

NINE FACTORS

INFLUENCING HOUSING DEMAND

What drives demand for housing in Whitehorse? While population projections have been used to gauge demand in the past, the reality is that residential housing demand is based on a complex set of demographic and economic factors.

The City is embarking on a review of its Official Community Plan. One of the main components of this review is to come up with housing strategies and initiatives to address the needs of our residents. Please join us as we plan for the future!



1. AVERAGE HOUSEHOLD INCOME

The average household income of Whitehorse homeowners has increased from **\$68,380 in 1991** to **\$127,056 in 2016**

86%

Higher incomes encourage people to enter into the housing market.

2. MORTGAGE RATES



Since May 2017, the Bank of Canada interest rates have increased, rising from **0.5% in May 2017** to **1.5% in July 2018**

Lower interest rates encourage prospective new homeowners to enter into the housing market.

3. HOUSING AFFORDABILITY

The annual household income required to purchase a single detached house in Whitehorse is **\$135,700**. The annual household income required to purchase a condo is **\$96,900**.

\$135,700



\$96,900



Income figures are based on several assumptions¹.

4. NUMBER OF HOMEOWNERS

117%

The number of homeowners in Whitehorse has more than doubled from 1991 to 2016, increasing from **3,590 to 7,780** in that period.

¹Household incomes required to purchase dwellings of various values were based on the following assumptions: 3.74% mortgage rate (5-year fixed term), minimum down payment (5% on first \$500,000 and 10% on portion between \$500,000 and \$750,000), 25-year amortization period, property tax mill rate of 0.01406, housing prices at the 2018 second quarter average, monthly heating costs of \$175 and other debt payments of \$215 per month.

5. PERSONS PER DWELLING

Between 1986 and 2016, the average number of people per dwelling declined by **20% (from 2.92 to 2.34).**

-20%

As the average number of people per dwelling declines, more housing units are required to shelter the same number of people.

6. POPULATION GROWTH



At our current pace, Whitehorse may hit a population of over 40,000 by the year 2040, representing an increase of over **10,000 people from today.**

7. AGE DISTRIBUTION



The baby boom (birth years 1946 to 1964) and baby boom echo (birth years 1980 to 1995) generations are **the largest age groups in Whitehorse.**

The baby boom echo cohort in particular comprises a large segment of the population which increases housing demand.

8. MOBILITY



In 2016, an estimated **80% of Whitehorse residents** have lived in the city over the past five years. **This rate has steadily increased since 1981**, where the rate was 57%.

This has led to a more stable population which has contributed to an increase in home ownership.

9. HOUSING PRICES

The average price of a single-detached house in Whitehorse has increased from **\$184,000 in 2004 to \$443,000 in 2017.** During the same period, the average price of a condo increased from **\$127,000 to \$319,000.**

\$443,000

As housing prices increase, housing demand will decrease.

