# WAVERLEY WEST DEMOGRAPHIC AND HOUSING MARKET ANALYSIS -SUPPLEMENTAL REPORT-

**Prepared For**

**Ladco Company Ltd.**
**Manitoba Housing and Renewal Corporation**

**Submitted By**

**ND LEA**

**January, 2004**

**41165.101**

| | | | | | |
|---|---|---|---|---|---|
| **Project Title** | | Waverley West Demographic and Housing Market Analysis | **Project Number** | 41165.101 | |
| **Document Title** | | Supplementary Report | **File Reference** | | |
| **Document Reference** | | | | | |
| **Revision** | **Date** | **Filename** | Final Draft | | |
| | | Description | Final draft report | | |
| | | | Prepared by | Checked by | Approved by |
| | | Name | MC | DT | |
| | | Signature | | | |
| | | Date | Jan 23, 04 | | |
| | | **Filename** | | | |
| | | Description | | | |
| | | | Prepared by | Checked by | Approved by |
| | | Name | | | |
| | | Signature | | | |
| | | Date | | | |
| | | **Filename** | | | |
| | | Description | | | |
| | | | Prepared by | Checked by | Approved by |
| | | Name | | | |
| | | Signature | | | |
| | | Date | | | |
| Issue Document Verification with Document ☐ | | | | | |

# STANDARD LIMITATIONS

This report was prepared by ND LEA Engineers & Planners Inc. (ND LEA) for the account of Ladco Company Ltd. and Manitoba Housing and Renewal Corporation. The disclosure of any information contained in this report is the sole responsibility of the client, Ladco Company Ltd. and Manitoba Housing and Renewal Corporation. The material in this report reflects ND LEA's best judgment in light of the information available to it at the time of preparation. Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the responsibility of such third parties. ND LEA accepts no responsibility for damages, if any, suffered by a third party as a result of decisions made or actions based on this report.

# TABLE OF CONTENTS

**Page No.**

**EXECUTIVE SUMMARY** .....i

**1.0 INTRODUCTION** .....**1**

**2.0 DEMOGRAPHIC SUMMARY – INFLUENCING FACTORS** .....**1**
2.1 The "Baby Boom" .....2
2.2 The "Baby Bust" .....4
2.3 The Baby Boom "Echo" .....5

**3.0 DEMOGRAPHIC IMPACT ON THE HOUSING MARKET** .....**7**
3.1 General New Home Market Segments – By Age Cohort .....8

**4.0 DEMOGRAPHIC PROFILE OF TYPICAL WINNIPEG SUBURB** .....**10**

**5.0 FUTURE DEMOGRAPHIC PROFILE OF TYPICAL WINNIPEG SUBURB – APPROXIMATELY 2010** .....**12**

**6.0 DEMOGRAPHIC PROFILE OF WAVERLEY WEST AT 50% BUILD OUT** .....**13**

**7.0 DOWNTOWN/CITY CENTRE HOUSING** .....**14**
7.1 Summary - Downtown/City Centre Market .....15

**8.0 EXURBAN DEMOGRAPHICS AND HOUSING MARKET** .....**16**
8.1 Conclusion .....18

**9.0 EXURBAN HOUSING MARKET SUPPLY SUMMARY** .....**18**

**10.0 CONCLUSION** .....**19**

**APPENDICES:**

Attachment A: Population Distribution for Winnipeg
Attachment B: 1996 City of Winnipeg Neighbourhood Profiles
Attachment C: Age Demographics – Suburban and City Wide (1996; 2001; and 2011)
Attachment D: 2001 Census Profiles

# EXECUTIVE OVERVIEW

This report represents a summary of demographic trends in the new home market place for Winnipeg and surrounding municipalities. It displays how these trends affect today's housing market, and are likely to affect the markets of tomorrow. The report takes look into the potential future of suburban development and population distribution. It also looks at the potential population distribution of the downtown/city centre market. This report will provide general information on *who* will be living *where* in the future, and what potential impacts this may have on future housing trends.

## What influences will demographics have on the housing market?

Demographics are projected to significantly influence the housing market over the next decade. This will be driven by the "baby boomers" entering their prime income years and their prime new home acquisition years. Presently (2001) in Winnipeg, the three largest age cohorts are those between the ages of 35-39 (8.1%), 40-44 (8.3%) and 45-49 (7.7%). By the year 2011, 22% of Winnipeg's population (nearly 150,000 people) will be between the ages of 45 and 60 (27,000 more than in 2001)

It is projected that market demand for both new single-family and multiple-family housing will remain at minimum at today's levels; if not increase. Strong growth in household formation will help ensure that housing starts remain constant or increase over the next decade. Increases in the total number of households alone will result in a demand for 17,000 new homes over the next decade, with additional demand arising due to population increases. Provincial immigration policies to attract upwards of 10,000 new immigrants to Manitoba (more than doubling previous levels) will serve to increase the housing demand.

## Where will new housing development occur?

Most new housing development will continue to occur in suburban and exurban environments. Due to the sheer number of new housing requirements – projections of between 1,850 and 2,680 units per year – greenfield environments are necessary to accommodate the demand. Markets for new downtown and city centre development will continue to exist and will likely grow over the next decade, as may new infill opportunities. Most of these forms of development will be attractive to a niche market of young singles and couples, and potentially certain segments of emerging "empty nesters". The vast majority of the market however will continue to select suburban and exurban environments.

**Can infill development and densification of existing neighbourhoods fulfill the housing demand?**

Infill development and densification will continue to provide niche opportunities, however will not be capable of adequately supplying much the housing market today, or in the future. Large-scale infill properties do not exist in sufficient numbers to provide enough development lots to fulfill current housing demand. Higher density living will not be attractive to many new home buyers, and when given options the majority of the market will purchase in greenfield areas. Although many anti-sprawl and core revitalization advocates suggest that repressing suburban land markets will solve these valid issues, the counterpoint is that repressing and forcing the housing market in suburban Winnipeg will limit choice, drive up costs and push more of the market away from the city.

**Who will live in Waverley West?**

Within a decade of commencement, Waverley West would likely be approaching 50% build out. The population demographics of Waverley West will be similar to that of today's suburban development with some subtle, yet substantial differences. Suburban developments will continue to attract large numbers of families with children, however the percentage of homes with children will drop slightly, and the proportion of childless couples over the age of 55 will increase. It is projected that approximately 20% of the population in Waverley West could be over 55. When compared to today's suburban estimates of 12% – a significant difference. Two thirds of the households are projected to continue to live in single-family homes with the remainder in multi-family, most likely equity developments (i.e. condominium and life lease).

**Who would be attracted to downtown and city centre housing?**

Housing opportunities exist in downtown and city centre neighbourhoods, including warehouse conversions and new construction in the Exchange District, potential high-density development linked to the enclosed walkway system, new construction at The Forks, and new construction within certain shoulder neighbourhoods. The market for downtown and city centre housing would be targeted primarily to one of two demographic groups: 'Young Urban Professionals', and 'emerging empty nesters'.

**What are the primary market alternatives to suburban Winnipeg?**

Exurban communities and municipalities outside of the City of Winnipeg would be considered the primary competition to suburban developments within Winnipeg. Population growth in Capital Region municipalities surrounding Winnipeg has exceeded total population growth in Winnipeg throughout the 1990s, and averaged 550 new homes per year (Regional Planning Advisory Committee).

Rural municipalities including East St. Paul and Headingley, have been attracting large lot semi-urban development for a number of years, with typical lot sizes of about 17,000 square feet, with overall densities of approximately 2 units per acre. More urban settings such as the Town of Stonewall, have been actively growing, and providing fully serviced urban scale development opportunities

**How much residential land supply is available in surrounding municipalities?**

A cursory review of a number of municipal development plans suggests there is a twenty-year supply of "designated" lands. Based on present development trends, this would represent a supply of about 11,400 lots. The general policy of many of the surrounding municipal jurisdictions is to maintain a five-year supply of residential building lots and bring lots to the market as needed. Winnipeg on the other hand presently maintains about a one-year supply of fully serviced lots available for development at any given time. There also seems to be an insufficient supply of lands designated for future "neighbourhood" development under Plan Winnipeg, especially within the southwest quadrant.

**What are some of the general findings and conclusions of this report?**

1. The City of Winnipeg over the next decade will find itself in a situation where it will be competing more heavily with other jurisdictions for development opportunities. The "baby boom" population is just reaching the point where they will be looking for new housing on mass. A significant proportion of this population will remain in their existing homes, a small percentage will be looking for opportunities that are not available outside of the city (i.e. downtown or city centre living) and the remainder of the population that will be looking for new housing – either a new single-family home or a multi-family unit – will have many options to select from, within Winnipeg limits and outside. Of secondary influence, the large proportion that choose to remain in their existing homes, will indirectly force other demographic cohorts to look to new homes, as supply of resale home listings will remain limited. This in turn would contribute to additional demand for new housing construction.

2. Winnipeg – especially southwest Winnipeg – will in the near future experience a pressing lot shortage. Without adequate supply, adequate options, and adequate affordability, competition from surrounding municipalities is expected to increase for not only large lot semi-urban development (which has been the most significant market in certain surrounding municipalities), but also from standard urban development including small lot single-family housing, and multi-family construction. These two exurban markets to-date have not represented a significant competitive factor to Winnipeg, however should 'push factors' (e.g. lack of supply, lack of choice, cost of land etc.) continue to escalate, this trend will likely increase.

3. The City of Winnipeg should undertake substantial effort to remain competitive in an ever-growing competitive marketplace for new home development. Adding lands in southwest Winnipeg is not the only answer, however it will provide much needed choice and options to the market place. Southwest Winnipeg has been the largest segment of the new home market in Winnipeg over the past number of decades. Without the availability of development lots and at competitive rates, Winnipeg is likely to lose additional market share to other jurisdictions

# 1.0 INTRODUCTION

This report represents a summary of demographic trends in the new home market place for Winnipeg and surrounding municipalities. It displays how these trends affect today's housing market, and are likely to affect the markets of tomorrow. The report examines the possible future of suburban development and population distribution in Winnipeg. It also looks at the potential population distribution of the downtown/city centre market. This report will provide general information on *who* will be living *where* in the future, and what potential impacts this may have on future housing trends.

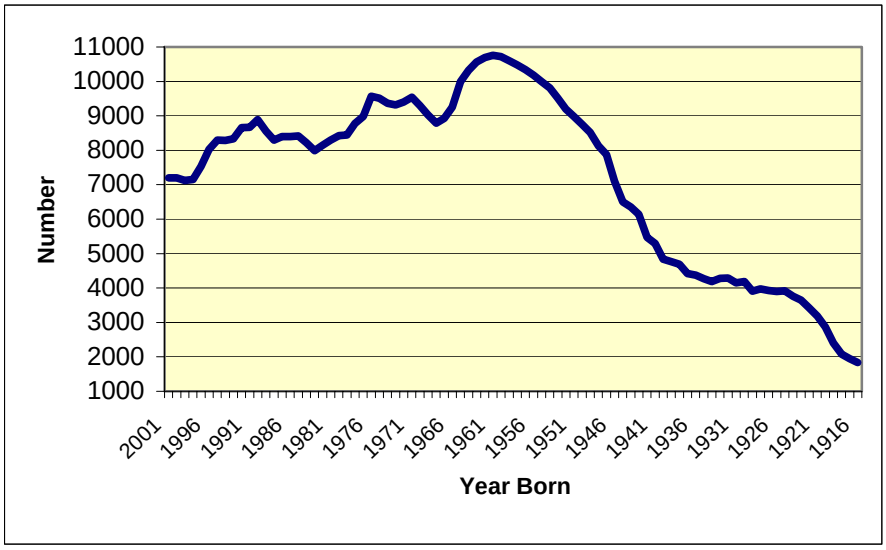
# 2.0 DEMOGRAPHIC SUMMARY – INFLUENCING FACTORS

**SECTION HIGHLIGHTS**

- The "baby boom" generation (those born between 1947 and 1966) will continue to influence demands for new housing over the next number of decades.
- The bulk of the "baby boomers" are still in their 40s – prime age group for buying new homes.
- The "baby bust" generation is entering their family formation years.
- The "echo" is now just starting to move out on their own.

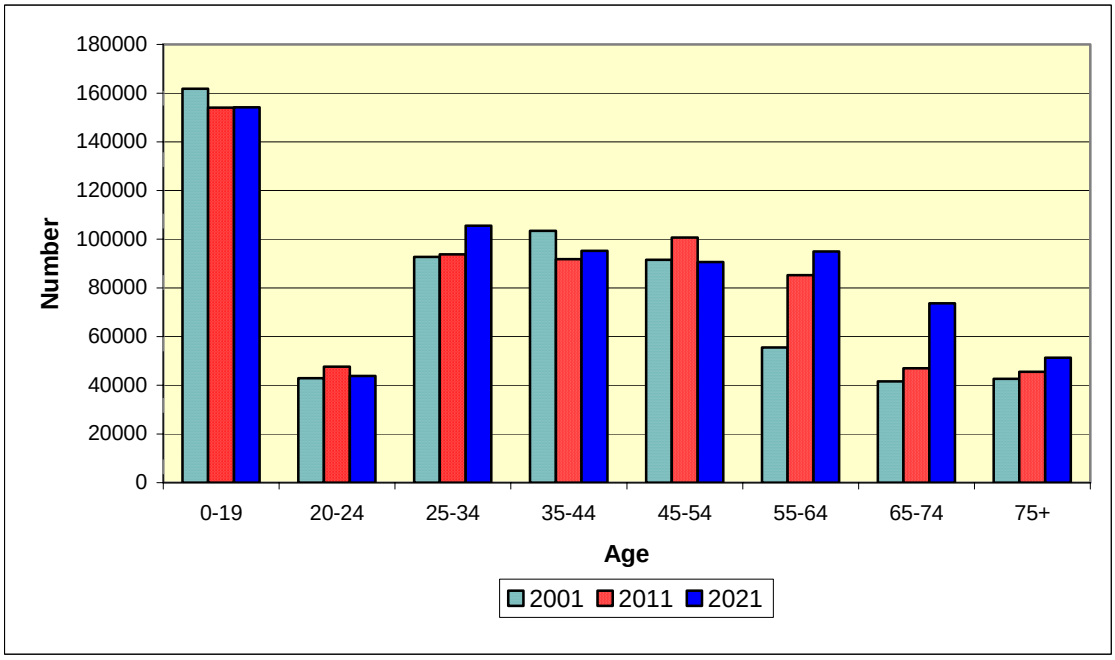
The housing market, including new home residential development, is characterized and influenced by numerous factors including general economics, interest rates, and demographics. The impact of their children is also just starting to be felt on the housing market, however will not have any significant influence on the new home market until later in the next decade (between 2010 and 2020). Figures 1 and 2 provide a visual picture of the demographic make-up of Winnipeg in 2001, along with projections to 2011 and 2021. The impact of the "baby boom", the "baby bust" and the "echo" generations is illustrated in the following graphics.

**Figure 1: Winnipeg Population by Year Born (2001)**




Source: Conference Board of Canada – Long Term Population Projections Report April 2002.

**Figure 2: Winnipeg Population by Age Group (2001, 2011 and 2021)**

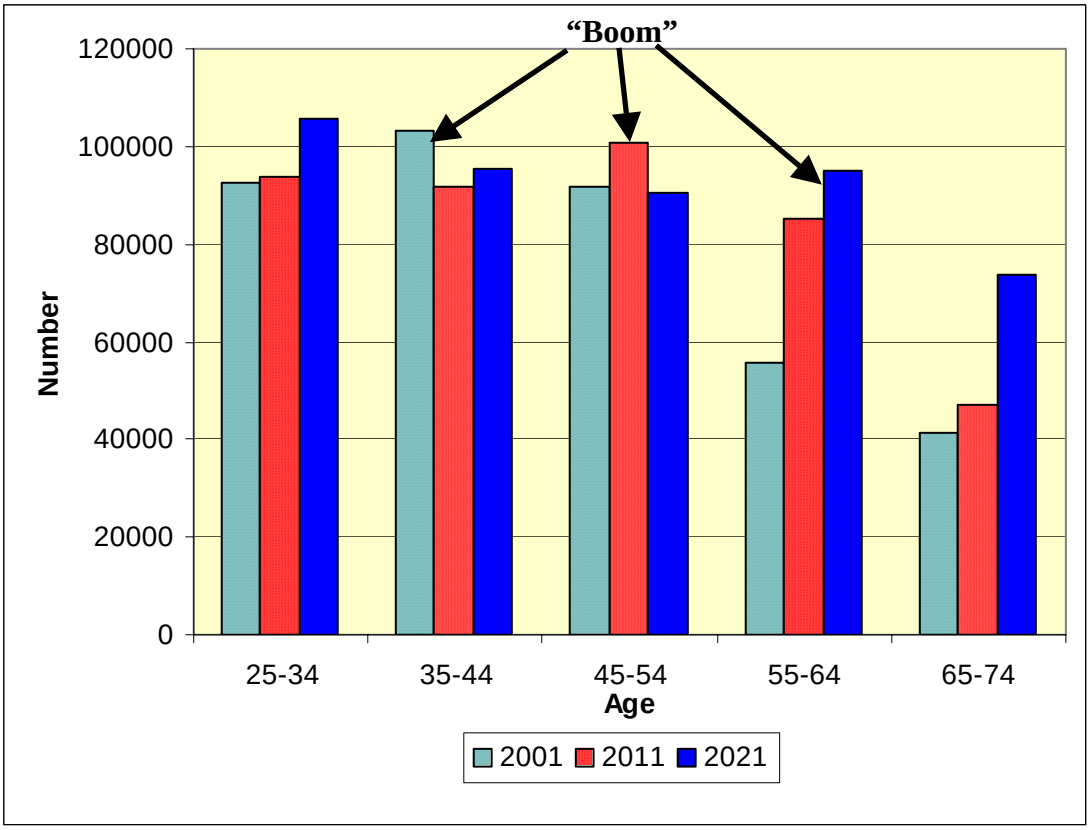



Source: Conference Board of Canada – Long Term Population Projections Report April 2002.

## 2.1 The "Baby Boom"

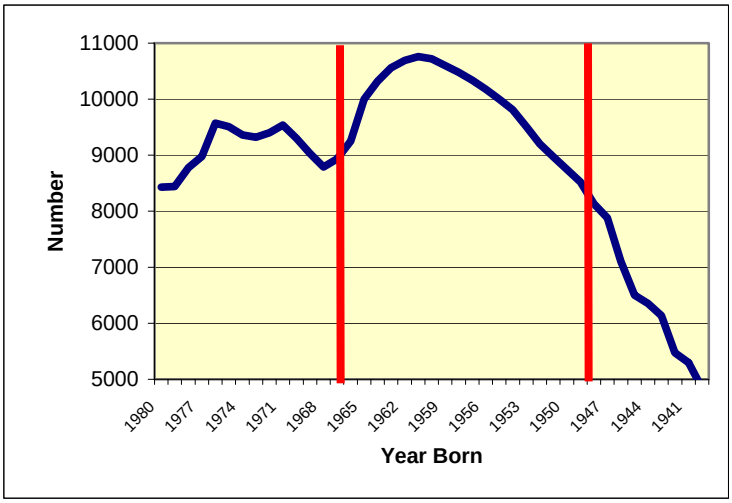
The "Baby Boom" generation has had a significant impact on nearly every market trend that has occurred over the past five decades, and will continue to have a significant impact on future trends. This demographic represents a large portion of the population not only in terms of overall numbers, but also in terms of age, which is spread out over twenty years (those born from 1947 to 1966). 'Front end' boomers in 2001 were entering their 50s, with 'back end' boomers entering their late 30s. In 2001, the bulk of the boomers were in their 40s. Figure 3 illustrates the impact of the bulk of this generation projected out over the next twenty years. By 2011, the baby boomers will be between the ages of 45 to 64, and by 2021, 55 to 74. Figure 4 illustrates where the baby boom generation is today (2001). The impact on housing trends is discussed later on in this report.

**Figure 3: "Baby Boom" Cohort – Winnipeg (2001, 2011 and 2021)**




Source: Conference Board of Canada – Long Term Population Projections Report April 2002.

**Figure 4: Winnipeg's "Baby Boom" (2001)**

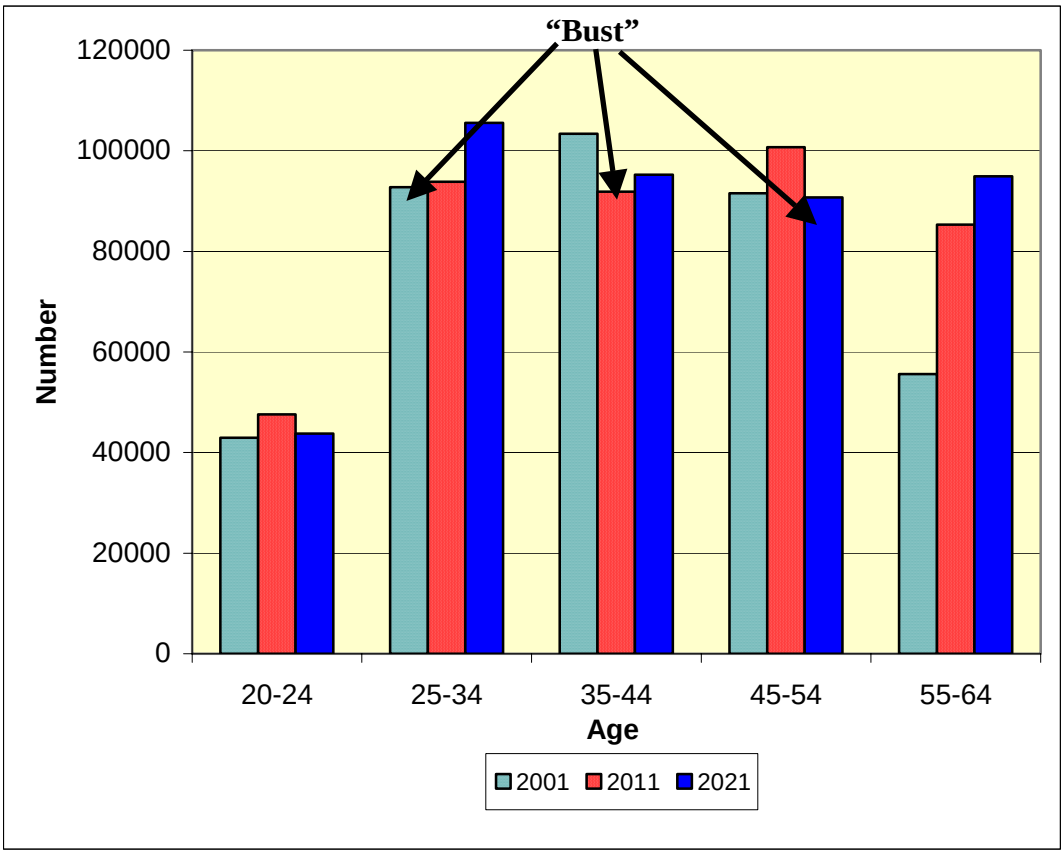



Source: Conference Board of Canada – Long Term Population Projections Report April 2002.

## 2.2 The "Baby Bust"

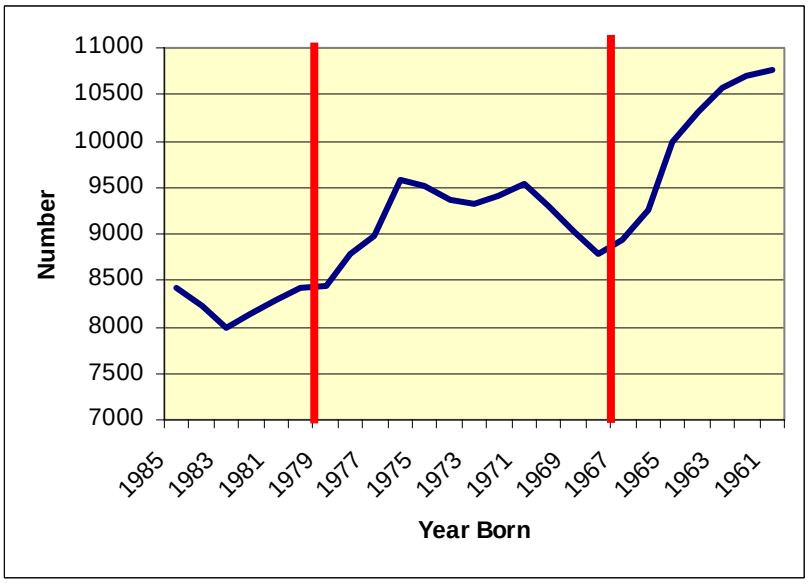
The "baby bust" generation has also had a significant impact on trends over the past three decades, however these impacts have been completely opposite to that of the boomers. The "bust" generation, typically defined as those born between 1967 and 1979 represents the period of time where fertility rates across Canada had declined dramatically. Throughout the 1960s, a number of factors contributed to the rapid decline in fertility rates including the commercial introduction of the birth-control pill and the rising participation of women in the workforce. Household size had also started a steep decline reflecting by the decrease in fertility rates. The impact of this phenomenon has been statistically significant as illustrated in Figures 5 and 6 below. The bust generation was between the ages of 25 and 34 in 2001, and has begun to enter into the household and family formation years. The impact of this generation on housing trends is discussed further on in this report.

**Figure 5: Baby Bust Cohort – Winnipeg (2001, 2011 and 2021)**




Source: Conference Board of Canada – Long Term Population Projections Report April 2002.

**Figure 6. Winnipeg's "Baby Bust" (2001)**



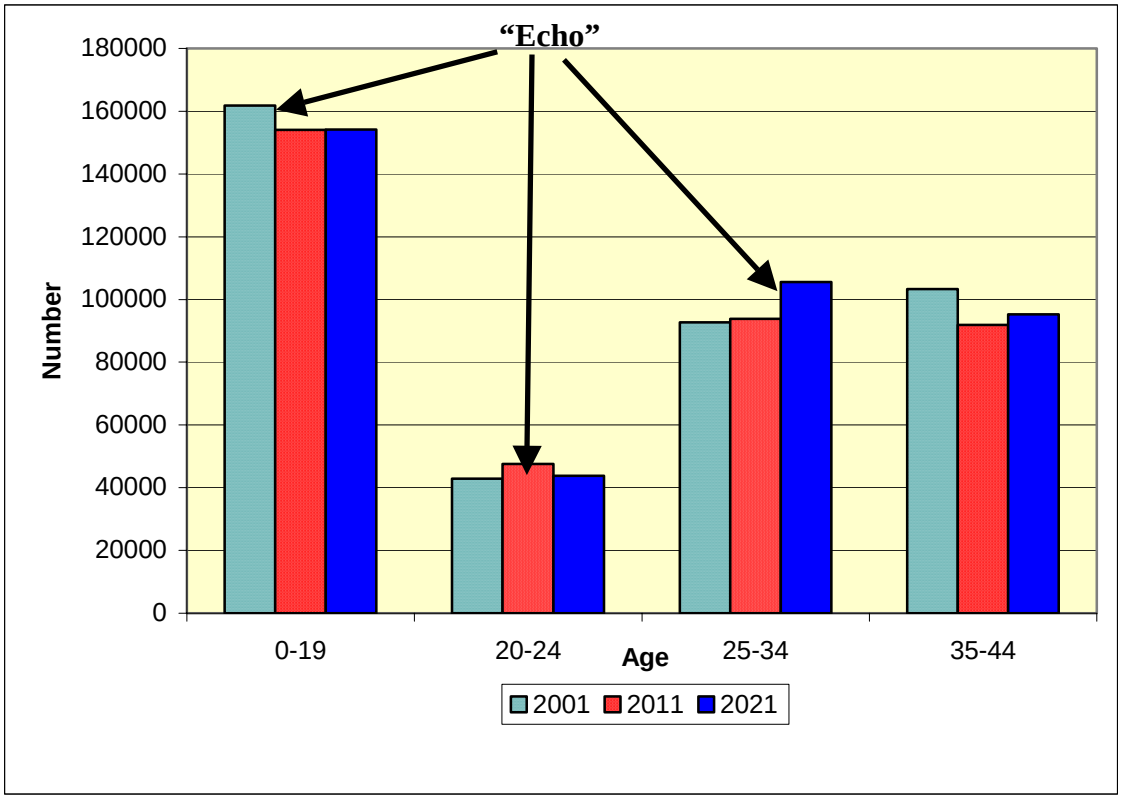

Source: Conference Board of Canada – Long Term Population Projections Report April 2002.

## 2.3 The Baby Boom "Echo"

The children of the baby boomers are often described as the "echo" generation. Although household size has continued to decline, and the number of children being born per family has also declined, the sheer numbers of baby boomers having children had a statistical impact on the number of children being born from 1980 to 1995 – this is referred to as the "echo".

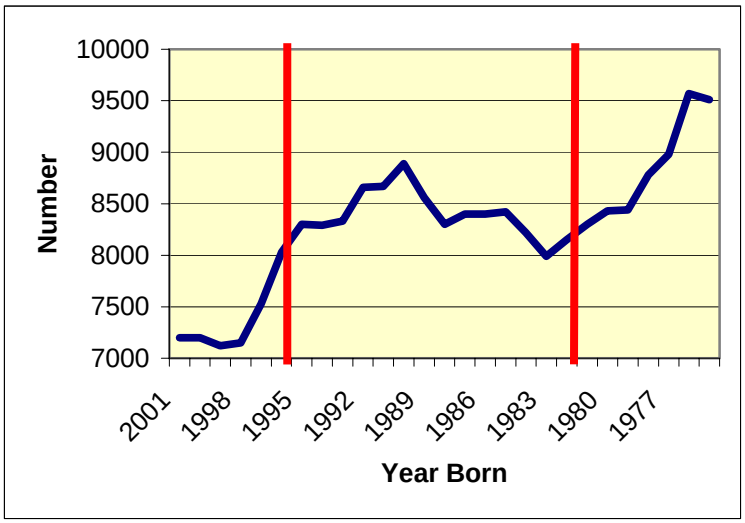
The impact of the baby boomers having children (although at a continuing declining fertility rate) had increased overall birth rates from the decline experienced throughout the 1970s. The echo generation is not as significant in total numbers as their parents, and will not have much of an impact on future trends. However, the echo is large enough to provide a slight statistical variation in numbers when compared to the downward trend of the "bust" generation, as illustrated in the graphics below. The impact that this generation will have/is having on housing trends is discussed further in this report.

**Figure 7: "Echo" Cohort – Winnipeg (2001, 2011 and 2021)**




Source: Conference Board of Canada – Long Term Population Projections Report April 2002.

**Figure 8: Winnipeg's "Echo" (2001)**




Source: Conference Board of Canada – Long Term Population Projections Report April 2002.

# 3.0 DEMOGRAPHIC IMPACT ON THE HOUSING MARKET

**SECTION HIGHLIGHTS**

- The decrease in household size alone will create a need for nearly **17,000** additional housing units in Winnipeg over the next decade, with general population increase (estimated at between 0.5-0.6% per year) driving additional demand for new housing.
- The largest growing sector in the Winnipeg population will come from those in their 40s and 50s.
- Younger demographics influenced by the "baby bust" generation are expected to shrink in overall numbers over the next decade, resulting in a decrease – but not elimination – of the demand for first time new homes.
- Increases in migration to Winnipeg will lessen the impact of the "baby bust" generation, as most migrants will be within the same age cohorts.
- Projections by the American Institute of Architects indicate the following trends in the new home market which are applicable to Winnipeg:
  - Strong growth in households ensures that housing starts will increase over the next 15 years;
  - Single-person households and couples with no children living at home will account for more than 70% of the households added between 1995 and 2010;
  - Even though households are becoming smaller, the size of new homes will continue to increase in order to incorporate remote offices for telecommuters and health care services for an aging population.

Housing growth and demand in Winnipeg is expected to come from a number of fronts. Overall, the projected decrease in household size alone will create a need for nearly **17,000** additional housing units over the next decade. General population increase will drive the remaining demand for housing. Population growth is anticipated to recover to about 0.5-0.6% per year in Winnipeg over the next few years (Conference Board of Canada, 2002) and remain constant thereafter. Evidence supporting this projection is becoming evident in Manitoba's overall population, which is expected to increase by 0.6% in 2003 (Statistics Canada, November 2003). Much of this growth will be driven by increases in immigration.

The Province of Manitoba has established policies to attract 10,000 international immigrants to the province on an annual basis. Should this goal be achieved, the demand for additional housing will be far greater than that projected here. The *Waverley West Housing and Population Report*, (ND LEA) and the *Waverley West Long Range Market Assessment Report* (Royal le Page Stevenson Advisors) provides additional analysis of the housing market and demand over the next two decades in relation to Waverley West.

Over the next decade and beyond, the "baby boom" generation will once again play a significant role in the demand for new housing. Contrary to what is commonly perceived, it is projected that there will be an increase in the overall demand for new single-family homes. The middle-aged population is typically one of the largest markets for top quality single-family homes, and as this demographic continues to increase in sheer numbers, so will demand. Market research undertaken by the American Institute of Architects (AIA) indicates that the following trends in new home building will occur over the first decade of the 21st century:[1]

- Strong growth in households ensures that housing starts will increase over the next 15 years;
- Single-person households and couples with no children living at home will account for more than 70% of the households added between 1995 and 2010; and
- Even though households are becoming smaller, the size of new homes will continue to increase in order to incorporate remote offices for telecommuters and health care services for an aging population.

As is the case in the Unites States and Canada, the largest growing sector in the Winnipeg population over the next decade will come from those in their 40s and 50s. This age group will be within their peak earning years, and also is the age group that traditionally buys bigger, more expensive homes. Younger demographics influenced by the "baby bust" generation, are expected to shrink in overall numbers over the next decade. This will result in a decrease – but not elimination – of demand for first time new homes. As the echo generation reaches the new home purchasing age within the next decade, the trend will begin to rebound somewhat. Increases in immigration as anticipated by the Provincial Government, will also have an impact on the need for new housing.

[1] *Changes in Construction Markets: The Next 15 Years*; Kermit Baker; American Institute of Architects, 1996.

Overall, AIA projects that homebuilding activity during the first decade of the 21st century will be nearly as strong as it was in the 1980s, with a similar emphasis placed on better quality single-family homes. This trend also seems to be evident in both Canada and Winnipeg. New home starts are currently at levels not seen since the 1980s, and the construction value of homes has increased at a dramatic rate over the past few years. For more detailed information, see the W*averley West Housing and Population Report* (ND LEA) and the *Waverley West Range Market Assessment Report* (Royal LePage Advisors).

## 3.1 General New Home Market Segments – By Age Cohort

From a general perspective, the new home market is based on a number of demographic and socio-economic characteristics. Needs and wants, housing form, location and affordability usually varies within the different life cycle stages. This section provides a brief summary of the typical housing demands of different age groups.

18-24 year olds: This age group is the most transient and highly mobile of all age groups both in terms of local migration, but also in terms of inter-regional migration. This group is primarily made up of renters, generally at the lower end of the affordability scale as they are primarily either entering the labour force in lower/moderate paying jobs or attending educational institutions. A good proportion of the age group that is continuing their education at a local institution will also remain living at home. Those that are in the home ownership market would be typically acquiring resale homes or possibly condominiums. The market appeal of downtown and/or trendy city centre neighbourhoods is likely to be higher within this age bracket, however the ability to afford higher sale or rent costs associated with new construction or retrofits would generally be limited.

25-34 year olds: This age bracket is a primary market buyer for first time homes. This age demographic is also relatively highly mobile as family roots and careers are just being established. The primary market for single-family homes within this demographic would be for resale homes in established neighbourhoods, and for first time new homes within emerging neighbourhoods.

There may also be a market for condominium ownership within established and emerging neighbourhoods. The “Dual Income No Kids” (DINK) and the “Young Urban Professional” (YUPPIE) phenomena are also common in this age bracket. Downtown living would be considered a marketable opportunity for this segment of the population, however this would be foreseen as a niche opportunity. As the “baby bust” generation makes up the bulk of this age bracket today, the resulting demand for first time homes and similar markets will be more limited than that experienced with the “baby boomers”.

35-44 year olds: This age cohort is primarily made up of established family households, and is a significant market group today made up of “baby boomers”. In Winnipeg, this group comprises the single largest percentage of the overall population (16.4% in 2001).

They typically already own their own home, and would be looking into the move up market if it hasn't happened already, either for larger single-family resale homes, or the construction of new homes. This demographic presently makes up the largest proportion of existing owners in suburban Winnipeg. Suburban residential developments offer precisely the form of development consistent with what this demographic group is looking for – good quality, affordable housing, in a good neighbourhood to raise their existing family.

45-60 year olds: The front end of the baby boomers, many of which are or are soon to be "empty-nesters", presently represent a good proportion of this age cohort. By 2011, 22% of Winnipeg's population will be within this age demographic (nearly 150,000). This demographic will significantly influence and be representative of the housing market to come over the next 10-15 years.

Smaller households may be looking for smaller homes with smaller lots and correspondingly less maintenance. This tendency has driven the bare-land condo market in Winnipeg over the last number of years, and also driving what seems to be an expanded multi-family condo/life lease market. At the same time however, many of these same small households will also be in their peak earning years. Regardless of household size, higher income households will tend to buy larger homes with more amenities. This demographic group is expected to continue to drive the single-family new home market well into the future. Overall, three market trends are expected from this age group over the next decade as follows:

- Remain at home and renovate. A very large portion of this age group will defer any physical move from their existing home and choose to stay in place and renovate. Proof of this is evident today with the tremendous growth in the home renovation industry, as well as the significant lack of resale home listings;
- Multi-family equity development. Currently within the Winnipeg housing market there are a large number of multiple-family developments either in the development or pre-development stages. Many of these developments are detached or semi-detached bungalow condominiums, with others in the form of higher density multi-storied projects, typically with some form of equity payment either in the form of a condominium corporation or as a life-lease. The primary market for this form of development is targeted towards the 55 plus age groups. Today, the "baby boomers" are *just* reaching this age;
- Build new single-family home. A large proportion of those in this age bracket that are looking for a new residence will be looking to build a new single-family home. Often this group would be selling off their larger two-storey home in which they have raised their family, and build a one-storey bungalow which would be easier to maintain and easier get around in. As previously mentioned, as this group is within their peak income earning years, they will be looking for top quality product. Therefore although they may be reducing total square footage, they will be looking for more

amenities. Over the next decade, 1,000 new homes per year could be expected from this age group alone.[2]

60-75 year olds: Many in this group would prefer to age in place in their existing home with renovations and alterations to suit their changing needs. A market segment as previously mentioned is emerging for multi-family properties, both with equity investment (i.e. life lease), and also an emerging market for seniors' rental. This group would not be the primary market for assisted living development (see next).

75+ year olds: Although this demographic group represents the primary market for assisted living developments, a majority typically do not live in nursing care facilities. According to the AIA, three-quarters of the population over the age of 85 in the United States live outside of nursing homes. Eventually there will be a significant market for assisted living space (starting in twenty years as the baby boomers reach this age), until such time the demand will remain relatively constant.

## 4.0 DEMOGRAPHIC PROFILE OF TYPICAL WINNIPEG SUBURB

**SECTION HIGHLIGHTS**

- Development in the suburbs is not a new phenomenon, as many of Winnipeg's most desired established residential neighbourhoods (e.g. River Heights, Riverview, Norwood Flats etc.) where suburban at one point.
- These neighbourhoods share similar traits to new suburban development, however are not capable of supplying the demand for new housing, either through resale homes or for new infill housing.
- Households in suburban environments are typically younger and larger due to family orientation, with a greater proportion of the suburban head-of-households within their childbearing years, and fewer within older demographics.
- Homeownership rates in suburban developments reach nearly 87% – significantly greater than Winnipeg's overall 65% – primarily due to limited rental construction over the past decade.
- High participation in the labour force in suburban developments results in higher than average household income.

Suburban development is not a new phenomenon since the logical extension of every city occurs at the current periphery. From the strictest definition it has been occurring for nearly a century since the days of trolley car suburbs. Many of Winnipeg's most desired established urban neighbourhoods were once suburban including Fort Rouge, River

[2] For demonstration purposes, with nearly 150,000 people in this demographic group by 2011 (or approximately 75,000 households), should between 1-2% look for a new home on an given year, there would be a demand for between 750 to 1500 new homes per year.

Heights, Norwood etc. The demographic groups that have invested in suburbs have always been similar in nature, and generally looking for the same qualities – middle class households looking for quality housing, affordable rates, and 'good neighbourhoods' to raise their family. Although these exist in many of today's established neighbourhoods, there is dramatically inadequate supply, and there are insufficient opportunities to satisfy the housing demand for either resale homes or for new infill housing. In the past, suburban development had been driven by relatively rapid population growth, while as of late the increasing number of overall households has been driving the market.

Review and analysis of the demographic statistics in Winnipeg's suburbs, reveal a number of trends when compared to the city overall. Table 1 provides a breakdown of the age characteristics of Winnipeg and suburban Winnipeg. Households are typically younger and larger in suburban environments due to the family orientation. A greater proportion of the suburban head-of-households are within their child-bearing years (25-44) and within the next age cohort (45-54) many of whom still have dependents living at home. The following summarizes the demographic make up of the typical Winnipeg subdivision (based on 1996 City of Winnipeg Neighbourhood Profiles and 2001 Census Data).Additional detail is provided in the attachments to this report.

Age: The population in suburban environments is typically younger overall than that of the city as a whole. This is primarily due to the greater number of families with children living at home, and fewer people in the older age cohorts (i.e. 55+). Within the next number of years however the age gap is expected to shrink somewhat as the "baby boomers" start looking for new housing opportunities, and the overall number of households with children starts to decrease as the "baby bust" generation flows through their childbearing years (See Table 1).

Household Size: For the same reasons as outlined above, the average household size in the suburban neighbourhoods is larger than that of the city overall. Suburbs averaged approximately 3.1 persons per household (in 1996) while at the same time Winnipeg averages 2.5 persons per household. As the population ages with more one and two person households, and the overall number of families with children decreases, household size in suburban developments is expected to decrease and stabilize at about 2.8 to 2.9 persons per household, and the city's overall household size is expected to decrease and stabilize at about 2.3 persons per household.

Marital Status: Over 65% of the population (over 15 years old) in suburbs are married, compared with just slightly over 50% of Winnipeggers in general.

Homeownership: Homeownership rates in suburbs is nearly 87%, which is significantly greater than that of the city overall (62%). This overall rate of homeownership is not expected to change significantly in suburban environments, however, the type of housing may change to reflect future markets, which may include an increasing proportion of multiple family units.

Average Income and Labour Force Participation: The average income in suburban neighbourhoods is greater than the city as a whole - $68,055 suburban and $53,174 city-wide (1996). This can be attributed in part to the high participation rate in the work force, a greater number of people within their working years, lower unemployment and high levels of education.

**Table 1. Winnipeg Age Demographics – Suburban vs. City Wide (1996 and 2001)**

| | 1996 | | Today (2001) | |
|---|---|---|---|---|
| Age: | Winnipeg Total % | Suburban Average % | Winnipeg Total % | Suburban (estimate %)* |
| 0-4 | 6.9 | 8.4 | 5.7 | 6.9 |
| 5-14 | 13.3 | 17.5 | 13.4 | 17.6 |
| 15-19 | 6.4 | 7.6 | 6.5 | 7.7 |
| 20-24 | 7.3 | 6.6 | 6.8 | 6.2 |
| 25-44 | 32.6 | 36.8 | 31.0 | 35.0 |
| 45-54 | 12.4 | 14.1 | 14.5 | 16.7 |
| 55-64 | 8.1 | 5.5 | 8.8 | 6.3 |
| 65-74 | 7.4 | 2.5 | 6.6 | 2.4 |
| 75+ | 5.6 | 1.0 | 6.7 | 1.2 |
| | 100.0 | 100.0 | 100.0 | 100.0 |

*2001 suburban population is an estimate based on past and present demographic trends.
Source: Statistics Canada, 1996 Census, and Conference Board of Canada – Long Term Population Projections Report April 2002.

## 5.0 FUTURE DEMOGRAPHIC PROFILE OF TYPICAL WINNIPEG SUBURB – APPROXIMATELY 2011

**SECTION HIGHLIGHTS**

- Winnipeg's suburban environments will begin to age as more empty nest households with one or two persons emerge. This aging trend however will not be as dramatic as the city overall, as suburbs will still continue to attract households with children.

Within the next decade, Winnipeg's suburban environments will begin to age as more empty nest households with one or two persons emerge. This aging trend will not be as dramatic for suburban neighbourhoods as it will be for the city overall, as suburbs will continue to be the primary location for households looking to raise a family. Although the number of households with children will be decreasing, the impact will not be as substantial in suburban locations.

**Table 2. Winnipeg Age Demographics – Suburban vs. City Wide (2011 estimate)**

| Age: | 10 Years (2011) Winnipeg % | Suburban %* |
|---|---|---|
| 0-4 | 5.4 | 6.5 |
| 5-14 | 11.3 | 15.0 |
| 15-19 | 6.6 | 8.5 |
| 20-24 | 7.1 | 6.5 |
| 25-44 | 27.9 | 31.5 |
| 45-54 | 15.1 | 17.0 |
| 55-64 | 12.8 | 9.0 |
| 65-74 | 7.0 | 4.5 |
| 75+ | 6.8 | 1.5 |
| | 100.0 | 100.0 |

*2011 suburban population is an estimate based on past, present and anticipated future demographic trends.
Source: Statistics Canada, 2001 Census, and Conference Board of Canada – Long Term Population Projections Report, April 2002.

# 6.0 DEMOGRAPHIC PROFILE OF WAVERLEY WEST AT 50% BUILDOUT.

**SECTION HIGHLIGHTS**

- At the half-way point of build out, Waverley West will look similar to today's suburban development in terms of demographic makeup, with some subtle, yet substantial differences.
- The traditional family unit will continue to make up a significant proportion of the total households, however more one and two person households over the age of 55 are projected.
- Single-family home ownership will continue to be the primary choice of housing, however more multi-family development will occur than the present.

The development of Waverley West is expected to take between 18 and 23 years to complete. Within approximately ten years, it is expected that Waverley West would be 50% built-out. As displayed in the following table, based on the demographic projections for future suburban development (see also attachments to this report for more detail), it has been estimated that the following household statistics are likely:

- Estimated Number of Housing Units: 5,900
- Estimated Persons Per Household: 2.8
- Estimate Population: 16,500

**Table 3. Waverley West Projected Population Breakdown (at 50% Build Out).**

| Age: | Total Pop. | % of Population | Total Units (HOH*) | Single-Family % | Multi-Family % | Single-Family Total | Multi-Family Total |
|---|---|---|---|---|---|---|---|
| 0-4 | 1070 | 6.5 | - | - | - | - | - |
| 5-14 | 2470 | 15.0 | - | - | - | - | - |
| 15-19 | 1400 | 8.5 | - | - | - | - | - |
| 20-24 | 1070 | 6.5 | 200 | 0 | 100 | 0 | 200 |
| 25-44 | 5200 | 31.5 | 2675 | 90 | 10 | 2400 | 275 |
| 45-54 | 2810 | 17.0 | 1555 | 75 | 25 | 1170 | 385 |
| 55-64 | 1490 | 9.0 | 845 | 35 | 65 | 295 | 550 |
| 65-74 | 740 | 4.5 | 450 | 10 | 90 | 45 | 405 |
| 75+ | 250 | 1.5 | 175 | 0 | 100 | 0 | 175 |
| | **16,500** | **100.0** | **5,900** | | | **3,910** | **1,990** |

*HOH – Head of Household

At the half-way point of build out, in terms of demographic makeup Waverley West will look similar to today's suburban development with some subtle, yet substantial differences. The traditional family unit will continue to make up a significant proportion of the total households, however it will be slightly less than today. Total number of children under the age of 19 will also drop in total proportion, however not as significantly when compared to Winnipeg overall, as suburban areas will continue to be attractive to families with children.

The most significant changes will occur in the 55+ cohorts. The impact of the baby boomers will be felt within Waverley West, there will be more one and two person households over the age of 55. It is projected that approximately 20% of the total population could be over 55, which compared to today's suburban estimates of 12% is significantly larger. Housing form is projected to continue to be predominantly single-family in nature. Two thirds of the housing units are projected to be single-family, with about one third represented by some form of multi-family. A good proportion of the multi-family units will be owner occupied in low to medium density developments. Rental units would be limited in nature, likely focusing on the 20-24 age cohort, and possibly seniors rental.

# 7.0 DOWNTOWN/CITY CENTRE HOUSING

**SECTION HIGHLIGHTS**

- New housing development in the downtown and surrounding neighbourhoods is expected to increase over the next decade, with most housing opportunities for multiple-family development, with basically no opportunities for single-family.
- The primary markets would be for young urban professionals and the emerging empty nesters.

In 2000, a Residential Market Analysis for Winnipeg Centre was prepared for the City of Winnipeg and Province of Manitoba[3]. This report highlighted potential residential markets for downtown Winnipeg and surrounding shoulder neighbourhoods. Most housing opportunities in the downtown area would be multiple-family, with basically no opportunities for single-family housing. From a market driven perspective, the following is a brief summary of the potential opportunities for residential development within the downtown and city centre area.

New high-rise housing. There is a potential market for new high-rise residential development aimed toward the 55+ markets with either an equity contribution (i.e. life-lease) or higher than average rents (upwards of $1,000 per month). This development would be considered possible if there is the ability to connect to the enclosed walkway system. The target audience would be the emerging "baby boomers" who are looking to downsize, but also looking for convenience of living downtown. It is important to note that the baby boomers have only recently started to reach this age, with the bulk of this generation still within their 40s.

Warehouse conversions and new development in the Exchange District. Over the last number of years there has been a revived interest in warehouse living in the Exchange District. With the creation of Waterfront Drive and incentives through CentreVenture, a number of residential conversion projects have commenced and others are envisioned. The demographic cohorts most likely to live in one of these projects would be either from young professionals without a family or from emerging empty nesters. Market rents are likely to be greater than the existing downtown average; however there does seem to be a substantial niche market willing to pay for this opportunity.

Medium density apartments at The Forks. Although any housing at The Forks will ultimately be within the context of a public policy based decision, there is empirical evidence of demand for a variety of housing options including multi-family condominium, life lease and rental. Again, likely target audience would be for young professionals and empty nesters.

Surrounding shoulder neighbourhood opportunities. From a market driven perspective, there are some single-family infill opportunities in St. Boniface as well as infill multi-family. There would also be future opportunities for additional residential development on sites presently occupied by industrial development, should the existing users relocate. All demographic groups would likely be attracted to this area, including families with children. The Osborne Village area has also been identified as having potential for multi-family infill development. Today, there are at least three equity driven multiple-family projects being constructed or marketed. The primary market for such development will again be the emerging empty nesters and potentially young professionals. Additional

[3] Residential Market Analysis Winnipeg Centre, August 2000. ND LEA Engineers and Planners Inc. for Manitoba Family Services and Housing and City of Winnipeg Planning Property and Development Department.

infill opportunities in the Osborne Village area are seen as limited and would most likely require redevelopment of the existing housing stock.

## 7.1 Summary – Downtown City Centre Market.

The market for downtown and city centre housing is considered to be a "niche" market with new development and conversions targeted primarily to one of two demographic groups:

1. Young Urban Professionals: Over the last number of decades, there have been niche markets throughout North America for downtown living targeted towards childless young urban professionals. The attraction of trendy housing close to work and recreational amenities has been attractive to single people/couples in their mid to late 20s and early 30s. This trend seems to be evident today in the Exchange District with a number of warehouse and other conversion projects underway. In light of 'the bigger picture', with the "baby bust" generation being the primary audience for this market over the next decade, and followed by the "echo" generation, which is not significantly larger than the bust, it is expected this segment of the population will continue to provide a limited degree of market opportunities.

2. Emerging Empty Nesters: A significant number of "baby boomers" in their mid to late 40s/early 50s, are either recent or soon to be empty nesters. This group may generate an increased market for downtown living over the next decade. Although a vast majority of this demographic would not likely consider downtown as an option, should even 1% consider living downtown, upwards of 800 units would be expected over the next decade from this age group. Presently however there is no evidence of any construction of *new* units directed towards this demographic in the Downtown, however as previously mentioned there is evidence in shoulder neighbourhoods including Osborne Village.

The *Waverley West Housing and Population Report* has projected an increase in demand and construction for housing in the Downtown and city centre area. The report projects that residential construction and conversions in the city centre could rebound to upwards of *20%* of the total multi-family market, similar to rates seen in decades past. This would represent over *200* new units annually, significantly greater than what is occurring today.

# 8.0 EXURBAN DEMOGRAPHICS AND HOUSING MARKET

**SECTION HIGHLIGHTS**

- Many of the surrounding Capital Region municipalities share similar demographic attributes as suburban Winnipeg – higher proportion of married couples, higher income, larger household size, more home ownership, younger population etc. – suggesting that these municipalities are attracting the same population as suburban Winnipeg.
- Development in a number of municipalities including East St. Paul and Headingley, is attracting large lot semi-urban development; whereas communities such as Stonewall are attracting urban style residential densities.
- Winnipeg has lost a competitive edge in terms of ability to attract and retain certain housing markets, the same housing markets that are projected to increase over the next decade.
- Exurban development is likely to increase should the market in Winnipeg tighten due to limited market choice and/or increase in cost of land.

For the purpose of providing a demographic summary of exurban areas (outside of the City of Winnipeg), this report reviews three of the fastest growing municipal jurisdictions in the Capital Region:

- RM of East St. Paul;
- RM of Headingley; and
- Town of Stonewall

These three jurisdictions are considered representative of the types and forms of development that is occurring outside of the city limits. There are other municipalities in the Capital Region that will provide direct competition to development in southwest Winnipeg including the RM of Macdonald (Oak Bluff, La Salle, etc.), the RM of Ritchot and RM of Taché. However, due to the availability of demographic data from Statistics Canada, and the rates of growth that are occurring in the chosen jurisdictions, these municipalities were selected to provide a summary of exurban growth.

East St. Paul and Headingley are primarily attracting large lot semi-urban (fully serviced) residential development and have policies in place promoting 17,000 sq. ft. lot sizes.[4] This represents approximately 2 units per acre of development. Each of these jurisdictions have experienced significant population growth over the recent past. Between 1996 and 2001, these jurisdictions grew by 19.3% and 20.2% respectively. The Town of Stonewall is representative of a growing urban community providing full services typically found in

[4] RM of East St. Paul Development Plan, 1994; RM of Headingley Development Plan, 1995

an urban setting. Population growth in Stonewall has approached 9% between 1996 and 2001. Most housing development has been at urban densities on fully serviced lots (less than 15,000 sq. ft.).

The population characteristics of these three communities suggest a number of interesting attributes. East St. Paul and Headingley, along with Stonewall to a lesser degree, share a number of distinct characteristics with suburban Winnipeg. In terms of marital status (more married couples), income (higher than average), household size (larger household size), family make-up (more children; less singles), and dwelling ownership (more ownership) – East St. Paul and Headingley are very similar to suburban Winnipeg. Stonewall shares some similar characteristics, but to a lesser extent since the town has a larger proportion of its population over the age of 65. The attachments to this document provide additional detailed demographic breakdown for all jurisdictions.

From an age cohort perspective, Table 4 below provides the breakdown of the three municipalities compared to Winnipeg and suburban Winnipeg for 2001.

**Table 4. Age Demographics – Exurban Jurisdictions (2001)**

| Age: | Winnipeg Total % | Suburban Wpg % (est.)* | East St. Paul % | Headingley % | Stonewall % |
|---|---|---|---|---|---|
| 0-4 | 5.7 | 6.9 | 4.8 | 3.7 | 4.7 |
| 5-14 | 13.4 | 17.6 | 17.0 | 14.7 | 17.1 |
| 15-19 | 6.5 | 7.7 | 8.5 | 8.9 | 8.8 |
| 20-24 | 6.8 | 6.2 | 5.6 | 8.4 | 5.1 |
| 25-44 | 31.0 | 35.0 | 25.8 | 29.3 | 28.0 |
| 45-54 | 14.5 | 16.7 | 18.8 | 17.5 | 15.4 |
| 55-64 | 8.8 | 6.3 | 11.3 | 10.5 | 6.5 |
| 65-74 | 6.6 | 2.4 | 5.7 | 3.9 | 6.0 |
| 75+ | 6.7 | 1.2 | 2.5 | 2.7 | 8.3 |
| | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

*2001 suburban population is an estimate based on past and present demographic trends.
Source: Statistics Canada 2001 Census, and Conference Board of Canada – Long Term Population Projections Report April 2002.

All three jurisdictions have fewer children under the age of five, yet more between 5 and 19 than that of Winnipeg. This may be indicative of more established families settling in the area, as opposed to younger families. East St. Paul and Headingley both have significantly large portions of the population between the ages of 45 and 64, and smaller populations over the age of 65. Stonewall however, has fewer people between 45 and 64, and more people over 65. The development patterns of these three jurisdictions suggest an explanation as to why this is occurring. Both East St. Paul and Headingley have been attracting substantial numbers of high-end single-family homes (predominantly large lots and correspondingly large homes), which would be primarily supported by established

middle to upper middle class families, hence the higher proportion of population over the age of 45.

As both East St. Paul and Headingley are primarily rural to semi-urban in nature, there are fewer opportunities for young singles and for older people looking for rental or other forms of multiple family housing. Stonewall on the other hand being more urban in nature, does seem to provide the expected opportunities for seniors by providing more rental housing, however has fewer people aged 20-44 than in Winnipeg. Stonewall has been attracting significant numbers of families and has seen housing starts rise throughout the 1990s (31% of the housing stock was build between 1991 and 2001).

## 8.1 Conclusion

The Regional Planning Advisory Committee (RPAC) has indicated that Capital Region municipalities outside of Winnipeg have grown by an average of 1.3% per year throughout much of the 1990s.[5] According to RPAC, growth from 1991-2001 was 10,560 people – two and a half times the total actual growth of the City of Winnipeg. Capital Region municipalities outside of Winnipeg have collectively been averaging 550 housing starts per year (predominantly single-family) over the past five years. The RPAC report indicates that the rate of population growth has been decreasing in the municipalities over the past decade; however, the rate still stands at approximately 1% per year.

The population growth that is occurring in a number of these surrounding municipalities tends to be from middle to upper middle class households, predominantly married couples with children. It would seem that Winnipeg has lost a competitive edge in terms of ability to attract and retain this population, either through pull factors from the municipalities – such as lifestyle choice, more housing choice, lower property costs, and lower taxes – or through push factors – such as lack of housing choice, higher property costs, and higher taxes. No matter the reason, it would seem that Winnipeg has lost a competitive edge and should do whatever possible to retain this edge.

Housing development in surrounding jurisdictions has been relatively consistent over the past decade and shows no imminent sign of relenting. Exurban housing growth is likely to increase should the market in Winnipeg tighten, which would provide fewer opportunities, and/or if land costs continue to increase further either due to lack of supply, or increased development charges. The municipalities surrounding Winnipeg would be in a position to pick up additional market demand and the supply in these municipalities seems to be more than adequate to do so. The following section provides a brief synopsis of the existing supply in select municipalities.

[5] *Strengthening Manitoba's Capital Region – General Principles and Policy Direction*. Regional Planning Advisory Committee for Manitoba's Capital Region. April 2002.

# 9.0 EXURBAN HOUSING SUPPLY SUMMARY

**SECTION HIGHLIGHTS**

- Policies of many of the surrounding municipalities are to maintain a five-year supply of development lots, along with a twenty-year supply of residential designated land within their development plan. Winnipeg presently has approximately a one-year supply of building lots available for development.
- Based on a review of a number of development plans, it would seem that there is adequate ability to absorb at least another 11,400 residences (twenty years of development) outside of Winnipeg, without a need for amendments to municipal policies.

A general policy of many of the surrounding municipal jurisdictions is to maintain a five-year supply of residential building lots (serviced and unserviced), this would represent approximately 2,750 lots available for development at any given time. RPAC identified about 1,200 urban-sized vacant lots (mostly within urban centres) and about 4,300 vacant rural lots (1/3 acre to 10 acres) available within municipalities outside of Winnipeg. The City of Winnipeg has approximately a one (1) year supply of fully serviced lots available for development today, with an additional 1.5 year supply available with additional municipal approvals and servicing required (see *Waverley West Housing and Population Report* for additional information). For Winnipeg to maintain a five-year supply, an additional 4,800 fully serviced lots would be required.

The surrounding municipal jurisdictions also attempt to maintain a 20-year supply of land available for future residential development within their respective development plans. This would represent 11,400 potential development lots. The development plan for the RM of East St. Paul identifies approximately 20-25 years of residential development opportunities (about a 2,000 lot potential), the RM of Headingley Development Plan identifies approximately 450 acres of vacant residential designated lands, representing about a 900 lot potential, plus an additional approximately 800 acres in residential reserve representing about 1600 additional lots.

The Town of Stonewall has 327 lots identified as immediately available, with additional lands identified within the development plan for residential, potentially adding another 500 lots. Stony Mountain has approximately 85 existing with 330 additional lots. The RM of Macdonald/Ritchot Development Plan (closest to Waverley West) has identified a need for 822 urban lots over the next ten years. Over 1,600 would therefore be necessary over 20 years by extrapolation.

Based on a review of these four development plans alone, there seems to be at minimum a twenty-year supply of residentially designated lands available based on existing development trends. Should development rates increase, the supply would be less than

twenty years. It is assumed that overall there is adequate potential within existing development plans to adequately absorb at least *11,400* residences within Capital Region municipalities outside of Winnipeg without any additional need for amendments or additions to the existing development plans. Over the next twenty years should development trends change or shift to other areas of the Capital Region, some modifications to existing plans could be expected.

# 10.0 CONCLUSION

**SECTION HIGHLIGHTS**

- Winnipeg – especially southwest Winnipeg – will in the near future experience a pressing lot shortage. Without adequate supply, adequate options, and adequate affordability; competition from surrounding municipalities is expected to increase for not only large lot semi-urban development (which has been the most significant market in certain surrounding municipalities), but also for the urban standard development including small lot single-family housing, and multi-family construction.
- It is expected that over the next decade the City of Winnipeg will find itself in a situation where it will be competing more heavily with other jurisdictions for residential development opportunities.
- In order to maintain a health supply and demand, and a balanced housing market, the City of Winnipeg should undertake means to remain competitive in an ever more growing competitive marketplace for new home development. Adding lands in southwest Winnipeg is not the only answer, however it will at the very least provide much needed choice and options to the market place.

Over the next decade the City of Winnipeg will find itself in a situation where it will be competing more heavily with other jurisdictions for development opportunities. The "baby boom" population is just reaching the point where they will start looking for new housing. A significant proportion of this population will remain in their existing homes, a small percentage will be looking for opportunities that are not available outside of the city (i.e. downtown or city centre living) and the remainder that will be looking for new housing – be it a new single family or a multi family unit – will have numerous options to select from, either from within Winnipeg limits and outside. It is important to note that the large proportion that remain in their existing homes could press other demographic cohorts to look elsewhere for housing as supply of resale home listings remains limited, which in turn could contribute to additional demand for new housing construction.

Winnipeg – especially southwest Winnipeg – will in the near future experience a pressing lot shortage. Without adequate supply, adequate options, and adequate affordability; competition from surrounding municipalities is expected to increase for not only large lot semi-urban development (which has been the most significant market in certain

surrounding municipalities), but also for the urban standard development including small lot single-family housing, and multi-family construction. These two markets to-date have not been a significant competitive factor to Winnipeg, however should 'push' factors continue (i.e. high land cost, limited choice etc.) to escalate this trend will in all likelihood shift.

In order to maintain a health supply and demand, and a balanced housing market, the City of Winnipeg should undertake means to remain competitive in an ever more growing competitive marketplace for new home development. Adding lands in southwest Winnipeg is not the only answer, however it will at the very least provide much needed choice and options to the market place. Southwest Winnipeg has been the largest segment of the new home market in Winnipeg over the past number of decades. Without the availability of development lots and at competitive rates, Winnipeg may lose additional market share to other jurisdictions.