can equally assume that integration, or a holistic approach, works better than merely cobbling together independently produced sectoral priorities to comprise an official plan. In fact, the Government of British Columbia currently reflects this view in policies undergirding the following initiatives: *Smart Planning for Communities*, *Living Water Smart*, and *Smart Development Partnership*. These programs are themselves integrated with the broad and evolving “Green Cities,” “Climate Change,” and “Rural Secretariat” agendas of the Province. Each initiative emphasizes the importance of integrated strategic planning and holistic approaches to addressing settlement change issues. *Smart Planning for Communities* is a model for the integrated, strategic approach because it receives funding from a number of partners other than the provincial government. Not only did these funders and partners help develop the strategy for the initiative; they continue to be involved by sitting on advisory committees, namely the Funders Group and the Partners Group

An examination of the official community plans (OCPs) for three municipalities in northern BC west of the Rockies illustrates, from a housing perspective, some of the strategic planning challenges that lie ahead. Necessarily, planning pertinent to supply of adequate and appropriate housing depends on an inventory of households, interpretation demographics and economic factors, and use of policy and regulation. So how might the market town evolve –at least in the short and medium term?

Each of the plans discussed below was drawn up in 2000 or 2001 and has been updated with some amendments since. In the case of Prince George, the 2001 OCP anticipated that “based on a long-term compounded annual growth rate of 1.5%, the City is expected to have need for 525-550 housing units per year.” In reality there has been no population growth and 241 units of housing have been supplied annually. While the OCP stated support for “more choices of housing types within neighbourhoods” and adopted practical zoning to accommodate some new housing in target infill and redevelopment areas, it lacked active policy to achieve the strategy. Rather, the plan relied on housing demand driven by population growth to be served by developers who would build in the desired areas. Overall, it appears that planning staff and zoning have encouraged the multiple unit development that has taken place to occupy sites in the areas preferred for residential density. The challenge ahead for Prince George is to have a much more fine-grained approach to housing in order to adopt policies that might successfully enable supply of needed housing in a slow-growth period.

In the case of the town of Smithers the OCP (2000) included a basic housing inventory (number of units by type and tenure) and a forecast rate of change over a ten-year period. The town anticipated a need for 25-30 single family and 4-5 multi-family units annually. Perhaps this attention to basic demographics led to the more active housing policy adopted by Smithers. For example, the “Council will consider subsidizing serviced land for senior citizen housing projects and other groups whose housing needs are not met by the private market.”

The City of Terrace OCP (2000 with updates) contemplated three possible rates of population growth and included housing inventory information. The plan integrates housing into community goals:

- To provide a range of housing choices for residents, including single family, two-family, townhouses and apartment dwelling units.
- To permit development of new residential areas in an orderly and systematic manner to ensure that development is based on fiscally and environmentally sound principles and procedures.

The Plan provides six “residential objectives” and multiple specific policies for each.

Overall, the larger communities of northern BC west of the Rockies confront settlement change resulting from little or no population growth since 2000 or before. If they recognize the strengths and weaknesses of their role as market towns, as most though not all of them are, they will appreciate the essential social and economic roles of housing in their futures. Official plans will have to be much more fine-grained about housing needs (and possibilities) and they will need to integrate them into regional strategies.

INADEQUACIES IN MARKET INFORMATION AND DATA COLLECTION

A somewhat unanticipated discovery of the research reported here is that in northern B.C. west of the Rockies there seem to be no objective means or systems for determining housing needs at the municipal or housing catchment levels. Senior governments do not have them, local governments do not have them, nor do developers, builders, realtors, or social housing organizations. Census profiles are helpful but the kinds of data they provide are few and of course, given the five- and ten-year intervals between censuses, almost always out of date. Surveys by organizations such as the Real Estate Foundation of British Columbia are occasional, expensive, necessarily based on random samples rather than 100% samples, applied to regional populations rather than to distinctive communities, and unstandardized. Imperfect information matters. The housing market, so often assumed to be the principal and best means of satisfying housing needs, does not work well in northern B.C. west of the Rockies. Builders and developers base their development decisions on idiosyncratic opinions about what buyers want. Indeed, as has been reported above, many builders and developers base their decisions not on information about what the market is now or will be in future but on what they have been able to sell in the past. For various reasons the housing market generally operates on the basis of imperfect information.

If senior and local governments are ever to deal prospectively with housing needs and opportunities in northern B.C. and to stimulate economic activity through housing policy, they must begin with adequate systems of collecting information related to residential needs and residential preferences. Information is needed on where in-migrants come from, where departing households go, what kinds of local and regional amenities and services draw discretionary in-migrants to settle or to buy second homes, whether incoming households rely on investment income, and so on.

Some fine-grained information about housing and households is currently obtainable through feasibility research supported by programs of the British Columbia Housing Management Commission, the Canada Mortgage and Housing Corporation ACT Program, and the Real Estate Foundation of BC. However, these funding agencies expect that local and regional agencies applying for grants will muster the expertise needed to conduct their own research. For lack of co-ordination, and because of the focus on specific needs, the results of these efforts have rarely been cumulative over time or across regions.

Since households often make decisions to relocate based on regional rather than just local considerations, perhaps what is needed is for a provincial body such as BC Stats to manage and publish the data. Professional associations such as the Real Estate Institute of British Columbia and the Planning Institute of British Columbia might undertake effective roles in coordinating the gathering of relevant data. The BC Northern Real Estate

Board could provide a key service through having its members routinely administer brief entrance and exit surveys of buyers and sellers.

As matters stand, northern communities are not experienced in place-based approaches to managing settlement change. They appear to be ill-equipped to engage in the critical sequence of acknowledging and quantifying more than a decade of population decline, the demographic realities of an aging population, and resultant impacts on the incidence of demand for new and renovated housing units of various types. At this time, it is probably unrealistic for any of the communities in the study area to assume that sustained growth will resume in the near future.

UNDERUTILIZED HOUSING STOCK

Large volumes of underutilized housing stock will make it much harder for many communities in northern B.C. to promote the construction of new housing of any sort, much less housing targeted at low-income renters or buyers. Local contractors are few, new housing could simply aggravate the depressed housing market, and the lack of obvious need will undermine political support. In a community such as Kitimat, with unoccupied dwellings amounting to something like 15% of the total, it will probably make more sense to renovate and redevelop existing structures to suit needs different from the ones for which they were originally built. Doing so will require more investment in architectural and planning services but may very well reinvigorate a town or village more than adding new structures which will sit beside dilapidated old ones. In the context of the present "Great Recession," it is possible that a determined municipality or regional government might access federal and provincial grants for large-scale residential redevelopment. After all, the federal government is now subsidizing renovations in private homes as a tool of economic recovery.

LACK OF MUNICIPAL RESOURCES

Only one settlement in northern British Columbia, Prince George, is what might be called a middle-size city. Prince Rupert, Terrace, and Kitimat are small cities and because of depopulation and weakened economies, poor ones. All other municipalities west of the Rockies are small, and by the standards of southern British Columbia most of them have a tiny tax base. For the broadly similar circumstances of northern Ontario, Slack, Bourne, and Gertler (2003) stress that small, rural, and remote communities are severely under-resourced, for example in the mismatch between their expenditure responsibilities and revenues. The same is surely true of communities west of the Rockies in northern British Columbia. Markey, Halseth, and Manson (2007) correctly point out that the Government of British Columbia has downloaded many of its responsibilities onto the municipal governments without furnishing them with commensurate resources. All that having been said, northern local governments are capable of accessing funding for good strategic planning when circumstances obviously require, as the Cariboo-Chilcotin Beetle Action Coalition (2006) attests.

LACK OF SENIOR GOVERNMENT ATTENTION

There is no obvious evidence that senior Government of British Columbia officials are concerned with population decline in northern B.C. west of the Rockies except insofar as it is related to severe problems in the forest sector or as it might be addressed by way of giant infrastructure and resource extraction projects. Slack, Bourne, and Gertler (2003) point to the dilemma of the Government of Ontario concerning remote communities in Ontario: The provincial government does not want to subsidize these communities disproportionately, but at the same time they are a drain on the larger society. Much the same seems to be true of BC. Similarly, in BC as in Ontario, government aid programs for hinterland communities have been designed on the principle that the local communities themselves have superior knowledge about what is needed for them to develop. Although obviously true in some respects, this principle can be confounded by the common reality that municipal opinion leaders are untrained in regional development, may represent the interests of failing industries, are often firmly convinced of the underlying wisdom of failed economic strategies, and can be disinclined to make use of objective research evaluating novel approaches to development.

MISMATCHES BETWEEN FORMS OF GOVERNANCE AND REGIONAL HOUSING PHENOMENA

A view widespread in the Bulkley Valley and mentioned several times by persons interviewed in Smithers is that local government boundaries are mismatched with regional housing markets. Telkwa, governed by the Village of Telkwa, is effectively a bedroom suburb for people who work and shop in Smithers, which is governed by the Town of Smithers. Rural residents in the central Bulkley Valley are serviced – they do not really have democratic representation at the local level – by the Regional District of Bulkley-Nechako (RDBN), despite their place identities having little or nothing to do with those of residents living near the mill towns of Houston or Burns Lake. Hitherto, at least, rural subdivisions in the neighbourhood of Smithers have been so poorly planned that in the opinion of some of the parties interviewed for this study they have dragged down the value of residential property in Smithers town. Currently, Smithers has no direct power to bargain with developers over housing arrangements on Hudson Bay Mountain because the ski resort tenure lies outside its boundaries.

Expressed in a more generic way, there is a serious mismatch between the scale of governance in northern British Columbia and the scale of housing phenomena, except perhaps in the case of municipal districts. (In the British Columbia municipal system, districts are local governments distinct from the almost ineffable regional district structures.) Housing supply-demand catchments are centred on market towns and extend outwards to a radius of about 70 km or a 45-minute drive. Local governments are either of the village-town-city sort, with boundaries more or less at the edge of the continuous urban area, to about 5 km from the town centre, or municipal districts, with boundaries out to 10 or more km from the commercial centre but drawn to include industrial mills and facilities, not residential housing. In northern B.C. housing is a regional planning problem, but under the regional district model of governance, and in the absence of strong impetus from the provincial government, the responsibility for planning for housing at the regional scale is simply ignored.

Another sort of mismatching in governance is that only senior governments have the fiscal power to experiment with new social housing solutions and to demonstrate their feasibility, but senior governments have vacated the fields of community development, and in particular housing, in northern BC (Markey, Halseth, and Manson 2007, 2008).

The Slack, Bourne, and Gertler (2003) paper recognizes similar mismatches between frames of governance and relevant local development phenomena in northern Ontario and considers them a serious problem.



OPPORTUNITIES FOR INTEGRATING HOUSING INTO COMMUNITY DEVELOPMENT PLANNING

This study commenced with theory and observation that have served to maintain perspective on the question of what strategies communities in northern BC west of the Rockies might employ to retain and attract households which have the means to exercise non-economic choice in deciding where they will have their principal residence. Some of the theoretical assumptions have been the remote rurality of northern BC, the wisdom of place-based community development, the hitherto overlooked importance of amenity migration and other forms of discretionary residence, and so on. In light of what appear to be major disparities between the facts of demographic change in northern BC west of the Rockies and what communities have been doing to address them, many opportunities for amelioration are available through the application of state-of-the-art community development planning theory.

This section outlines a few categories of planning opportunities for satisfying the latent housing needs and wants of discretionary in-migrants and residents, and doing so in ways that would promote community development. It then illustrates several of these categories by describing developments actually under way, or hypothetical scenarios for future development, in the case communities of Prince George and Smithers and the region as a whole.

OPPORTUNITIES

AMENITY MIGRATION

The term “amenity migration” has been defined variously by different authors and indeed has often been used in print with no clear meaning at all (as documented by Chipeniuk and Rapaport, in press). Here “amenity migration” is taken in the narrow sense of people moving their principal residence primarily so as to live in a place rich in natural and cultural amenities. It does not refer to the construction or purchasing of second homes, or to moves made as much for economic as amenity reasons, or to migration which is merely associated with amenities.

A critical reason for not considering second homes to lie within a “strong definition” (Chipeniuk 2008) of amenity migration is that local spending by a second home owner is a tiny fraction of spending by a person who moves principal residence to a place for its amenities *and not* for economic reasons and who brings with him or her an external source of income. After purchasing a property, the second home owner spends money in the community on an intermittent basis, whereas the amenity resident spends money in the community all year round. Persons who report that amenity reasons were very important in their decision to move to a place but who nonetheless moved to a job or business opportunity do not add their spending to the sum of existing spending in a community, they merely displace the spending of some other person who may or may not have prized amenities.

The potential role of amenity migration in community development is examined in many peer-reviewed and grey-literature articles. Papers and book chapters by one of the authors of this report (Chipeniuk 2004, 2005, 2006, 2008) discuss planning for amenity migration specifically in interior and northern BC. An unpublished document by Chipeniuk, *Recommendations for Incorporating Amenity Migration as an Element in Development and Land Use Planning for the Bulkley Valley (from Kispiox to Topley)*, lays out detailed prescriptions for conducting community efforts to increase local amenity migration.

No settlement in northern B.C. west of the Rockies is highly endowed with urban or built amenities. Indeed, in general the towns and small cities have developed with so little regard for aesthetics that most prospective amenity migrants from distant places would pass them by with little thought. Quite a few of these communities however, are situated in stunning mountain and sea landscapes which, although drastically altered from their natural state, are powerfully attractive to certain kinds of mobile people anxious to escape overcrowding and environmental degradation where they currently live. Among these lucky places are, for example, Prince Rupert, Terrace, Kitimat, the Hazeltons, Smithers, Telkwa, Houston, and Burns Lake, to name only the larger centres. Could just about any of these communities stimulate population and economic growth by targeting housing opportunities to amenity migrants, in part?

The short answer is yes. Even towns down at heels and set in landscapes scarred by decades of minimally restrained industrial activity will attract some amenity migrants for the reason that disamenities drive down house prices and rents, and low house prices and rents are themselves a kind of urban amenity. (In 2006 the average value of a dwelling in British Columbia as a whole was \$419,000. In Smithers it was \$165,000; in Houston, \$148,000; and in New Hazelton, \$87,000.) Granisle, once a wealthy mining town but now home to little more than 300 people living on the shores of a polluted (though still beautiful) lake, draws retirees from as far away as Nova Scotia.

The qualified answer is that for an urban centre to achieve something like sustainable stability (if not growth) from amenity migration, as Smithers has, it needs to be a market town, with a regional airport, a reasonably good hospital, reasonably good schools, supermarkets, a fairly wide range of basic services, a newspaper, modern municipal government, a foundation of amenity migrants who came in the past, an arts community, and a planning culture and history of residents vigorously defending regional amenities against threats from unwise development. If this assessment is correct, Prince Rupert and Terrace could conceivably attract significant rates of amenity migration if they were to change their planning culture. Acting on its own, a place like the Hazeltons or Burns Lake could not.

For non-market towns or small market towns to experience a population and economic revival through amenity migration, they would have to participate in a regional strategy. The Hazeltons, for example, might need initially subsidized local bus service connecting them with Smithers and the Ski Smithers downhill ski resort.

Lake districts can powerfully appeal to amenity migrants too. It is within the realm of possibility that a determined Burns Lake could become more of a market town than it is now, could improve its step-out transportation links with Prince George and Smithers, and could become known as a fine place to live for those who love water amid mountains and broadleaf-forested hills.

Prince George could also benefit from amenity migration, but in a different way. It would need to be a market town through which amenity-drawn or amenity-retained residents pass on their way to principal residences in natural amenity-rich places elsewhere in the region. Because of its situation in a deep bowl – the “Bowl” – comparatively far from visible mountains, as well as its frequent episodes of foul air, its big-box urban design, and the overwhelming sensory impacts of its traffic, Prince George will never draw many in-migrants seeking life in a charming city. It does, however, have an excellent regional airport, a location at the nexus of two railroads and two major highways, an excellent small university, and many other urban amenities making a short stay pleasant or rewarding. It could be a good place for people living in the hinterland to dwell intermittently as they buy goods or obtain professional services. .

More conventionally, Prince George could become the principal retirement centre for northern BC. It already has some of the attributes retirees often seek, such as a good hospital. Provision of the kinds of housing adapted to the needs of retirees and preferred by them could greatly enhance the attractiveness of Prince George in this respect. Because so many long-term residents of northern BC are in a sense “trapped” by the slow growth of equity in their current homes as compared with southern locations, the pool of retirees who might decide to stay or to in-migrate from other parts of the north may be sizable.

IMMIGRANTS

Many immigrants coming to Canada bring personal capital and business or professional acumen which allow them to settle in a wide range of places. Of course their direct business or professional activities benefit the communities which receive them, creating new jobs and new income spent locally. So does their day-to-day personal spending in the community and so does the local spending of their families. In addition, though, immigration-driven housing construction or renovation contributes to local economic activity with a multiplier of about 2.8 just like every other kind of construction paid for with money coming to a community from elsewhere.

Immigrant-driven housing construction lay behind much of the boom in southern British Columbia in the years leading up to the crash of 2008. In the communities of the study area, however, there has been only modest in-migration of immigrants since 1995 (Table 7).

Table 7

IMMIGRANTS AS SHARE OF TOTAL POPULATION, 2006 CENSUS

British Columbia	27% (31% having come after 1995)
Vancouver CMA	40% (32% having come after 1995)
Prince George CMA	9% (12% having come after 1995)
Smithers	12% (18% having come after 1995)
Kitimat CMA	22% (7% having come after 1995)

To some extent the low rates of immigrant in-migration to places such as Prince George or Kitimat can be explained as a reflection of immigrants going where the jobs are, in combination with the fact that Prince George and Kitimat have few new jobs to offer. But that is not the whole explanation. Northern BC communities apparently do very little to attract self-supporting immigrants. The several northern BC city and town Web sites canvassed for this study displayed neither a welcome nor an information link for prospective in-migrants of any kind. Official community plans (OCPs) for these same cities and towns mention immigrants, if at all, only in relation to local history.

Clearly, in ignoring immigrants the whole of the study area is missing a major opportunity to recruit new residents and in so doing soak up underutilized housing, stimulate the construction of new housing, and diversify local economies. Some simple, cheap, and fast means of drawing prospective settlers from among immigrants to Canada are (1) to rewrite municipal Web sites in such a way as to signal a desire for immigrant newcomers and to provide relevant information for prospective in-migrants whether immigrant or Canadian; (2) to use connections in the existing immigrant sub-communities to recruit by word of mouth and community ambassador programs; and (3) to target prospective immigrants of nationalities which prize amenities of the kind a particular community can offer.

The literature on attracting immigrants to remote and rural communities is scant, but Carter, Morrish, and Amoyaw (2008) provide a summary of successful approaches. Relevant to this study’s concern with sustaining local populations, Lapp and Rogge (1980: 52) remark that in Thompson, Manitoba, “immigrants...showed considerably greater stability and a greater willingness to settle permanently than did workers attracted

from other parts of Canada.” Little or no research literature addresses the question of housing desires or needs specific to particular immigrant groups, but that there are such ethnically specific desires and needs is evident to casual observation.

A qualification to these observations is that it must be acknowledged that some immigrants are channeled to northern BC communities by senior government policies pertaining to professional and economic classes of immigrants.

FIRST NATIONS HOUSING

For northern BC west of the Rockies, the place of the First Nations in housing matters is already considerable and it promises to become great. The reasons are two. First, as was pointed out earlier in this report, Aboriginal people are becoming a major component in the population of the market towns: As much as 35%, in the case of Prince Rupert. Second, with the sole exception of the Nisga’a, none of the First Nations of the study area have settled their land claims, though some of them are, in theory, close to settlement, and when they do, they will come into large sums of capital with which they will be in a position to buy, build, and rent housing in the market towns as well as on their own reserves and settlement lands. First Nations settling their land claims may also decide to let some of their more favorable lands to people seeking rural residential opportunities.

The possibilities for imaginative First Nations initiatives are enormous. For an illustration, see below.

ILLUSTRATIONS

Here, as concrete illustrations of some of the possibilities just discussed, are a few examples of how particular communities can drive community development through housing.

Example 1: An “alpine village” in the Smithers urban centre

In the minds of most residents of and visitors to Smithers, a distinctive feature of the town is the Alpine Theme, a more or less consistently applied bylaw preference for businesses in the downtown core, and to some small but voluntary extent along Highway 16, to have a Bavarian or Swiss alpine architectural façade. The Town also encourages the manifestation of a mountain or alpine identity in its pageantry.

The Alpine Theme self-evidently reflects the situation of the community at the foot of dramatic and beautiful Hudson Bay Mountain, as well as the considerable importance of Swiss and Norwegian settlers in the history of the Bulkley Valley. Scores of Smithers-based businesses have the terms “alpine,” “glacier,” “mountain,” or the like in their names. Hudson Bay Mountain features in literally thousands of paintings and photographs, many of them displayed on telephone book covers, calendars, and tourist brochures.

Smithers could enhance its place-based identity by building on an idea proposed by one of the realtors interviewed in the course of the study reported here, David Mio. Mr. Mio suggested that there would have been many advantages to locating the Hudson Bay Mountain Estates development in the Willowvale II subdivision in Smithers. If the idea were taken further, the Town of Smithers, which owns the land of Willowvale II, could even now, after development has begun high on the mountain, strongly encourage the emergence of an “Alpine Village” in town. Official Community Plan (OCP) provisions, especially those covering Willowvale II, might (1) create a medium- to high-density residential enclave near the downtown; (2) require some alpine architectural theming; (3) indicate an intention to negotiate with resort or rural developers seeking rezoning approvals from the municipality so as to arrive at quid pro quo arrangements in which the resort or rural developer would build some housing in the midtown Alpine Village, for example (i) housing for service employees and (ii) condo-type residential housing paired with “estate” lots high on the mountain; and (4) design and leverage the Alpine Village in such a way as to include possibilities for kinds of housing needs not adequately supplied through the market.

Example 2: A “Wet’suwet’en Village” in the Smithers urban centre

As was pointed out earlier in this report, Smithers is not just a town sitting in the middle of Wet’suwet’en traditional lands; increasingly, it is a town whose residents are Wet’suwet’en. The Town already recognizes its Wet’suwet’en heritage by including Wet’suwet’en carvings and paintings in its municipal offices, by working closely with the Office of the Wet’suwet’en in development processes, and by acknowledging the bicultural nature of the Bulkley Valley. For their part, the Wet’suwet’en hereditary chiefs and the Office of the Wet’suwet’en have repeatedly indicated their desire to work hand in hand with the settler society. Place-based community development might therefore take the form of a “Wet’suwet’en Village” in the urban centre, indeed perhaps also in Willowvale II. Many of the same kinds of OCP provisions just mooted for the Alpine Village would work equally well for a Wet’suwet’en Village – for example, traditional but authentic bas-relief carving on frontages -- and the two “villages” might mutually reinforce their ability to capture the imagination of potential new in-migrants. In case of a settlement of the Wet’suwet’en land claim, quite possibly the Wet’suwet’en would be prepared to invest heavily in housing in Smithers. The kind of housing complex the Prince George Aboriginal Business Centre is designing for Prince George would appropriately be placed in a Smithers “Wet’suwet’en Village.” Notwithstanding the theme and one would hope special appeal of the “Village” for Wet’suwet’en, in a development of any size, residential usage should of course be mixed.

Example 3: Rural residential development around Smithers

Rural residential subdivisions in the rural lands around Smithers have often been textbook examples of poor planning. Generally, the older ones bear no resemblance to the progressive concepts advocated by, for example, Randall G. Arendt’s *Conservation Design for Subdivisions* (1996) or his *Growing Greener* (1999). Beyond matters of design, developer and Regional District failure to impose civil behavior on households through nuisance covenants or bylaws result in shoddy building, noise from dogs and recreational machines, reckless clearance of trees, haphazard storage of industrial vehicles, properties full of trash, and general loss of amenity. Prospective amenity migrants accustomed to local government regulations imposing minimum standards of respect for neighbors soon learn that 2 hectare parcels (still less any smaller lots) are by no means large enough to provide them with setbacks ensuring peace and quiet, so they seek larger parcels – 5, 10, and 60 hectare parcels. But there are not many of those in the Bulkley Valley, especially close to Smithers, and the use of large lots simply to obtain distance from neighbors is inimical to modern planning principles, under which the aim is to compress the human residential footprint on the land. So the Valley loses potential in-migrants for lack of residential choice. Hardly any community development measure could be cheaper than for the Regional District of Bulkley-Nechako to encourage rural subdivisions in which enforceable regulation, under bylaw or covenant, ensures that people can buy closely spaced homes without the near certainty that they will end up hankering for distance from their neighbors.

At the same time, it appears that rising food prices and other social trends are converging on a need for residential “farmettes” in the Bulkley Valley – properties of 4 or 8 or 16 hectares with some good soil suitable for either market gardening, part-time livestock raising, or self-sufficiency. ALR (Agricultural Land Reserve) restrictions on the subdivision of properties zoned Agricultural mean that the Valley lands most suitable for farming cannot be used for small-scale farming, at the same time as many larger parcels of agricultural land, quarter-sections for instance, are going out of production but are too expensive for young couples to buy. Some lands outside the ALR could be made into farmettes, since there are small pockets of suitable microclimates and good soils higher up the valley walls.

Multiple-unit, upper-end residential development would unquestionably be the highest and best human use of many Crown land sites on the walls of the Bulkley Valley. Certain sites on the Northeast Slope above Smithers, for example alongside the lower reaches of the new and very popular Peak to Valley Trail, are favorable to natural amenity-focused high-rise housing. Again, however, the ILMB has shown little or no interest in exploring possibilities of this kind, preferring to respond to requests for land transfers mainly when they come from the Regional District or the municipalities, which themselves are both ill-equipped and disinclined to pursue more imaginative forms of development – at present.

In short, there are a number of avenues along which the Bulkley Valley as a whole could either satisfy existing demand for rural housing or generate new demand. It is customary for local communities to establish task groups to identify and propose solutions to housing needs in urban areas. Indeed, at time of writing there is such a body in Smithers, the Smithers Housing Task Force. Perhaps what is required to lift residential development in the rural areas of the Bulkley Valley out of its purely market-based and reactive state is a Bulkley Valley Rural Housing Task Force.

Example 4: A regional strategy for amenity migration

This report has already argued that communities which are not market towns stand almost no chance of becoming amenity migration destinations by their own unaided efforts but in some cases could thrive if there were a regional amenity migration strategy. Such a strategy would include, at a minimum, (1) a hub-and-spokes regional public transportation system in which, for example, someone stepping off a jet in Prince George or Smithers could carry his or her luggage directly to a bus connecting with the Cluculz Lake residential community or the Hazeltons, and in which fast and frequent ground transport connects market towns and outlier communities; (2) a commitment to environmental quality on the part of the outlier communities participating in the strategy, inasmuch as economists have identified environmental quality as the surest route to rural prosperity in regions well endowed in natural amenities (e.g. Power 1996a, 1996b); (3) a shift in provincial government Crown land management to an approach in which planning includes hedonic pricing analysis, so that forests on the margins of residential settlement are not automatically harvested for benefits far less than they would return if left standing; (4) housing partnerships between participating market towns and participating outlier communities, such that the market towns would cooperate in efforts to direct some residential growth to the outliers; (5) participation of the First Nations whose traditional territories are involved; and (6) a common marketing campaign targeting mass sources of potential amenity migrants such as Athabasca Oil Sands FIFO (Fly-in, Fly-out) workers (Chipeniuk in preparation).

An appropriate regional strategy of this kind could conceivably turn the Hazeltons into a growing community instead of a declining one. The Hazeltons are on the site of the great semi-mythic First Nations capital of Temlaham, famous throughout the north coast and Skeena country of British Columbia. They occupy perhaps the most stunning townsite in Canada, beneath Hagwilget Peak and at the junction of the Skeena and Bulkley Rivers. Their Gitksan, Ganyow, and Wet'suwet'en communities are the nexus of an artistic tradition recognized throughout the world. Their climate is mild, the outdoor recreational opportunities they offer are unlimited, they are on a major highway and rail line, they have a good hospital, Ksan Village is an international tourist attraction, the steamboat-era and silver mining history of old Hazelton is rich and visible in the charming wood-frame buildings, and the ambient light is special. By all rights the Hazeltons ought to be a place attracting amenity migrants from around the world.

A peculiarly inverted variation on this sort of regional amenity migration strategy might be for Prince George and the Regional District of Fraser-Fort George to promote "bispatial neighbourhoods." In a bispatial residential arrangement, a household would have its principal residence in a special-purpose community beside a lake or in the mountains but a small "urban cabin" or loft or condo in downtown Prince George. The local governments would ensure the efficient provision of services in both situations. Linked sales of paired properties would structure the growth of neighborly relations contributing to cooperative behaviors in both places, the urban and the rural. In this fashion Prince George, which is poorly endowed in natural amenities within or adjacent to its own boundaries, would benefit from the attraction of amenity migrants to special places in the more distant hinterland, and do so in two ways. First, the population of the Prince George trading area would receive an impetus. Second, the Prince George downtown area would to some extent be repopulated and rejuvenated. Indeed, one of the parties casually interviewed for this study suggests that possibly 5% of the residents in the Cluculz Lake cottage community already enjoy a bispatial community existence of this kind, with second-home apartments in Prince George.

Example 5: Renovation of existing housing

Across most of the study area, even where population decline is not rapid, the housing stock is old and in need of repair. For B.C. as a whole, about 40% of the housing stock was built before 1980. For Smithers the figure is about 60%, for Prince George about 65%, and for Kitimat about 85%. Generally, the implication is that unless a community is growing quickly, something that can be said only of Burns Lake, and then only till 2006, it should perhaps be renovating rather than constructing from the ground up. Doing so would be consistent with Smart Growth principles and it would not exacerbate the poor housing markets in these settlements. Municipalities could certainly give major impetus to housing renovation programs by providing information and property tax incentives to householders, by accessing provincial and federal grants, and by explaining to their citizens the relationship between renovation and their own self-interest in increased property values. Municipalities could also encourage forms of renovation which re-divide internal spaces in designs better suited to the housing needs of the present.

Example 6: “A Neighbourhood in a Building” – A Mixed-Use and Multiple-Use Development

Recently, the Aboriginal Business Development Centre, based in Prince George, has investigated strategies to develop and manage housing to serve its clients. The Centre has determined that there is demand (partially quantified) for residential units for elders, single parents, and low-income persons, as well as students and persons visiting Prince George to access medical services at the regional hospital. In many cases, persons with these needs require both support or social services and temporary housing.

The North Central Municipal Association, in its report *Measuring up the North*, has identified unmet needs for appropriate housing for a range of persons with mobility impairment. Research by the City of Prince George social policy office also focuses on unmet housing needs, especially those of persons 65 years of age and older, an existing demographic seeking dwelling alternatives. The study reported here has found further evidence of “latent” housing needs in its data derived from interviews with a convenience sample of housing/real estate practitioners and analysis of statistical data concerning households and demographic trends. Cumulatively, these findings support the development of at least 100 units of housing to serve diverse needs. In essence, the project described below appears feasible because it can occur at an efficient economic scale of development; it invites joint-venture investment; it must be multiple use; and the it offers design and site features to aid the City of Prince George in invigorating the downtown area through redevelopment featuring residential uses.

The Neighbourhood in a Building proposal illustrates real estate development that can provide the housing and other services needed by target groups. The Aboriginal Business Development Centre and the Real Estate Foundation collaborated on development of the proposal, starting with the Centre’s idea to build a patient lodge to serve persons accessing medical services in Prince George.

The Neighbourhood in a Building proposal incorporates the following components.

(1) SITE AND DEVELOPED AREA

- About 47,000 feet of developed area
- Lot size of 35,000 to 40,000 square feet

(2) MIXED-USE RESIDENTIAL SPACE

- Residential units for elders, single parents, low-income persons, short-term-stay day renters, and Aboriginal students
- A hostel, which will market accommodation services to travelers and sports teams and at times perhaps provide emergency shelter
- Market housing designed for seniors

(3) MULTIPLE USES OTHER THAN RESIDENTIAL

- Daycare
- A commercial area for office and program services space (about 10% of the total area)
- Food services, including dining area and café
- Retail space (about 2% of the total area)
- Common areas, including lounge (social) and program space

(4) PARKING AND LANDSCAPING

- Exterior, secure but not covered parking (33 spaces)
- Exterior patio adjacent to food services
- Complete landscaping, including a pocket park (about 1000 square feet) for public access and transition from streetscape to building

(5) TOTAL SPACE ALLOCATION

• Pod-style area (for students)	3,600 sq. ft.
• Elders' space, self-contained	3,300
• Affordable housing, self-contained	5,750
• Space for single mothers	4,200
• Patients' lodge	4,000
• Hostel	3,600
• Condo/market units	9,000
Total residential	33,450 sq.ft.
Circulation 15%	5,018

(6) NON-RESIDENTIAL AREAS

• Common services including food services and daycare (5000 Square feet)	
and Commercial/retail (4000 square feet)	9,000
Total of all space	47,500 sq. ft.

Further details are provided in the following cost pro-forma. These calculations do not include the cost of the site required for the development.

PRINCE GEORGE ABORIGINAL BUSINESS DEVELOPMENT CENTRE
DEMONSTRATION HOUSING PROJECT

Draft Proforma for Discussion April 14th 2009

Assumptions

- * zero land cost
- * four storey wood frame structure (12,000 s/floor gross)
- * double load bearing corridors on upper floors for residential components
- * office space and common areas contained on ground floor
- * parking relaxations available

FSR	1.36					Area	People (max)	Hostel	Parking		
Site coverage	0.34										
Pod style	2	1800	sf	6 bedrooms		3600	12		2.4	20%	
Elders (self contained)	6	550	sf	1 bed		3300	12		3.0	1 per 2 units	
Affordable (self contained)	3	550	sf	1-bed		1650	5		1.5	1 per 2 units	
	3	700	sf	2-bed		2100	8		1.5	1 per 2 units	
	2	1000	sf	3-bed		2000	6		1.0	1 per 2 units	
Single Mums	6	700	sf	2-bed		4200	6		3.0	1 per 2 units	
Patients Lodge	8	500				4000	8		4.0	1 per 2 units	
Hostel	2	1800	sf	4 dble bunk pod		3600	32	32	6.4	20%	
Condo/mkt rental	10	900		2-bed/den		9000	20		10.0	1 per unit	
Units	42					33450	108		33	400	13120 sf
Circulation				15%		5017.5					
						38467.5	216				
Common Services (incl food service, daycare)						5000					
Office Space	4000	sf				4000					
						47467.5					

[illegible]



CONCLUDING REMARKS

Despite broad trends of population and economic decline in northern British Columbia west of the Rockies, field research in Prince George and Smithers point to the existence of margins of unsatisfied housing demand in the market towns. Community development theory supports the conclusion that meeting latent housing demand could make a significant contribution to the sustainability of the market towns themselves and perhaps some of the non-market settlements and rural areas, if not all.

According to interviews, the residential categories for which there appear to be large latent needs in the Smithers economic catchment area are (i) in-town housing appropriate for the swiftly growing numbers of Aboriginal in-migrant households; (ii) in-town and near-town housing adapted to the preferences of the ballooning cohorts of people in their fifties and sixties, at or near retirement; (iii) rural subdivisions designed to high standards so as to appeal to amenity migrants; (iv) small houses for single-person households; and (v) a full array of inexpensive housing for young people. In and around Prince George, the major unmet needs are for (i) housing matching the requirements and desires of retirees, especially in the downtown area; (ii) kinds of housing that recognize the cultural circumstances of Aboriginal in-migrants adapting to the urban environment; and (iii) novel housing arrangements permitting in-migrants and residents to avail themselves of the urban amenities of Prince George without necessarily dwelling full-time in the midst of the disamenities. Imaginative examples of these kinds of housing can already be found on the ground, in the planning stage, or in the literature.

Demand for new housing of these sorts already exists. It exists locally, regionally, in the southern parts of the province, in Alberta, Saskatchewan and Ontario, and indeed internationally. A source of new residents wholly ignored by the municipalities, it seems, is immigrants.

Impediments to exploiting the opportunities afforded by these latent housing needs include (i) inadequate flows of information about local housing needs and the housing desires of potential in-migrants; (ii) inadequate use of information of these kinds by local builders, developers, and municipal and regional district decision-makers; and (iii) inertia and complacency in community planning cultures. On the whole, these facts of life should not be expensive or difficult to overcome if a community sets its mind to it and decides to drive change from the bottom up rather than to wait for salvation from the provincial government or big resource companies.

The question is whether the communities of northern British Columbia west of the Rockies will recognize the seriousness of their demographic crisis before it becomes irreversible. So far they have shown themselves to be much quicker to recognize the catastrophe of the mountain pine beetle than the collapse of their own populations. Local news media give big play to the closure of wood mills and pay little or no attention to the planned future. Voters urge their elected representatives to bring in big industry, any industry, to save

ways of life going back a generation. In many of the market towns, however, as younger people move in from elsewhere, they incrementally expose their communities to alternative visions. Perhaps eventually they and dire necessity will create the environment in which these towns are prepared to entertain planning for place-based community development.

When it comes to community and regional planning, at least on the face of it northern communities west of the Rockies seem to be unfamiliar with place-based approaches. Place-based planning necessitates detailed information. Regulation, although a satisfactory means of addressing planning intentions in detail, is not a tool for successfully arriving at place-based goals. Policy must come first.

By national and international standards the planning approaches in place in most northern communities give the appearance of complacency, lack of imagination, and lack of vigor. But planning is not the only avenue along which change may come. As the Baby Boom wave of amenity migration moves outward from the Okanagan and the Kootenays, residential and resort developers are turning their attention northward. Knowledgeable about aesthetics, accustomed to making bold but competitive leaps, the developers will demonstrate new ways of doing things. For the most part their initiatives will be private ventures, but because housing development lends itself to both market and non-market development strategies, sometimes they will involve themselves in joint-ventures with non-profit organizations. In view of the demographic changes taking place in northern British Columbia west of the Rockies, the results could initiate the kind of massive cultural and economic changes, on balance positive (Booth 2002), which have taken place in the American mountain west.

Finally, the findings of the study suggest that the market towns on northern BC west of the Rockies possess characteristics that provide resiliency. For a number of reasons -- family, culture, growing Aboriginal populations, an aging population, fairly high (at least for the moment) standards of health, educational, and household services, and so on -- communities of this type can approach something resembling "steady state" development (Daly 1996). That is, their contemporary development is not overwhelmingly determined by the characteristics of past trends of growth in jobs, populations, and demand for services and housing arising from industrial development in forestry, mining, energy, transportation, or other primary industries. Rather, over recent decades new voices in the democratic decision-making institutions of the market towns have expressed an increased desire for the improved services many residents and potential residents require or desire for quality of life. The findings of the present study tend towards the conclusion that housing development and redevelopment as well as amenity migration are key components of this steady-state condition.

Of course resource industry activity will not disappear from the northern region. While variable in its economic impact, this form of development, driven by economics rather than people, will continue to shape the region as a whole. Nevertheless, social transformation within the more autonomous market towns and catchment areas will gradually bring about patchwork change and such change is more likely to resemble a steady-state pattern of economic development than the familiar story of pulsed expansion and long-term decline. Except for households whose strategy is to make their fortune and then leave, these communities will be better and happier places.

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APPENDIX I

Types of Discretionary Migrants and Residents

Migrants (From outside a region x From within a region)

1. Amenity migrants* with mailbox incomes
 - 1.1 People living on investment income
 - 1.2 People living on pensions
 - 1.3 People living on other kinds of transfer payments
 - 1.3.1 Some disabled people
 - 1.3.2 Some Aboriginal people
 - 1.3.3 Some elderly people
2. Amenity migrants* with movable means of earning an income
 - 2.1 People with a business
 - 2.1.1 People with a business relying on local sales
 - 2.1.2 People with an "export" business (consultants, artists, contractors of many sorts)
 - 2.2 People who are employed but able to live in one place while working in others
 - 2.3 People who have accumulated resources but who can and do take up new occupations if and when they wish, after moving to a new community
3. Young people who migrate on the assumption that they will be able to find sources of income once they have arrived in a place
4. Later-life individuals and couples who wish to live with their grown children
5. Grown children who wish to live with their parents
6. Many homeless people
7. Some immigrants

*Here and elsewhere, amenity migrants are understood in the demographic sense, as people who change their principal residence for amenity reasons.

Residents

1. Residents with mailbox incomes
 - 1.1 People living on investment income
 - 1.2 People living on pensions
 - 1.3 People living on other kinds of transfer payments
 - 1.3.1 Some disabled people
 - 1.3.2 Some Aboriginal people
 - 1.3.3 Some elderly people
2. Residents with movable means of earning an income
 - 2.1 People with a business
 - 2.1.1 People with a business relying on local sales
 - 2.1.2 People with an "export" business
 - 2.2 People who are employed but able to live in one place while working in others
 - 2.3 Homeless people
3. Later-life individuals and couples who are able to and wish to live with their grown children despite various incentives (such as amenities) to move elsewhere
4. Grown children who are able to and wish to continue living with their parents despite economic incentives to move elsewhere

APPENDIX 2

Goals and Principles of Smart Growth

The following lists of goals and principles of Smart Growth have been drawn from The Smart Growth Toolkit: About Smart Growth (Smart Growth Leadership Institute and U.S. Environmental Protection Agency) and Smart Growth Online: A Service of the Smart Growth Network (Smart Growth Network), both accessed on 2009 March 26.

<http://www.smartgrowth.org/about/principles/default.asp?res=1280>

<http://www.smartgrowthtoolkit.net/main-content/the-goals-of-smart-growth.html>

Goals

- Healthier, safer communities
- Protecting the environment
- Better access, less traffic
- Thriving cities, suburbs, and towns
- Shared benefits
- Lower costs, lower taxes
- Keeping open space open

Principles

- Create range of housing opportunities and choices
- Create walkable neighbourhoods
- Encourage community and stakeholder collaboration
- Foster distinctive, attractive communities with a strong sense of place
- Make development decisions predictable, fair, and cost-effective
- Mix land uses
- Preserve open space, farmland, natural beauty, and critical environmental areas
- Provide a variety of transportation choices
- Strengthen and direct development towards existing communities
- Take advantage of compact building design

APPENDIX 3

Interviews with Real Estate Developers, Builders, Realtors, Municipal and Regional Planners, and Other Housing Authorities: Authorities Interviewed

2009 February-April

Prince George

Authorities interviewed

- Grant Bain, Director, Development Services
City of Prince George
- Gordon Bliss, Realtor
Royal LePage and Developer (redeveloper of Willows)
- Chris Bone, Social Policy Facilitator Community Services Department
City of Prince George
- Roger Colner
ReMax

Allan Creuzot, Owner, Creuzot Homes,
and President, Prince George Home Builders Association

Dorothy Friesen, Executive Officer
Northern Real Estate Board (Interviewed by both Tim Pringle and Ray Chipeniuk)

Ray Gerow, President
Prince George Aboriginal Business Development Centre

Fred Gorley, Realtor
Royal LePage

Mr. Hayer, Owner
Hayer Homes

Anne Hogan, MA academic researcher
UNBC

Jim McNeal, Dora McNeal, and Dave Black
Royal LePage, Prince George (Interviewed by Tim Pringle)

Eduardo (Ed) Rebelo, Owner
Fortwood Homes Ltd

Roy Spooner, Executive Director and CEO
Prince George Innovation Resource Centre

Smithers

Authorities interviewed

Dana C. Gorbahn, Executive Director
High Road Services

Sandra Hinchcliffe, Realtor promoting Hudson Bay Mountain Estates
ReMax Bulkley Valley

Ron Lapadat, Realtor promoting Watson's Landing development
ReMax Bulkley Valley

Jason Llewellyn, Director of Planning
Regional District of Bulkley-Nechako

David Mio, Retired Realtor
Calderwood Realty

Gus Poirier, Aboriginal Contractor who builds Aboriginal housing
Gus Poirier Construction Ltd.

Leah Sheffield, District Agriculturalist
Smithers Office
Ministry of Agriculture and Lands

Kevin Stunder, (part-) Owner
Aurora Resorts Inc., developer of Watson's Landing

Kim Tran, Owner and President
Sunshine Inn and Estates Ltd.

Nancy Treiber, General Manager
Hudson Bay Mountain Estates

Kathie Wagar, Project Manager
Integrated Land Management Bureau
Ministry of Agriculture and Lands

Alison Walker, Planner
Town of Smithers

APPENDIX 4

Persons of Aboriginal Descent in Northern BC West of the Rockies

Persons of Aboriginal descent (self-identified as North American Indian, Metis, Inuit as well as “other” in the Census) comprise 19.8% of the population of the regional districts which are the focus of this study. These districts are Bulkley Nechako, Fraser Fort-George, Kitimat Stikine, Skeena Queen Charlotte, and Stikine. In the Prince George area about 57% of the Aboriginal population lives off- reserve. This term is difficult to define exactly because some reserves abut municipal areas. Aboriginal persons living “off-reserve” are located in, or with a focus on a proximate municipal area. In the Bulkley Valley region, about 67% of the Aboriginal population lives off-reserve. In the Skeena and Nass regions, the ratios of on and off-reserve concentrations are more variable depending on the locale.

PERSONS OF ABORIGINAL DESCENT IN THE NORTHWEST REGION (BASED ON 2006 CENSUS – BC STATS DATA)

Regional District	Aboriginal Population	Total Population	% of Aboriginal Persons
Bulkley Nechako	7,180	38,865	18.5%
Kitimat Stikine	12,270	38,000	32.3%
Fraser Ft. George	9,630	92,265	10.4%
Skeena Q. Charlotte	7,985	19,665	40.6%
Stikine	500	1,130	44.2%

For the purposes of this research, the authors relied on two well documented sources for descriptions of the persistent issues concerning housing for Aboriginal persons. The report, *Aboriginal Housing in British Columbia: Needs and Capacity Assessment*, (2007, Catherine Palmer & Associates Inc for the BC Office of Housing and Construction Standards), identified similar needs in the northwest region as well as the Fraser Fort George region. These included:

- Lack of affordable housing.
- Limited availability of market rental dwellings and housing for Aboriginal students.
- Aging inventory of housing, more than 80% of dwellings built before 1991.
- Minority population cohorts in need of suitable housing: single parents, elders, and disabled persons.

Because many Aboriginal communities are remote, the costs of getting construction supplies to building sites can be very expensive and weather dependent.

The Real estate Foundation hired the Aboriginal Business Development Centre (Prince George) to carry out a survey of on-reserve housing concerns among a sample of bands in the northwest and Fraser Fort George regions. The report, *“First Nations Housing Needs in Northern British Columbia (September, 2008)”* cited a range of common issues for more remote northwestern reserve communities.

- Poor quality of construction and maintenance of houses.
- Lack of dwellings and consequent long waiting periods for households (sometimes many years) to obtain a dwelling.
- Problems collecting rents, particularly where unemployment levels are high.

The report notes in its conclusion that “there were similar complaints and comments from many of the Reserves across Northern BC. The main issues are that the demand for housing is high, there is a lack of money and manpower to meet that demand, the condition of the housing is poor, and many of the residents face health issues.” Communities that were interviewed “have wait-lists of between 20 to 40

families, and one had more than 100 families waiting for a house.” Finally, the report notes that “the two main factors enabling the development of new units are money and manpower.”

The survey, “Housing Needs in Northern British Columbia” conducted by Mustel Group for the Real Estate Foundation, included an over sample of persons of Aboriginal descent to ensure representative coverage of this portion of the population. Eighty one percent of these respondents lived on reserve and their views reflect the findings of the studies cited above. When asked if their (and those of persons they knew) household’s needs were being met, 51% said “yes”. Those who responded “no” cited the following concerns:

- Renovations are taking too long to complete / ran out of money.
- Lack of family housing.
- Lack of affordable housing, prices too high.
- Lack of quality built homes on the reserve (i.e. leaking, poor insulation).

For several years, the Aboriginal Business Development Centre has focused on potential strategies to develop and manage housing for the both the Aboriginal and non-Aboriginal communities. While lack of access to working capital has delayed realization of these plans, the Centre has continued to work for an entrepreneurial solution. The demonstration project described in Part C2 – 2.1 of this report has been jointly-developed by the Aboriginal Business Development Centre and the Real Estate Foundation. The concept, dubbed “a neighbourhood in a building,” focuses on the range of “latent” housing needs revealed in this research and in the “Review of Northern Housing Needs and Supply” (2009) published by the Real Estate Foundation.



MISMATCH

was commissioned by the Real Estate Institute of British Columbia (REIBC) to provide an analysis of factors that influence settlement change in northern British Columbia west of the Rockies. Field research on settlement change and place-based community development supports the view that latent demand for a greater diversity of residential choices is indeed present in northern BC west of the Rockies. Meeting latent housing demand could make a significant contribution to the sustainability of market towns themselves and perhaps some of the non-market settlements and rural areas. The report also highlights opportunities for integrating housing into community development planning.

Residential Needs, Housing Supply and Community Development in Northern British Columbia West of the Rockies

Tim Pringle
Raymond Chipeniuk
Thomas Hutton
2009 May 04



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