This Estevan Student and Market Rental Housing Project Assessment has been prepared by Preferred Choice (DJ Leier Enterprises Ltd.) with support from the Southeast Regional College (SRC) for the exclusive use of Southeast Regional College.

The information included in this report is strictly confidential for the exclusive use of the Southeast Regional College (SRC) and its designate(s), and is provided on the understanding that it will not be copied nor disclosed to third parties without the prior authorization of Southeast Regional College.

Preferred Choice’s Development Strategists helping our clients be prepared, be well known, and be connected
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Executive Summary

Estevan Student and Market Rental Housing Project Findings

The Needs and Demand Assessment engaged students through a rental market survey, compiled and analyzed secondary and primary data, developed employment, population, and housing forecasts, and prepared potential project unit configuration scenarios for a generic site.

The SRC Estevan Student and Market Rental Housing Needs and Demand Assessment determined that should the Estevan Census Agglomeration (CA) realize the forecast population and dwelling growth over the next 10 years than about 1,970 additional dwelling units would be required between 2014 and 2024. There is a clear need for more housing in Estevan including market rental and student rental housing units.

**Conclusion #1: There continues to be a strong need for additional housing and rental housing in Estevan over the next 10 years with a further 200 to 400 rental market units needed over the next 5 to 10 years.**

Potential sustained demand could require up to 187 additional rental units by 2016, 125 rental units for 2016 to 2021, and 64 rental units during between 2021 and 2024, plus 104 student rental units. The level of rental units for the market is impacted by the availability of potential social housing and general economic conditions and is suggested to be developed in phases.
Estevan has the lowest vacancy rate among Saskatchewan centres in the CMHC Rental Market Surveys. The Estevan CA consistently has the highest rental rates for all unit bedroom size categories in Saskatchewan with Total Average Apartment rental rates were 20.6% above the Saskatchewan 10,000+ population average monthly rental rates in the Fall of 2013.

**Conclusion #2: Apartment Rental Rates in Estevan are consistently among the highest in Saskatchewan due to the low vacancy rates in the community.**

The majority (60.6%) of students in full-time programs were interested in student rental units if available.

**Conclusion #3: There is a strong need for student housing in Estevan currently and into the future, and meeting this need can impact SRC student enrolment and area employment.**

**Conclusion #4: There is clear need and demand for the envisioned Southeast Regional College Student and Market Rental Housing Project in Estevan, and the College is strategically positioned to meet this need.**

Southeast Regional College is strategically positioned to meet the need for student housing as well as enabling partnerships for market rental housing:

- SRC is exploring a partnership with the City of Estevan to provide land for the project
- SRC can bring together a unique public-private partnership ideal for new rental housing units
• SRC will be able to enable the project to occur in a timely manner  
• SRC has training capacity for new students to meet the needs of industry in the area

**Housing and the Estevan Market**

The Southeast Regional College (SRC) serves learners throughout the southeast Saskatchewan region. In May 2012 SRC opened the new Saskatchewan Energy Training Institute (SETI) at its Estevan Campus.

The Southeast Regional College initiated the investigation of a proposed Estevan Student and Market Rental Housing Project to address the lack of housing being experienced at the SRC Estevan Campus.

Preferred Choice’s Development Strategists were engaged to provide needs and demand assessment, concept development and financial planning, and business planning along with a marketing and communication plan for the project.

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### Exhibit 0.4 - The Community Housing Continuum

<table>
<thead>
<tr>
<th>Emergency Shelters</th>
<th>Transitional Housing</th>
<th>Social Housing</th>
<th>Affordable Rental Housing</th>
<th>Affordable Home Ownership</th>
<th>Rental Housing</th>
<th>Home Ownership</th>
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<td></td>
<td></td>
</tr>
<tr>
<td>Government Subsidized Housing</td>
<td>Non-Market Housing</td>
<td>Market Housing</td>
<td></td>
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</tr>
</tbody>
</table>

*Source: A Guide for Canadian Municipalities for the Development of a Housing Action Plan, Canada Mortgage and Housing Corporation, 2010*
The SRC Student and Market Rental Housing Project is intended to offer additional needed affordable and market rental housing along those portions of the community housing continuum.

The Estevan Census Agglomeration (CA) which includes the City of Estevan, R.M. of Estevan No. 5, and Town of Bienfait, has been utilized for needs and demand analysis and modelling.

Up until recently, the highest level of dwelling construction in the Estevan CA had been strongest in the 1980s with 1,000 new dwellings or on average 100 dwellings per year during the 1980s. Recently this pace of annual activity was exceeded with the average number of dwelling units at 147.7 units per annum between 2011 and 2013 according to City of Estevan data.

**Growth in the Estevan Market**

The need for housing in Estevan is connected with employment growth in the area. According to Statistics Canada 2011 National Household Survey data, employment grew by 15.3% or 985 additional positions between 2001 and 2011 in the Estevan CA.

Employment growth is anticipated to generate 1,620 additional positions between 2011 and 2024 in the Estevan CA should the 10 year trend continue.
The Estevan CA 2011 Census population was 12,973 people with 11,054 people in the City of Estevan.

The Estevan CA area population growth modelling baseline uses a 1.99% average annual growth rate. The population forecast over the 13 years to 2024 is for population growth of 4,437 people should the 10 year Saskatchewan Health growth rate trend continue. This population growth model for the Estevan CA would include about 1,704 residents in the R.M. of Estevan and Town of Bienfait and 16,854 residents in the City of Estevan by 2024.

**The Need for Student Housing**

In October 2013 a rental market survey of SRC Estevan Campus students received a 95.2% response rate with 139 completed surveys. There were 31 student respondents or 24.2% of respondents that indicated an interest in renting student residences if such units were available. The interest level in student housing increases based on the length of program the student is enrolled in. The majority (60.6%) of students in full-time programs were interested in student rental units if available. More student housing would complement more full-time programming at the college.
Exhibit 0.7 - SRC Estevan Campus Respondents Interest in Student Rental Housing if Available

Q. If student residences were available during your program would you be interested in renting a unit? (128 Respondents)

| If Student Residences Were Available Would you be Interested in Renting a Unit? |
|---------------------------------|------------------|
| Interest in Renting Student Housing | Yes | No |
| 31 | 97 |

| If Student Residences Were Available Would you be Interested in Renting a Unit? |
|---------------------------------|------------------|
| Full-Time Student Interest in Renting Student Housing | Yes | No |
| 20 | 13 |

Source: Prepared by Preferred Choice from SRC Estevan Campus Student Rental Market Survey Results October 9 - 29, 2013

Exhibit 0.8 - 10 Year Historical Estevan CA Total Vacancy Rate and SRC Estevan Full-Time Enrolment

- In 2005 the rental market began to tighten in Estevan and has been below the 5% vacancy rate level since 2005 with vacancy rates below 2% from 2006 to 2008 and 2010 through 2013. Prior to 2005 the Estevan CA apartment vacancy rates were above 15%. During the past 7 years the Estevan fall vacancy rates have averaged 1.5% between 2007 and 2013. Full-time student enrolment at the Estevan SRC campus was consistently above 150 students prior to 2007 and has averaged below 80 students since 2007.

- The current rental housing model analysis for a generic 2 acre site with half student housing could accommodate about 50 student units with 70 to 75 beds. Should this size of project attract 50 to 75 full-time students, this could return enrolment to pre-2007 levels above 150 full-time students. Further development of rental market housing and rental student housing
likely may be required to expand full-time enrolment beyond historic levels in order to optimize the utilization of the new Southeast Regional College (SRC) Estevan Campus / Saskatchewan Energy Training Institute (SETI) which recently opened in May 2012. The student and market rental housing project should have room to expand as appropriate to ensure the market training potential of SRC / SETI can be met over the next few years.

**Projected Housing Need in the Estevan Market**

The Estevan CA area growth modelling baseline forecast over the 13 years to 2024 is for growth of 2,307 dwellings units for the Estevan CA should the base population trend continue. This is anticipated to generate 936 more dwellings over the next few years by 2016, 586 dwellings over the next 5 years to 2021, and 400 dwellings over the next 8 to 10 years in the Estevan CA to 2024.

The model includes a short term accelerated growth to catch up with pent-up-demand by 2016 with more moderate growth after that. The model would include about 214 more dwellings in the R.M. of Estevan and Town of Bienfait and 2,117 more dwellings in the City of Estevan by 2024 since 2011 (on average over 150 dwelling units per annum in the City and over 175 units per annum in the Estevan CA).

**The Estevan Student and Market Rental Housing Project**

The Southeast Regional College has been investigating the potential for a new student and market housing project partnership in the City of Estevan.

A generic 2 acre site can support two story structures, parking, and some daycare space with 92 to 110 units for 140 to 150 beds with about half student and half market rental units in the initial potential housing unit mix scenarios.
Assuming forecast population and dwelling growth is realized then about 1,970 additional dwelling units in the Estevan CA would be required for the market over the next 10 years. This would include 1,490 more owner dwelling units and 480 more tenant rental units by 2024.

Recommendation #1: That the Southeast Regional College continue to develop the envisioned Student and Market Rental Housing Project near its Estevan Campus.

The College and the City of Estevan continue discussions on the potential for a partnership between the City and the College to support the project by providing a suitable location. The size of potential project site options has varied. For the purposes of the need and demand assessment a generic 2 acre site has been suggested for analysis purposes. The strong market need and pent-up-demand for housing and rental housing units suggests the generic site size have flexibility to be expanded.

Recommendation #2: That the Southeast Regional College secure at least a 2 acre site along with a further adjacent 2 acre site for expansion for the envisioned Estevan Student and Market Rental Housing Project.

Recommendation #3: That the Southeast Regional College authorize the initiation of the Financial Viability Analysis phase of the project.

The next steps in the Southeast Regional College Estevan Student and Market Rental Housing Project include:

- Initiation of the Financial Viability Analysis phase of the project
- Securing at least a 2 acre site along with a further adjacent 2 acre site for expansion for the rental housing project
- Development of the SRC Student and Market Rental Housing Business Plan
- Followed by various marketing, partnerships, financing, and implementation steps
1.0 Project Objective

1.1. **Southeast Regional College**

Southeast Regional College (SRC) serves learners throughout the southeast Saskatchewan region and surrounding First Nations communities with main campuses in Assiniboia, Estevan, Indian Head, Moosomin, and Weyburn. Through partnerships with post-secondary institutions, the College delivers a variety of career, vocational, and academic programs to meet regional labour market demands. Additionally, the College serves many business and industry stakeholders by offering numerous business, safety, and industrial programs and courses required to meet the diverse and challenging workplace skill sets of Saskatchewan’s growing labour market.

Estevan’s Saskatchewan Energy Training Institute (SETI), a division of Southeast Regional College, has a proud 20-year history of being responsive to the high demand for training within the growing energy sectors. Through partnerships with various safety organizations and safety associations, SETI delivers a variety of technical, environmental, and safety-related courses and certifications throughout the region.

1.2. **Lack of Housing Challenge**

The Saskatchewan economy has experienced robust growth since 2005. Strong resource sector activity and in particular oil and gas sector activity in southeastern Saskatchewan has been particularly strong. An aging workforce with looming retirements also adds to the need for education and training to meet the growing labour force demand in Saskatchewan.

Education and training programs available at the Southeast Regional College and the Saskatchewan Energy Training Institute in Estevan provides much needed training. The new SETI facility opened in May 2012.

Strong activity in the oil and gas sector and other economic growth has taken a tight housing market in Estevan and made it even tighter.
As noted in the SRC Estevan Housing Project Request for Proposal “The City of Estevan has a critical affordable housing situation that is creating a bottleneck to economic growth by limiting labour market training and employee attraction & retention. The College is interested in providing affordable housing for learners as well as to help meet labour market needs.”

The lack of housing is limiting the region’s ability to grow its labour force and deterring learners from enrolling into the Southeast Regional College / Saskatchewan Energy Training Institute due to a lack of accommodations. This is limiting growth in the area.

SRC has engaged partners including the City of Estevan, Estevan Chamber of Commerce, Sun Country Health Region, and SaskHousing Corporation on addressing part of the rental housing challenge in the community.

1.3. The SRC Estevan Student and Market Rental Housing Project

The Southeast Regional College intends to develop a business plan to support the concept, define the needs, identify design options, identify governance options, and present a funding request to multiple potential partners including business / industry and federal / provincial / municipal governments to assist in addressing a critical barrier to growth.

SRC retained Preferred Choice to engage stakeholders in a number of activities including compile information, provide analysis and documentation for unmet affordable housing needs, governance, operations, strategies, and implementation of the project.

Preferred Choice’s Development Specialists will consult with and assist the College to:
1. Define affordable student housing needs in Estevan
2. Identify scale / scope and design options
3. Identify capitalizations strategies / options
4. Prepare a business plan with pro forma financials
5. Identify corporate structure and governance alternatives
6. Identify and prepare a communications / marketing strategy

1.4. The Preferred Choice Approach

The Preferred Choice response to the Southeast Regional College’s Estevan Student and Market Rental Housing Project Development has been developed in four main stages:
   - Phase I. Rental Market Needs and Demand Assessment Feasibility Stage
   - Phase II. Development and Financial Planning Stage
   - Phase III. Business Plan, Marketing and Communication Plan Stage
   - Phase IV. Optional Project Investment Marketing Stage

This phase of the project investigates the Needs and Demand for Rental Housing in Estevan.
2.0 Project Input

2.1. Project Team, Resources and Knowledgeable Contacts

Preferred Choice established a core team of development specialists for this project including:

- A project lead with experience in housing need and demand studies, financial viability analysis, business planning, economic development, and stakeholder engagement
- A project team member with commercial development, business, investment, and fundraising experience
- A project team member with planning, research, fundraising, and community engagement expertise

Preferred Choice has a number of project resources that has been engaged or is available to provide input during the project including:

- An architect with 30 years relevant design for input into the potential site configuration and development of an initial concept design
- A project developer with experience in similar student and market rental housing projects and commercial construction
- A contractor with construction management expertise in a range of projects
- A legal resource with experience raising capital and structuring various organizations

Preferred Choice contacted a number of knowledgeable contacts regarding factors for housing development assessment and strategies. Contact was made with a number of organizations including:

- Canada Mortgage and Housing Corporation
- Saskatchewan Housing Corporation
- Estevan Chamber of Commerce
- Estevan Economic Development
- Other development contacts

The project also utilized a range of information for the needs and demand assessment including:

- Secondary data from national and provincial statistical agencies
- Secondary information and reports from the client and community agencies
- Primary surveys of students at the Southeast Regional College Estevan Campus

Refer to Appendix K for a list of Sources of Information utilized for this stage of the project. Refer to Appendix J for a Glossary of Terms related to housing and housing indicators.
2.2. **Southeast Regional College Representatives**

In October 2013 the Southeast Regional College (SRC) initiated work on the Estevan Student and Market Rental Housing Project. Various conference calls and exchanges of information took place throughout this stage of the project. A project planning and initial survey review took place October 25, 2013. On November 7, 2013, a review of the survey findings and project occurred.

A range of support from SRC enabled the collection of primary information, secondary information, and overall guidance and direction throughout the first stage of the project.

2.3. **Southeast Regional College Estevan Campus Student Rental Market Survey**

As part of the needs and demand assessment, a primary survey of all Estevan Southeast Regional College students was done in the fall of 2013. The survey was available on-line via SurveyMonkey® and with hard copies distributed to each class in session at the Estevan SRC Campus. The survey was conducted from October 9 to 29, 2013. The survey response rate was 95.2% with 139 completed surveys out of the 146 students sampled in programs being delivered during the survey period over three weeks in October 2013.

A copy of the survey instrument is included Appendix A. The findings of the survey responses are contained in Appendix B. Some adjustments were made in order to maintain consistency of eligible responses with the survey instrument format.

Key findings from the primary input are noted in this section of the needs and demand assessment. Student respondents indicated that 44.5% commute from outside the City of Estevan to attend courses at SRC’s Estevan Campus.

<table>
<thead>
<tr>
<th>Where Student Resides</th>
<th>76</th>
<th>18</th>
<th>14</th>
<th>21</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: Prepared by Preferred Choice from SRC Estevan Campus Student Rental Market Survey Results October 9 - 29, 2013
There were 35.2% of student respondents renting housing in the area.

**Exhibit 2.2 - SRC Estevan Campus Respondents Renting Housing**

Q. Are you currently renting housing in the area? *(139 Respondents)*

<table>
<thead>
<tr>
<th>Are you Currently Renting Housing in the Area?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Currently Renting Housing</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

49 | 90

Source: Prepared by Preferred Choice from SRC Estevan Campus Student Rental Market Survey Results October 9 - 29, 2013

The most prominent size of place being rented by students was 2 bedroom facilities by 34.0% of respondents, followed by 1 bedroom by 21.3%, 4 or more bedrooms by 21.3%, 3 bedrooms by 19.1%, and a bachelor / studio unit by 4.3% of respondents.

**Exhibit 2.3 - SRC Estevan Campus Respondents Rental Unit Size**

Q. Indicate the size of the accommodations you currently reside in: *(47 Respondents)*

<table>
<thead>
<tr>
<th>Size of the Accommodations You Currently Reside In:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Residence Size</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>Studio (No Bedroom)</td>
</tr>
<tr>
<td>2</td>
</tr>
</tbody>
</table>

Source: Prepared by Preferred Choice from SRC Estevan Campus Student Rental Market Survey Results October 9 - 29, 2013

Student views of their current rental housing noted a split with only 52.3% willing to recommend their current housing to someone else and 47.7% not willing to recommend their current housing choice to others.

**Exhibit 2.4 - SRC Estevan Campus Respondents View on Current Rental Housing**

Q. Would you recommend your current housing choice to someone else? *(44 Respondents)*

<table>
<thead>
<tr>
<th>Would You Recommend Your Current Housing to Others?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommend Current Rental Space</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>Yes</td>
</tr>
</tbody>
</table>

23 | 21

Source: Prepared by Preferred Choice from SRC Estevan Campus Student Rental Market Survey Results October 9 - 29, 2013
There were 31 student respondents or 24.2% of respondents that indicated an interest in renting student residences if such units were available. The interest level increases based on the length of program the student is enrolled in. The following respondent findings by program are noted:

- All 6 or 100% of the Basic Education students were interested in the student housing option
- 14 or 51.8% of the Full-Time Institute students were interested in the student housing option
- 3 or 25.0% of the Part-Time Institute students were interested in the student housing option
- 8 or 9.6% of the Industry Training students were interested in the student housing option

The nature of the course offerings at the SRC Estevan Campus is a factor in the interest or need for student housing.

<table>
<thead>
<tr>
<th>Exhibit 2.5 - SRC Estevan Campus Respondents Interest in Student Rental Housing if Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q. If student residences were available during your program would you be interested in renting a unit? (128 Respondents)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If Student Residences Were Available Would you be Interested in Renting a Unit?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest in Renting Student Housing</td>
</tr>
<tr>
<td>0%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>20%</td>
</tr>
<tr>
<td>30%</td>
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<tr>
<td>40%</td>
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<tr>
<td>50%</td>
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<tr>
<td>60%</td>
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<tr>
<td>70%</td>
</tr>
<tr>
<td>80%</td>
</tr>
<tr>
<td>90%</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>If Student Residences Were Available Would you be Interested in Renting a Unit?</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
</tr>
<tr>
<td>10%</td>
</tr>
<tr>
<td>20%</td>
</tr>
<tr>
<td>30%</td>
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<td>40%</td>
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<tr>
<td>50%</td>
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<td>60%</td>
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<tr>
<td>70%</td>
</tr>
<tr>
<td>80%</td>
</tr>
<tr>
<td>90%</td>
</tr>
<tr>
<td>100%</td>
</tr>
</tbody>
</table>

Source: Prepared by Preferred Choice from SRC Estevan Campus Student Rental Market Survey Results October 9 - 29, 2013
Students interested in student housing indicated the following room option preferences:

- 51.9% of student respondents were interested in 1 bedroom units
- 37.0% of student respondents were interested in a range of smaller or shared units
  - 18.5% of students were interested in individual dorm rooms with shared common areas
  - 11.1% of students were interested in studio / bachelor units
  - 7.4% of students were interested in a multi-room shared 3 or 4 bedroom units
- 14.8% of student respondents were interested in 2 bedroom units
- 11.1% of student respondents were interested in 3 bedroom units

Exhibit 2.6 - SRC Estevan Campus Respondents Interest in Student Rental Housing Size

Q. If you would be interested in a student residence indicate what size of unit would be of interest: (27 Respondents)

<table>
<thead>
<tr>
<th>Unit Size of Interest</th>
<th>0%</th>
<th>10%</th>
<th>20%</th>
<th>30%</th>
<th>40%</th>
<th>50%</th>
<th>60%</th>
<th>70%</th>
<th>80%</th>
<th>90%</th>
<th>100%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio (No Bedroom)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>3</td>
<td>14</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Individual Dorm room (shared common areas)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Bedroom</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 Bedroom</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-room Shared 3 or 4 Bedroom Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Prepared by Preferred Choice from SRC Estevan Campus Student Rental Market Survey Results October 9 - 29, 2013

The clear preference is for 1 bedroom units in the mix for housing options. The balance of the configuration can reflect consideration of what options can fit the college’s programming mixture and any future market considerations of the rental housing project.
3.0 Housing Development Model

3.1. The Housing Continuum

The Canada Mortgage and Housing Corporation (CMHC) has a range of reports, tools and programs to assist communities, agencies, developers, home owners, and tenants in addressing housing needs.

CMHC has defined the housing continuum to represent the range of housing typically seen in smaller communities with less than 25,000 population. The range of housing options view housing with government support to be ‘social housing’ while non-market housing fits under ‘affordable housing’. The key difference is that affordable housing includes housing provided by the private, public, and not-for-profit sectors, below market rates.

---

Exhibit 3.1 - The Community Housing Continuum

<table>
<thead>
<tr>
<th>Emergency Shelters</th>
<th>Transitional Housing</th>
<th>Social Housing</th>
<th>Affordable Rental Housing</th>
<th>Affordable Home Ownership</th>
<th>Rental Housing</th>
<th>Home Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Government Subsidized Housing</td>
<td>Non-Market Housing</td>
<td>Market Housing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


---

Refer to Appendix H for an overview of the Canada Mortgage and Housing Corporation’s Housing Development Checklist.

3.2. Assessing the Estevan and Area Development Need

There are varying degrees of secondary information available for conducting a needs and demand assessment. The Estevan Census Agglomeration (CA) has been utilized due to the level of information available for this size of a community. The Census Agglomeration includes the City of Estevan, Rural Municipality of Estevan No. 5, and Town of Bienfait. For comparative purposes, some information on each of the communities in the Estevan CA is provided as available along with the Census Division No. 1 and Regina Moose Mountain Economic Region areas which include the Estevan CA. Comparative information for the Province of Saskatchewan and Canada also have been utilized as reference points.

In 2011 there were 12,973 people in the Estevan Census Agglomeration with 11,054 in the City of Estevan, 1,139 in the R.M. of Estevan No. 5, and 780 in the Town of Bienfait. The Estevan CA
The Estevan CA has experienced recent population and jobs growth. The anticipated continuing growth has guided the assessment of the housing development and demand needs for Estevan and area.

Estevan area is a significant contributor to the strong economic growth Saskatchewan is experiencing. Growth has impacted costs of construction and general items in Saskatchewan with the Consumer Price Index rising faster than the national levels. Estevan is a high activity area with additional cost pressures. Average wages in Saskatchewan have experienced strong growth in recent years. Lower borrowing costs have helped trigger further investment. Appendix C contains an overview of a number of provincial economic indicators.

The Estevan CA Student and Market Rental Housing Development Needs and Demand Assessment utilizes available information to understand the area supply, demand, and growth needs to examine rental housing development opportunities along the community housing continuum to target suitable student and market rental housing needs and potential for Estevan CA.

Refer to Appendix D for Demographic Information, Appendix E for Housing Information, and Appendix F for Rental Market Information utilized in the Needs and Demand Assessment. Refer to Appendix J for a Glossary of Terms related to housing and housing indicators.
4.0 Assessment of Estevan’s Housing Need

Information on demographic factors is contained in Appendix D of this report.

4.1. Employment Growth

The need for housing in Estevan is connected with employment growth in the area. According to Statistics Canada 2011 National Household Survey data, the labour force grew by 1,260 people in Estevan CA including 985 additional employment positions between 2001 and 2011. While the employment growth over 10 years was 15.3%, much of the growth occurred between 2006 and 2011 with the five year growth rate of 15.6%.

Employment growth is anticipated to generate 585 additional positions over the next few years by 2016, 635 over the next 5 years to 2021, and 403 positions over the next 8 to 10 years in Estevan CA. Over the 13 years to 2024 employment growth of 1,620 positions is forecast for Estevan CA should the 10 year trend continue.

<table>
<thead>
<tr>
<th>Exhibition 4.1 - Estevan CA New Employment Forecast by 2016, 2021, and 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estevan CA</strong></td>
</tr>
<tr>
<td>Employment Forecast Change</td>
</tr>
<tr>
<td><strong>Estevan CA</strong></td>
</tr>
<tr>
<td>Labour Force Trend Modelling</td>
</tr>
<tr>
<td>Employed Trend Modelling</td>
</tr>
<tr>
<td>Unemployed Trend Modelling</td>
</tr>
</tbody>
</table>

Source: Preferred Choice analysis and modelling of information from Statistics Canada: 2001 and 2006 Census data and 2011 National Household Survey data Catalogue Number 99-014-X2011015
4.2. **Population Growth**

Both the Saskatchewan Ministry of Health Covered Population and Statistics Canada population data were looked at for Estevan CA. The 2006 to 2011 5 year census population average annual growth rate was 3.30% and the 2008 to 2013 5 year Saskatchewan Health population average annual growth rate was 3.08%. The 2001 to 2011 10 year census population average annual growth rate was 0.74% and the 2003 to 2013 10 year Saskatchewan Health population average annual growth rate was 1.99%. The 10 year Saskatchewan Health Population Trend was utilized as a baseline with the 10 year census growth rate as a lower model and 5 year census trend as an upper model. The Estevan CA 2011 Census population was 12,973 and Saskatchewan Health Covered Population was 13,926. By 2013 the Saskatchewan Health Covered Population for Estevan CA grew by a further 859 to 14,785 over just 2 years.

The Estevan CA area growth modelling baseline is forecast over the 13 years to 2024 population growth of 4,437 people for the Estevan CA should the 10 year base trend continue. This is anticipated to generate 1,759 more people over the next few years by 2016, 1,624 people over the next 5 years to 2021, and 1,054 people over the next 8 to 10 years in Estevan CA to 2024.
### Exhibit 4.3 - Estevan CA Population Growth Forecast by 2016, 2021, and 2024

<table>
<thead>
<tr>
<th>Estevan CA</th>
<th>5 YR 2016-2011</th>
<th>5 YR 2021-2016</th>
<th>3 YR 2024-2021</th>
<th>13 YR 2024-2011 Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population Forecast Change</td>
<td>1,759</td>
<td>1,624</td>
<td>1,054</td>
<td>4,437</td>
</tr>
<tr>
<td>Population Base Modelling</td>
<td>13,926</td>
<td>15,685</td>
<td>17,310</td>
<td>18,364</td>
</tr>
</tbody>
</table>


### Exhibit 4.4 - Estevan CA Population Forecast by 2016, 2021, and 2024


#### 4.3. Housing Market Information

In 2011, Statistics Canada recorded 5,165 private dwellings in the Estevan CA, 4,500 in the City of Estevan, 397 in the R.M. of Estevan No. 5, and 313 in the Town of Bienfait with 2.5, 2.5, 2.9, and 2.5 people on average respectively per dwelling.
There were 1,220 rental dwellings in the Estevan CA in the 2011 National Household Survey with 1,140 rental dwellings in the City of Estevan and the balance of 80 rental units in the R.M. of Estevan and Town of Bienfait.

The size of Estevan CA households were distributed as follows by housing tenure:

- All dwellings in the Estevan CA
  - 27.2% are 1 person households
  - 35.0% are 2 person households
  - 15.6% are 3 person households
  - 13.4% are 4 person households
  - 8.8% are 5 or more person households
- 76.3% of all households are Owner Dwellings in the Estevan CA with 80.5% of the population
  - 21.0% are 1 person households
  - 37.1% are 2 person households
  - 17.4% are 3 person households
- 15.3% are 4 person households
- 9.1% are 5 or more person households
- 23.7% of all households are Renter Dwellings in the Estevan CA with 19.5% of the population
  - 46.9% are 1 person households
  - 27.8% are 2 person households
  - 9.8% are 3 person households
  - 6.9% are 4 person households
  - 7.8% are 5 or more person households

Exhibit 4.7 - Estevan 2011 NHS Housing Tenure by Household Size

The key fact here is that almost half of rental residences (46.9%) are 1 person residences in the Estevan CA. The average number of persons per private rental household is 2.0 in Estevan. With 27.8% of rental dwellings being 2 person households almost ¾ of rental units (74.7%) are 1 or 2 person households.

The number of bedrooms of Estevan CA households were distributed as follows by housing tenure:
- All dwellings in the Estevan CA
  - 8.9% are 0 or 1 bedroom dwellings
  - 22.1% are 2 bedroom dwellings
34.8% are 3 bedroom dwellings
34.1% are 4 or more bedroom dwellings

76.3% of all households are Owner Dwellings in the Estevan CA
1.5% are 0 or 1 bedroom dwellings
15.5% are 2 bedroom dwellings
40.1% are 3 bedroom dwellings
42.8% are 4 or more bedroom dwellings

23.7% of all households are Renter Dwellings in the Estevan CA
32.7% are 0 or 1 bedroom dwellings
43.3% are 2 bedroom dwellings
18.0% are 3 bedroom dwellings
6.1% are 4 or more bedroom dwellings

The key fact here is that the majority of rental residences (43.3%) are 2 bedroom dwellings in the Estevan CA. With 32.7% of rental dwellings being 0 or 1 bedroom dwellings over ¾ of rental units (76.0%) are 2 bedroom or smaller dwellings.
4.4. **Rental Housing Market Information**

The Canada Mortgage and Housing Corporation (CMHC) conducts semi-annual rental market surveys of centres with 10,000 plus populations, basically the Statistics Canada Census Agglomerations. The phone surveys represent a sampling of structures with 3 or more rental apartments. Basically 2 unit rentals or duplexes or single dwelling house rentals are excluded from the CMHC semi-annual surveys.

The Estevan market captured by the CMHC Rental Market Survey represents a rental housing universe comprised of 508 rental units in structures with 3 or more rental apartments:

- 4.7% of units sampled are Bachelor / Studio Apartments
- 33.7% of units sampled are 1 Bedroom Apartments
- 55.1% of units sampled are 2 Bedroom Apartments
- 6.5% of units sampled are 3 or more Bedroom Apartments

*The key facts here are that the majority (55.1%) of units are 2 bedroom apartments. With 33.7% of rental units being 1 bedroom apartments means that 88.8% of apartment rental units are 2 or 1 bedroom apartments.*

| Exhibit 4.9 - Estevan CA and Saskatchewan Fall 2013 Rental Housing Overview |
|------------------|---------|--------|--------|--------|--------|
| Fall 2013        | Oct-13  | Bachelor | 1 Bedroom | 2 Bedroom | 3 Bedroom + | Total |
| Apartment Universe | Estevan CA | 24     | 171     | 280     | 33      | 508   |
|                  | Saskatchewan 10,000+ | 1,655   | 12,707   | 17,074   | 1,311   | 32,747 |
| Vacancy Rates (%) | Estevan CA | 4.2%  | 4.1% | 0.0% | ** | 1.8% |
|                  | Saskatchewan 10,000+ | 3.6% | 2.8% | 3.0% | 4.6% | 3.0% |
| Availability Rates (%) | Estevan CA | 4.2% | 0.0% | 0.0% | ** | 1.8% |
|                  | Saskatchewan 10,000+ | 4.0% | 4.2% | 4.2% | 4.9% | 4.0% |
| Average Rents ($) | Estevan CA | $740  | $1,031 | $1,175 | $1,262 | $1,106 |
|                  | Saskatchewan 10,000+ | $642 | $829 | $998 | $1,069 | $917 |
| Annual Percentage Change in Average Rent (%) | Estevan CA | 14.3% | 9.9% | 9.1% | 11.7% | 10.4% |
|                  | Saskatchewan 10,000+ | 4.3% | 4.5% | 3.8% | 4.7% | 4.1% |

*Source: Canada Mortgage and Housing Corporation, Fall 2013 Rental Market Report*
Fall 2013 CMHC surveyed apartment rental rates in Estevan are well above the provincial average for Saskatchewan centres with over 10,000 people as noted as follows:

- Estevan CA Bachelor / Studio Apartments rental rates of $740 per month are the highest in Saskatchewan 15.3% above the Saskatchewan 10,000+ average rate
- Estevan CA 1 Bedroom Apartments rental rates of $1,031 per month are the highest in Saskatchewan 24.4% above the Saskatchewan 10,000+ average rate
- Estevan CA 2 Bedroom Apartments rental rates of $1,175 per month are the highest in Saskatchewan 17.7% above the Saskatchewan 10,000+ average rate
- Estevan CA 3 or more Bedroom Apartments rental rates of $1,262 per month are the highest in Saskatchewan 18.1% above the Saskatchewan 10,000+ average rate
- Estevan CA Total Average Apartments rental rates of $1,106 per month are the highest in Saskatchewan 20.6% above the Saskatchewan 10,000+ average rate

*The key fact here is that Estevan CA consistently has the highest rental rates for all unit bedroom size categories in Saskatchewan.*

Exhibit 4.10 - Estevan CA and SK Fall 2013 Apartment Rent Comparisons by Number of Bedrooms

Source: Prepared by Preferred Choice from Canada Mortgage and Housing Corporation, Fall 2013 Rental Market Report
Exhibit 4.11 - CMHC Fall 2013 Total Apartments Average Rent Comparisons

Source: Prepared by Preferred Choice from Canada Mortgage and Housing Corporation, Fall 2013 Rental Market Report

Exhibit 4.12 - CMHC Fall Estevan and Saskatchewan Apartment Total Vacancy Rates 2001 - 2013

Source: Prepared by Preferred Choice from Canada Mortgage and Housing Corporation, 2002 - 2013 Fall Rental Market Reports

Estevan currently has the lowest vacancy rate in Saskatchewan at 1.8% in the Fall 2013 CMHC Rental Market Survey. The 1.8% vacancy is a mere 9 units of the 508 sampled in the survey.
Estevan had 0.0% availability of 1 bedroom and 2 bedroom units in the Fall 2013 CMHC Rental Market Report.

Exhibit 4.13 - CMHC Fall Estevan and Saskatchewan Apartment Total Average Rental Rates 2001 - 2013

Fall 2013 CMHC surveyed apartment rental rates in Estevan continue to move up faster than the provincial average for Saskatchewan centres with over 10,000 people as noted as follows:

- Estevan CA Bachelor / Studio Apartments fall rental rates increased 14.3% over the previous year well ahead of the 4.3% average increase for Saskatchewan 10,000+
- Estevan CA 1 Bedroom Apartments fall rental rates increased 9.9% over the previous year well ahead of the 4.5% average increase for Saskatchewan 10,000+
- Estevan CA 2 Bedroom Apartments fall rental rates increased 9.1% over the previous year well ahead of the 3.8% average increase for Saskatchewan 10,000+
- Estevan CA 3 or more Bedroom Apartments fall rental rates increased 11.7% over the previous year well ahead of the 4.7% average increase for Saskatchewan 10,000+
- Estevan CA Total Average Apartments fall rental rates increased 10.4% over the previous year well ahead of the 4.1% average increase for Saskatchewan 10,000+

The key fact here is that the gap between rental rates in Estevan and Saskatchewan 10,000+ centres is continuing to grow.
5.0 Demographic Factors and Housing Determinants

Information on demographic factors is contained in Appendix D of this report. Information on basic economic indicators is contained in Appendix C of this report. Refer to Appendix E for Housing Information and Modelling for Estevan and area. Refer to Appendix F for Rental Market Information.

5.1. Households

Median household income and average household income for 2011 before and after-tax in the City of Estevan and Estevan CA are above the level in Census Division No. 1, Regina - Moose Mountain Economic Region, provincial level, and national level. The average household income before tax in the Estevan CA is 38.6% above the provincial level and after-tax is 30.7% above the Saskatchewan average. The median household income before tax in the Estevan CA is 21.1% above the provincial level and after-tax is 18.7% above the Saskatchewan median level.

Exhibit 5.1 - Area 2011 NHS Household Median and Average Total Income Comparisons

The majority of Estevan households (63.6%) are supported by 1 household maintainer. Over 1/3 (35.2%) of households are supported by twomaintainers.

### Exhibit 5.2 - Estevan CA 2011 NHS Household Maintainers

<table>
<thead>
<tr>
<th>Total - Number of households by maintainers</th>
<th>1 household maintainer</th>
<th>2 household maintainers</th>
<th>3 or more household maintainers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of private households by number of household maintainers</td>
<td>5,165</td>
<td>3,285 (63.6%)</td>
<td>1,820 (35.2%)</td>
</tr>
</tbody>
</table>

*Source: Statistics Canada, 2011 National Household Survey National Catalogue Numbers: 99-014-X2011016 and 99-014-X2011015*

The majority of Estevan household owners (54.0%) have annual household incomes above $100,000 compared to 33.5% of provincial household owners with income above $100,000 per annum. Average owner household income is 36.0% above the provincial owner average with median owner income 40.2% above the provincial owner median. Renter household income in the Estevan CA is more evenly distributed. Average renter household income is 30.0% above the provincial renter average with median renter income 37.3% above the provincial renter median.

### Exhibit 5.3 - Estevan 2011 NHS Household Total Income Distribution by Housing Tenure

*Source: Statistics Canada, 2011 National Household Survey National Catalogue Number: 99-014-X2011028*
The key fact here is that household incomes in Estevan is over 30% higher than the provincial average.

The average owned household dwelling value in the Estevan CA was 8.2% higher than the provincial average and the median dwelling value for Estevan CA was 13.9% above the provincial median level in the 2011 National Household Survey.

Exhibit 5.4 - Area 2011 NHS Household Median and Average Dwelling Value

5.2. Housing Sales Information

Based on home sales in the Estevan market the 2012 average annual residential MLS® price for home sales in the area was -16.7% below the Saskatchewan provincial annual average price. Average annual residential MLS® price for home sales in the Estevan area increased by 147.7% from 2002 to 2012 compared to the provincial growth in average annual residential MLS® sales values of 170.8% during the same period. As employment grew and the housing market tightened during 2006 to 2008, housing values grew significantly during that time.
5.3. **Housing Affordability Indicators**

National Low Income Cut-Offs (LICO) and Low Income Measures (LIM) provide a core set of indicators of base affordability income ranges by size of family and household respectively.

### Exhibit 5.6 - The 2011 Canada Before-Tax LICO Thresholds (1992 base)

<table>
<thead>
<tr>
<th>Family size</th>
<th>Rural area</th>
<th>Urban area by population size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Under 30,000</td>
</tr>
<tr>
<td>1 person</td>
<td>$16,038</td>
<td>$18,246</td>
</tr>
<tr>
<td>2 persons</td>
<td>$19,966</td>
<td>$22,714</td>
</tr>
<tr>
<td>3 persons</td>
<td>$24,545</td>
<td>$27,924</td>
</tr>
<tr>
<td>4 persons</td>
<td>$29,802</td>
<td>$33,905</td>
</tr>
<tr>
<td>5 persons</td>
<td>$33,800</td>
<td>$38,454</td>
</tr>
<tr>
<td>6 persons</td>
<td>$38,122</td>
<td>$43,370</td>
</tr>
<tr>
<td>7 or more</td>
<td>$42,443</td>
<td>$48,285</td>
</tr>
</tbody>
</table>

**Note:** Low-income cut-offs (LICO)

*Source: CANSIM table 202-0801, Statistics Canada*
### Exhibit 5.7 - The 2011 Canada After-Tax LICO Thresholds (1992 base)

<table>
<thead>
<tr>
<th>Family size</th>
<th>Rural area</th>
<th>Urban area by population size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Under 30,000</td>
<td>30,000 to 99,999</td>
</tr>
<tr>
<td>1 person</td>
<td>$12,629</td>
<td>$14,454</td>
</tr>
<tr>
<td>2 persons</td>
<td>$15,371</td>
<td>$17,592</td>
</tr>
<tr>
<td>3 persons</td>
<td>$19,141</td>
<td>$21,905</td>
</tr>
<tr>
<td>4 persons</td>
<td>$23,879</td>
<td>$27,329</td>
</tr>
<tr>
<td>5 persons</td>
<td>$27,192</td>
<td>$31,120</td>
</tr>
<tr>
<td>6 persons</td>
<td>$30,156</td>
<td>$34,513</td>
</tr>
<tr>
<td>7 or more</td>
<td>$33,121</td>
<td>$37,906</td>
</tr>
</tbody>
</table>

*Note: Low-income cut-offs (LICO)*

*Source: CANSIM table 202-0801, Statistics Canada*

### Exhibit 5.8 - The 2011 Canada LIM Thresholds

<table>
<thead>
<tr>
<th>Household size</th>
<th>Market income Threshold</th>
<th>After-tax income Threshold</th>
<th>Total income Threshold</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 person</td>
<td>$19,841</td>
<td>$19,930</td>
<td>$22,720</td>
</tr>
<tr>
<td>2 persons</td>
<td>$28,059</td>
<td>$28,185</td>
<td>$32,131</td>
</tr>
<tr>
<td>3 persons</td>
<td>$34,366</td>
<td>$34,520</td>
<td>$39,352</td>
</tr>
<tr>
<td>4 persons</td>
<td>$39,682</td>
<td>$39,860</td>
<td>$45,440</td>
</tr>
<tr>
<td>5 persons</td>
<td>$44,366</td>
<td>$44,565</td>
<td>$50,803</td>
</tr>
<tr>
<td>6 persons</td>
<td>$48,600</td>
<td>$48,818</td>
<td>$55,652</td>
</tr>
<tr>
<td>7 persons</td>
<td>$52,494</td>
<td>$52,730</td>
<td>$60,111</td>
</tr>
<tr>
<td>8 persons</td>
<td>$56,119</td>
<td>$56,371</td>
<td>$64,262</td>
</tr>
<tr>
<td>9 persons</td>
<td>$59,523</td>
<td>$59,790</td>
<td>$68,160</td>
</tr>
<tr>
<td>10 persons</td>
<td>$62,743</td>
<td>$63,024</td>
<td>$71,847</td>
</tr>
</tbody>
</table>

*Note: Low income measure (LIM)*

*Source: CANSIM table 202-0808, Statistics Canada*

The Market Basket Measure thresholds in rural Saskatchewan for a two adult with two children family was above $34,000 in 2011 and above $35,000 for centres with less than 30,000 people.

### Exhibit 5.9 - 2011 SK MBM Thresholds for Reference Family and Components for Rural SK

<table>
<thead>
<tr>
<th>MBM Region</th>
<th>2011</th>
<th>Rural SK</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>$34,328</td>
<td>Total threshold</td>
<td>$34,328</td>
</tr>
<tr>
<td>Less than 30,000</td>
<td>$35,330</td>
<td>Food</td>
<td>$10,212</td>
</tr>
<tr>
<td>30,000 to 99,999</td>
<td>$33,029</td>
<td>Clothing</td>
<td>$2,132</td>
</tr>
<tr>
<td>Saskatoon</td>
<td>$34,897</td>
<td>Transportation</td>
<td>$4,904</td>
</tr>
<tr>
<td>Regina</td>
<td>$33,667</td>
<td>Shelter</td>
<td>$7,776</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other expenses</td>
<td>$9,303</td>
</tr>
</tbody>
</table>

*Note: Market basket measure (MBM) for 2 Adult and 2 Children Reference Families in Current dollars*

*Source: CANSIM table 202-0809, Statistics Canada*
The average monthly owner shelter costs for the Estevan CA in the 2011 NHS were 13.9% higher than the provincial average and 33.6% higher than the owner median monthly shelter costs.

A key indicator of housing affordability defined by Statistics Canada is the ability to have average monthly household major payments for mortgage or gross rent, property taxes, and basic utilities be less than 30% of average household income. The 2011 National Household Survey noted the following housing affordability by housing tenure:

- Percent of all households spending over 30% of household income on major payments
  - 15.4% of all Estevan CA Households spent 30% or more of income on major payments
  - 18.5% of all Saskatchewan Households spent 30% or more of income on major payments
  - 24.7% of all Canadian Households spent 30% or more of income on major payments
- Percent of all owner households spending over 30% of household income on major payments
  - 9.5% of Estevan CA Owner Households spent 30% or more of income on major payments
  - 11.8% of Sask. Owner Households spent 30% or more of income on major payments
  - 18.1% of Canadian Owner Households spent 30% or more of income on major payments

• Percent of all renter households spending over 30% of household income on major payments
  o 34.8% of Estevan CA Owner Households spent 30% or more of income on major payments
  o 40.2% of Sask. Owner Households spent 30% or more of income on major payments
  o 39.8% of Canadian Owner Households spent 30% or more of income on major payments
Exhibit 5.11 - Estevan 2011 NHS Housing Affordability by Housing Tenure


Exhibit 5.12 - Area 2011 NHS Rented Housing Tenant Average and Median Shelter Costs Comparisons

The average monthly renter shelter costs for the Estevan CA in the 2011 NHS were 17.0% higher than the provincial renter average and 29.6% higher than the renter median monthly shelter costs.

Estevan CA owned houses had 58.7% of housing with mortgages compared to 53.1% of Saskatchewan houses with the presence of a mortgage. Estevan CA rented dwellings had 18.9% with subsidized housing compared to 23.6% of Saskatchewan renters in subsidized housing.

| Exhibit 5.13 - Area 2011 NHS Households Tenure by Owners Mortgage and Subsidized Tenants |
|-----------------------------------|-------------------|----------------|----------------|
| Total - Housing tenure including presence of mortgage and subsidized housing | Estevan CA | Saskatchewan | Canada |
| Owner | 5,095 | 100.0% | 372,760 | 100.0% | 13,073,790 | 100.0% |
| With mortgage | 3,870 | 76.0% | 273,345 | 73.3% | 9,013,410 | 68.9% |
| Without mortgage | 1,605 | 31.5% | 128,095 | 34.4% | 3,727,340 | 28.5% |
| Renter | 1,220 | 23.9% | 99,410 | 26.7% | 4,060,385 | 31.1% |
| Subsidized housing | 230 | 4.5% | 23,420 | 6.3% | 557,435 | 4.3% |
| Not subsidized housing | 995 | 19.5% | 75,990 | 20.4% | 3,502,950 | 26.8% |

Source: Statistics Canada, 2011 National Household Survey National Catalogue Number: 99-014-X2011031

The City of Estevan had the lowest amount of renter or tenant households in subsidized housing even though median and average monthly shelter costs in Estevan are higher than the regional, provincial, and national levels.

<table>
<thead>
<tr>
<th>Exhibit 5.14 - Area 2011 NHS Housing Tenant Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of tenant households in non-farm, non-reserve private dwellings</td>
</tr>
<tr>
<td>1,135</td>
</tr>
</tbody>
</table>

% of tenant households in subsidized housing | Estevan, C | Estevan CA | Census Division No. 1 | Regina - Moose Mountain Economic Region [4710] | Saskatchewan | Canada |
| 18.0 | 18.4 | 24.6 | 22.5 | 23.6 | 13.7 |

% of tenant households spending 30% or more of household total income on shelter costs | Estevan, C | Estevan CA | Census Division No. 1 | Regina - Moose Mountain Economic Region [4710] | Saskatchewan | Canada |
| 37.0 | 34.4 | 27.5 | 41.6 | 41.0 | 40.1 |

Median monthly shelter costs for rented dwellings ($) | Estevan, C | Estevan CA | Census Division No. 1 | Regina - Moose Mountain Economic Region [4710] | Saskatchewan | Canada |
| $1,030 | $1,028 | $753 | $848 | $793 | $784 |

Average monthly shelter costs for rented dwellings ($) | Estevan, C | Estevan CA | Census Division No. 1 | Regina - Moose Mountain Economic Region [4710] | Saskatchewan | Canada |
| $995 | $979 | $814 | $896 | $837 | $848 |

In the 2011 National Household Survey the average monthly major payments (mortgage, property taxes, and utilities) for all households was in the Estevan CA was $1,051 and the median shelter costs was $1,012 per month with the average 14.9% higher than the provincial level of $915 per month and the median 31.2% above the provincial median of $771.

![Chart](chart.png)

**Exhibit 5.15 - Estevan CA 2011 NHS Household Median and Average Monthly Shelter Costs by Household Income**

In the 2011 National Household Survey the average tenant monthly major payments (rent and utilities) for renter households was in the Estevan CA was $1,028 and the median shelter costs was $979 per month with the average 17.0% higher than the provincial level of $837 per month and the median 29.6% above the provincial median of $793.

*Source: Statistics Canada, 2011 National Household Survey National Catalogue Number: 99-014-X2011031*
Exhibit 5.16 - Estevan CA 2011 NHS Household Renter Median and Average Monthly Shelter Costs by Household Income

![Bar chart showing median and average monthly shelter costs by household income groups.](chart.png)

Source: Statistics Canada, 2011 National Household Survey National Catalogue Number: 99-014-X2011031

The Canada Mortgage and Housing Corporation (CMHC) has a number of tools, loan insurance, and programs geared towards supporting affordable housing. CMHC utilizes rents derived from the semi-annual CMHC Rental Market Survey to determine affordability criteria. The rent levels for the criteria represent the 80th, 65th, and 50th rent percentiles, which are referred to as Levels 1, 2, and 3 respectively. The most recent available CMHC affordability criteria utilizes the Spring 2013 CMHC Rental Survey Report findings.

Exhibit 5.17 - CMHC Spring 2013 Estevan and Saskatchewan Affordability Criteria

<table>
<thead>
<tr>
<th>Spring 2013</th>
<th>Affordability Criteria * Level</th>
<th>Bachelor Studio</th>
<th>1 Bedroom</th>
<th>2 Bedroom</th>
<th>3+ Bedroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estevan CA</td>
<td><strong>Level 1</strong></td>
<td>$900</td>
<td>$1,100</td>
<td>$1,300</td>
<td>$1,350</td>
</tr>
<tr>
<td></td>
<td>Level 2</td>
<td>$850</td>
<td>$1,050</td>
<td>$1,225</td>
<td>$1,300</td>
</tr>
<tr>
<td></td>
<td>Level 3</td>
<td>$650</td>
<td>$1,015</td>
<td>$1,155</td>
<td>$1,200</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td><strong>Level 1</strong></td>
<td><strong>$625</strong></td>
<td><strong>$790</strong></td>
<td><strong>$975</strong></td>
<td><strong>$990</strong></td>
</tr>
<tr>
<td></td>
<td>Level 2</td>
<td>$600</td>
<td>$750</td>
<td>$890</td>
<td>$950</td>
</tr>
<tr>
<td></td>
<td>Level 3</td>
<td>$575</td>
<td>$710</td>
<td>$850</td>
<td>$925</td>
</tr>
</tbody>
</table>

*Note: Derived from CMHC’s rental market survey conducted in April 2013*

Source: Canada Mortgage and Housing Corporation, Affordability Criteria, Spring 2013

---

Estevan Student and Market Rental Housing Project Assessment
The Spring 2013 CMHC Level 1 Affordability Criteria apartment rental rates in Estevan are well above the Saskatchewan provincial criteria levels as noted as follows:

- Estevan CA Bachelor / Studio Apartments Affordability Rate at $900 per month are the highest in Saskatchewan 44.0% above the provincial Level 1 rate
- Estevan CA 1 Bedroom Apartments rental rates of $1,100 per month are the highest in Saskatchewan 39.2% above the provincial Level 1 rate
- Estevan CA 2 Bedroom Apartments rental rates of $1,300 per month are the 2nd highest in Saskatchewan behind Lloydminster and 33.3% above the provincial Level 1 rate
- Estevan CA 3 or more Bedroom Apartments rental rates of $1,350 per month are the highest in Saskatchewan 36.4% above the provincial Level 1 rate

The key fact here is that Estevan CA consistently has the highest affordability rental rates for Bachelor, 1 bedroom, and 3 bedroom unit bedroom size categories in Saskatchewan and is well above the provincial Level 1 rates in all categories.

Exhibit 5.18 - Estevan CA and SK Spring 2013 Apartment Affordability Level 1 Rent Comparisons by Number of Bedrooms

Source: Prepared by Preferred Choice from CMHC, Affordability Criteria, Spring 2013
The CMHC Affordability Criteria maximum rents for Saskatchewan communities has been steadily increasing. The Bachelor Studio Level 1 criteria threshold grew to $625 per month in Saskatchewan and $900 per month for the Estevan CA by the Spring of 2013. The 1 Bedroom Level 1 criteria threshold grew to $790 per month in Saskatchewan and $1,100 per month for the Estevan CA by the Spring of 2013. The 2 Bedroom Level 1 criteria threshold grew to $975 per month in Saskatchewan and $1,300 per month for the Estevan CA by the Spring of 2013. The 3 Bedroom Level 1 criteria threshold grew to $990 per month in Saskatchewan and $1,350 per month for the Estevan CA by the Spring of 2013.

Exhibit 5.19 - CMHC SK Level Apartment Affordability Criteria by Number of Bedrooms 2003 - 2013

Source: Prepared by Preferred Choice from CMHC, Affordability Criteria, 2003 - 2013
6.0 Housing Supply Growth

Information on housing growth modelling for Estevan CA is contained in Appendix E of this report.

6.1. Estevan Housing Market Overview

The first settlers arrived in the Estevan area in 1892 as the Canadian Pacific Railway expanded across Western Canada. Estevan was incorporated as a village in 1899 and became a town in 1906. On March 1, 1957 Estevan became a City.

Up until recently, the highest level of dwelling construction had been strongest in the 1980s with 1,000 new dwellings or on average 100 dwellings per year during the 1980s. Recently this pace of annual activity was exceeded with the average number of dwelling units at 147.7 units per annum or 443 units during 2011, 2012, and 2013 according to City of Estevan data. Statistics Canada noted the 1970s as the next busiest era of dwelling construction, followed by 2006 to 2011, the 1960s, and 1946 to 1960.

Exhibit 6.1 - Estevan 2011 NHS Housing Average Annual Dwelling Period of Construction

Source: Prepared by Preferred Choice based on Statistics Canada, 2011 National Household Survey National Catalogue Number: 99-014-X2011026 and data from the City of Estevan
Canada Mortgage and Housing Corporation (CMHC) has a number of tools to assist communities in developing a housing action plan. One of the approaches is to assess the availability of current housing and future need for housing by residential tenure and unit size in bedrooms. Utilizing information from the City of Estevan, Estevan Housing Authority, and 2011 National Household Survey and Census the following overview of the current housing composition for Estevan CA shows about 5,610 households. There is an estimated 180 rental and senior and assisted living units and 115 affordable family units in Estevan along with about 3,535 single dwelling units, 635 multi-unit, and 190 movable housing units. The estimated level of rental units includes 570 apartments, 270 single detached rental houses, 5 multi-unit properties, and 60 movable dwellings.

### Exhibit 6.2 - Estimated 2013 Estevan CA Housing Composition

<table>
<thead>
<tr>
<th></th>
<th>Studio / 1 Bedroom</th>
<th>2 Bedroom</th>
<th>3 Bedroom</th>
<th>4 Bedroom +</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>RENTAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment</td>
<td>330</td>
<td>350</td>
<td>25</td>
<td>0</td>
<td>570</td>
</tr>
<tr>
<td>Single-Detached House</td>
<td>55</td>
<td>95</td>
<td>75</td>
<td>50</td>
<td>270</td>
</tr>
<tr>
<td>Multi-plexes / Townhouse</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Movable Dwelling</td>
<td>0</td>
<td>0</td>
<td>45</td>
<td>0</td>
<td>60</td>
</tr>
<tr>
<td><strong>OWNERSHIP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Detached House</td>
<td>30</td>
<td>405</td>
<td>1,390</td>
<td>1,650</td>
<td>3,535</td>
</tr>
<tr>
<td>Apartment</td>
<td>0</td>
<td>120</td>
<td>0</td>
<td>0</td>
<td>210</td>
</tr>
<tr>
<td>Multi-plexes / Townhouse</td>
<td>0</td>
<td>30</td>
<td>20</td>
<td>0</td>
<td>425</td>
</tr>
<tr>
<td>Movable Dwelling</td>
<td>0</td>
<td>45</td>
<td>140</td>
<td>0</td>
<td>190</td>
</tr>
<tr>
<td><strong>ACCESSIBLE &amp; SENIORS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>180</td>
</tr>
<tr>
<td>Family Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>115</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>415</td>
<td>1,065</td>
<td>1,695</td>
<td>1,700</td>
<td>5,610</td>
</tr>
</tbody>
</table>

*Note: Rental facilities by bedroom size data is only available for certain units in the 2011 National Household Survey, Adjustments have been made to note accessible housing units for the Estevan Housing Authority, Estevan Housing Authority units and New Built Facilities bedrooms are not known, therefore column totals by number of bedrooms do not include all of the housing units - All facilities are represented in the overall total units


The Estevan Housing Authority in a July 31, 2013 Estevan Mercury newspaper interview noted it operates 180 senior living residences, 115 family units, and provides some funding towards another 52 units. In July of 2013 there was no waiting list for senior housing, 13 people without dependents and 16 families on waiting lists.

### 6.2. Housing Supply Capacity

The recent surge in employment activity and population in the Estevan area has created significant challenges and limits on the supply of lots for additional new housing development.
The “City of Estevan Housing Business Plan” developed by the Canadian Home Builders’ Association / Saskatchewan Housing & Urban Development Council / Estevan & Region Home Builders’ Council in 2013 identified increasing the supply of serviced lots as a priority. That report projects a range of 800 to 2,600 new housing units with a baseline of 1,800 housing units projected by 2025. That was based on a conservative estimate of 17,000 residents in Estevan by 2025.

The Estevan Chamber of Commerce released an “Estevan Economic Development Plan” in 2013. Goal 6 of that plan was to Optimize the Supply of Land. Available serviced land and zoning issues have been factors the Economic Development Plan identifies to be addressed for Estevan.

The residential lot situation became particularly acute in 2010 and continues to remain very tight. There is limited information on the amount of residential lots available and the need for more lots has been a key priority in both the City’s Housing Business Plan and the Chamber’s Economic Development Plan.

Additional lots are being developed by the City in response to added housing pressures.

6.3. Recent Housing Demand Activity

Exhibit 6.3 - City of Estevan New Dwelling Unit Starts 2004 - 2013

Source: Preferred Choice based on City of Estevan Building Permit Comparison Reports 2002 - 2012 plus Monthly
Depending on the potential realized growth, a significant increase in the number of available lots is required to achieve the full growth potential of the community in the years ahead. As a frame of reference there were over 300 new housing projects (225 residences and 75 multi-unit projects) built in the City of Estevan from 2004 to 2013 with over 650 dwelling units added in the multi-unit projects.

Assuming 1,800 more housing units were built with a similar mix of individual residences and multi-unit projects then about 650 more lots would be required over the next 10 years to support about 500 more residences and 150 multi-unit projects (for about 1,300 multi-unit dwelling units). The City of Estevan would need to have at least 50 residential and 15 multi-unit lots available per year to support the potential growth. This level of development would be similar to the housing construction activity the community experienced in 2010 prior to the availability of lots becoming constrained.

Over $60 million of new residential construction and over $65 million of new multi-unit construction activity occurred over the past 10 years between 2004 and 2013.

The community needs to encourage private sector investment and development partnerships to significantly increase the availability of serviced lots to address future housing needs.
7.0 Housing Development Scenarios

Information on housing growth modelling for the Estevan CA is contained in Appendix E of this report.

7.1. Housing Demand Modelling

The Estevan CA area growth modelling baseline is forecast over the 13 years to 2024 growth of 2,307 dwellings units for the Estevan CA should the 10 year base population trend continue. This is anticipated to generate 936 more dwellings over the next few years by 2016, 586 dwellings over the next 5 years to 2021, and 400 dwellings over the next 8 to 10 years in Estevan CA to 2024.

The model includes a short term accelerated growth to catch up with pent-up-demand by 2016 with more moderate growth after that. This model for the Estevan CA would include about 1,704 residents in the R.M. of Estevan and Town of Bienfait and 16,854 residents in the City of Estevan by 2024. The model would include about 214 more dwellings in the R.M. of Estevan and Town of Bienfait and 2,117 more dwellings in the City of Estevan by 2024 since 2011 (on average over 150 dwelling units per annum in the City and over 175 units per annum in the Estevan CA). The recent City of Estevan Housing Business Plan projected a similar 17,000 residents in the City and 1,842 more housing units from 2014 to 2025 or on average over 150 new dwelling units per annum.

| Exhibit 7.1 - Estevan CA New Dwelling Units Forecast by 2016, 2021, and 2024 |
|---------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Base Housing Estimate           | 5,165            | 6,298           | 7,008           | 7,472           | 2,307           | 177.5           |
| Base Owner Housing Estimate     | 3,945            | 4,881           | 5,466           | 5,866           | 1,921           | 147.8           |
| Base Renter Housing Estimate    | 1,220            | 1,417           | 1,542           | 1,607           | 387             | 29.7            |

The key item here is that on average about 30 new rental dwelling units per annum and 145 owner dwelling units per annum for 175 total new dwelling units per annum to 2024 are forecast for the Estevan CA to keep up with projected employment and population growth along with pent-up-demand for more housing.

### 7.2. Estevan Housing Market Segment Growth Needs

Projected household growth of 2,307 households in Estevan CA to 2024 has an income distribution with 54.2% of household income greater than $80,000 per annum, 17.0% in the $30,000 to $59,999 per annum range, 14.6% in the less than $30,000 per annum range, and 14.1% in the $60,000 to $79,999 per annum range.
### Exhibit 7.3 - Estevan CA Household Income Distribution for Base New Household Projections to Households

<table>
<thead>
<tr>
<th>Estevan CA Household (HH) Income Distribution</th>
<th>Total HH Income</th>
<th>2011 - 2021 10 Year</th>
<th>5 Year * 2011-2016</th>
<th>5 Year * 2016-2021</th>
<th>3 Year * 2021-2024</th>
<th>2011 - 2024 13 Year *</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $30,000 per annum</td>
<td>14.6%</td>
<td>269</td>
<td>166</td>
<td>104</td>
<td>68</td>
<td>337</td>
</tr>
<tr>
<td>$30,000 to $59,999 per annum</td>
<td>17.0%</td>
<td>314</td>
<td>193</td>
<td>121</td>
<td>79</td>
<td>393</td>
</tr>
<tr>
<td>$60,000 to $79,999 per annum</td>
<td>14.1%</td>
<td>261</td>
<td>160</td>
<td>101</td>
<td>66</td>
<td>326</td>
</tr>
<tr>
<td>Greater than $80,000 per annum</td>
<td>54.2%</td>
<td>999</td>
<td>614</td>
<td>385</td>
<td>252</td>
<td>1,250</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>1,843</strong></td>
<td><strong>1,133</strong></td>
<td><strong>711</strong></td>
<td><strong>464</strong></td>
<td><strong>2,307</strong></td>
</tr>
</tbody>
</table>

*Note: Base Housing Estimate Model for Estevan CA Range of 1,100 to 2,325 More Households from 2011 to 2024


### Exhibit 7.4 - Estevan CA Projected Base Household Income Distribution Modelling by 2016, 2021, and 2024

![Household Growth by Income Estimates 2011 to 2024](image)

*Note: Base Housing Estimate Model for Estevan CA Range of 1,100 to 2,325 More Households from 2011 to 2024

Applying the model with an increasing level of owner units generates an additional 1,921 owned dwelling units by 2024.

Exhibit 7.5 - Estevan CA Projected Base Owner Household Income Distribution Modelling by 2016, 2021, and 2024

* Note: Base Owner Housing Estimate Model for Estevan CA Range of 925 to 1,925 More Owner Households from 2011 to 2024

Applying the model to a declining mixture of rental units decreasing from 23.6% of dwellings in 2011 to 22.5% in 2016 to 22.0% in 2021 and 21.5% by 2024, generates an additional 387 rental units by 2024.

Exhibit 7.6 - Estevan CA Projected Base Renter Household Income Distribution Modelling by 2016, 2021, and 2024

The model utilized Estevan rental rates, housing costs, federal and provincial affordability levels, and the 30% of household income on major shelter cost to determine the housing continuum thresholds for the Estevan CA.

The Estevan CA projected Housing Continuum Needs and Thresholds suggests the potential need for about an additional 337 units by 2024 as Government Subsidized Social Housing in the $72,250 or less house price range with $440 per month or less mortgage costs assuming the maximum level of mortgage financing or rent of $600 or less for rental units, which is typically well suited to the income levels of this market segment. Non-Market Housing is projected to require about an additional 393 Affordable units by 2024 in the $72,250 to $174,999 price range with $440 to $1,075 per month mortgage costs assuming the maximum level of mortgage financing, which could also be met by additional affordable rental housing in the community.
with rent between $600 to $1,350 per month. From Non-Market to Market Entry Level Housing about 326 units by 2024 is projected in the $175,000 to $243,249 price range with $1,075 to $1,480 per month mortgage costs assuming the maximum level of mortgage financing or rental units in the $1,350 to $1,850 per month range. Market housing needs is projected to require about 1,251 more units by 2024 in the $243,250 or more price range with $1,480 and higher mortgage costs per month assuming the maximum level of mortgage financing or rent in the $1,850 per month or higher level.

<table>
<thead>
<tr>
<th>Exhibit 7.7 - Estevan CA Projected Housing Continuum Needs by Affordability Threshold Modelling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household Income Range</td>
</tr>
<tr>
<td>Less than $30,000</td>
</tr>
<tr>
<td>Estimated Affordable Housing Price Range</td>
</tr>
<tr>
<td>Monthly Affordable Mortgage</td>
</tr>
<tr>
<td>Monthly Affordable Rent</td>
</tr>
<tr>
<td>Estimated Total Housing / Rental Supply Needed to 2024</td>
</tr>
<tr>
<td>Housing Continuum Position</td>
</tr>
</tbody>
</table>

Source: Preferred Choice Modelling utilizing defined Housing Affordability Threshold Modelling Variables

### 7.3. Estevan Housing Growth Forecast Implications

Reviewing the recent housing construction in the Estevan CA on an average annual basis during the reference construction periods, the Estevan CA is anticipated to enter into a stronger period of construction activity consistent with the past four years provided sufficient lots and developers are able to proceed with new projects in a timely fashion.

The forecast period to address pent-up demand is suggested for the three years between 2014 and 2016 with more steady average annual construction between 2017 and 2014. The level between 2017 and 2024 is forecast at below 150 new units per annum. The level forecast between 2014 and 2016 is about 230 units per annum. The City of Estevan had just below 200 dwelling units built at the recent peak of 2010 before the supply of lots became a major factor. From 2011 to 2013 the city averaged over 145 new units being added per annum.
Exhibit 7.8 - Estevan CA Average Annual Housing Construction Periods 1920 to 2013 plus Forecast 2014 to 2024

Estevan CA Housing Average Annual Owner & Renter Dwelling Construction - based on 2011 NHS Data, City of Estevan Data, & Preferred Choice Forecast

* Note: Base Owner Housing Estimate Model for Estevan CA Range of 925 to 1,925 More Owner Households from 2011 to 2024 and Base Renter Housing Estimate Model for Estevan CA Range of 200 to 400 More Renter Households from 2011 to 2024. The initial construction activity is modelled to address pent up demand and recent population growth already in the Estevan market.


Active steps will need to be taken to ensure the availability of lots and support to trigger construction of units across the housing continuum in Estevan CA, particularly in the next 2 to 3 years. The next 3 years will be important to triggering the build out and options necessary to capture anticipated pent-up demand from recent and anticipated employment and population growth related to industry activity and general residence in Estevan CA.

Utilizing the Canada Mortgage and Housing Corporation (CMHC) format for projecting the composition of potential housing requirements for Estevan CA, the following core model adjusted for 2011 to 2013 construction for the period of 2014 to 2024 of 376 additional rental units, 104 student rental units, and 1,490 owner dwellings includes:
• 480 Tenant Rental Units
  o Including 169 apartment suites
  o 113 Rental Houses
  o 66 Multi-plex rental units
• 1,490 Owner Dwelling Units
  o 522 Single Detached Market Houses
  o 895 Multi-unit Houses

### Exhibit 7.9 - Estimated 2024 - 10 Year Estevan CA Housing Requirement

<table>
<thead>
<tr>
<th></th>
<th>Studio / 1 Bedroom</th>
<th>2 Bedroom</th>
<th>3 Bedroom</th>
<th>4 Bedroom +</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>RENTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment</td>
<td>55</td>
<td>76</td>
<td>34</td>
<td>4</td>
<td>169</td>
</tr>
<tr>
<td>Single-Detached House</td>
<td>37</td>
<td>51</td>
<td>23</td>
<td>3</td>
<td>113</td>
</tr>
<tr>
<td>Multi-plexes / Townhouse</td>
<td>21</td>
<td>30</td>
<td>13</td>
<td>2</td>
<td>66</td>
</tr>
<tr>
<td>Movable Dwelling</td>
<td>9</td>
<td>13</td>
<td>6</td>
<td>1</td>
<td>28</td>
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<tr>
<td>OWNERSHIP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single-Detached House</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apartment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-plexes / Townhouse</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Movable Dwelling</td>
<td>2</td>
<td>11</td>
<td>39</td>
<td>22</td>
<td>75</td>
</tr>
<tr>
<td>ACCESSIBLE &amp; SENIORS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Senior Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Family Units</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Student Units</td>
<td>68</td>
<td>36</td>
<td>0</td>
<td>0</td>
<td>104</td>
</tr>
<tr>
<td>TOTAL*</td>
<td>227</td>
<td>429</td>
<td>858</td>
<td>457</td>
<td>1,971</td>
</tr>
</tbody>
</table>

*Note: The 10 Year Estevan CA Housing Requirements is a Conservative Model based on Base Population Projections, adjustments have been made to account for recent housing activity noted by the City of Estevan, a core model is based on the 2011 National Household Survey and Estevan Housing Authority Information, plus the proposed Student Units for the Estevan Southeast Regional College


As the projections for additional housing needs has focused on employment and population growth, this does not include any additional housing needs for seniors staying in the community, area farmers interested in moving into the City, or other individuals that may move into the community. The previous table can be adjusted to consider additional projected housing needs of other groups for Estevan CA.

**The key item here is that about 480 rental units or about 50 per year including the student housing project and 1,490 owner housing units or about 150 per year are forecast for the Estevan CA over the next 10 years.**
8.0 Relevant Housing Programs

A brief Overview of Various Housing Programs along with links to further information is included in Appendix I of this report. Refer to individual program guidelines for specific details on each housing program.

It is noted that both CMHC and the Government of Saskatchewan have been revising a number of housing programs and policies. In summer 2012, the Government of Saskatchewan has changed certain program criteria for the cities of Regina and Saskatoon, with a further review of programs criteria being reviewed for rural Saskatchewan over the next several months. As such information identified here is based on existing criteria as of 2013.

8.1. Development Plans Geared to Multi-Unit Projects

Programs identified for multi-unit development are noted as follows:

- Rental Construction Incentive (Saskatchewan Housing Corporation)
  - Provides municipalities with matching grants up to $5,000 per eligible owner of each rental housing unit
  - Currently fully subscribed
  - The City of Estevan has a matching program in place for the Rental Construction Incentive

- Saskatchewan Housing Corporation - Rental Development Program
  - One-time funding for up to 70% of the project capital costs forgivable over a 20 year period based on 30% local contribution
  - Currently under redesign

- Proposal Development Funding (Canada Mortgage and Housing Corporation)
  - Financial support to plan and develop affordable housing projects at set non-market maximum rental rates

8.2. Tax Credits for Rental Projects

Programs identified for rental projects tax credits are noted as follows:

- Corporate Income Tax (CIT) Rebate on New Rental Housing (Saskatchewan Housing Corporation)
  - Annual rebate of a 10 percentage point reduction in effective corporate income tax on eligible rental income on eligible new multi-unit residential rental units for up to 10 years
In addition the municipality may also adopt tax incentives to support multi-unit rental projects such as:

- **Tax Incentives**
  - This can be established at different rates based on targeted development objectives for different segments across the housing continuum (social rental housing, affordable rental housing, seniors rental units, market rental units, and other segments)

8.3. **Programs Geared to Support Rental Units**

Programs identified to support rental units are noted as follows:

- **Affordable Housing Rental Program (Saskatchewan Housing Corporation)**
  - Income based fixed non-market rent compared to the local market
  - Recently there has been a waiting list for Estevan units through Saskatchewan Housing Corporation

- **Social Housing Rental Program (Saskatchewan Housing Corporation)**
  - Income based variable non-market rent compared to the local market
  - Recently there has been a waiting list for Estevan units through Saskatchewan Housing Corporation
9.0 SRC Estevan Student and Market Rental Housing Opportunity

Information on the Estevan Student and Market Housing Modelling is contained in Appendix G of this report.

9.1. **Defining the Potential SRC Estevan Student and Market Housing Project**

The Southeast Regional College has been investigating the potential for a new student and market housing project partnership in the City of Estevan. The size of potential project site options has varied. For the purposes of the needs and demand assessment a generic 2 acre site has been suggested for analysis purposes.

Based on the strong market need with forecast employment, population, and housing growth, along with pent-up-demand for housing it is recommended that the Southeast Regional College work with the City of Estevan to secure at least a 2 acre site along with a further 2 acres adjacent to the site for future expansion potential.

9.2. **Potential SRC Student and Market Housing Unit Mix**

Preferred Choice and its project resource at Environmental Design Group Limited examined a range of room options for the project. Scenarios explored a mixture of studio / bachelor units, 1 bedroom units, 2 bedroom units, and 3 bedroom units for the SRC Student and Rental Housing Project.

### Exhibit 9.2 - SRC Estevan Student and Rental Housing Project

#### Basic room Parameters

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Unit Size</th>
<th>Square Feet</th>
<th>Number of Beds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studio / Bachelor</td>
<td>400</td>
<td>Sq. Ft.</td>
<td>1</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>600</td>
<td>Sq. Ft.</td>
<td>1</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>800</td>
<td>Sq. Ft.</td>
<td>2</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>1,000</td>
<td>Sq. Ft.</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Preferred Choice and Dan Custer, Environmental Design Group Limited
Three preliminary scenarios of rental housing unit combinations reflective of the recent student rental market survey, CMHC Rental Market Reports, City of Estevan data, and Statistics Canada National Household Survey and Census data were considered in the project modelling along with the generic 2 acre site option. The Preferred Choice growth forecasts for employment, population, and housing were also considered in developing potential room mixes.

The various scenarios developed ranged from 92 to 110 units for 140 to 150 beds with about half student and half market rental units.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Scenario 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Units</td>
<td>Number of Beds</td>
<td>Units</td>
</tr>
<tr>
<td>Studio / Bachelor</td>
<td>20</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>25</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>15</td>
<td>25</td>
<td>40</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>60</td>
<td>50</td>
<td>110</td>
</tr>
</tbody>
</table>

Source: Preferred Choice Modelling based on a generic site and initial concept design prepared by Dan Custer, Environmental Design Group Limited
The three scenarios developed had the following configurations:

- **Scenario 1** - 110 rental units with 150 bed capacity consisting of 20 × Studio / Bachelor units, 50 × 1 bedroom units, and 40 × 2 bedroom units
  - 60 Student Units in Scenario 1 - with 75 bed capacity consisting of 20 × Studio / Bachelor units, 25 × 1 bedroom units, and 15 × 2 bedroom units
  - 50 Market Units in Scenario 1 - with 75 bed capacity consisting of 25 × 1 bedroom units and 25 × 2 bedroom units

- **Scenario 2** - 92 rental units with 148 bed capacity consisting of 44 × 1 bedroom units, 40 × 2 bedroom units, and 8 × 3 bedroom units
  - 46 Student Units in Scenario 2 - with 74 bed capacity consisting of 26 × 1 bedroom units, 12 × 2 bedroom units, and 8 × 3 bedroom units
  - 46 Market Units in Scenario 2 - with 74 bed capacity consisting of 18 × 1 bedroom units and 28 × 2 bedroom units

- **Scenario 3** - 100 rental units with 140 bed capacity consisting of 60 × 1 bedroom units and 40 × 2 bedroom units
  - 52 Student Units in Scenario 3 - with 70 bed capacity consisting of 34 × 1 bedroom units and 18 × 2 bedroom units
  - 48 Market Units in Scenario 3 - with 70 bed capacity consisting of 26 × 1 bedroom units and 22 × 2 bedroom units

*Should the facility be intended to be fairly representative of market units than a 1 bedroom and 2 bedroom mixture of units such as Scenario 3 is suggested.*

*The key item here is that a generic 2 acre site can support two story structures, parking, and some daycare space with 92 to 110 units for 140 to 150 beds with about half student and half market rental units in the initial potential housing unit mix scenarios.*

An Initial SRC Estevan Student and Rental Market Housing Project Site Design is contained in Appendix G of this report.
10.0 Conclusions and Next Steps

10.1. Estevan Housing Needs and Demand Opportunity

From 2004 to 2013 there were over 300 new housing projects (225 residences and 75 multi-unit projects) built in the City of Estevan with over 850 new dwelling units added in the city during that timeframe.

Strong employment, population, and dwelling growth is forecast to continue for the Estevan Census Agglomeration (CA) including the City, R.M. of Estevan, and Town of Bienfait. Pent-up-demand for housing could see additional projects supported over the next 2 to 3 years if the City and developers are able to secure sites and projects capable of capturing the market opportunity.

Assuming forecast population and dwelling growth is realized then about 1,970 additional dwelling units in the Estevan CA would be required for the market over the next 10 years with 1,760 of the dwelling units in the City of Estevan. This would include 1,490 more owner dwelling units and 480 more tenant rental units by 2024 in the Estevan CA.

---

Exhibit 10.1 - Estevan CA Housing Growth Projections by Tenure for 2014 to 2024 based on Growth Forecasts

---

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>187</td>
<td>506</td>
<td>312</td>
<td>1,091</td>
<td>377</td>
<td>1,491</td>
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<tr>
<td>Housing</td>
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</tr>
<tr>
<td>Project</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Conclusion #1: There continues to be a strong need for additional housing and rental housing in Estevan over the next 10 years with a further 200 to 400 rental market units needed over the next 5 to 10 years.

Potential sustained demand could require up to 187 additional rental units by 2016, 125 rental units for 2016 to 2021, and 64 rental units during between 2021 and 2024, plus 104 student rental units. The level of rental units for the market is impacted by the availability of potential social housing and general economic conditions.

Household income levels are very strong in Estevan. The average household income before tax in the Estevan CA is 38.6% above the provincial level and after-tax is 30.7% above the Saskatchewan average.

The strong activity in the Estevan market does result in higher construction costs compared to other Saskatchewan communities. Rental rates are higher in Estevan which helps offset the higher project costs. Estevan has the lowest vacancy rate among Saskatchewan centres in the CMHC Rental Market Surveys. The Estevan CA consistently has the highest rental rates for all unit bedroom size categories in Saskatchewan with Total Average Apartment rental rates 20.6% above the Saskatchewan 10,000+ population average monthly rental rates in the Fall of 2013. The Spring 2013 Estevan CA Level 1 Rental Affordability Rate ranges from 33.3% to 44.0% above the provincial Level 1 rate from CMHC.

Exhibit 10.2 - Estevan CA and SK Fall 2013 Apartment Rent Comparisons by Number of Bedrooms

Source: Prepared by Preferred Choice from Canada Mortgage and Housing Corporation, Fall 2013 Rental Market Report
**Conclusion #2: Apartment Rental Rates in Estevan are consistently among the highest in Saskatchewan due to the low vacancy rates in the community.**

### 10.2. The SRC Estevan Student and Market Rental Housing Opportunity

The Southeast Regional College (SRC) noted the following “The City of Estevan has a critical affordable housing situation that is creating a bottleneck to economic growth by limiting labour market training and employee attraction & retention. The College is interested in providing affordable housing for learners as well as to help meet labour market needs.”

In 2005 the rental market began to tighten in Estevan and has been below the 5% vacancy rate level since 2005 with vacancy rates below 2% from 2006 to 2008 and 2010 through 2013. From 2007 on, monthly average rental rates in Estevan have been growing at a faster rate than provincial average rental rates. Prior to 2005 the Estevan CA apartment vacancy rates were above 15%. During the past 7 years the Estevan fall vacancy rates have averaged 1.5% between 2007 and 2013. Full-time student enrolment at the Estevan SRC campus was consistently above 150 students prior to 2007 and has averaged below 80 students since 2007.

#### Exhibit 10.3 - 10 Year Historical Estevan CA Total Vacancy Rate and SRC Estevan Full-Time Enrolment

![CMHC Total Rental Units Vacancy Rates (%)](image)

**Source:** Prepared by Preferred Choice from Canada Mortgage and Housing Corporation, 2002 - 2013 Fall Rental Market Reports

![Southeast Regional College Estevan Full-Time Enrolments 2003-04 to 2013-14](image)

**Source:** Prepared by Preferred Choice from Southeast Regional College Full-Time Enrolment Data

In October 2013 a rental market survey of SRC Estevan Campus students received a 95.2% response rate with 139 completed surveys. There were 31 student respondents or 24.2% of respondents that indicated an interest in renting student residences if such units were available. The interest level increases based on the length of program the student is enrolled in. The majority (60.6%) of students in full-time programs were interested in student rental...
units if available. More student housing would complement more full-time programming at the college.

Exhibit 10.4 - SRC Estevan Campus Full-Time Respondents Interest in Student Rental Housing if Available

<table>
<thead>
<tr>
<th>Full-Time Student Interest in Renting Student Housing</th>
<th>(20)</th>
<th>(13)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>30%</td>
<td>40%</td>
<td>50%</td>
</tr>
<tr>
<td>60%</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>90%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Prepared by Preferred Choice from SRC Estevan Campus Student Rental Market Survey Results October 9 - 29, 2013

The current rental housing model analysis for a generic 2 acre site with half student housing could accommodate about 50 student units with 70 to 75 beds. Should this size of project attract 50 to 75 full-time students, this could return enrolment to pre-2007 levels above 150 full-time students. Further development of rental market housing and rental student housing likely may be required to expand full-time enrolment beyond historic levels in order to optimize the utilization of the new Southeast Regional College (SRC) Estevan Campus / Saskatchewan Energy Training Institute (SETI) which recently opened in May 2012. The student and market rental housing project should have room to expand as appropriate to ensure the market potential of SRC / SETI can be met over the next few years.

**Conclusion #3:** There is a strong need for student housing in Estevan currently and into the future, and meeting this need can impact SRC student enrolment and area employment.

**Conclusion #4:** There is clear need and demand for the envisioned Southeast Regional College Student and Market Rental Housing Project in Estevan, and the College is strategically positioned to meet this need.

Southeast Regional College is strategically positioned to meet the need for student housing as well as enabling partnerships for market rental housing:

- SRC is exploring a partnership with the City of Estevan to provide land for the project
- SRC can bring together a unique public-private partnership ideal for new rental housing units
- SRC will be able to enable the project to occur in a timely manner
- SRC has training capacity for new students to meet the needs of industry in the area
Recommendation #1: That the Southeast Regional College continue to develop the envisioned Student and Market Rental Housing Project near its Estevan Campus.

The College and the City of Estevan continue discussions on the potential for a partnership between the City and the College to support the project by providing a suitable location. The size of potential project site options has varied. For the purposes of the needs and demand assessment a generic 2 acre site has been suggested for analysis purposes. The strong market need and pent-up-demand for housing and rental housing units suggests the proposed site have flexibility to be expanded.

Recommendation #2: That the Southeast Regional College secure at least a 2 acre site along with a further adjacent 2 acre site for expansion for the envisioned Estevan Student and Market Rental Housing Project.

Securing the site is a critical project step.

There may be various Saskatchewan Housing Corporation and Canada Mortgage and Housing Corporation programs available that may provide financial contributions to the proposed SRC Student and Market Rental Housing Project in Estevan. These programs require a developed business case and business plan. A number of partnerships are also possible for the project.

Recommendation #3: That the Southeast Regional College authorize the initiation of the Financial Viability Analysis phase of the project.
10.3. SRC Estevan Student and Market Rental Housing Project Next Steps

The next steps in the Southeast Regional College Estevan Student and Market Rental Housing Project are:

- Review, revise, and approve the 2014 Estevan Student and Market Rental Housing Project Assessment Report
- Authorize Preferred Choice to proceed with initiation of the Financial Viability Analysis phase of the project
- SRC work with the City of Estevan to secure at least a 2 acre site along with a further adjacent 2 acre site for future expansion of the rental housing project
- Preferred Choice, Project resources, and SRC obtain information for Preferred Choice to prepare capital and operating costs and assumptions to proceed with a Preliminary Analysis of the SRC Student and Market Rental Housing Project Financial Viability
  - SRC and other resources Assisted Development of Preliminary Capital Budget Estimates
  - Preferred Choice’s resources Assisted Development of Preliminary Operating Budget Estimates
  - SRC and Consultant Engagement
  - Consultant Preparation of Financial Projections for Student and Market Rental Housing Project Plan
  - Preferred Choice Preparation of Preliminary Financial Viability Conclusion
- Preferred Choice to consult SRC and Preferred Choice Project Resources to prepare project, management, and venture background to proceed with a SRC Student and Market Rental Housing Business Plan
  - SRC and Preferred Choice Review Existing Information
  - Inclusion of Market Assessment and Client Information
  - SRC and Preferred Choice Engagement
- Inclusion of Financial Projections for Student and Market Rental Housing Project Plan
- Preferred Choice Preparation of a Core Business Plan with SRC Input for the Student and Market Rental Housing Project
- SRC Providing Input for Sections of the Business Plan for the Student and Market Rental Project
- Preferred Choice to Provide Guidance on Client Rental Student and Market Rental Housing Project Business Plan Input
- SRC and Preferred Choice Finalization of the Estevan Student and Market Rental Housing Venture Business Plan
- SRC to secure project partnerships
- SRC and Project Market Partners to Secure Financing
- SRC and Project Market Partners to Secure Appropriate Project Approvals
- SRC and Project Market Partners to Decide to Proceed with Project Implementation
- SRC and Project Market Partners to proceed with the Project Plan as appropriate

Exhibit 10.7 - SRC Estevan Student and Market Rental Housing Project Market Assessment Recommendations

Source: Preferred Choice