

## Community Housing Needs in Neepawa

### The Research

Manitoba Housing was requested to undertake a market analysis of the Town of Neepawa on community housing needs based on a request received from the municipality. The Town is interested in the potential for making land available for housing for an increasing immigrant population employed at the hog processing plant. The town is also interested in a steady growth of seniors choosing to reside in the town from surrounding communities. This market analysis considers:

- Neepawa’s population and demographic characteristics
- Supply and demand for family, senior and single non-elderly (SNE) social and affordable housing.

### Overview

The Town of Neepawa is a growing community located on the Yellowhead Highway, at the intersection of Highway 16 and 5. It is a regional economic and service hub attracting new immigrants, as well as seniors and individuals from the surrounding region.

Chart 1: Map of the region showing surrounding locations



### Key Findings

#### *Demography*

Overall, Neepawa’s population has increased by approximately 55% over the past ten years from 2,980 (2006) to approximately 4,609 (2016). The median age in Neepawa at 37.5 is slightly higher than that of Manitoba as a whole at 37.2.

Neepawa’s age distribution can be characterized as “top heavy”. Elderly citizens aged 55 years and above make-up approximately 34.4% of the total population as compared to 26.6% for Manitoba as a whole. This indicates an ageing population. (Children aged 0 -14 years make up approximately 14% of Neepawa’s population in comparison to 19% of the population of Manitoba as a whole.)

Neepawa has a larger population of men in the 20 – 34 years age category than women as shown in chart 2 below. A possible reason for the larger male population might be the increasing migration of young people into the area for employment related to the region’s growing hog industry.

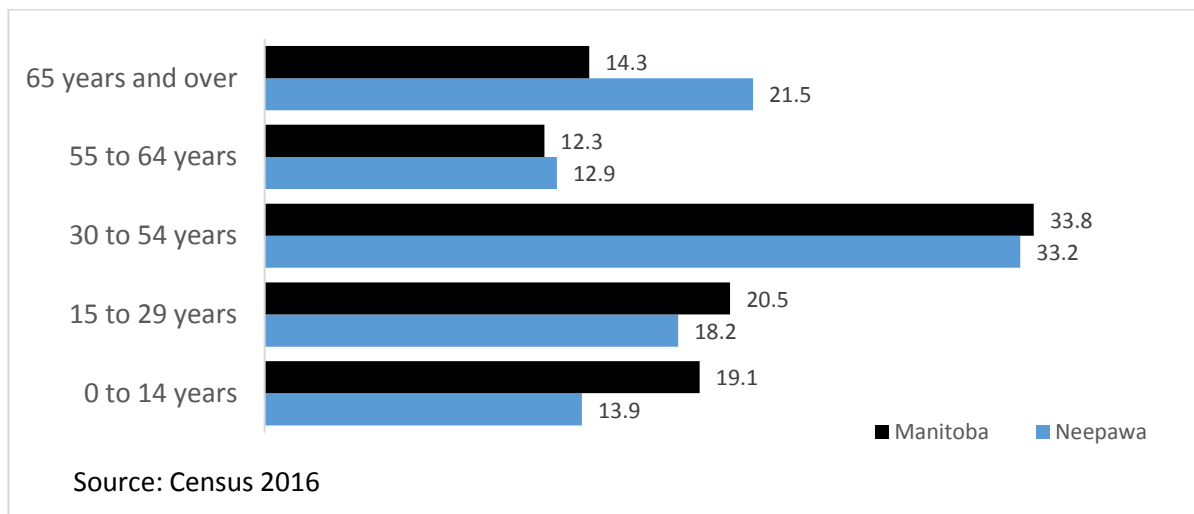
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Chart 2 – Population pyramid for Neepawa and Manitoba



Data source: 2016 Census

Chart 3: Percentage distribution of Neepawa's population by age group

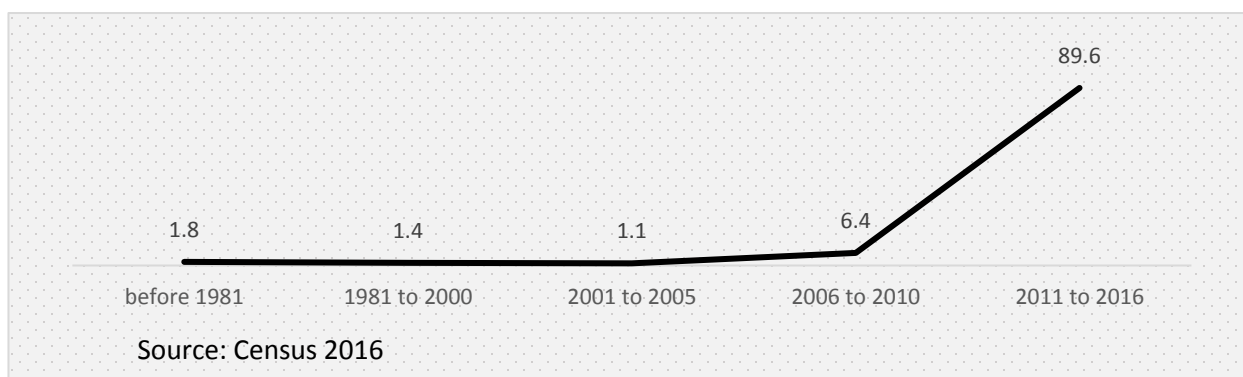


Source: Census 2016

### Immigration

Racialized groups (mostly of Asian ancestry) constitute approximately 40% of Neepawa's population. This is very high when compared to the population of immigrants from the Philippines in Manitoba as a whole, 14% (Census 2016). Ninety percent of the new immigrants migrated between 2011 and 2016. The sharp increase in immigrant population coincides with increasing employment opportunities associated with the hog industry.

Chart 4: Proportion of new immigrants' population in Neepawa by year of immigration (percent)



Source: Census 2016

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### *Population movements in the surrounding areas*

Both Minnedosa and Carberry experienced changes in their population between 2011 and 2016. The population of Carberry increased by 4.1% between 2011 and 2016 while that of Minnedosa decreased by 5.3% (145 people) during the same period. Further analysis shows that the 30 – 54 years age group contributed most of the decrease in population in Minnedosa as the population of people in the age category reduced by 135 people. Likewise, the population of persons in the 30 – 54 years age group also reduced by 4% in Carberry within the same period (see Table 1 below) despite the overall increase in Carberry’s population. The movement of people in this age group may possibly be linked to the availability of more employment opportunities in Neepawa.

Table 1 - Population distribution in surrounding locations

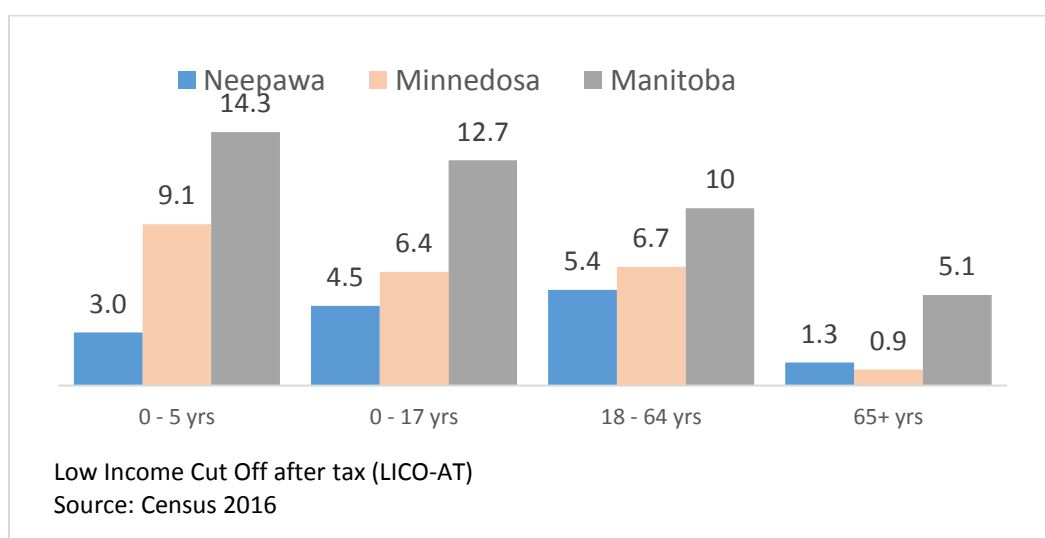
Age group	Minnedosa			Carberry		
	2016	2011	% change	2016	2011	% change
0 - 14 years	385	405	-5%	325	345	-6%
15-29 years	410	410	0%	290	245	18%
30-54 years	670	805	-17%	490	510	-4%
55 - 64 years	360	350	3%	220	190	16%
65 years +	625	625	0%	420	375	12%
Total	2450	2595		1745	1665	

### Income characteristics

#### *Household Income*

The median before-tax household incomes in Neepawa was approximately 2% higher at \$69,440 than that of Manitoba as a whole at \$68,147 (Census 2016). Neepawa has a lower prevalence of low-income when compared with other urban centres and Manitoba as a whole.

Chart 5: Prevalence of Low Income by age group (percent)



Approximately 4.5% of Neepawa’s population lives below the Low Income Cut Off after tax (LICO-AT) in 2016. This is lower when compared to the prevalence of low income in some of the major cities in Manitoba (Winnipeg, 13.3%; Portage la prairie, 8.5%; Brandon, 9.1% & Selkirk, 7.6%) using the same measure. It is also lower when compared to 9.9% of the Manitoba’s population as a whole living below the low-income cut-off line after tax.

Similarly, Neepawa has a slightly lower prevalence of low income among children below 18 years when compared to Manitoba. Approximately 4.5% percent of children below 18 years live below the low-income cut-off in Neepawa in comparison with 5.5% for the entire

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province. The same narrative applies in other age categories when Neepawa is compared to Manitoba (3% vs. 5.5% for 0 - 5 years; 5.4% vs. 5.5% for 18 - 64 years and 1.3% vs. 1.8% for age group 65+ years respectively).

195 private households (i.e. 19% of all private households), 140 families (i.e. 14.9% of all family households) as well as 200 non-elderly persons (i.e. 8% of all non-elderly persons) live below the LICO cut-off line in Neepawa in 2016.

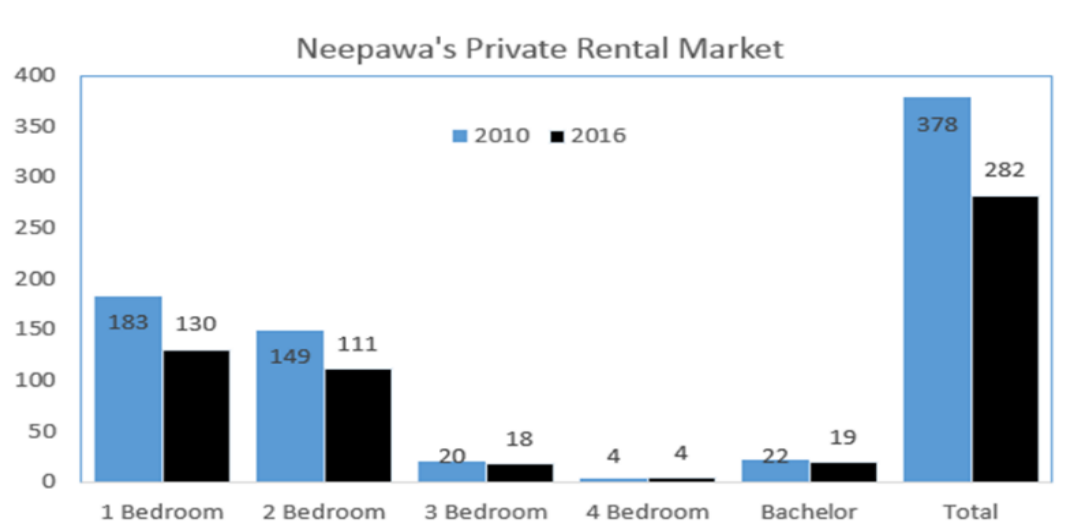
The above information shows that low-income individuals in Neepawa experience lower depths of poverty when compared to other major cities in Manitoba. This implies less severity of poverty, less economic inequity and an indication of a society with lower incidence of social discord (crime, economic stagnation, lower life expectancy and victimization).

### Housing Supply

#### *Private Rental Market*

The number of available rental housing units in Neepawa's primary rental market decreased by 25% between 2011 and 2016. Neepawa has 282 rental-housing units in its primary rent market as at 2016 (compared to 378 in 2011).

Chart 6: Neepawa Private Rent Universe (2017)



Source: Manitoba small community rental market 2017

Approximately 27% of private households (or 435 households) in Neepawa rent as compared to 31.3% in Manitoba (2016). Median rent has continued to rise in response to increasing demand due to growing population and a shortage of supply. For example, median rents for larger housing units increased by 36% for 3 bedroom units and 24% for 4 bedroom units between 2011 and 2016 (see Table 2 below). The increase in median rents has also resulted in an increase of approximately 22% in the average monthly shelter cost<sup>1</sup> in Neepawa from \$700 to \$854 between 2011 and 2016 (Census 2016).

<sup>1</sup> Shelter cost refers to the average monthly total of all shelter expenses paid by households that own or rent their dwelling.

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Table 2 – Changes in median rent in Neepawa between 2011 and 2016

Suite Type	2016 Median rent (\$)	2011 Median rent (\$)	Change in median rent (\$)	% change
Bachelor	460	426	34	8%
1 Bedroom	630	602	28	5%
2 Bedroom	700	746	-46	-6%
3 Bedroom	1050	774	276	36%
4 Bedroom	850	683	167	24%

*Social Housing*

As at May 31, 2018, Manitoba Housing supports 88 housing units in Neepawa, of which six (6.8%) are chronically vacant (all senior units). The vacant elderly units are mostly bachelor units, which are becoming less attractive to the growing senior population in the area.

There is a small surplus of social housing units in nearby Minnedosa. While MHRC supports 83 housing units in Minnedosa, only 29 units are currently available for tenanting due to renovation of 54 senior units. Of the 29 family units available for tenanting, three units are currently vacant (vacancy rate of 10.3%):

*Manitoba Housing eligibility list*

There are three (3) households in Neepawa and nine (9) households in Minnedosa on the Manitoba Housing’s eligibility list as shown in Table 3 below. Of the three (3) households on the eligibility list, two (2) are looking for elderly units (1-bedroom units) while the remaining household is waiting for a family unit.

Table 3: Social housing count in Neepawa and Minnedosa as at July 4, 2018

	Singles & Elderly				Family units				
	Units		Vacancy		Wait list	Units		Vacancy	Wait list
	Units	Number	Rate	Units		Number	Rate		
Neepawa	69	6	8.7%	4	19	0	0.0%	13	
Minnedosa	54	54	100.0%	31	29	3	10.3%	16	
<b>Total</b>	<b>123</b>	<b>60</b>	<b>48.8%</b>	<b>35</b>	<b>48</b>	<b>3</b>	<b>6.3%</b>	<b>29</b>	

*Home ownership*

There has been a steady increase in the average home price in Neepawa, despite the lower average home price of \$223,023 when compared to average home price of \$297,444 in Manitoba in 2016. The average resale price for a home in the town increased by 28.7% from \$173,355 in 2011 to \$222,023 in 2016. Increasing demand for housing in the region has resulted in an increase in average sale price of houses in the area thereby worsening housing affordability issues for the population<sup>2</sup>. This makes homeownership less affordable to people with moderate income. The current average home price is considered affordable (under certain conditions<sup>3</sup>) to a household with annual income of \$66,400 and above.

<sup>2</sup> Average resale price of houses increased by 106% between 2006 and 2016.

<sup>3</sup> These conditions include ability of the household to raise 5% down payment and having no debt.

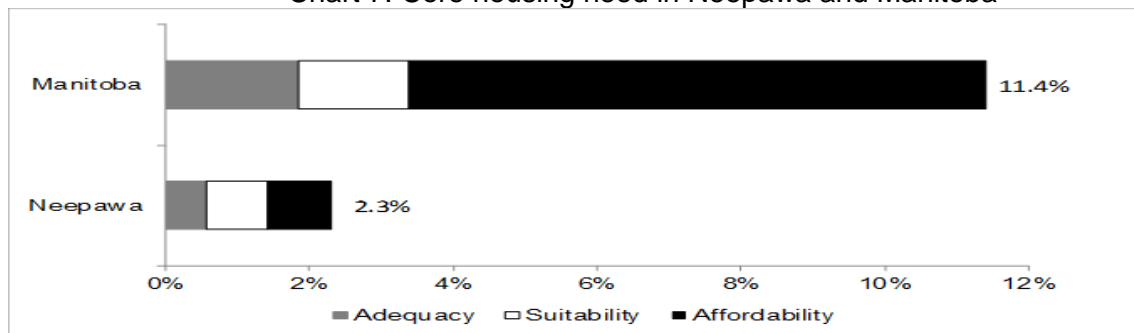
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**Housing demand**

*Core Housing Need*

Core housing need in Neepawa improved with a 3-percentage point reduction from 5.4% in 2011 to 2.3% in 2016. The proportion of households in core need in Neepawa was approximately 9 percentage points lower than that of Manitoba (11.4%) in 2016 (see chart 7 below). Core housing need is distributed in Neepawa more evenly among the three need standards: adequacy, suitability, and affordability when compared to Manitoba as a whole, which has mostly an affordability problem.

Chart 7: Core housing need in Neepawa and Manitoba

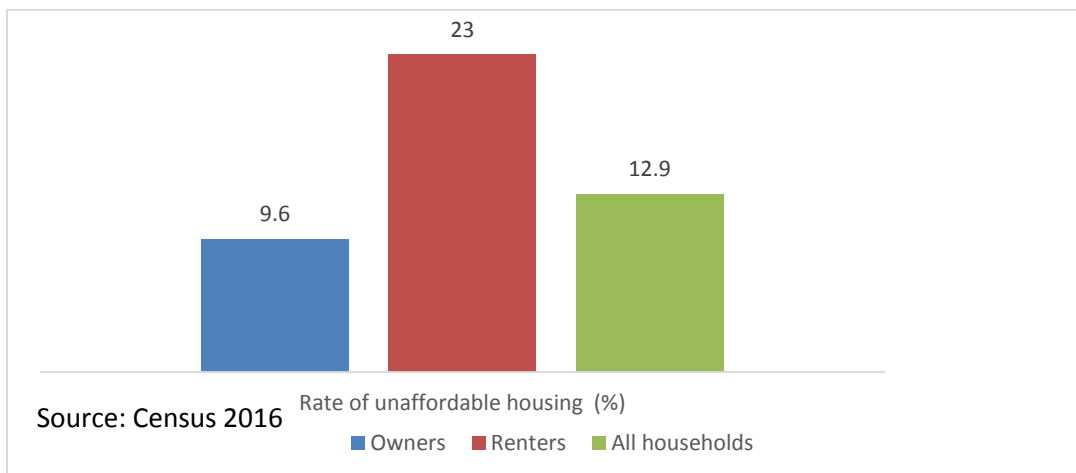


Source: Census 2016

*Housing affordability*

The demand pressure in the housing market affects renters much more than homeowners in Neepawa. The rate of unaffordable housing for tenants stood at 23% as compared to 9.6% for homeowners in 2016 (See chart 8 below). This implies that a larger proportion of tenants pay above 30% of their household income on shelter costs than homeowners do.

Chart 8: Rate of Unaffordable Housing in Neepawa by Tenure Type (percent)



**Analysis**

- Increasing numbers of immigrants would continue demand for affordable housing options in Neepawa. Demand for affordable housing units would also remain and/or increase, as those seeking social and affordable housing options in the surrounding areas (Minnedosa, and surrounding rural areas) relocate<sup>4</sup> to Neepawa due to the services and economic opportunities it provides.



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- The HyLife hog plant attracts more people into Neepawa because of the employment opportunities available at the plant. The Plant, with a staff strength of 1,250 employees, currently works with the Province to sustain its labour demand through the Temporary Foreign Workers (TFW) immigration scheme. HyLife also works with Assiniboine Community College to run a meat-cutting course in partnership with an indigenous community in the parkland area. HyLife plans to utilize the TFW scheme as its short and medium term strategy to meet its labour need. The wage rate for meat cutters in the plant ranges between \$14.50 and \$21.55 with additional incentive of \$1 per hour for perfect attendance. Wages most likely put HyLife workers above the Program Income Limit for Social Housing<sup>5</sup>.

### Recommendation

- Available data shows that there is a need to increase the supply of affordable and low end of market housing options in Neepawa to cater to the increase in demand for housing to meet the need of working adults in the region.
- There may also be a growing demand for affordable senior housing to meet the need of an ageing population and migration of seniors from the surrounding areas into Neepawa.
- More broadly, there would seem to be demand for additional housing across the housing market (not only low-end) in Neepawa, with existing homeowners potentially absorbing new builds and creating churn in the market that adds supply for first time buyers.

Strategic Initiatives

Analyst

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<sup>5</sup> Gross annual income for a person working 40 hours regular full time in HyLife would be \$30,160. This will put such persons above MHRC Program Income Limit for Bachelor (\$21,500) and 1-Bedroom (\$29,000) units. The same situation applies to couple families both having full time jobs in the area.