



City of Spruce Grove Housing Needs Assessment

May 15, 2024

urban
matters

CONTACT: Jake Papineau
E: jpapineau@urbansystems.ca

Suite 200, 10345 - 105 Street NW, Edmonton, AB T5J 1E8

PREPARED FOR:

City of Spruce Grove – Strategic and Communication Services

315 Jespersen Avenue, Spruce Grove, Alberta

Suite 200, 10345 - 105 Street NW, Edmonton, AB T5J 1E8 | T: 780.430.4041

File: 3074.0012.01

This report is prepared for the sole use of City of Spruce Grove. No representations of any kind are made by Urban Systems Ltd. or its employees to any party with whom Urban Systems Ltd. does not have a contract. © 2024 URBANSYSTEMS®.

CONTENTS

- EXECUTIVE SUMMARY 1**
- 1.0 INTRODUCTION..... 5**
 - 1.1 OVERVIEW5
 - 1.2 METHODOLOGY AND DATA SOURCES.....6
 - 1.3 HOUSING CONTINUUM10
 - 1.4 POLICY CONTEXT13
- 2.0 COMMUNITY PROFILE 15**
 - 2.1 DEMOGRAPHICS15
 - 2.2 HOUSEHOLDS22
 - 2.3 ECONOMY31
 - 2.4 COMMUNITY PROFILE KEY FINDINGS37
- 3.0 HOUSING PROFILE..... 39**
 - 3.1 HOUSING STOCK.....39
 - 3.2 HOMEOWNERSHIP.....43
 - 3.3 RENTAL MARKET46
 - 3.4 NON-MARKET DWELLINGS.....51
 - 3.5 CORE HOUSING NEED52
 - 3.6 HOUSING PROFILE KEY FINDINGS.....55
- 4.0 PROJECTIONS..... 56**
 - 4.1 METHODOLOGY.....56
 - 4.2 POPULATION AND HOUSEHOLD PROJECTIONS.....58
 - 4.3 KEY FINDINGS60
- 5.0 SUMMARY..... 60**
 - 5.1 KEY FINDINGS60

APPENDICES

Appendix A: Maps

TABLES

Table 1 Median Age, Spruce Grove, 2006 - 2021.....	16
Table 2 Median Age, Comparison, 2021.....	16
Table 3 Number of Households, Comparison, 2021	22
Table 4 Average Private Household Size, Spruce Grove, 2006 -2021.....	23
Table 5 Household Size by Count, Comparison, 2021.....	25
Table 6 Population Tenure by Neighbourhood, 2023	27
Table 7 Household Type Comparison, 2021	30
Table 8 Workers by NAICS Sector for Population in Private Households by Percentage, Spruce Grove, 2021	32
Table 9 Place of Work, Spruce Grove Municipal Census, 2023	36
Table 10 Single Detached Dwellings as a Percentage of Total Dwellings	40
Table 11 Affordability Analysis, Home Ownership.....	45
Table 12 Affordability Analysis, Rent.....	49
Table 13 Regional Housing Guide, Number of Units and Average Age of Units, 2024 ...	50
Table 14 Regional Housing Guide Rental Property Summary, Spruce Grove and Stony Plain, 2024	50
Table 15 Income Thresholds for Housing Assistance, Spruce Gove, 2023.....	51
Table 16 Regional Non-Market Dwelling Providers, 2024.....	51
Table 17 Core Housing Need Rate, Total Private Households, Comparison, 2021	53
Table 18 Assumptions, Projected Household Types by Number of Bedrooms.....	59
Table 19 Projected Housing Growth by Number of Bedrooms	59
Table 20 Projected Households in Core Housing Need, 2021 - 2029	59
Table 21 Percent of Units by Number of Bedrooms by Municipality, 2021	
Table 22 Home Ownership Affordability Analysis.....	63
Table 23 Rental Affordability Analysis	64

FIGURES

Figure 1 Changes to Consumer Price Index for Key Indicators, January 2021 – January 2024 8

Figure 2 Housing Continuum..... 10

Figure 3 Dwelling Types 12

Figure 4 Total Population, Spruce Grove, 2006 – 2021..... 15

Figure 5 Age Group Distribution by Count, Spruce Grove 2006 – 2021..... 17

Figure 6 Municipal Census Age Group Distribution, Spruce Grove, 2023 17

Figure 7 Visible Minority by Count, Spruce Grove, 2006 – 2021..... 19

Figure 8 Indigenous Identity by Count, Spruce Grove, 2006 – 2021 20

Figure 9 Mobility Status, Spruce Grove, 2011 – 2021..... 21

Figure 10 Number of Households by Count, Spruce Grove, 2006 – 2021 22

Figure 11 Households by Size Over Time, Spruce Grove, 2011-2021 23

Figure 12 Household Size, By Count, Comparison, 2021 24

Figure 13 Housing Units by Number of Bedrooms for Private Households by Count, Spruce Grove, 2011 – 2021 25

Figure 14 Private Households by Tenure, Spruce Grove, 2006 – 2021 26

Figure 15 Private Households by Tenure, Comparison, 2021 27

Figure 16 Number of Household Maintainers, Spruce Grove, 2011 – 2021..... 29

Figure 17 Primary Household Maintainer by Housing Tenure, Spruce Grove, 2021 29

Figure 18 Before Tax Household Income by Household Type, Spruce Grove, 2021 31

Figure 19 Median Income Comparison, 2006 – 2021 32

Figure 20 Unemployment Rate and Labour Participation Rates, 2006 – 2021 33

Figure 21 Unemployment and Labour Participation Rates by Comparison, 2021 34

Figure 22 Place of Work by Count Over Time, Spruce Grove, 2006 – 2021 35

Figure 23 Commute to Work, Spruce Grove, 2021 35

Figure 24 Municipal Census Employment Results, Spruce Grove, 2023 36

Figure 25 Housing Units by Structural Type for Private Households by Count, 2011 – 2021 39

Figure 26 Structural Type of Dwelling by Tenure, 2021	40
Figure 27 Tenure Across All Housing Types.....	36
Figure 28 Housing by Period of Construction for Private Households by Count, 2021...	41
Figure 29 Occupied Private Dwellings by Dwelling Condition, 2021	41
Figure 30 Residential Building Permits Issued, 2019 to 2024 YTD	42
Figure 31 Median Sales Price, 2019 - 2023	43
Figure 32 Monthly Average Market Rent Comparison, 2018 - 2023	46
Figure 33 Spruce Grove One-and Two- Bedroom Rent, 2018 - 2023.....	47
Figure 34 Vacancy Rates, Spruce Grove, 2000 - 2023	47
Figure 35 Core Housing Need by Tenure as a Percent of Total Owner Renter Households, Spruce Grove, 2021	53
Figure 36 Extreme Core Housing Need as a Percent of Core Housing Need, Spruce Grove, 2021	54
Figure 37 Core Housing Need by Criteria, 2021.....	54
Figure 38 Population Growth Projections	58
Figure 39 Household Projections, by Tenure.....	58

EXECUTIVE SUMMARY

The City of Spruce Grove (the City) initiated the development of this report, its first Housing Needs Assessment, in 2024, seeking to understand community demographics, the economy, household composition, existing housing stock, and community growth projections to inform the development of a forthcoming Housing Strategy. The City recognizes the importance of identifying housing need across the housing continuum within the community, and to provide a baseline against which future housing reports can be benchmarked. This executive summary provides key takeaways from each of the respective sections of the Housing Needs Assessment.

Spruce Grove is a dynamic and growing city. (demographics)

- Spruce Grove's population nearly doubled between 2006 and 2021, increasing from about 19,500 to more than 37,600 residents. According to the City's Municipal Census, the City's population increased by around 1,400 between 2021 and 2023.
- The City has grown by approximately 3.4% per year over the last 10 years (Municipal Census)
- Over the next 5 years, the City's population is projected to grow by approximately 8,000 residents.
- As the City's population has grown, its demographics have also shifted and diversified.
 - The population has aged slightly, increasing from 34.4 in 2006 to 36.0 in 2021.
 - Seniors accounted for 13% of the city's population in 2021, compared to 9% in 2006.
 - The proportion of the city's population identifying as a visible minority has more than quadrupled since 2006, increasing from 435 people in 2006 to 3,660 in 2021 (or from 2.2% of the total population to 9.8%).
 - Most newcomers to Spruce Grove are not necessarily recent newcomers to Canada: only 3.5% of new residents to Spruce Grove identified as migrants that had not lived in Canada the year prior to the Census.

Household changes reflect demographic shifts happening in Spruce Grove. (households)

- The number of households living in Spruce Grove has more than doubled between 2006 to 2021, increasing from 7,070 to 14,275.
- Average household sizes have decreased slightly over time, from 2.7 in 2006 to 2.6 in 2021.
- By 2029, there are projected to be over 17,500 households living in Spruce Grove, an increase of about 3,300 households from 2021.
- Growth in household numbers can be attributed to the increasing proportion of one-person households living in the city, representing 17.8% of all households in 2006 and 21.5% as of 2021.
 - At the same time, there has been a slight decrease in the proportion of two or more person households.
 - Some of the increase in one-person households may be attributable to older residents that are more likely to be living alone.
- Household tenure has also shifted over time. Renters accounted for less than one-in-five households (18%) in 2006, but by 2021, nearly a quarter of all households were renters (24%).
 - Renter households are projected to drive household growth in the future: by 2029, renter households are projected to account for 27% of all households in Spruce Grove.
- There has also been a shift away from single-income households towards dual-income households in Spruce Grove: in 2011, 44% of all households (4,240) were dual income, compared to 50% in 2021 (7,155).

Incomes have increased in Spruce Grove, but COVID-19 impacted employment rates. (economy)

- Spruce Grove's median household incomes have increased from about \$78,800 in 2006 to \$106,000 in 2021.
 - 2021's median household income is slightly lower than in 2016 (\$108,000), which can likely be attributed to the economic impact of COVID-19 in 2020 and 2021.¹
- Unemployment has remained persistently high in Spruce Grove and Alberta more broadly in the years following the pandemic. Unemployment rates in Spruce Grove hovered between 4-5% between 2006 and 2011, reaching 8% in 2016, and jumping to 10% as of 2021.
 - Unemployment rates in Spruce Grove are comparable to neighbouring communities in the region, ranging from 9-12% in 2021.

Spruce Grove's housing profile is changing with its demographics. (housing stock)

- Most of the housing stock in Spruce Grove consists of single-detached homes as of 2021 (63% of all housing in the city).
- However, this represents a decrease from 10 years prior: in 2011, 72% of the city's housing stock was single detached.
 - Development of small apartment buildings (11% of units in 2011, 15% in 2021), semi-detached houses (8% of units in 2011, 13% in 2021), and row houses (4% of units in 2011, 6% in 2021).
- Changes in the city's housing stock reflect changing market conditions, high cost of ownership of single-family homes, and shifting demographics (e.g. smaller household sizes)
- 60% of housing stock within Spruce Grove was built within the last 20 years and is reported to be in good condition through the 2021 census (i.e. no major repairs are needed).

Affordability is a challenge to ownership for key groups in Spruce Grove (homeownership)

- The median sales price of single-detached homes in Spruce Grove increased by 20% over the past five years to \$445,000 in 2023.
- Apartment units that are privately owned saw a 15% decline in median sales price to \$173,000 in 2023, suggesting that other forms of housing are more in demand for ownership.
- Single-detached dwellings are the most unaffordable form of housing in Spruce Grove. Median-earning couples with children and other types of families can reasonably afford a single detached home (i.e. spend less than 30% of income on shelter costs)
- Median earning non-census families (i.e. roommates or those that live alone), one-parent families, couples without children, and non-family households cannot afford to own a single-detached home in Spruce Grove without spending more than 30% of incomes on shelter costs.
- However, condominiums and apartment forms of dwellings are affordable for ownership for all median-earning household types.

¹ Household income data in the Census asks for income from the full year prior to the Census year. This means that the 2021 Census shows income data from 2020, which was also the most economically volatile year of the pandemic due to the uncertainty its early stages.

- Individuals on AISH, low-income seniors, and minimum wage earning full-time employees cannot afford ownership of any type of housing unit in Spruce Grove. These individuals must meet their housing needs through the rental market.

Purpose-built rental housing is increasingly expensive and scarce in Spruce Grove. (rental market)

- The cost of rental prices in Spruce Grove increased by 21% between 2018 and 2023, with average rents growing from \$1,200 per month to \$1,450. This trend is comparable to neighbouring communities.
- Vacancy rates have fluctuated significantly over the last 20 years and between 2016 and 2020, Spruce Grove has seen vacancy rates that are generally above the widely accepted 'healthy vacancy rate' of 3 to 5%
- With increased pressure in the primary rental market (i.e. purpose-built rentals), there is also likely increased pressure in the secondary market, which consists of secondary suites, condominiums, townhomes, and single-detached homes being rented privately.
 - CMHC does not monitor the secondary rental market in smaller urban centres. As per the 2024 Regional Housing Guide, there are 2,001 purpose-built rentals in Spruce Grove. Based on the total number of rental households in Spruce Grove (3,375), approximately 41% of the city's renters are living in the secondary rental market. These units are likely to be newer and/or better maintained than purpose-built units and therefore, may be more expensive.
- Market rental rates are affordable for all median-earning households in Spruce Grove. Households earning minimum wage, low-income seniors, or those receiving income supports (e.g. AISH) are unable to afford market rental housing in the city.

Increasing the supply of affordable housing for renter households is important moving forward. (non-market dwellings)

- There are currently 106 non-market rental units in and around Spruce Grove (including in Stony Plain and Wabamun), including 37 non-market and 26 income-tested units in Spruce Grove.
- The need for non-market rental units likely exceeds the number of units that are currently available in Spruce Grove. More work is needed to identify to quantify how many units would be needed to meet demand, in addition to the core housing need analysis presented below.
- There are no emergency or transitional housing units available in Spruce Grove, which means that individuals needing temporary or transitional housing supports must leave the city.

Renter households in Spruce Grove are at greater risk of being in core and extreme core housing need. (core housing need)

- In 2010, there were 1,210 households in Spruce Grove in core housing need (8.4% of all households, 780 renter households and 435 owner households). The percentage of households in core housing need has remained consistent since 2016.
 - With the overall growth of the number of households in Spruce Grove, the total number of households in core housing need has increased since 2016.
- Renter households are around six times as likely as owners to experience core housing need (23% of renter households compared to 4% of owners) and account for 64% of all households in core housing need in the city, despite comprising only 24% of all households in Spruce Grove.

- Nearly half (47%) of households in core housing need are experiencing extreme core housing need (i.e. spending 50% or more of their income on housing costs). Around 4% of all households in Spruce Grove are experiencing extreme core housing need.
 - Federal government Canadian Emergency Response Benefits provided through the pandemic may have suppressed core housing need in the 2021 Census period (i.e. core housing need decreased). With these benefits now concluded, the number of households in core and extreme core housing need may be underrepresented.
 - Inflationary pressures experienced since 2021 may have further increased overall levels of core housing need in Spruce Grove, as residents are grappling with increases to cost of living across the board.
- Core housing need data highlights the ongoing need for more affordable housing options in Spruce Grove, particularly to serve the community’s renters who are struggling most acutely.

Spruce Grove’s population is projected to reach more than 45,000 by 2029, with an additional 3,278 households calling the city home. More housing, especially affordable units, is needed to accommodate growth. (projections)

- Assuming a 2.6% average annual growth rate, the city’s population will grow by 7,841 individuals from the 2021 Census (or close to 6,500 based on the City’s 2023 Census)
- There will be an additional 3,278 households living in Spruce Grove by 2029, of which 1,877 are assumed to be owner households and the remaining 1,401 as renters.
- Based on current and projected future need, an additional 208 1-bedroom units, 677 two bedroom units, and 2,393 3+ bedroom units are required to accommodate population growth.
- If the percentage of households in core housing needs holds into the future, there may be 1,374 households in Spruce Grove in core housing need (out of 17,553 households projected), an increase of 256 households compared to 2021.

This Housing Needs Assessment was produced in an inflationary period whereby households within Spruce Grove are experiencing increased cost-of living and shelter related expenses. Mortgage rates have increased substantially over the past three years. As households begin to renew their 3 to 5-year mortgages, there may be increased financial pressures faced through this renewal. Additionally, costs associated with home ownership including insurance, maintenance costs, and utilities have also increased for many homeowners throughout the past three years.

1.0 INTRODUCTION

The City of Spruce Grove is a growing community of close to 39,000 residents as of 2023 (Municipal Census). Located approximately 11 kilometers west of Edmonton, Spruce Grove has a dynamic mixture of land uses to support the local and regional population and economy, including residential, industrial, commercial, and community uses. There are a range of housing options within the city, accommodating single person households, families, and seniors independent and assisted living arrangements. With continued growth comes additional demand for housing across the entire housing spectrum.

Working with the Town of Stony Plain and Parkland County, the City of Spruce Grove partnered to develop a Tri-Municipal Regional Housing Strategy (February 2021) with the objective of providing adequate, affordable, and diverse housing options in support of more diverse neighbourhoods, improved employment, accessibility, and overall social and economic health. This work included developing a regional Housing Needs Assessment (HNA) as well.

While the regional HNA provides a broad overview of housing need within the region, the City recognized the importance of completing its own HNA that focuses exclusively on housing within the municipality across the housing spectrum. The City initiated the development of a HNA in February 2024, seeking to understand community demographics, the economy, household composition, existing housing stock, and community growth projections to inform the development of a forthcoming Housing Strategy.

This document presents the findings of the HNA, which included the following research and analysis:

- Review of background plans, policies, and other City of Spruce Grove documents, as well as other information identified as pertinent to the provision of housing in the City.
- Analysis of demographic, economic, and housing data for the City of Spruce Grove.
- Visualization and analysis of key datasets utilizing Geographic Information Systems.
- Development of population projections and analysis of implications on housing need in Spruce Grove moving forward.

This report begins by presenting an overview the City of Spruce Grove within the context of the greater Edmonton Metropolitan Region, followed by a review of key plans and policies that are in place pertaining to housing. A comprehensive community demographic, economic, and housing profile is then presented, followed by population growth projections and implications.

1.1 OVERVIEW

Known as a community of choice within the Edmonton Metropolitan Region, Spruce Grove's population has been steadily increasing over time: the City was home to just 16,500 people as of 2001 (Statistics Canada Census data). Recognizing continued strong growth, the City conducted a Growth Study in 2016 that indicates the City's population is likely to increase by more than 25,000 between 2023 and 2044 under a medium growth scenario. When applying a medium-high growth scenario to this period, the City's population could increase by nearly 31,000. If growth trends continue in line with these projections, Spruce Grove may be home to between 64,700 and 69,850 people in just twenty years.

At a broader regional scale, the Edmonton Metropolitan Region has also experienced strong population growth. The Edmonton Metropolitan Region Board (EMRB) forecasts that the region's population could

reach 2.2 million by 2044, with total employment of more than 1.2 million. While the bulk of this growth is forecast for the City of Edmonton, strong growth is also forecast for municipalities within the region, including Spruce Grove. To accommodate continued population growth, communities within the Edmonton Metropolitan Region will need to develop new housing, different types and densities of housing, and ensure that there is strong integration between land use, transportation, environmental conservation, and economic development.

With Spruce Grove expected to have strong population growth in the coming decades, the timing is right for examining current and future housing need in the community. This Housing Needs Assessment (HNA) seeks to understand the current demographic, economic, and housing context in Spruce Grove, while also forecasting what housing need may look like in the future in the city. The HNA will be an important document for the City to refer in future planning exercises, including developing a Housing Strategy.

1.2 METHODOLOGY AND DATA SOURCES

Methodology

The City of Spruce Grove, with support provided by Urban Matters, worked together to develop this Housing Needs Assessment. The following methodology was used to develop the HNA:

1. Understand the Context

The first step in this work was to review pertinent documents, policies, and strategies identified by the City to help the project team to understand the broader planning and development context in Spruce Grove. This literature review helped the project team to understand broader trends and connections between the HNA and other initiatives or strategies in place within Spruce Grove related to housing.

2. Analyze the Data

The bulk of the HNA is based on quantitative analyses of various datasets pertaining to housing, including Federal Census data, Spruce Grove's Municipal Census data, CMHC data, building permits, and real estate market reports. The overall approach and purpose of these analyses is as follows:

- Explore community demographics and changes that have occurred over time, drawing on Census data (Federal and municipal) to identify factors that may drive housing need – now and into the future – including household compositions, age, incomes/employment, and other indicators.
- Establish a current snapshot of housing stock in Spruce Grove by looking at Census data on periods of development, unit condition, unit types/mix, tenure, and characteristics of household maintainers. Building permit and development datasets were also reviewed.
- Determine housing needs by examining household expenditures on shelter, incomes, average purchase and mortgage carrying costs, and median rents to determine overall affordability of various housing options in Spruce Grove
- Calculate future housing need by considering projected population and household growth relative to existing housing stock, looking at number of bedrooms required to accommodate new residents/households.

3. Connect the Dots

The final step of the HNA was to examine data insights in the aggregate to understand the overall picture of housing need in the community, as well as to develop high-level recommendations for the City of Spruce Grove to consider as it moves towards developing a longer-term Housing Strategy.

Data Sources

Government of Canada, Federal Census is conducted by Statistics Canada every 5 years. For most private dwellings, respondents were asked to complete the questionnaire for themselves and all members of the household. Most households in Canada receive a short-form questionnaire that covers the basic characteristics of households and individuals. A sample of approximately 25% of Canadian households receive a long-form questionnaire, which includes the same questions as the short-form, as well as a set of additional questions covering more detailed information according to household demographic, social and economic characteristics. The household characteristics estimates produced based on the long-form questionnaire survey responses are then weighted based on household sample weight² to represent the population living in private dwellings in municipalities and the country. All counts in census tabulations undergo random rounding, a process that transforms all raw counts into randomly rounded counts in order to reduce the possibility of identifying individuals in the tabulations.

The City of Spruce Grove municipal census was conducted between the federal census years. The most recent municipal census was conducted in 2023 after the 2018 municipal census. Secure access codes were sent to households for completing the census survey analysis online, while enumerators would visit residences where the census has not been completed. All households have the same questionnaire and there is no sampling for a different, detailed set of survey questions. Households are able to answer “prefer not to answer” on some demographic questions. The number of “prefer not to answer” responses have been identified throughout the document.

Canadian Mortgage and Housing Corporation (CMHC) data is utilized within this report primarily in understanding the primary rental market within Spruce Grove.

Real Estate Data has been sourced through Intelligence House Reports provided by the City of Spruce Grove and Realtors of Edmonton.

1.2.1 DATA LIMITATIONS

This section presents a variety of limitations that should be considered when interpreting the data within this report, looking specifically at data (statistical) limitations and the broader context within which this research has been conducted (e.g. high inflationary environment, trends in immigration, construction costs.).

² Adjustments include correction for total non-response of sampled households, and a calibration of the weights of respondent households to the totals derived from the census.

Statistics

This HNA presents available statistical information on demographics, the economy, and housing within Spruce Grove. This report draws heavily upon Statistics Canada Census data (2006, 2011, 2016, 2021). These datasets are backward looking in that they present information for periods in the past which may not reflect the current context within Spruce Grove. There are also challenges associated with utilizing 2011 census data, as the National Household Survey was voluntary and therefore should be considered as less reliable. However, utilization of 2011 data is limited in this report given that the mandatory census returned in 2016 and was also conducted in 2021. The next federal census is set to be conducted in 2026, at which point it will be important to revisit and update this HNA to understand community change and review accuracy of projections. Where appropriate, data from the City of Spruce Grove's Municipal Census (2023) have been incorporated. However, given different methodologies associated with municipal versus Federal censuses, these datasets are not directly compared within this report. Please see 2023 Census Demographic Report for more information on the methodology used for the Municipal Census.

Inflation

Notable developments that have occurred since the 2021 census include a rapid increase in inflation and a resulting increase in benchmark interest rates. Household cost of living has jumped significantly since 2021, with increases particularly noticeable within the housing market, rental market, and groceries.³

Figure 1 Changes to Consumer Price Index for Key Indicators, January 2021 – January 2024

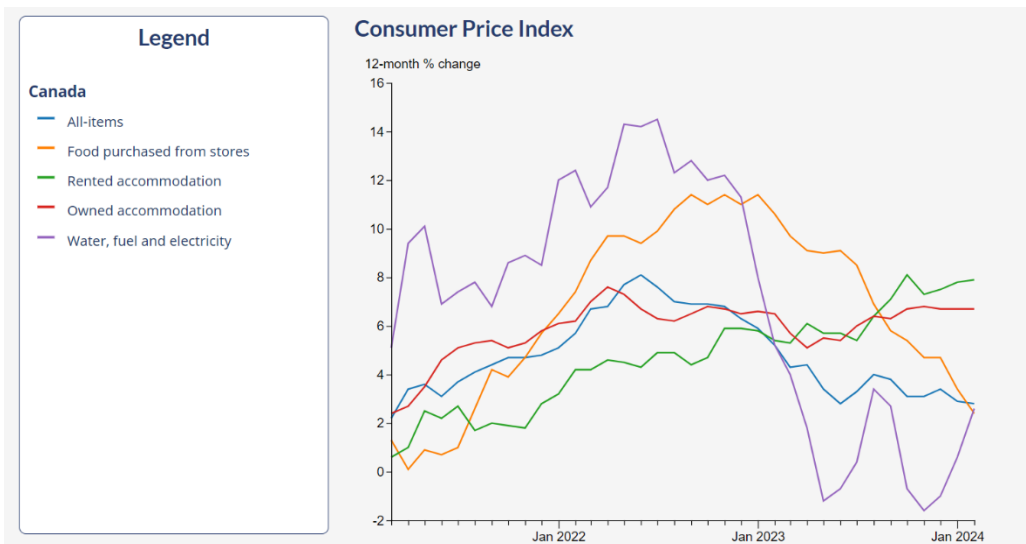


Figure 1 illustrates the average 12-month percentage change for key selected indicators between 2021 and February 2024. While the inflation rate for groceries and utilities has shown some decline, costs related to housing ownership and rented accommodations remain persistently high. As the census data

³ See *Statistics Canada, Consumer Price Index Data Visualization Tool*, Accessible at: <https://www150.statcan.gc.ca/n1/pub/71-607-x/2018016/cpilg-ipcgl-eng.htm>.

used in this report is taken from the 2021 census, inflationary impacts are not seen within the data. It should also be noted that Alberta's minimum wage has not increased since 2018, meaning that many minimum-wage earning households are further stretched to afford housing.

Immigration

Since the last federal census Canada has also seen a significant increase in international immigration because of changes in federal immigration policy. By 2026, the targeted number of new immigrants, excluding refugees, will increase to 500,000 (from 485,000 for 2024, compared to 341,180 in 2019, 184,370 in 2020, 405,330 in 2021, and 405,330 in 2022). Immigration is Canada's leading driver of population growth and is integral to the long-term economic future and sustainable social programs in the country. However, with inflation remaining high and housing shortages / price escalation being experienced in many communities, the federal government has recently announced restrictions on the number of new immigrants accepted, including students studying under international study permits.

Immigration to the Edmonton region has increased in recent years, with close to 22,000 immigrants arriving in 2022, compared to 6,600 in 2021, 12,796 in 2020, and 14,756 in 2019. Data also suggests that immigrants arriving to the Edmonton region are more likely to stay within the region over a ten-year period when compared to other metropolitan areas in Canada (~82% of immigrants to the Edmonton region stay for more than 10 years).⁴

Alberta, as well as Spruce Grove, have experienced a significant influx of refugees arriving from countries such as Syria, Sudan, and Ukraine. With rising global political instability, it is possible that there may be greater pressure on Canada's refugee system to accept more claimants in the future, particularly those fleeing from traumatic or violent situations. In addition to restrictions on new immigrants and international students, the number of refugee and humanitarian class entries to Canada will also be reduced from its current level of 110,000 per year to 72,750 in 2025.⁵

Construction Costs

Residential construction costs in Alberta, and Canada, are rising. Costs seen in Q3 of 2023 were 11% higher across the 11 largest Canadian cities than the year previous as labour shortages and supply chain issues presented challenges in access to building materials. Building costs were 65% higher in Edmonton in Q3 of 2023 when compared to 2017. This pressure on residential developers has resulted in higher housing costs being passed on to new home buyers. Although Altus Group costs cannot be compared year over year, in 2024 the per square foot costs of condo construction in Edmonton (up to 12 storeys) was between \$280 and \$335 per square foot, while single family home construction varies between \$175 and \$225 per square foot.⁶

⁴ From *Edmonton Global*, *Edmonton region leads in attracting and retaining international talent*, Accessible at: <https://edmontonglobal.ca/news/attracting-and-retaining-international-talent-in-canda/>.

⁵ See *Government of Canada*, *Immigration, refugees and Citizenship Canada, An Immigration System for Canada's Future: Strengthening our Communities*, Accessible at: <https://www.canada.ca/en/immigration-refugees-citizenship/campaigns/canada-future-immigration-system/plan.html>.

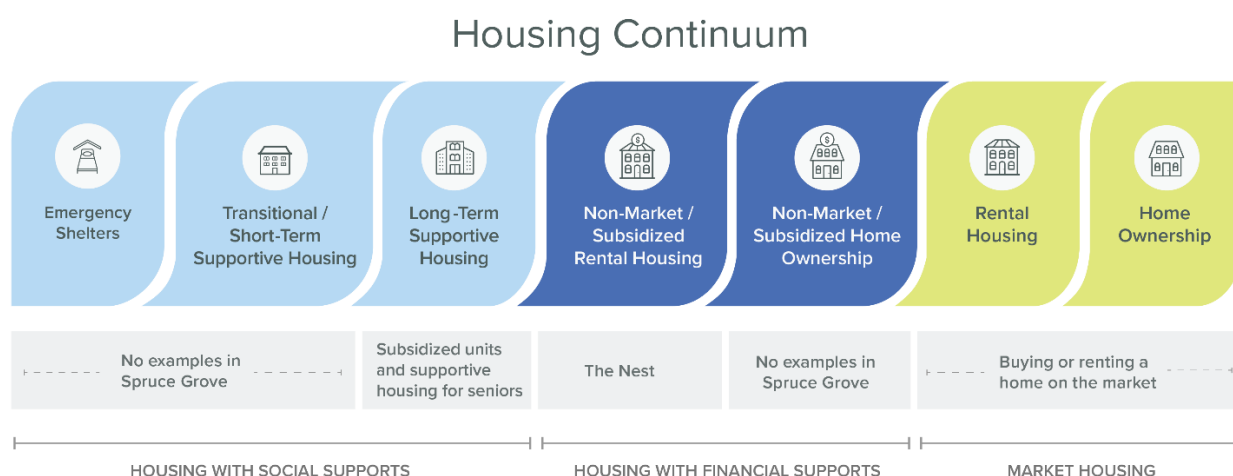
⁶ <https://www.altusgroup.com/featured-insights/canadian-cost-guide/>

An Urban Development Institute of Edmonton Report produced in 2023 outlines the costs and processes associated with developing a new home in the Edmonton Region. This document states that costs associated with acquiring the land, neighbourhood design, financing, planning, engineering, construction and selling the homes all contribute to the increases seen in the development of new homes in the region. The costs to service each new lot were estimated at over \$45,800 which does not include the costs associated with land acquisition.⁷

1.3 HOUSING CONTINUUM

The housing continuum or housing spectrum is a concept used to describe a range of housing options available to help individuals across different demographic groups access attainable, adequate, and safe housing. The housing continuum is a common standard used to understand available housing options in a municipality. It describes a range of housing tenures including emergency shelters, transitional and supportive housing, non-market rental and ownership options as well as market rental and ownership options that are seen within communities. Communities should have a diversity of housing options along the spectrum to accommodate the housing needs of community members as their circumstances change. Housing options along the continuum can take many forms, as seen in Figure 2.

Figure 2 Housing Continuum



Definitions of key terms found within this document are consistent with definitions utilized in regulatory (Land Use Bylaws and Policy) documents within the municipality. Key terms have been summarized below. For other typologies along the housing continuum not defined in City documents, definitions are also provided.

Affordable Housing: (Land Use Bylaw C-824-12): A Dwelling shall be deemed as Affordable Housing when the cost of purchasing or renting the dwelling inclusive of heating costs are no more than 30% of the annual Core Needs Income Thresholds for Spruce Grove as determined by the Canada Mortgage and

⁷ Reports - Urban Development Institute Edmonton Metro (udiedmonton.com).

Housing Corporation. The Core Needs Income Threshold for Spruce Grove is posted annually on the Province of Alberta, Municipal Affairs website.

Apartment: : A room or suite of rooms used as living quarters. A dwelling unit in a multi-unit residential building. Apartments can be rented or owned.

Acceptable Housing: Housing that is adequate in condition, suitable in size, and affordable.

Adequate Housing: Does not require any major repairs, according to residents. Major repairs include those to defective plumbing or electrical wiring, or structural repairs to walls, floors or ceilings.

Core Housing Need: (CMHC): A household is in core housing need if its housing does not meet one or more of the adequacy, suitability or affordability standards and spends 30% or more of its before-tax income to pay the median rent (including utility costs) of alternative local market housing that meets all three standards. A household is in extreme core housing need if spending more than 50% of its before-tax income to pay for shelter.

Dwelling: (Land Use Bylaw C-824-12): A complete building or self-contained portion of a building used by a household, containing a kitchen, living, sleeping and sanitary facilities intended as a permanent residence and having an independent entrance either from the outside of the building or through a common area inside the building. Dwelling shall also mean dwelling unit.

Emergency Shelters: Facilities that provide temporary, short-term accommodation for homeless individuals and families. In some cases, emergency shelters may also provide other supports including food, clothing, or other services such as counselling.

Greenfield Development: New housing developed in previously undeveloped areas.

(Housing/Dwelling) Form: The physical size, shape, and configuration of a residential development, including but not limited to single detached dwellings, semi-detached dwellings, multi-unit dwellings, and apartments buildings.

Market Housing: Housing that is produced by the private sector that is rented or sold at current market rates. Rental housing refers to residential properties that are rented to tenants in exchange for regular rental payments. Home ownership refers to a dwelling that is privately purchased at market rates, typically involving regular mortgage payments.

Multi-Family Residential: (CP-1042-22 - Property Tax Distribution Policy): Properties that encompass four (4) or more residential units on one land parcel, under one ownership structure.

Non-Market Housing: Housing that is designed for independent living by individuals or families who cannot afford housing at market rates, or who have needs that are not being met by market housing.

Row Housing: (Land Use Bylaw C-824-12): A development of three or more dwellings joined in whole or in part at the side or stacked vertically (maximum of two dwellings).

Semi-Detached Dwelling: (Land Use Bylaw C-824-12): A building that contains two dwelling units that share a common wall, each with separate entrances.

Single Detached Home or Single Detached Dwelling: A stand alone home that is not attached to another house.

Suitable Housing: Suitable housing has enough bedrooms for the size and make-up of resident households, according to guidelines outlined in National Occupancy Standard (NOS). For example, enough bedrooms based on NOS means one bedroom for each cohabiting adult couple, one for unattached household member 18 years of age and over and one for each same-sex pair of children under age 18. A household of one individual can occupy a bachelor unit (i.e. a unit with no bedroom).

Supportive Housing: Stable housing that is provided on a short- or long-term basis that is specifically designed and operated to provide a safe, secure, home-like environment for tenants that may require additional living supports. Common supports provided include social services, provision of meals, housekeeping, and social/recreational activities that respect tenants' independence, privacy, and dignity.

Tenure: Refers to whether a residence is owned, with or without a mortgage, or rented, with or without fully or partially subsidized dwelling costs. Tenure applies to all dwelling forms in the housing spectrum.

Transitional Housing: Stable housing provided as a short-term step between emergency housing and long-term housing. Supports may also be provided to tenants to help stabilize their long-term housing situation.

The image below demonstrates different dwelling types that are seen in Spruce Grove. All of these dwelling types can be rented or owned.

Figure 3 Dwelling Types



1.4 POLICY CONTEXT

The City of Spruce Grove has a complete planning and policy framework in place to accommodate anticipated growth. As a member of the Edmonton Metropolitan Region, the City is also guided by regional land use and development policies established by the Edmonton Metropolitan Region Board (EMRB), in addition to legislative requirements outlined under the Province of Alberta's *Municipal Government Act* (MGA), *Land Use Framework*, and *Alberta Land Stewardship Act*.

The EMRB Growth Plan (2020) establishes regional policy to guide development to 2047. Spruce Grove falls within the EMRB Growth Plan's Metropolitan Area policy tier, with growth directions including intensification of built-up urban areas, encouraging compact and contiguous development in greenfield areas, encouraging transit-oriented development, supporting employment growth, and supporting the development of market affordable and non-market housing and support services. The EMRB Growth Plan also establishes a minimum greenfield density target of 35 dwelling units per net residential hectare and an intensification target whereby 10% of new residential development should be targeted for existing built-up areas through intensification and infill development.

All statutory planning documents in Spruce Grove must conform with the EMRB Growth Plan. The highest level planning document in the City is the Municipal Development Plan (MDP), which guides physical, social, economic, and environmental development in the municipality. The City is in the process of updating its MDP as of April 2024. The draft MDP identifies that single-family dwellings represent approximately two thirds of Spruce Grove's existing housing stock and establishes policy directions to diversify the city's housing typology, increase density of dwellings, and improve connectivity between residential and non-residential areas. The overall vision proposed by the draft MDP is a more dense, and interconnected Spruce Grove. Accommodating population growth, an aging population, and diversifying dwelling options available are key priorities.

There are also several plans in place that guide development of specific areas within Spruce Grove in greater detail, including the City Centre Area Redevelopment Plan (ARP) (2020) and various Area Structure Plans. The City Centre ARP establishes a vision, direction, and supporting principles for the City Centre area for the next 15+ years of development. Attracting mixed-use commercial with higher density residential uses are objectives of the ARP, with a large area of the City Centre identified for 'Urban Living', or multi-unit residential units. Higher density and mixed use residential development will help to achieve the EMRB's Growth Plan targets of 100 dwelling units per net residential hectare and the City is making significant investments in the city centre plan area to expand infrastructure to accommodate greater intensification.

There are currently ten Area Structure Plans (ASPs) in effect in Spruce Grove, many of which pertain to residential development. Typical future land use concepts identified in these ASPs include low-, medium-, and high-density residential development, along with mixed use development. ASPs are regularly updated to reflect changing market conditions or emergent development trends.

Finally, the City of Spruce Grove's Land Use Bylaw (LUB) (2023) regulates the use and development of land and buildings within the City according to the higher-level direction established by the plans outlined above. There are several residential districts within the LUB, each of which permits different dwelling typologies. Residential development can also occur within the C4 – Integrated Mixed-Use District and through various Direct Control provisions. The LUB also establishes a density bonusing mechanism to

incentivize higher density and affordable dwelling development by exchanging additional density for affordable dwelling units. Land use designations can be changed through the rezoning process.

Other regulations affecting residential development in Spruce Grove include:

- **Municipal Utility Services Bylaw (C-866-14)** – Outlines and regulates the process for connecting developments to municipal water, wastewater, and waste management utilities. Municipalities use different bylaw processes and costs related to water hook ups, metering, and installation for multi-family development.
- **Property Tax Bylaw (C-1260-23)** – Each year the City of Spruce Grove assesses properties in the municipality and sets tax rates based on class of property. The mill rate is established via bylaw.
- **Development Fees and Fines Bylaw (C-1268-23)** – Outlines development fees and charges collected by the City of Spruce Grove for residential development. These charges change from year-to-year.
- **Property Tax Distribution Policy (CP-1033-21)** – As permitted within the MGA, municipalities can tax land uses at different rates, including forms of dwellings. This policy outlines a differential tax rate within the City of Spruce Grove between single family residential and multi-family residential properties, with multi-family properties being taxed at a higher rate as they represent businesses (1.4 times the rate of single family residential, an increase from 1.1 times as stated in the 2008 policy). The City currently does not differentiate between market or non-market/affordable multi-family developments.

As part of this HNA, a comprehensive review of other documents, plans, and strategies pertaining to dwellings in Spruce Grove were also reviewed (presented under a separate cover). Key takeaways include:

- **Spruce Grove’s population is growing – and aging.** Higher percentages of older adults (60+) are comprising the city’s population as it grows. This trend will have implications on what types of dwellings should be located where in the city to enable aging in place.
- **Most of Spruce Grove’s housing stock are single-detached units.** Single-detached homes account for more than 60% of all dwelling units in the city.
- **Occupancy rates are high and vacancy rates are low.** The 2023 residential occupancy rate in the city was just over 89%, a decrease from 94% in 2018. Vacancy rates were around 3.04%, in line with CMHC’s recommended threshold of 3%.
- **More than three-quarters of Spruce Grove households own their homes.** Comparative to 24% that rent. With interest rates having increased significantly over the last number of years, many households renewing their mortgages in 2024 and beyond may face higher carrying costs. With higher than provincial median household incomes (\$106,000 compared to \$96,000), Spruce Grove households may be better positioned to navigate a high interest environment than those living in other communities.
- **Spruce Grove’s population is expected to reach 64,700 to 69,850 by 2044.** Approximately 64% of the city’s available land base has been absorbed as of 2016 and an additional 22 quarter sections of land will be required to accommodate future growth. Based on approved ASPs, the City will be able to accommodate an additional 27,000 residents through existing development areas (sufficient for a medium-growth scenario). If the City were to experience a medium-high growth

scenario, additional growth would need to be accommodated within lands annexed in 2021 (514 ha).

- **Housing development across the housing spectrum is supported in documents examined.** There is strong support for diversifying, densifying, and increasing non-market affordable and supportive dwellings in the community as articulated in Council’s Strategic Plan (2022-2025), draft Municipal Development Plan (2023), Social Sustainability Plan (2023), and Climate Action Plan (2022).

2.0 COMMUNITY PROFILE

Understanding the composition of Spruce Grove is important in developing an understanding of community housing need. Community growth, demographic breakdown, economic circumstance, and household composition are vital components in understanding the current housing situation within a community and what gaps in housing need are present today and into the future.

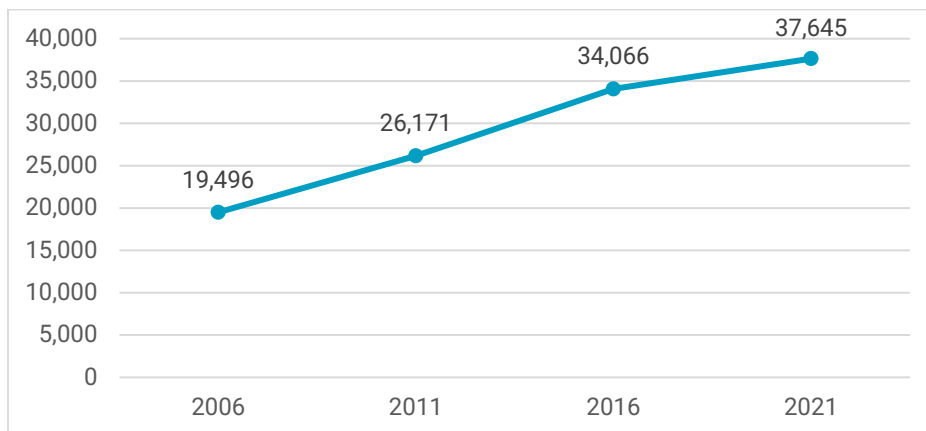
2.1 DEMOGRAPHICS

Understanding community growth through census data supports the municipality in understanding speed of growth and development over time. As the last federal census was undertaken in 2021, we have also included results of the age breakdown within the 2023 municipal census to demonstrate growth experienced within the municipality more recently.

2.1.1 POPULATION

Total population growth supports the municipality when considering future housing need in relation to the community’s historic growth trends.

Figure 4 Total Population, Spruce Grove, 2006 – 2021⁸



⁸ From Statistics Canada Census Program, Census Profiles 2006, 2011, 2016, and 2021.

Data Analysis (Figure 4)

- The population of Spruce Grove per the 2021 census is 37,645.
- The population of Spruce Grove per the 2023 municipal census is 38,895.
- The population of Spruce Grove has grown by 93% between the 2006 census period and the 2021 census period.

2.1.2 AGE

Trends in the age breakdown of a municipality supports increased understanding of housing needs across different stages of life. Within this section the age of the population of Spruce Grove was broken into the segments that represent stages of life with different housing need.

Table 1 Median Age, Spruce Grove, 2006 - 2021⁹

	2006	2011	2016	2021
Median Age	34.4	33.7	34.0	36.0

Table 2 Median Age, Comparison, 2021¹⁰

	Spruce Grove	Airdrie	Leduc	St. Albert	Strathcona County	Stony Plain
Median Age	36.0	35.6	35.6	42.4	42.4	40.8

Data Analysis (Table 1 and Table 2 Table 1 Median Age, Spruce Grove, 2006 - 2021 Table 2 Median Age, Comparison, 2021)

- The median age of residents in Spruce Grove has increased over the last four census periods from 34.4 to 36.0 years of age. This is on par with the median age of Edmonton (36.8) and slightly younger than the median age of the Province of Alberta which is 38.
- The median age of Spruce Grove (36.0) is close to the median age of Airdrie (35.6) and Leduc (35.6) but lower than St. Albert, Strathcona County and Stony Plain by 4-6 years.
- It is notable that the population of Spruce Grove is four years younger than the population of Stony Plain, as both communities are close in proximity and likely share some services.
- The median age of residents in Spruce Grove per the 2023 municipal census is 38.

⁹ See Statistics Canada Census Program, Census Profiles 2006, 2011, 2016, 2021.

¹⁰ See Statistics Canada Census Program, Census Profiles, 2021.

Figure 5 Age Group Distribution by Count, Spruce Grove 2006 - 2021¹¹

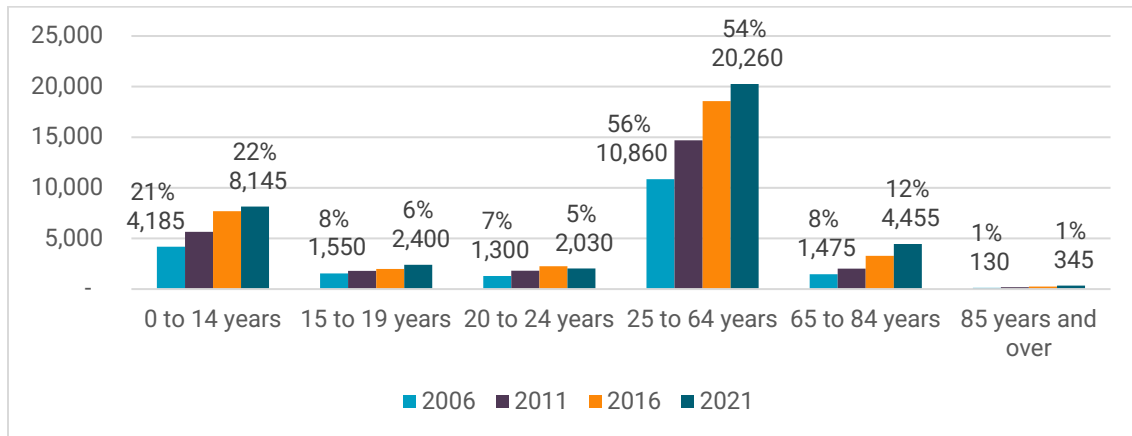
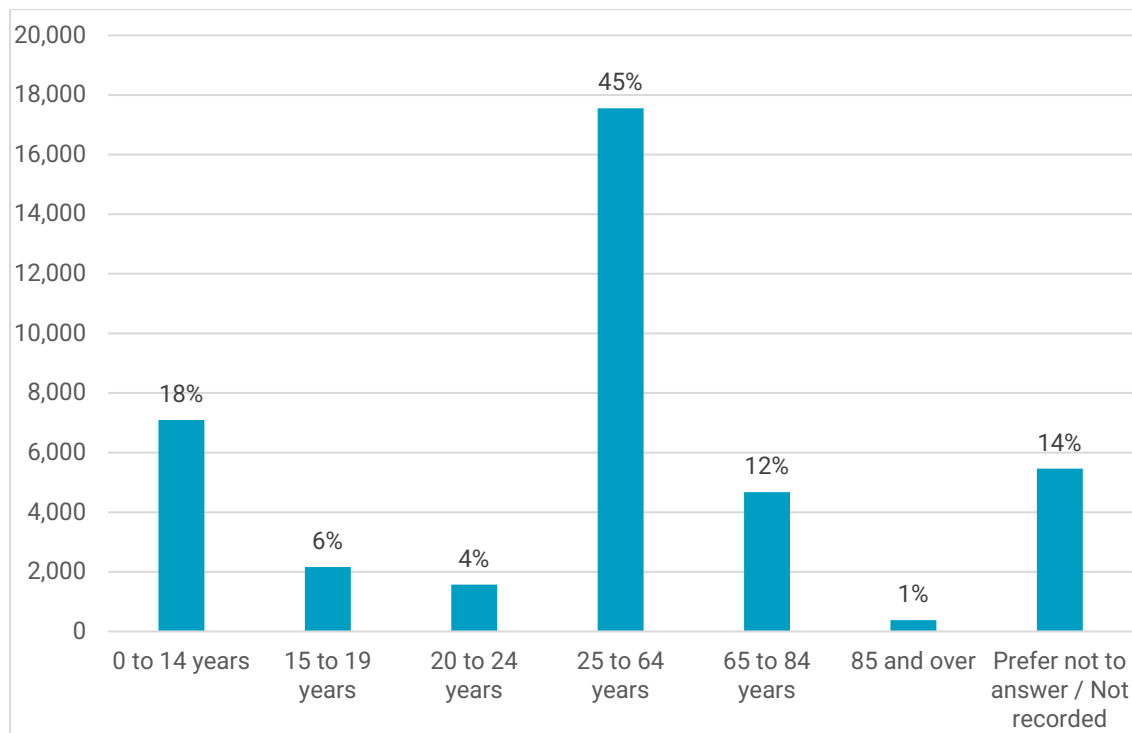


Figure 6 Municipal Census Age Group Distribution, Spruce Grove, 2023¹²



Data Analysis (Figure 5, Figure 6)

¹¹ From Statistics Canada Census Program, Census Profiles 2006, 2011, 2016, 2021.

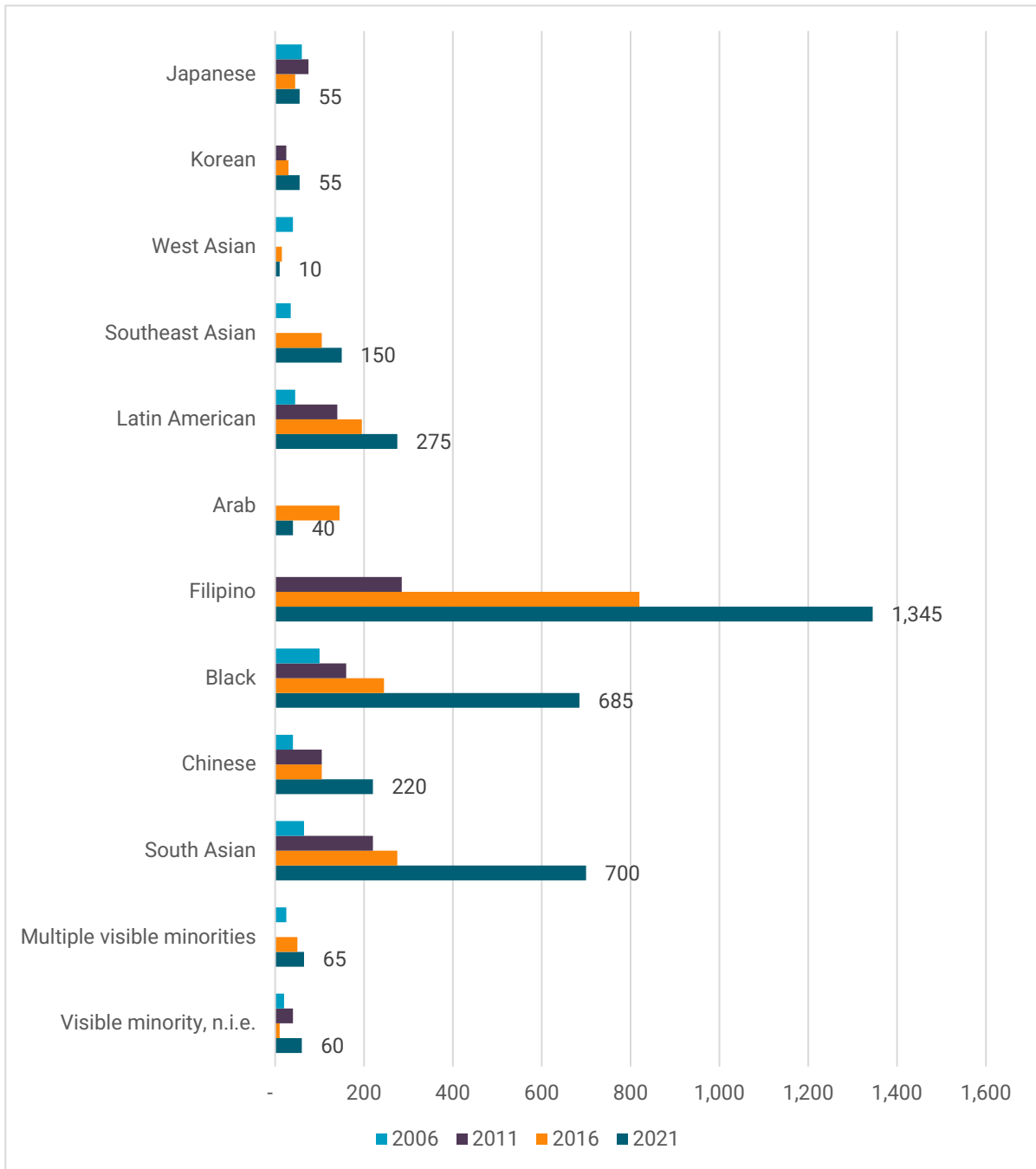
¹²From Spruce Grove Municipal Census, 2023. Note an additional count of 5,463 either were not recorded or selected “prefer not to answer” to this question.

- In both the Federal and Municipal census, the population of Spruce Grove between 25 and 64 represents the largest segment of the total population.
- The overall demographic breakdown of respondents completing the Municipal Census closely mirrors demographic data presented in the 2021 Federal census.
- This segment of the population was 56% of the total population in the 2006 federal census and 54% in the 2021 census. The largest population difference between 2006 and 2021 is 4% growth within the 65-84 age group from 8% to 12%. Over the same period, the Edmonton Metropolitan Region saw 2% growth within the 65-84 age group.
- Notably, the 20-24 age group represents 2% less of the population in Spruce Grove in the 2021 census when compared to the 2006 census.
- When exploring the youth population and senior population over time, both groups remain quite consistent as a portion of the total population. 21% of the population in 2006 was under 14 years of age which is quite consistent with the 22% of the population under 14 in the 2021 census. The percent of individuals over 85 remained consistent over census periods at 1%. Within the Edmonton Metropolitan Region, the percentage of the population over 85 was 1% in 2006 and 2% in 2021.

2.1.3 VISIBLE MINORITY AND INDIGENOUS POPULATIONS

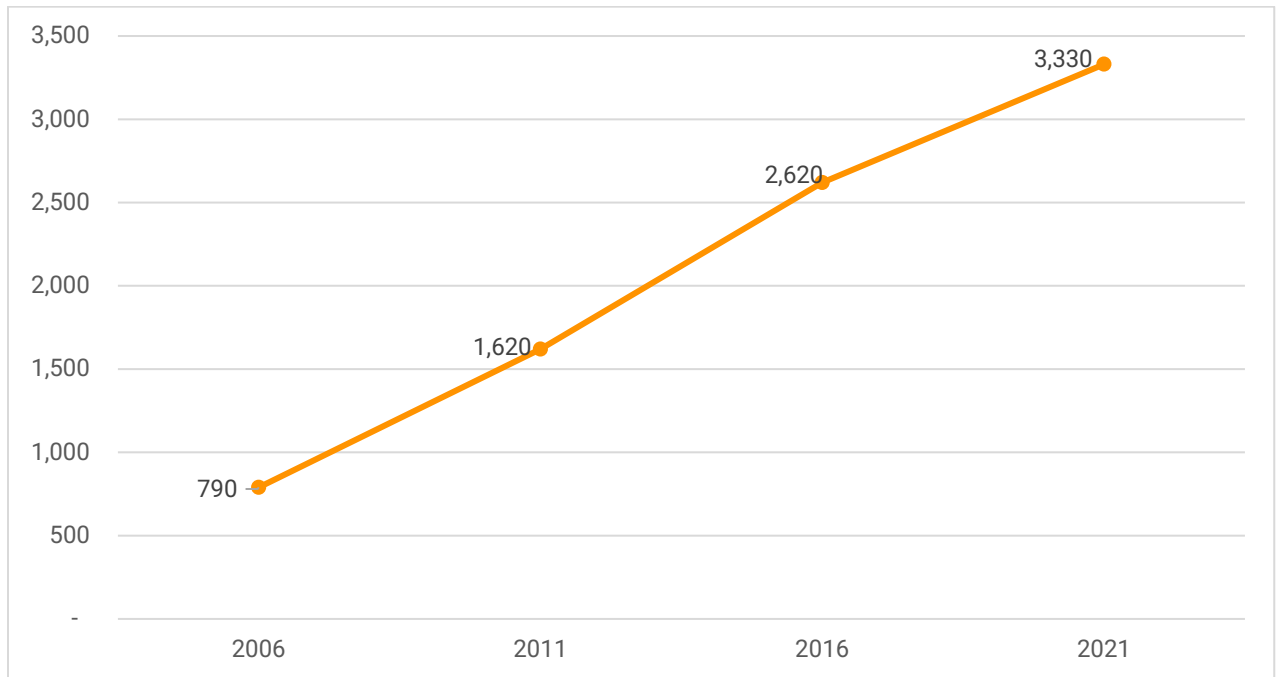
Within population growth, it is important to understand growth in visible minority and Indigenous individuals within the community. Growth in visible minority and Indigenous populations may indicate there is opportunity to create housing partnerships to address the needs of a diversifying community.

Figure 7 Visible Minority by Count, Spruce Grove, 2006 - 2021¹³



¹³ See *Statistics Canada Census Program, Census Profiles 2006, 2016, 2021, NHS Profile 2011*. Note the classification “visible minority n.i.e.” notes individuals who wrote in an identity not noted elsewhere.

Figure 8 Indigenous Identity by Count, Spruce Grove, 2006 - 2021¹⁴



Data Analysis (Figure 7, Figure 8)

- Between 2006 and 2021 Spruce Grove saw a 741% increase in those who identified as a visible minority. The largest growth was seen in individuals who identified as Filipino. Zero individuals in Spruce Grove in 2006 which grew to over 1,300 in the 2021 census. This growth was also evident as a percent of total population of Spruce Grove whereby 2% of the population identified as a visible minority on the 2006 census, this increased to 10% of the total population in 2021.
- Substantial growth in the number of individuals who identified as Indigenous in the census was also experienced between the 2006 and 2021 census. Between census periods 322% growth was seen in individuals identifying as Metis, Inuit or First Nations. This growth was also evident as a percent of total population of Spruce Grove where the community saw an increase from 4% to 9% of total population.

2.1.4 MOBILITY

Mobility status denotes the status of a person with regard to their place of residence on Census Day in relation to their place of residence on the same date 1 or 5 years earlier. This includes the following types of movers:

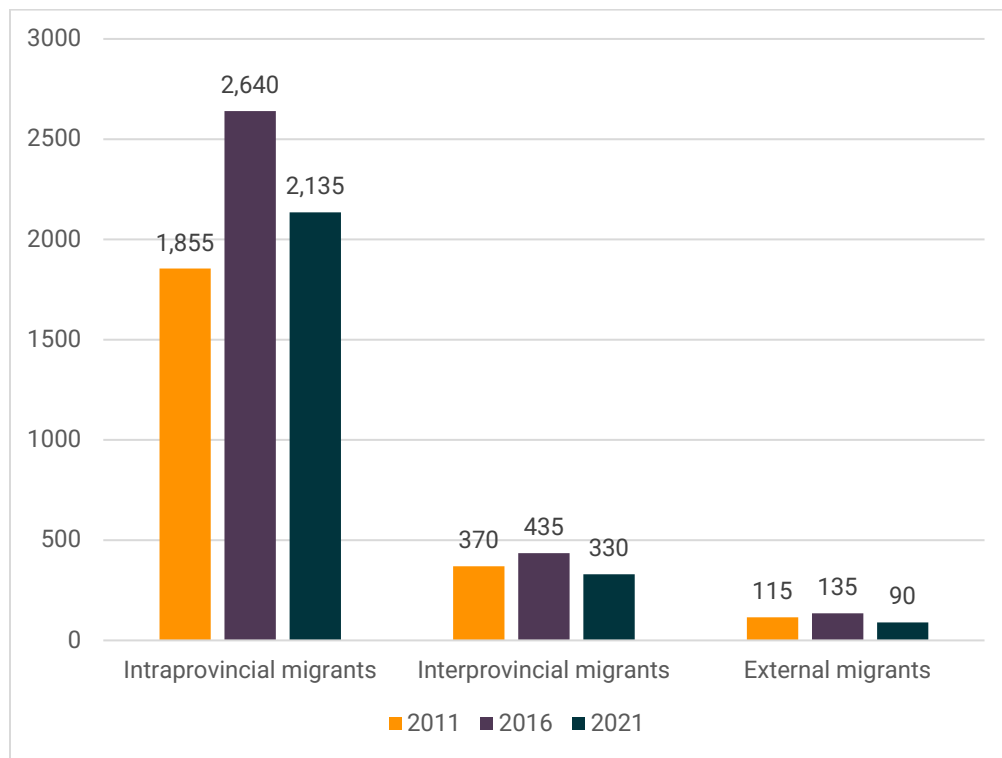
- Internal migrants: persons who moved to a different city, town, township, village, municipality or Reserve within Canada. Internal migrants are further defined as inter or intraprovincial migrants.

¹⁴ See Statistics Canada Census Program, Census Profiles 2006, 2016, 2021, NHS Profile 2011.

- Interprovincial migrants are individuals that have moved between provinces 1 or 5 years earlier.
- Intraprovincial migrants are individuals that have moved within the province 1 or 5 years earlier.
- External migrants: are persons that did not live in Canada 1 or 5 years earlier.

Understanding where individuals are moving from when they come to Spruce Grove, or if they are moving within Spruce Grove, can support the municipality in understanding who may be moving the community in the future and how to plan for future housing growth.

Figure 9 Mobility Status, Spruce Grove, 2011 - 2021¹⁵



Data Analysis (Figure 9)

- As the 2021 census was undertaken in the midst of the COVID-19 pandemic there may be implications in the number of people who moved. Covid-19 presented a situation whereby there was a lot of uncertainty around circumstances. Both 2016 and 2021 saw large numbers of internal and intraprovincial migrants indicating that most mobility is seen to Spruce Grove from within the Province of Alberta.

¹⁵ From Statistics Canada Census Program, Census Profiles, 2016, 2021, NHS Profile 2011. Note no data available for 2006.

2.2 HOUSEHOLDS

Household data in Spruce Grove explores the composition of households, age of primary maintainers in Spruce Grove, dwelling types, tenure (renters vs. owners) and household incomes. Understanding these factors supports the municipality in understanding where gaps may be present, and where challenges may present themselves for households in Spruce Grove into the future.

Figure 10 Number of Households by Count, Spruce Grove, 2006 - 2021¹⁶

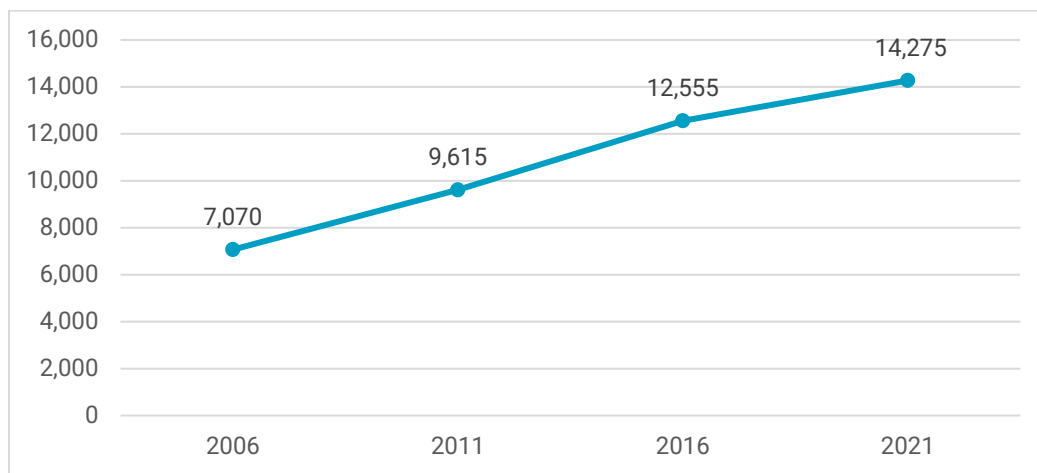


Table 3 Number of Households, Comparison, 2021¹⁷

	Spruce Grove	Airdrie	Leduc	St. Albert	Strathcona County	Stony Plain
Number of Households	14,275	26,295	12,960	25,935	37,125	7,135
Total Population	37,045	74,100	34,094	68,232	99,225	17,993
Population Growth in Total Households (2016 to 2021)	11%	20%	14%	4%	1%	5%

Data Analysis (Figure 10, Table 3)

- The number of households in Spruce Grove has grown 102% between the 2006 and 2021 census.
- In comparison to the other communities explored throughout this housing needs assessment Spruce Grove has more households than Leduc and Stony Plain and is considerably smaller than Airdrie, St. Albert, and Strathcona County.

¹⁶ From Statistics Canada Census Program, Census Profiles 2011, 2016, 2021

¹⁷ See Statistics Canada Census Program, Census Profile 2021

- The population growth in total households between the 2016 census and 2021 in Spruce Grove was 11%, lower than Airdrie (20%) and Leduc (14%) but higher than St. Albert (4%), Strathcona County (1%) and Stony Plain (5%).

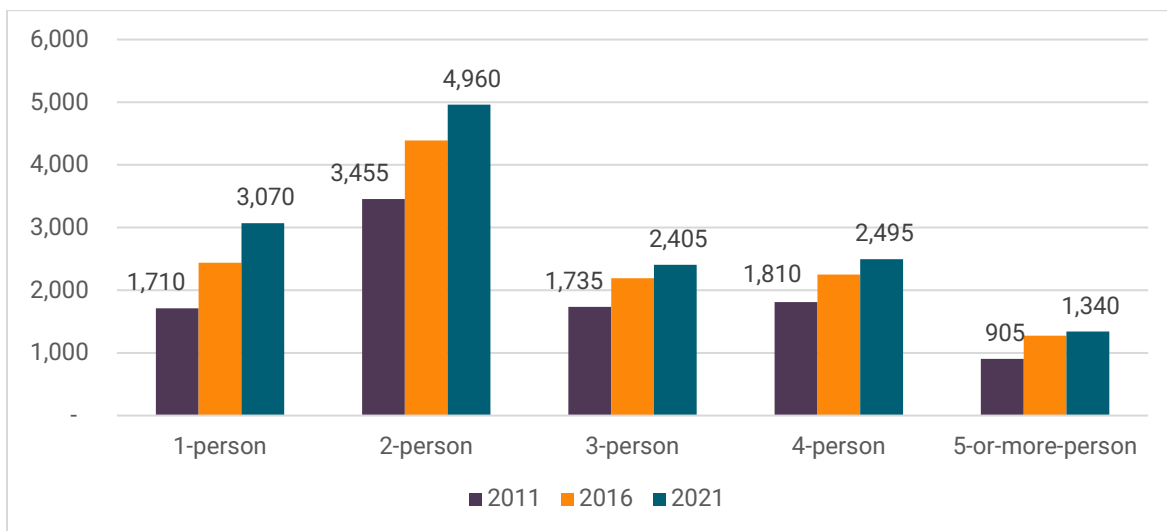
2.2.1 HOUSEHOLD SIZE

Household size denotes the number of individuals who live within a home. Changes in household size can signal that the make-up of households within a community more broadly are changing and therefore, dwelling types may have to shift to support them. Number of bedrooms within households in Spruce Grove is included within this section to illustrate how current household size compares to the dwelling options available within Spruce Grove.

Table 4 Average Private Household Size, Spruce Grove, 2006 -2021¹⁸

	2006	2011	2016	2021
Average Private Household Size	2.7	2.7	2.7	2.6

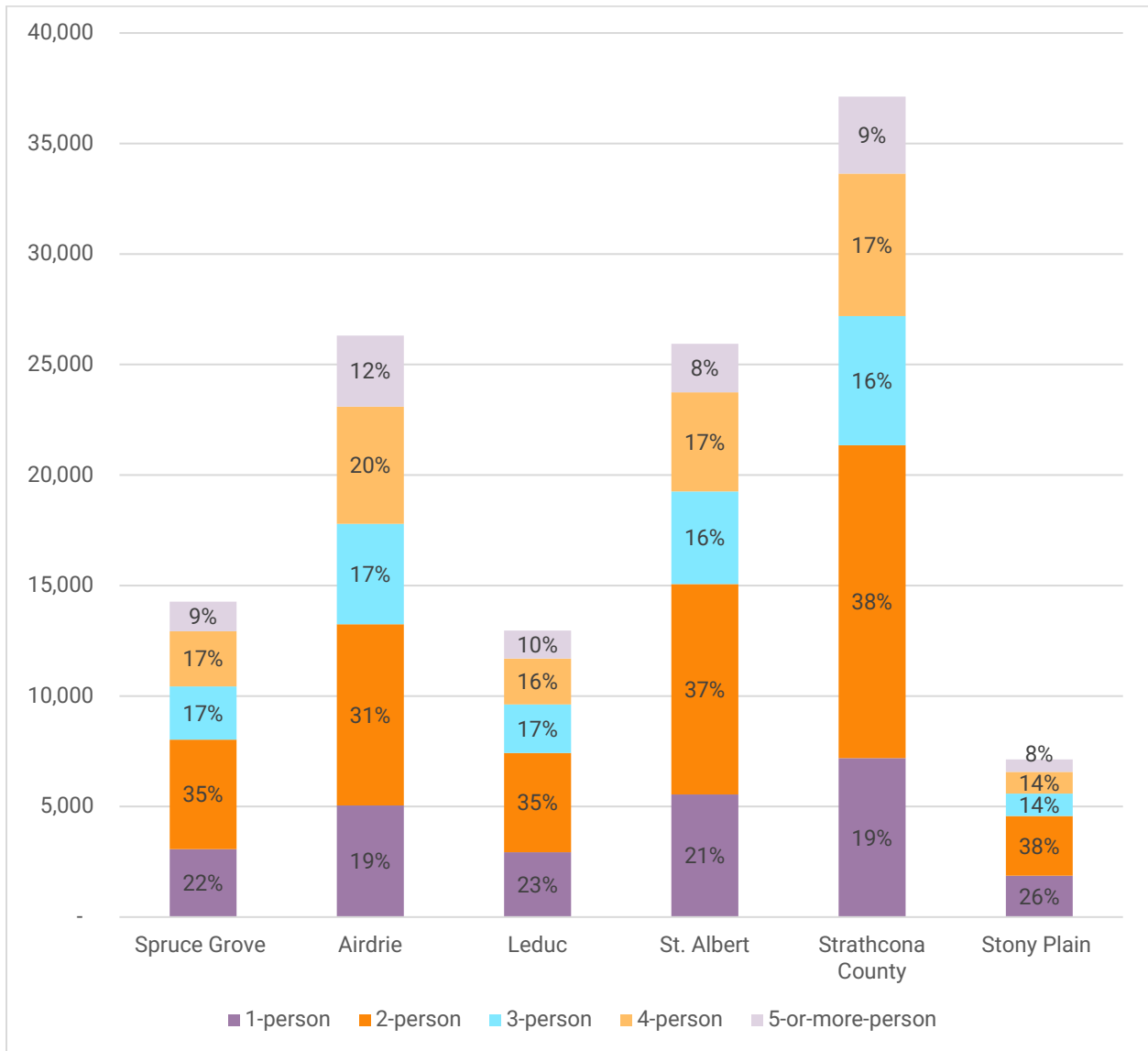
Figure 11 Households by Size Over Time, Spruce Grove, 2011-2021¹⁹



¹⁸ See *Statistics Canada Census Program, Census Profiles 2006, 2011, 2016, 2021*.

¹⁹ From *Statistics Canada Census Program, Census Profiles 2011, 2016, 2021*. Note no data available for 2006.

Figure 12 Household Size, By Count, Comparison, 2021²⁰

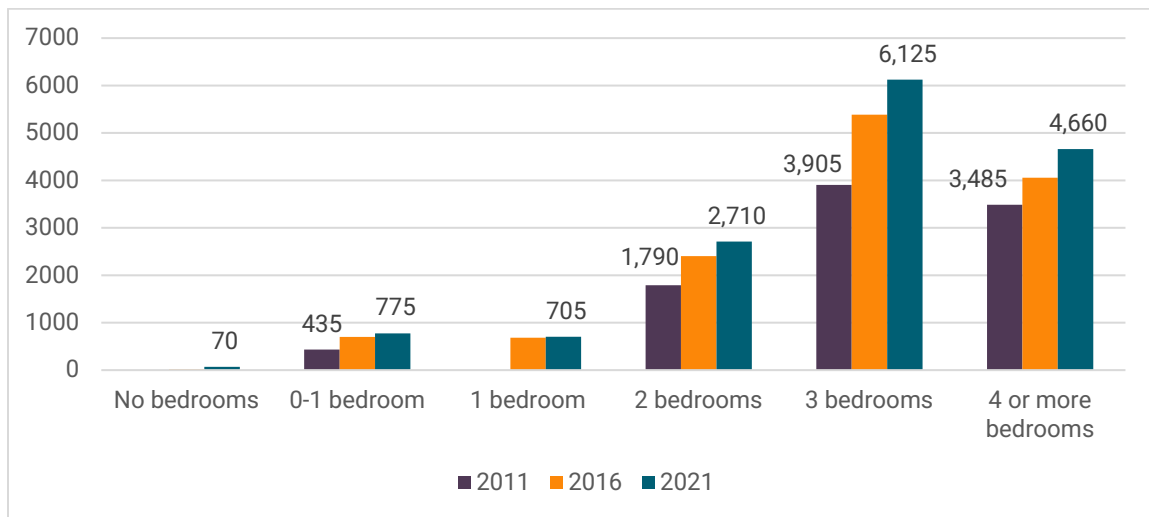


²⁰ From Statistics Canada Census Program, Census Profile 2021.

Table 5 Household Size by Count, Comparison, 2021²¹

	Spruce Grove	Airdrie	Leduc	St. Albert	Strathcona County	Stony Plain
1-person	22%	19%	23%	21%	19%	26%
2-person	35%	31%	35%	37%	38%	38%
3-person	17%	17%	17%	16%	16%	14%
4-person	17%	20%	16%	17%	17%	14%
5-or-more-person	9%	12%	10%	8%	9%	8%

Figure 13 Housing Units by Number of Bedrooms for Private Households by Count, Spruce Grove, 2011 - 2021²²



Data Analysis (Table 4, Figure 11, Figure 12, Table 5, Figure 13)

- The average household size in Spruce Grove has remained consistent over census periods. At the 2021 census the average household size in Spruce Grove was 2.7 people. This is consistent with the average household size in Alberta in 2021 of 2.6 people; and the findings of the 2023 Spruce Grove Municipal census which also found average household size to be 2.6 people.
- As the number of households has increased, so too has the proportion of one and two person households from 54% of total households to 56% of total households this represents an increase in 2,865 one and two person households.
- The municipal census indicates that 55% of households in Spruce Grove are one and two person households, however the methodology utilized within the municipal census does not allow for direct comparison to the federal census.

²¹ See Statistics Canada Census Program, Census Profiles 2021.

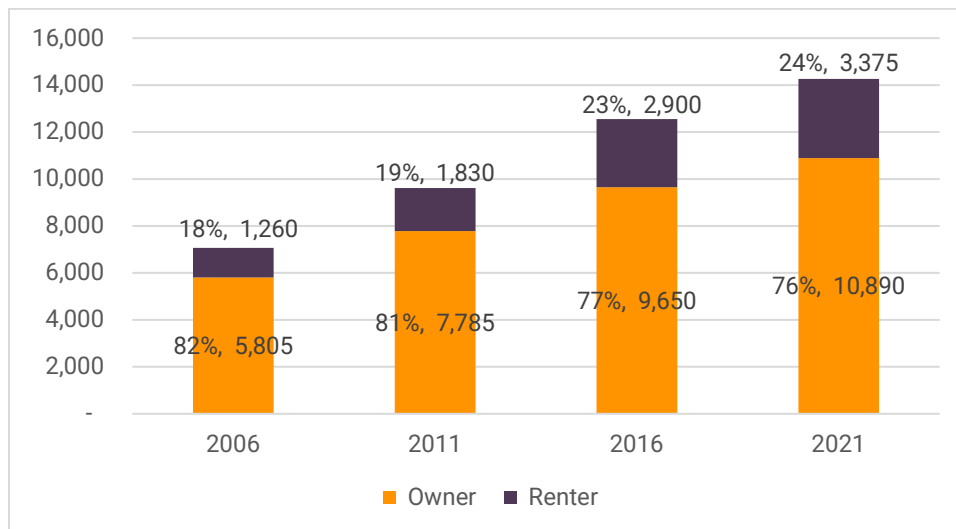
²²From Statistics Canada Census Program, Census Profiles, 2016, 2021, NHS Profile 2011. Note no data available in 2006.

- A large proportion of one- and two-individual households is common amongst the comparable communities with one and two individual households representing 50% of households in Airdrie, 57% of households in Leduc, 58% of households in St. Albert, 58% of households in Strathcona County and 64% of households in Stony Plain.
- Despite the large number of households in Spruce Grove being composed of one- and two-person households most of the households in Spruce Grove have over three bedrooms (76%).

2.2.2 TENURE

Household tenure refers to whether a residence is owned, with or without a mortgage, or rented, with or without fully or partially subsidized housing costs. Housing tenure is important to understand as it supports the municipality in understanding the composition of the community in terms of purpose-built rental demand. While the breakdown of household tenure at the neighbourhood level is not reported out in this report using the federal census data, Spruce Grove’s municipal census breaks this out by neighbourhood as shown in Table 6 below.

Figure 14 Private Households by Tenure, Spruce Grove, 2006 - 2021²³



²³ From Statistics Canada Census Program, Census Profiles 2016, 2021, NHS Profile 2011.

Figure 15 Private Households by Tenure, Comparison, 2021²⁴

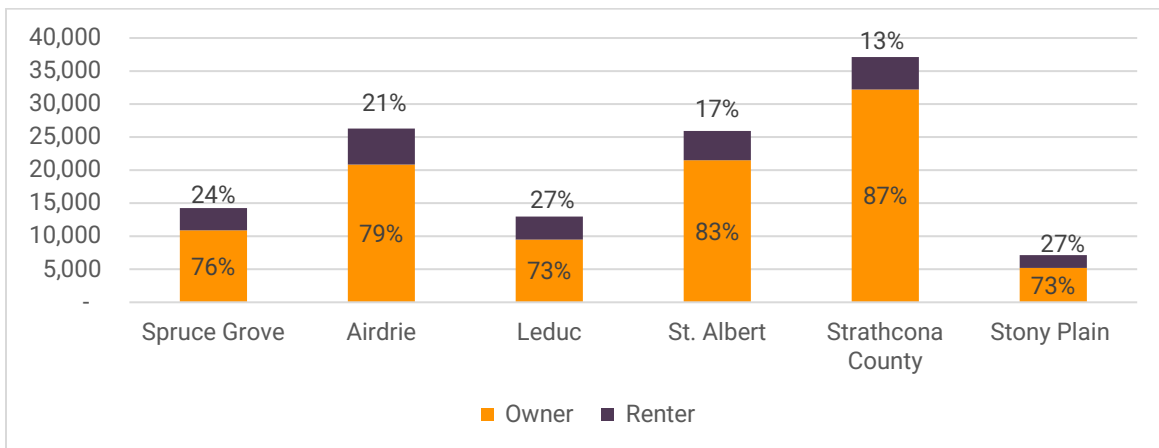


Table 6 Household Tenure by Neighbourhood, 2023²⁵

Neighbourhood	Owned	Rented	Prefer Not To Answer
Aspenglen	87%	9%	4%
Brookwood	74%	15%	11%
Broxton Park	82%	14%	5%
Century Crossing	0%	97%	3%
City Centre	44%	52%	4%
Copperhaven	94%	4%	1%
Deer Park	98%	1%	1%
Easton	78%	0%	22%
Fenwyck	85%	2%	13%
Fieldstone	98%	2%	0%
Greenbury	79%	8%	13%
Grove Meadows	82%	7%	10%
Grove Seniors Village	0%	99%	1%
Harvest Ridge	87%	12%	1%
Heatherglen	88%	9%	2%
Heritage Creek	61%	37%	2%
Hilldowns	61%	36%	3%
Kenton	81%	16%	2%
Lakewood	88%	10%	2%
Legacy Park	88%	7%	4%
Linkside	97%	1%	3%

²⁴ See *Statistics Canada Census Program, Census Profile 2021*.

²⁵ See *Spruce Grove Municipal Census, 2023*.

McLaughlin	56%	38%	6%
Millgrove	73%	22%	4%
Mobile City Estates	75%	12%	13%
Prescott	70%	26%	2%
Spruce Ridge	61%	35%	4%
Spruce Village	81%	14%	5%
Stoneshire	92%	3%	5%
Tonewood	84%	11%	5%
Westgrove	75%	18%	8%
Woodhaven	87%	11%	2%
Yellowhead Industrial	50%	0%	50%

Data Analysis (Figure 14, Figure 15, Table 6)

- The proportion of renter households has increased in Spruce Grove over time. In 2006 82% of households in Spruce Grove owned their home. This shrunk to 76% in 2021.
- The Municipal Census conducted in 2023 found that 75% of occupied dwellings are owned and 20% of occupied dwellings are rented. The balance (5%) of respondents selected that they preferred not to answer the question.
- When comparing tenure across the other municipalities, the proportion of renters in Spruce Grove (24%) is larger than the proportion of renters in Airdrie (21%), St. Albert (17%), Strathcona County (13%). The proportion of renters in Leduc (27%), and Stony Plain (27%) is higher than those in Spruce Grove.
- The two neighbourhoods on the Municipal Census with the highest proportion of renters include Grove Seniors Village (99%) and Century Crossing (97%). City Centre also has a larger proportion of renters compared to other neighbourhoods in Spruce Grove (52%).

2.2.3 HOUSEHOLD MAINTAINERS

The primary household maintainer outlines the age of the person most responsible for paying rent or mortgage costs, utilities, and taxes. Understanding how households are maintained supports the municipality in understanding the demographic composition of household contributors.

Figure 16 Number of Household Maintainers, Spruce Grove, 2011 - 2021²⁶

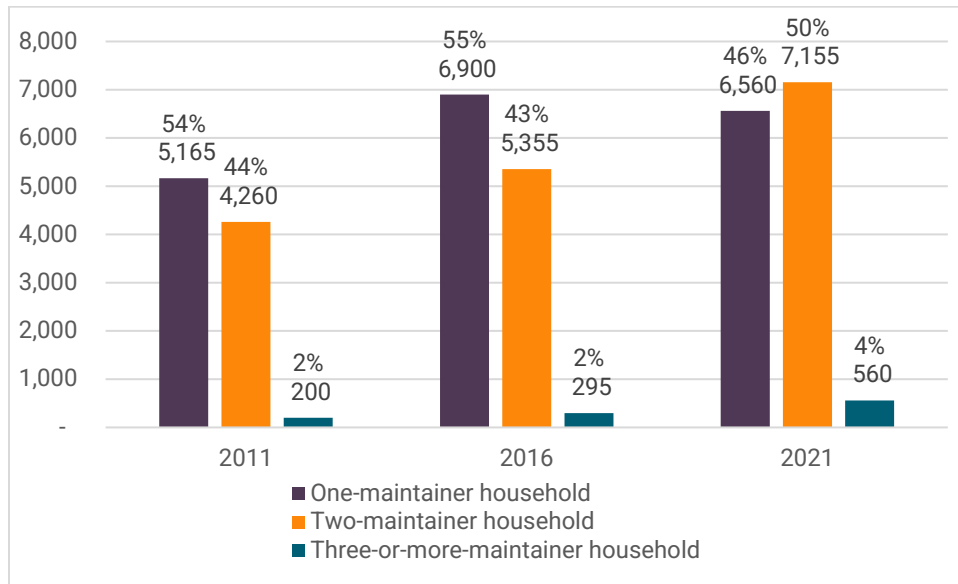
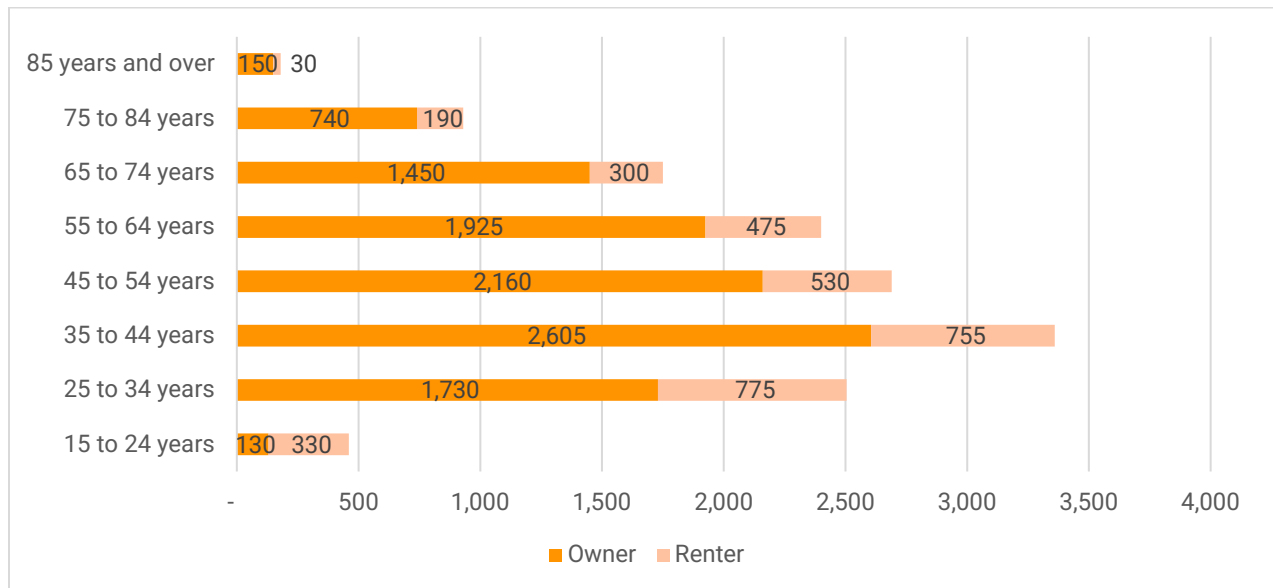


Figure 17 Primary Household Maintainer by Age and Housing Tenure, Spruce Grove, 2021²⁷



Data Analysis (Figure 16, Figure 17)

²⁶ From Statistics Canada Census Program, Census Profiles 2016, 2021, NHS Profile 2011.

²⁷ See Statistics Canada Census Program, Census Profiles 2021.

- 96% of households in Spruce Grove are one- and two- maintainer households.
- Primary household maintainers in Spruce Grove are primarily between 35 and 44 years of age (24%).
- Owners represent an older portion of the population and renters skew younger with a higher proportion of 15 – 24-year-olds and 25–34-year-olds in the municipality.

2.2.4 HOUSEHOLD TYPES

Understanding household types supports the municipality in understanding the composition of the community even further. Households are broken down into the following household types:

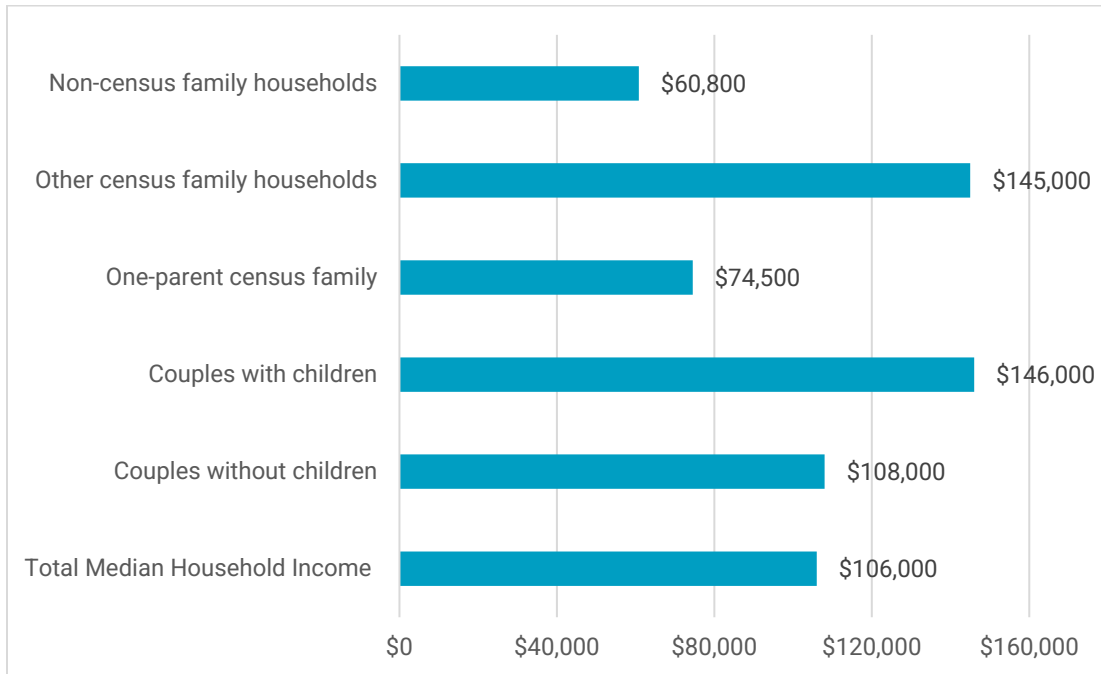
- **Couples with Children:** Households composed of a census family including two-adults and children.
- **One Parent Census Households:** Households composed of a census family including one adult and their dependent children.
- **Couples without Children:** Households composed of a census family with two adults and no children
- **Non-Census Family Households:** Including one person households and households composed of two or more individuals who are not family (i.e., roommates)
- **Other Census Family Households:** Including multigenerational households, households composed of multiple census families, and households where there is one census family with additional persons.

Table 7 Household Type Comparison, 2021²⁸

	Spruce Grove	Airdrie	Leduc	St. Albert	Strathcona County	Stony Plain
Non-census family households	26%	23%	27%	24%	22%	30%
Other census family households	7%	8%	7%	5%	5%	6%
One-parent census households	9%	9%	11%	9%	6%	10%
Couples with children	32%	37%	30%	32%	34%	26%
Couples without children	26%	23%	25%	29%	32%	29%

²⁸ See Statistics Canada Census Program, Census Profiles 2021.

Figure 18 Before Tax Household Income by Household Type, Spruce Grove, 2021²⁹



Data Analysis (Table 7, Figure 18)

- Household types in Spruce Grove are primarily couples with children (37%) and couples without children (23%). There are also many non-census family households (23%) which are primarily composed of one person families. These household types are consistent with what is seen across comparable municipalities examined with the large proportions of households being composed of couples with and without children and non census family households.
- The highest incomes by household types include couples with children (\$146,000), and other census family households (\$145,000). The lowest income families by household type are non-census family households (\$60,800) and one-parent census family households (\$74,500).
- 22% of all households in Spruce Grove are one person households. The median income of these households is the lowest at \$60,800.

2.3 ECONOMY

Understanding the economic conditions of the municipality supports further understanding of housing trends in a municipality. Within this section it is important to note that economic circumstances have

²⁹ From Statistics Canada Census Program, Census Profiles 2021.

changed substantially since the last census period. The last census was undertaken through the Covid-19 pandemic where many individuals in many industries faced substantial changes in their ability to work. Some industries, like tourism and hospitality, experienced large shut-downs and mass layoffs, while some industries with office-based workforces, shifted to work from home operations. Through this transition schools and child-care operators also limited operations and many parents experienced child-care changes forcing re-evaluation of their participation in the labour force.

2.3.1 INCOME AND INDUSTRY INFORMATION

Understanding median household income of the municipality can support further understanding of future housing need within the community. Trends and comparisons of median household income can support understanding of the region and what dwelling forms and options may be needed in Spruce Grove.

Industry information can also assist in understanding key employers within the region. Understanding which industries employ the most members of the municipality help identify opportunities and risks in relation to housing development.

Figure 19 Median Income Comparison, 2006 - 2021³⁰

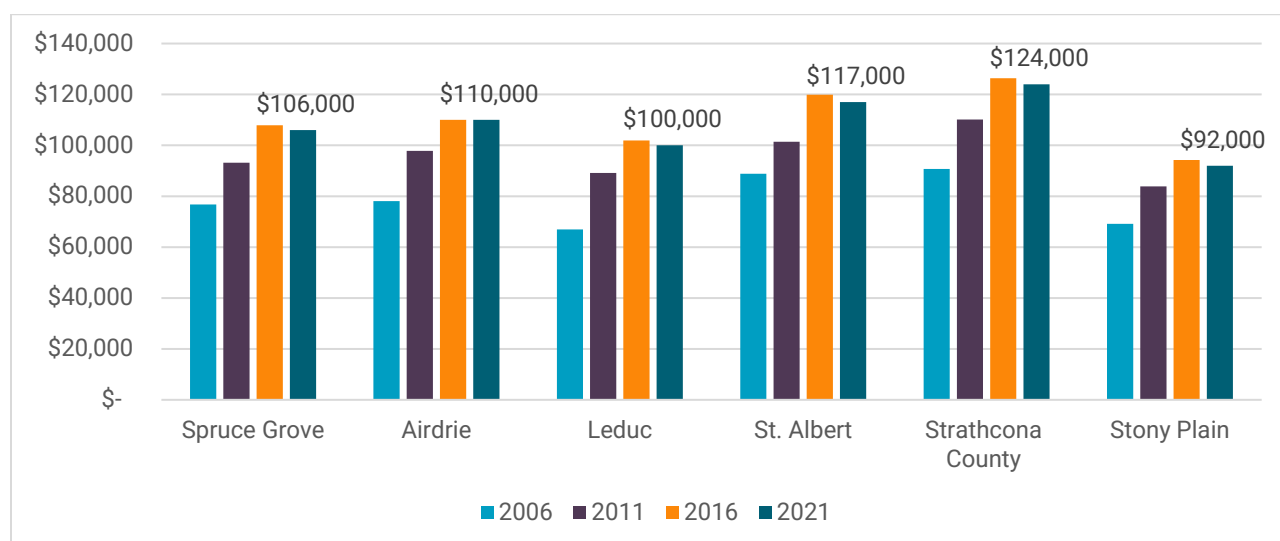


Table 8 Workers by NAICS Sector for Population in Private Households by Percentage, Spruce Grove, 2021³¹

Industry Category	Percent
Construction	14%
Retail Trade	12%
Health Care and Social Assistance	10%

³⁰ See Statistics Canada Census Program, Census Profiles 2016, 2021, NHS Profile 2011.

³¹ From Statistics Canada Census Program, Census Profile 2021.

Accommodation and Food Service	7%
Public Administration	7%

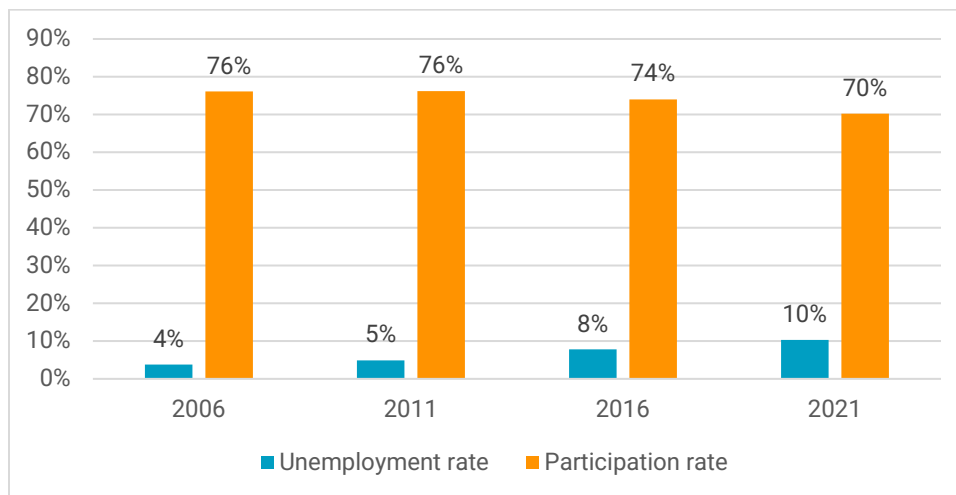
Data Analysis (Figure 19, Table 8)

- The median income of households in Spruce Grove in 2021 was \$106,000. This is higher than Stoney Plain (\$92,000), and Leduc (\$100,000) but lower than Airdrie (\$110,000), St. Albert (\$117,000) and Strathcona County (\$124,000).
- Between 2016 and 2021 Spruce Grove saw a small decline in median income from \$107,878 to \$106,000.
- The sectors employing 49% of the workers in Spruce Grove include construction, retail trade, healthcare and social assistance, accommodation and food service and public administration. These sectors are highlighted as they are the largest employer sectors within the Municipality and employ the most number of residents.
 - Other notable employment sectors include manufacturing, transportation and warehousing, wholesale trade, educational services, and professional, scientific, and technical services.

2.3.2 LABOUR PARTICIPATION

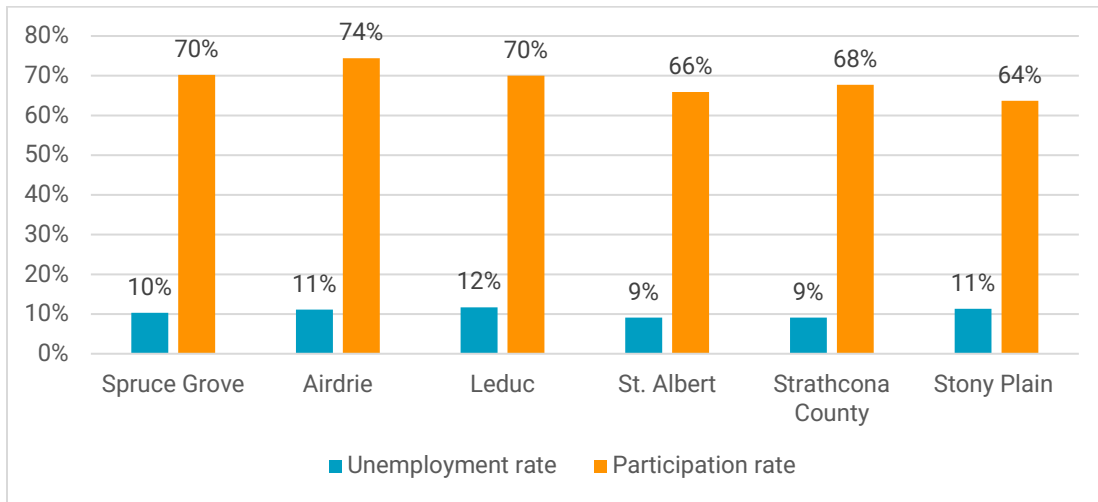
Labour participation rates and unemployment rates assist in understanding trends in the labour market within the region. The labour participation rate is the portion of the working-age population that is working or actively looking for work over the total population of this group.

Figure 20 Unemployment Rate and Labour Participation Rates, 2006 - 2021³²



³² See Statistics Canada Census Program, Census Profile 2006, 2011, 2016, 2021.

Figure 21 Unemployment and Labour Participation Rates by Comparison, 2021³³



Data Analysis (Figure 20, Figure 21)

- Labour participation in Spruce Grove has declined over the past four census periods from 76% in 2006 to 70% in 2021. This correlates with an increasing proportion of the population between 64 and 85 years of age (i.e. reaching retirement age). Unemployment has increased over the same period from 4% in 2006 to 10% in 2021. As of Quarter 3 2023, the Edmonton region's unemployment rate has since declined to 5.7%.³⁴
- The unemployment and labour participation rates in Spruce Grove in 2021 are comparable to those seen in the comparable municipalities within this report.

2.3.3 LOCATION OF EMPLOYMENT

Understanding where the workforce in a municipality is working can support the municipality in understanding the commuting patterns of the workforce, whether they are working from home offices, and, along with relevant employer information, what kind of households may be affordable to the population. Within the statistics below, working at a usual place of work indicates that an individual who report to the same (usual) workplace location at the beginning of each shift. Commuting information outlines whether workers are commuting:

- Within the census subdivision of residence (i.e., within Spruce Grove).
- To a different census subdivision within the census division of residence (i.e., Census Division No. 11).
- To a different census subdivision within the Province (i.e., Outside Census Division No. 11).
- To a different province or territory (i.e., outside the province of Alberta).

³³ From *Statistics Canada Census Program, Census Profile 2021*.

³⁴ <https://www.sprucegrove.org/media/6991/2023-q3-quarterly-report.pdf>

Figure 22 Place of Work by Count Over Time, Spruce Grove, 2006 - 2021³⁵

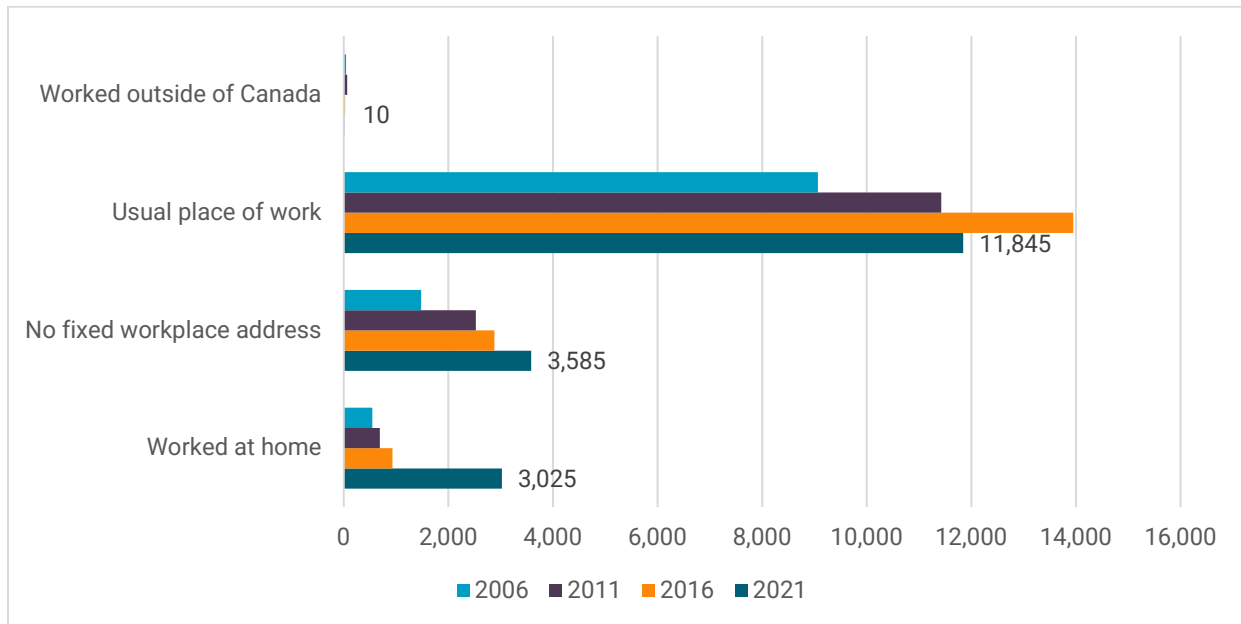
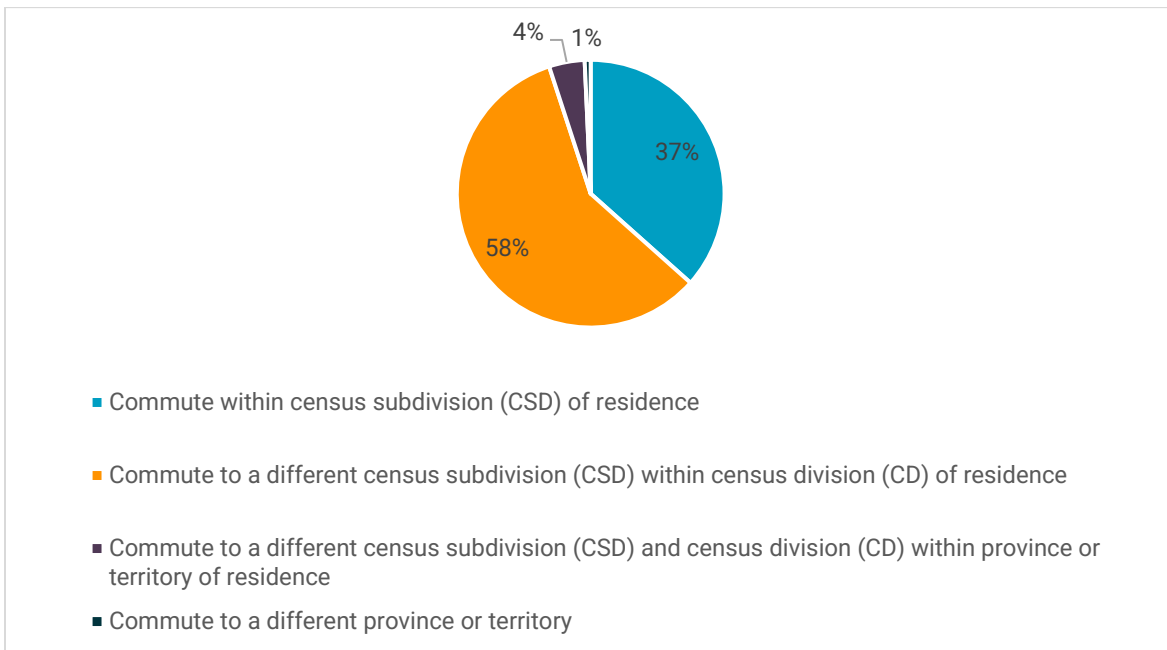


Figure 23 Commute to Work, Spruce Grove, 2021³⁶



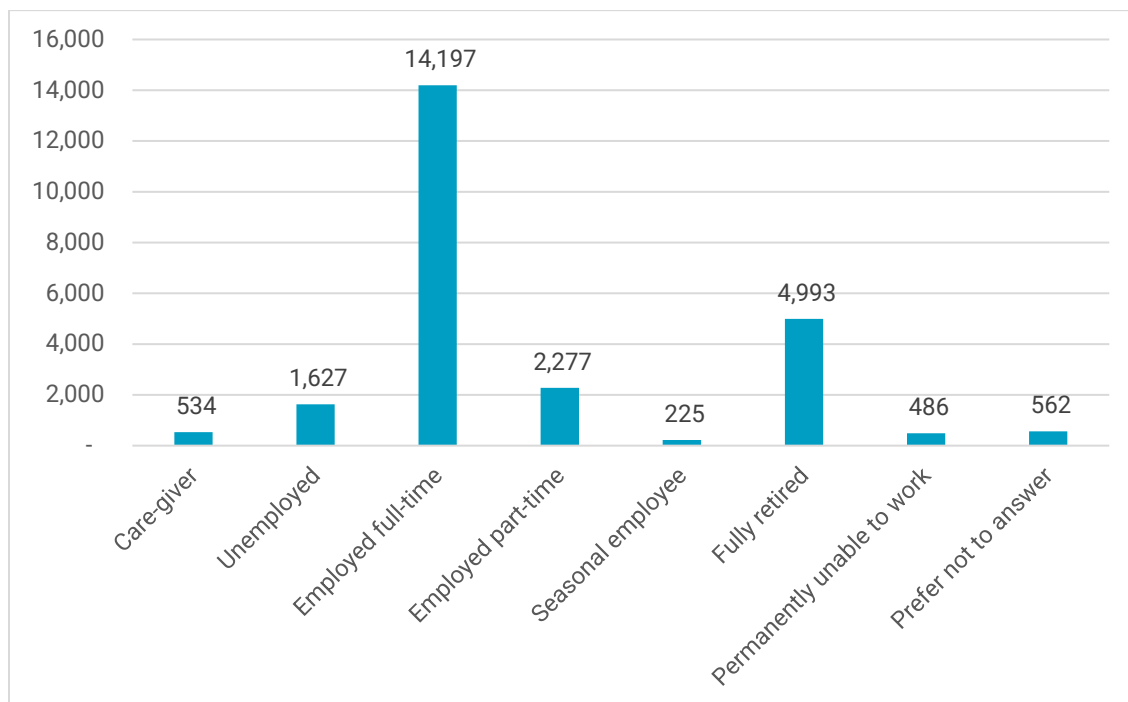
³⁵ From Statistics Canada Census Program, Census Profiles 2011, 2016, 2021.

³⁶ See Statistics Canada Census Program, Census Profiles 2011, 2016, 2021.

Table 9 Place of Work, Spruce Grove Municipal Census, 2023³⁷

Location	Number of Residents	Percentage
Spruce Grove	6,000	34%
Edmonton	5,548	31%
Edmonton Region ³⁸	1,602	9%
Outside the Edmonton Region within Alberta	1,271	7%
Stony Plain	1,004	6%
Acheson Industrial Park	849	5%
Parkland County	490	3%
Other	965	5%
Prefer not to answer	155	1%
SUBTOTAL	17,884	
N/A	17,284	
TOTAL	35,168	100.00%

Figure 24 Municipal Census Employment Results, Spruce Grove, 2023³⁹



³⁷ From *City of Spruce Grove Municipal Census 2023*.

³⁸ Beaumont, Bon Accord, Fort Saskatchewan, Leduc, Leduc County, Morinville, St. Albert, Strathcona County, Sturgeon County.

³⁹ See *City of Spruce Grove Municipal Census 2023*.

Data Analysis (Figure 22, Figure 23, Figure 24)

- The majority of workers (64%) in Spruce Grove commuted to a usual place of work, where 19% of workers had no fixed workplace location and 16% worked from home. As the 2021 census took place at the height of the Covid-19 pandemic it is important to note that there was a large amount of growth in the number of people who reported working from home between 2016 (5%) and 2021 (16%).
- 58% of the working population reported that they commute to a census subdivision outside of Spruce Grove but within Census Division No. 11 (which notably includes Acheson, Stony Plain, Edmonton St. Albert, Fort Saskatchewan, Leduc and Drayton Valley). 37% of the working population worked within Spruce Grove; the remaining 5% commuted to a different census division within the province or outside of Alberta in a different province or territory.
- The 2023 municipal census indicates that one third of employed residents work locally in Spruce Grove while another 13% work in adjacent municipalities.
- The municipal census in Spruce Grove noted that 57% of respondents were employed full time and 20% were retired. 7% of respondents reported they were unemployed in the 2023 municipal census. Both municipal and federal census' utilize different methods to collect data, as such they cannot be directly compared; however, both census' point to a labour participation rate of 70-80%.

2.4 COMMUNITY PROFILE KEY FINDINGS

The following section outlines implications of the findings of the Community Profile Section of the document.

Population Changes

Spruce Grove has seen 93% population growth between the 2006 census period and the 2021 census period. The largest period of population growth in the community occurred between 2011 and 2016, with population growth slowing between 2016 and 2021. Within this period there has been a large amount of population growth in visible minority (741%) and Indigenous populations (322%). This indicates a need to create diverse housing opportunities that serve the needs of a diversifying population.

Household Size

The proportion of one and two person households has increased to 56% of total households thus representing an increase of 2,865 one and two person households within the municipality. One person households have grown from 18% of households in 2006 to 22% of households in 2021. This change in household size is likely correlated to the demographic changes experienced within Spruce Grove over the same four census periods, specifically the growth in the 65 to 84 age group.

The number of bedrooms in the homes that have been built over the last three census periods has demonstrated large growth in dwelling units over three bedrooms. As a proportion of total housing stock three-bedroom homes grew 57% and four-bedroom homes grew 34% since 2011. This could be due to

families starting later, and households wanting extra room to expand ⁴⁰ or increased working from home resulting in households requiring additional office space. Notably though, as one and two person households are increasing, so are the number of three and four bedroom houses being developed.

Economic Indicators

Median incomes within Spruce Grove saw a small decline between the 2016 and 2021 census from \$107,878 to \$106,000. This could have been due to employment changes through the pandemic as many industries representing the working population in Spruce Grove were heavily impacted by pandemic related economic changes, namely the 7% of workers in Spruce Grove working in accommodation and food service. Many communities surrounding the City of Edmonton saw small declines in median income between the 2016 and the 2021 census periods, the affects of the pandemic on retail, food service and accommodation industries across the region may have been the reason for this change.

As the 2021 census took place through the Covid-19 pandemic unemployment rates and labour participation rates saw a shift. Within the census, many individuals noted that they were working from home where previously they noted working outside the home at a usual place of work. This may impact housing trends long-term as households look for spaces within their home to continue either working from home or in a hybrid environment.

The period captured through the 2021 census was also one of low interest and mortgage rates. By the end of 2020, the average five-year fixed rate mortgage in Alberta had decreased to between 2% and 2.5%. Variable rates also saw a decline, with the average five-year variable rate mortgage in Alberta dropping to around 1.7% by the end of 2020. Since this period mortgage rates have increased to between 5% and 5.7%, as individuals look to renew their 3 to 5-year mortgages, there may be financial pressures faced through this renewal.

Housing Tenure

Perhaps the most noteworthy trend experienced through the last four census periods has been the shift in housing tenure seen in Spruce Grove. Throughout the last four census periods Spruce Grove saw a 6% increase in renter households from 18% to 24% as a percent of all households. In total, this represents a 168% (2,115) increase in renter households between 2006 and 2021. Amongst the other communities examined, only Stony Plain saw a higher percent growth in renters. This should be noted as both municipalities are close geographically. Spruce Grove also saw a higher percent growth in non-census families than other communities examined within this report. This indicates growth in individuals living alone or roommate living situations.

⁴⁰ Age of first-time mothers increasing in Alberta: report | CTV News.

3.0 HOUSING PROFILE

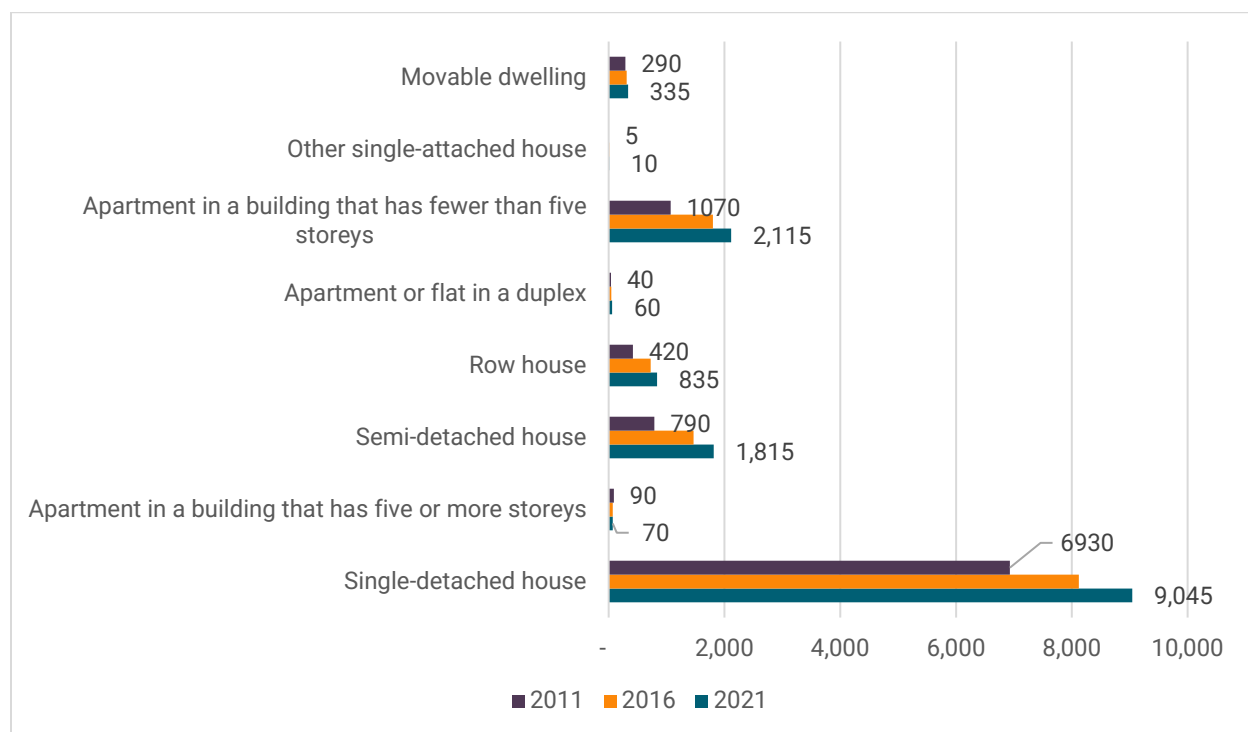
This section of the report explores the housing stock within Spruce Grove. This includes an exploration of the dwelling types (single family, multifamily, apartments etc.) within the municipality as well as the trends in development recently experienced within Spruce Grove.

Additionally, in 2024, a Regional Housing Guide was developed for Spruce Grove, Stony Plain and Parkland County. This Housing guide presents a point-in-time explanation of dwelling options within the region, age of these developments, number of bedrooms and costs. The Regional Housing Guide is utilized within this document to present a point in time summary of primary rental units in Spruce Grove and the surrounding region.

3.1 HOUSING STOCK

The dwelling types available in a community often respond to the growth of household types and median income. Understanding what kind of dwelling is available in Spruce Grove, the tenure of the households within dwelling types, and the age and condition of the housing stock can assist in understanding how the community is growing and where there may be housing gaps developing.

Figure 25 Housing Units by Structural Type for Private Households by Count, 2011 - 2021⁴¹



⁴¹ See Statistics Canada Census Program, Census Profiles 2011, 2016, 2021.

Table 10 Single Detached Dwellings as a Percentage of Total Dwellings⁴²

	Spruce Grove	Airdrie	Leduc	St. Albert	Strathcona County	Stony Plain
Single Family homes	63%	65%	63%	70%	80%	58%

Figure 26 Structural Type of Dwelling by Tenure, 2021⁴³

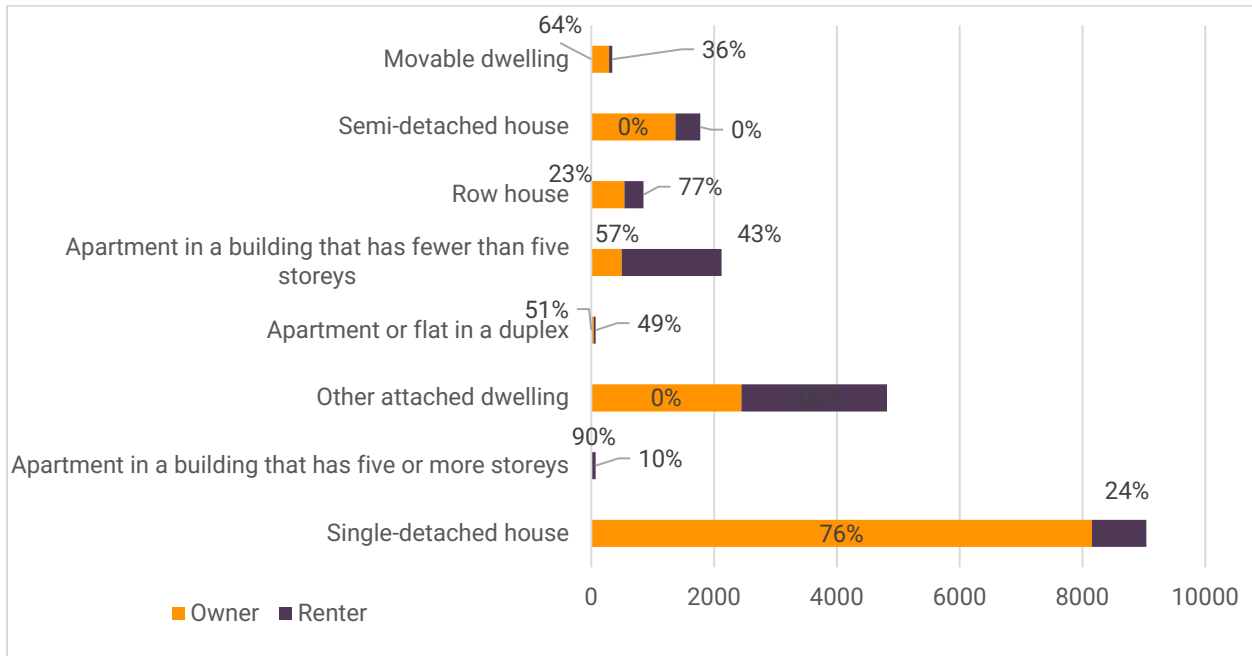
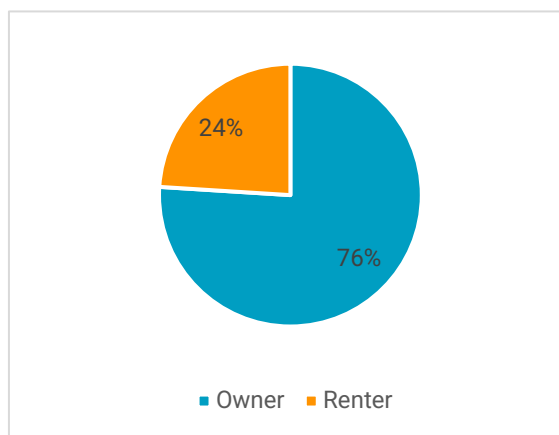


Figure 277 Tenure Across All Housing Types, 2021⁴³



⁴² From Statistics Canada Census Program, Census Profiles 2021.

⁴³ See Statistics Canada Census Program, Census Profiles 2021.

Figure 288 Housing by Period of Construction for Private Households by Count, 2021⁴⁴

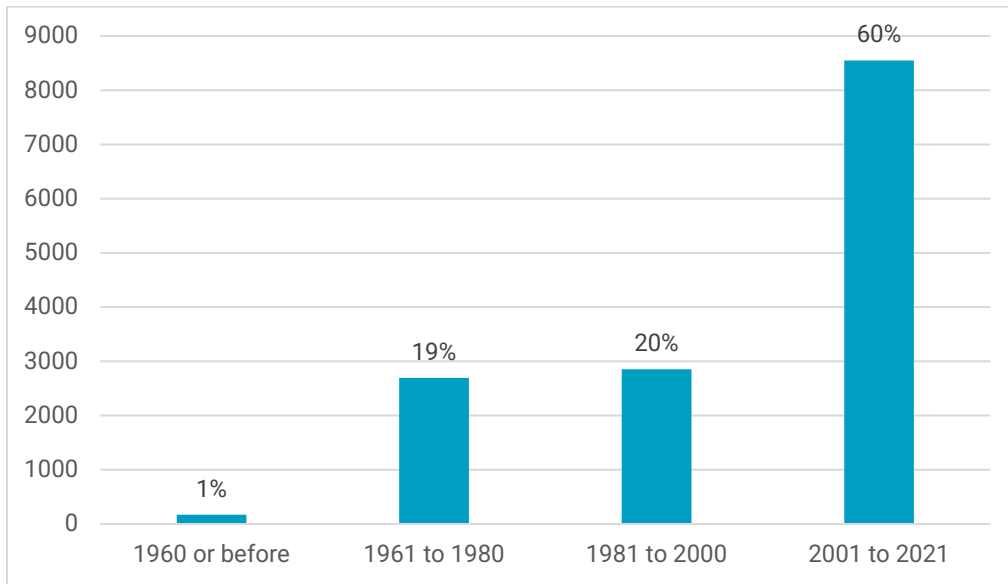
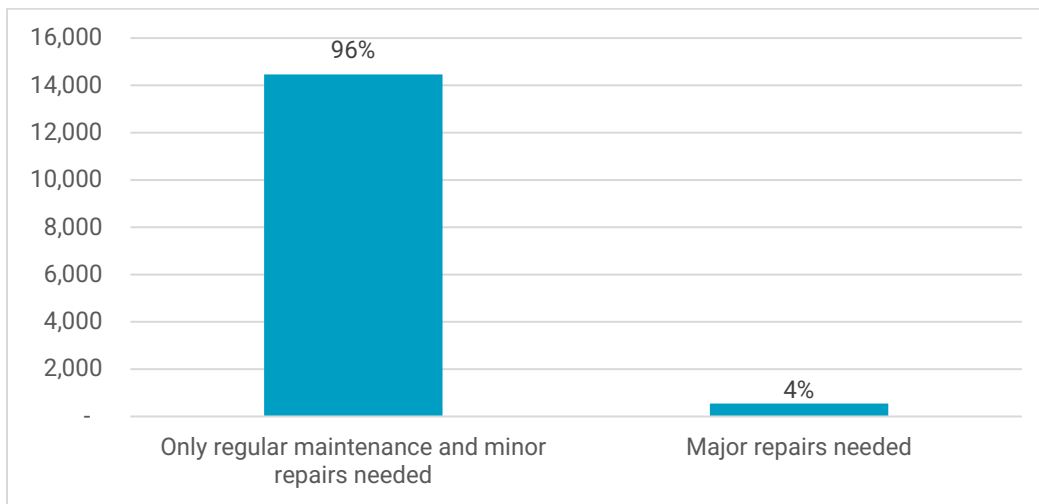


Figure 299 Occupied Private Dwellings by Dwelling Condition, 2021⁴⁵



Data Analysis (Figure 25, Table 10, Figure 26, Figure 27, Figure 28, Figure 29)

- Per the 2021 Federal Census, 63% of dwelling units in Spruce Grove are single family dwellings. 15% of dwelling units are in apartments in buildings with fewer than five stories and 13% of dwelling units are within row houses (one of three or more dwellings joined side by side or occasionally side to back).

⁴⁴ From Statistics Canada Census Program, Census Profiles 2021.

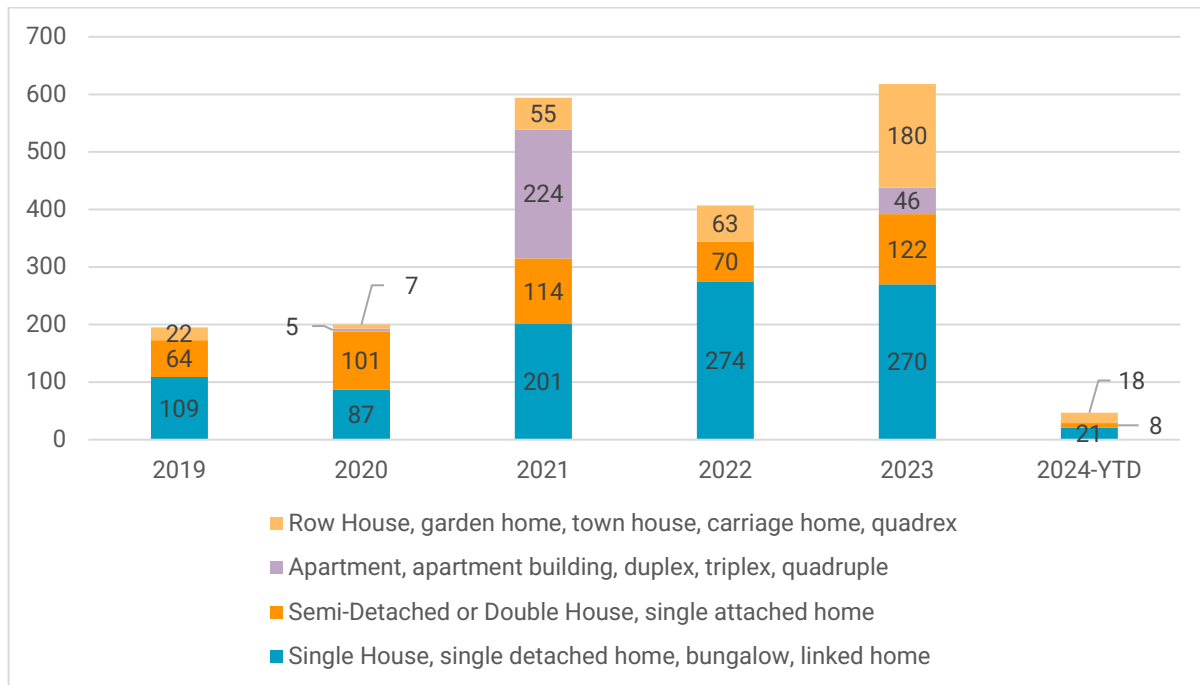
⁴⁵ See Statistics Canada Census Program, Census Profiles 2021.

- The proportion of single-family dwellings in Spruce Grove is quite similar to the proportion of single-family dwellings seen in Airdrie (65%) and Leduc (63%) but lower than St. Albert (70%) Strathcona County (80%). Stony Plain has a lower portion of single-family dwellings at 58% of total housing stock.
- Housing stock in Spruce Grove is relatively young with 60% of housing stock built in or after 2001. Development prior to 2001 was evenly spread through the 40 years prior.
- Occupied dwelling condition is self reported within census data. In Spruce Grove, individuals reported that their dwellings were in good condition with only 4% of dwelling units requiring major repairs.

3.1.1 HOUSING DEVELOPMENT

Building permit data was provided by the municipality to further examine the development experienced in Spruce Grove since the last census period.

Figure 30: Residential Building Permits Issued, 2019 to 2024 YTD⁴⁶



The Intelligence House Report (Q4, 2023) reviewed in advance of this needs assessment indicated that 348 of the 734 total empty lots in Spruce Grove were serviced for single detached dwellings representing a decrease of 11% from the previous quarter (Q3, 2023). Intelligence House observed 289 lots with dwellings being built on speculation within Q4 of 2023 represents a net change of +51 lots compared to

⁴⁶ See *City of Spruce Grove, March 2024*. Note prior to 2022, the issued Row House building permits were recorded on a per building basis. Starting in 2022, the issued Row House building permits were recorded on a per unit basis.

the previous report (+21%). At the absorption rate (at which homes/lots are sold in the market) recorded over the past three months, current inventories of empty lots and available spec dwellings (built by a home builder prior to the dwelling being sold) provide sufficient supply for 2.17 years, down from 2.89 years of supply at the previous report indicating that there is some movement in housing absorption of new builds within Spruce Grove.

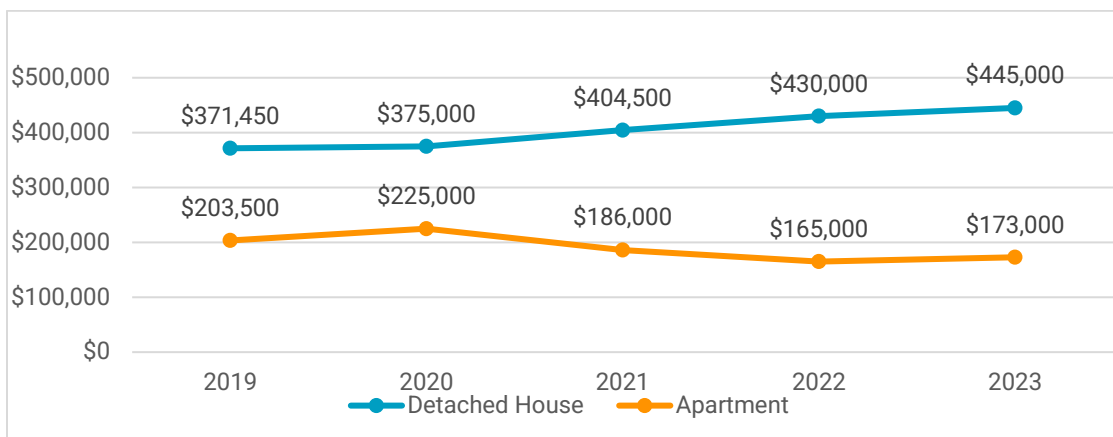
Data Analysis (Figure 30)

- Residential building permit data from the City of Spruce Grove identifies the pace and form of development. From 2019 to 2023, 47% of building permits issued were for single-detached houses (or similar form), followed by 23% for semi-detached (or similar form), 17% for row house, and 13% for apartments. The actual proportion of row houses is likely to be higher as prior to 2022, the building permit was recorded by each building rather than by each unit.
- Residential development pace picked up from 2021 to 2023, while data for 2024 only captures the first three months of the year.
- Intelligence House indicates that there is sufficient supply of developed lots and pre-built homes for the next 2.17 years within Spruce Grove.

3.2 HOMEOWNERSHIP

Housing tenure is explored through better understanding the situation of dwelling owners and renters within Spruce Grove. This section examines trends in market home ownership in Spruce Grove, housing costs, and affordability for homeowners within Spruce Grove. In this section, **an apartment** refers to a condominium unit that is owned by an individual property owner, and a single detached dwelling is a standalone single family home owned by an individual property owner.

Figure 301 Median Sales Price, 2019 - 2023⁴⁷



⁴⁷ See REALTORS® Association of Edmonton, 2024, Accessible at: <https://realtorsofedenmonton.com/stat-type/monthly-market-statistics/?y=2021>

Data Analysis (Figure 31)

- Spruce Grove has seen a 20% increase in sales prices of single detached homes between 2019 and 2023.
- Apartment sales prices in Spruce Grove have decreased 15% between 2019 and 2023.
- Nearby comparable communities saw similar patterns in growth in housing sales prices with 20% growth in sales prices of detached homes in Leduc and 15% growth in St. Albert. Leduc saw a 15% decrease in apartment sales prices from 2019 to 2023 while St. Albert saw 16% growth in apartment sales prices.

3.2.1 HOME OWNERSHIP AFFORDABILITY ANALYSIS

To understand the home ownership challenges experienced by households within Spruce Grove an affordability analysis was undertaken. Shelter costs (expenses related to housing) were predicted for both single family dwellings and apartment buildings based on the average sales prices identified within the sales data in the section above. The following assumptions were utilized in the completion of this analysis.

- Household incomes were assumed to increase 3% annually from the median incomes seen in the 2021 census.⁴⁸
- The affordable monthly shelter costs were determined using 30% of the monthly income for each household type.

Single Family Dwelling Assumptions:

- Mortgage rates assumed that the purchase price of the home was the median sales price in Spruce Grove in 2023: (\$445,000) with a 10% down payment.
- Interest rates assumed a 5-year fixed rate mortgage at 5.6% paid monthly.
- Utilities costs were assumed to be \$375 monthly (including municipal utilities)
- Property taxes at the 2023 mill rate were applied: 6.4992 for single family homes.

Apartment Assumptions:

- Mortgage rates assumed that the purchase price of the home was the median sales price in Spruce Grove in 2023: (\$173,000), with a 10% down payment.
- Condo fees were assumed to be \$250 a month for apartment buildings and were assumed to include some utilities.
- Property taxes at the 2023 mill rate were applied 9.0989 for multifamily units.

⁴⁸ This 3% was applied as this was the historic increase seen between previous census periods as a wider trend over the past 4 census periods.

Table 11 Affordability Analysis, Home Ownership⁴⁹

	Median Annual Incomes	Monthly Affordable Shelter Costs (30% of avg monthly income)	Single Detached Dwelling	Apartment
Non-Census Family Households	\$ 60,800	\$ 1,598	\$3,259	\$1,456
Other Census Family Households	\$145,000	\$3,811	\$3,259	\$1,456
One Parent Census Family	\$74,500	\$1,958	\$3,259	\$1,456
Couple with Children	\$146,000	\$3,838	\$3,259	\$1,456
Couple without Children	\$108,000	\$2,839	\$3,259	\$1,456
Individual on AISH⁵⁰	\$ 22,356	\$560	\$3,259	\$1,456
Low Income Senior	\$ 25,200	\$630	\$3,259	\$1,456
Minimum Wage Full Time Employee	\$28,800	\$720	\$1,230	\$1,498

Data Analysis (Table 11)

- Interest rates have put financial pressure on non-census family households, one-parent census family households and couples without children households in obtaining single family home ownership.
- At lower interest rates, couples without children have more ability to afford single family home ownership.
- Costs of utilities can make a tangible difference for some household types, namely couples without children.
- Individuals on AISH, Low Income Seniors, and Minimum Wage Employees cannot afford home ownership in either a single detached dwelling or apartment.

⁴⁹ See assumptions noted in Section 3.2.1 Home Ownership Affordability Analysis

⁵⁰ AISH: Assured Income for the Severely Handicapped.

3.3 RENTAL MARKET

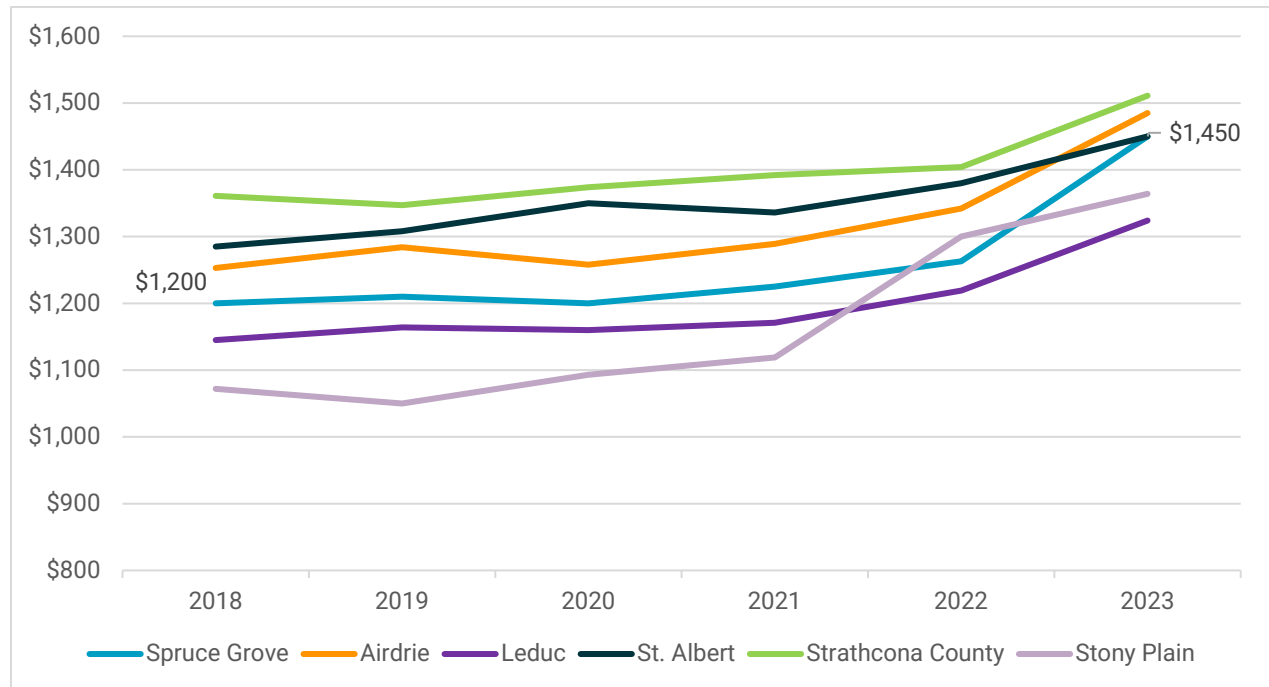
Rental market trends are increasingly important to understand as the proportion of renters in Spruce Grove is increasing. This section explores monthly rent, vacancy rates, and rental affordability in Spruce Grove. The rental market is broken into the:

- Primary Rental Market: dwelling units that are specifically intended to supply the rental housing market.
- Secondary Rental Market: dwelling units that are not built with the intention to supply the rental housing market.

3.3.1 PRIMARY RENTAL MARKET

There is more data available on the primary rental market than the secondary rental market in relation to rent amounts, vacancy, and housing availability.

Figure 312 Monthly Average Market Rent Comparison, 2018 - 2023⁵¹



⁵¹ From *Canadian Mortgage and Housing Corporation, 2023*.

Figure 323 Spruce Grove One-and Two- Bedroom Rent, 2018 - 2023⁵²

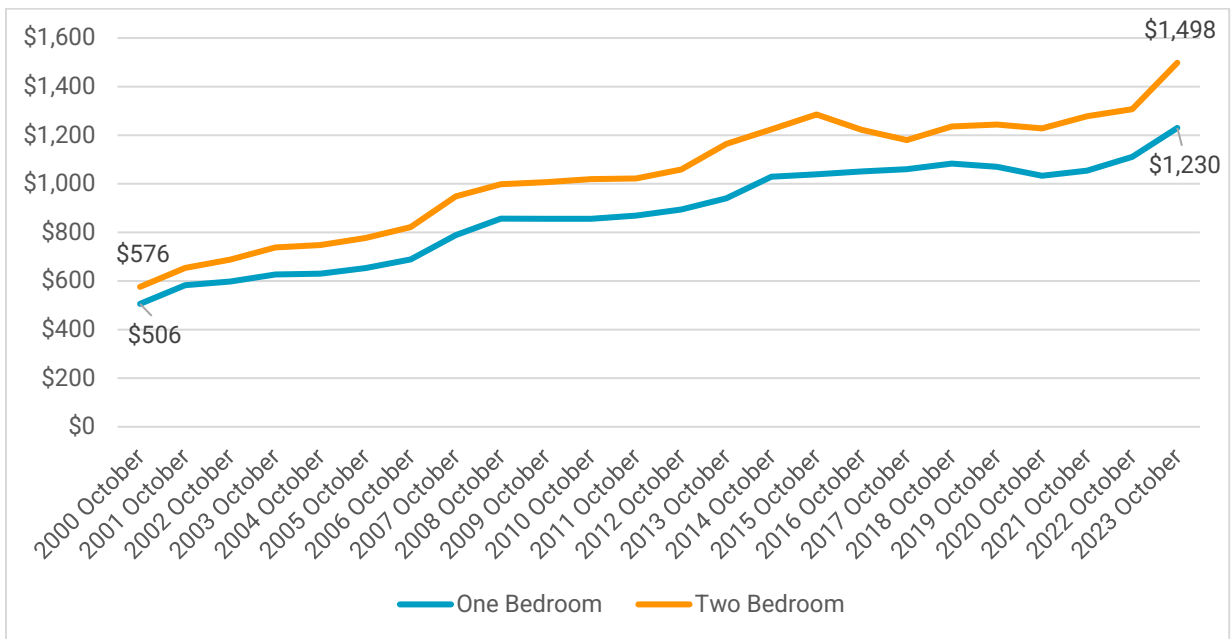
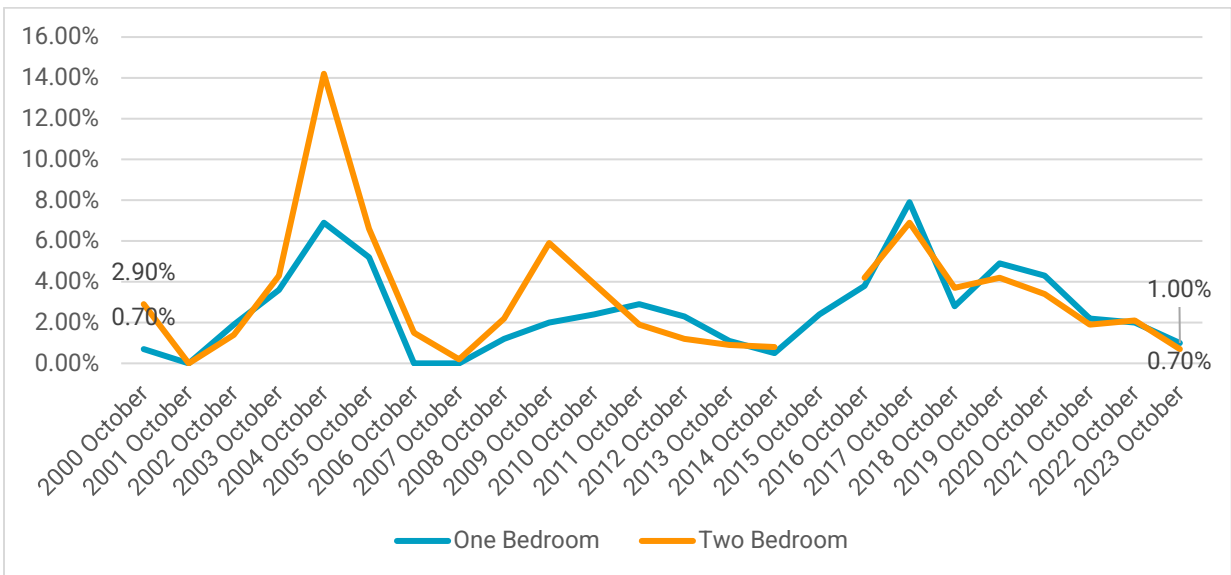


Figure 334 Vacancy Rates, Spruce Grove, 2000 - 2023⁵³



⁵² From Canadian Mortgage and Housing Corporation, 2023.

⁵³ See Canadian Mortgage and Housing Corporation, 2023. Note gaps in Two Bedroom Data available in 2015.

Data Analysis (Figure 32, Figure 33, Figure 34)

- Average rents in Spruce Grove have increased by 21% between 2018 and 2023.⁵⁴
- Airdrie saw similar growth in rents over the same period at 19% while Leduc (16%) St. Albert (13%), and Strathcona County (11%) saw less dramatic rises in average rent. Notably, Stony Plain saw more dramatic increases at 27% growth in average rent between 2018 and 2023.
- Vacancy rates have varied in Spruce Grove over the last 20 years. In 2023 both one- and two-bedroom vacancy rates were lower than they have been in the past 5 years. One-bedroom vacancy rates were 1% and the two-bedroom vacancy rate was 0.7%.
- Vacancy rates in 2023 were higher in Spruce Grove than Stony Plain. CMHC reported 0% vacancy of 1-bedroom units and 0.6% vacancy on 2-bedroom units in Stony Plain. It should be noted though, that the data quality was noted by CHMC to be less reliable for one-bedroom units and more work may need to be done to understand whether one-bedroom units are fully subscribed in Stony Plain.
- There are 1,380 primary rental units in Spruce Grove, and 3,375 renters households, meaning that 41% of renter households are in the primary rental market, while 59% are in the secondary rental market.

3.3.2 RENTAL AFFORDABILITY ANALYSIS

In order to understand the rental market in Spruce Grove, an analysis was undertaken to explore the affordability of average rental options attained for differed household types. Shelter costs were predicted for different household types within the municipality. The following assumptions were utilized in the completion of this analysis:

- Household incomes were assumed to increase 3% annually from the median incomes seen in the 2021 census.
- Average rents were assumed to be consistent with rents obtained from the CMHC market rental in Figure 32
- An additional \$50 a month was added to rents to account for tenant insurance
- Utilities are assumed to be included in rent

⁵⁴ CMHC does not adjust for Inflation within the rental market survey.

Table 12 Affordability Analysis, Rent⁵⁵

	Median Annual Incomes	Monthly Affordable Shelter Costs (30% of avg monthly income)	Average 1-Bedroom Rent	Average 2-Bedroom Rent	Average Total Rent (Including 3- Bedroom)
Non-Census Family Households	\$ 60,800	\$ 1,598	\$1,230	\$1,498	\$1,412
Other Census Family Households	\$ 145,000	\$ 3,811	\$1,230	\$1,498	\$1,412
One Parent Census Family	\$ 74,500	\$ 1,958	\$1,230	\$1,498	\$1,412
Couple with Children	\$ 146,000	\$ 3,838	\$1,230	\$1,498	\$1,412
Couple without Children	\$ 108,000	\$ 2,839	\$1,230	\$1,498	\$1,412
Individual on AISH⁵⁶	\$ 22,356	\$ 560	\$1,230	\$1,498	\$1,412
Low Income Senior	\$ 25,200	\$ 630	\$1,230	\$1,498	\$1,412
Minimum Wage Full Time Employee	\$ 28,800	\$ 720	\$1,230	\$1,498	\$1,412

Data Analysis (Table 12)

- Rent within the primary rental market within Spruce Grove is generally affordable for all household types examined, however; some two-person non-census family households are likely spending more than 30% of their income on monthly shelter costs.
- One parent census families in two-bedroom units also may be pushed in their monthly spending. Additionally, as this analysis does not consider rental costs of units with more than three bedrooms, it is important to note that renting units of this size is likely unattainable for non-census family households and in some circumstances, one parent census families.
- Individuals on AISH, Low Income Seniors, and Minimum Wage Employees cannot afford rents in any scenario without deeper subsidies.

⁵⁵ See assumptions noted in Section 3.2.1 Home Ownership Affordability Analysis

⁵⁶ AISH: Assured Income for the Severely Handicapped.

3.3.3 RENTAL HOUSING STOCK

In 2024 a Regional Housing Guide was developed for Spruce Grove, Stony Plain and Parkland County. This document provides a point in time count of primary rental dwelling units within Spruce Grove and the surrounding region. Some of these relevant elements of this document have been provided below. There are more units represented within the Regional Housing Guide than the data coverage in the CMHC primary rental market data used in previous sections of this report as the units directed at seniors may not be represented in the CMHC data.

Table 13 Regional Housing Guide, Number of Units and Average Age of Units, 2024⁵⁷

	Average Year of Development	Number of Units Listed in the Regional Guide
Spruce Grove	2000	2,001
Stony Plain	1999	1,516

Table 14 Regional Housing Guide Rental Property Summary, Spruce Grove and Stony Plain, 2024⁵⁸

Location and Bedroom Type	Average Rent in Guidebook
Spruce Grove 1-Bedroom	\$ 1,328
Spruce Grove 2-Bedroom	\$ 1,535
Stony Plain 1-Bedroom	\$ 1,328
Stony Plain 2-Bedroom	\$ 1,535

Data Analysis (Table 13, Table 14)

- There are many primary rental units listed in both Spruce Grove and Stony Plain. Proportional to population, Stony Plain has far more primary rental units than Spruce Grove.
- Many of the units listed in the Regional Housing Guide are marked with indicators including: Adult Only, 55+, or Senior. There are also some units that are noted as independent lodge living or supportive lodge living. Parameters around pet ownership in the listed purpose-built rentals are also noted in the document. There are not many dwelling units noted in the document that do not have limiting parameters on the units.
- The average age of the purpose-built rental stock in Spruce Grove and Stony Plain is also notable. The average age of the units listed in the Regional Housing Guide is 25 years in Spruce Grove and 26 years in Stony Plain.

⁵⁷ See *Regional Housing Guide Spruce Grove, Stony Plain, and Parkland County*.

⁵⁸ From *Regional Housing Guide Spruce Grove, Stony Plain, and Parkland County*.

3.3.4 SECONDARY RENTAL MARKET

Data within the secondary rental market is less available as the secondary rental market is composed of buildings that were not built with the intended purpose of rental housing provision. This includes secondary suites, and condominiums, townhomes and single-detached homes being rented out privately.

In Spruce Grove % of renter households are housed within the secondary rental market. Renters in the secondary rental market are likely in newer units, paying more for rent than the established primary rental market.

3.4 NON-MARKET DWELLINGS

Non-market housing options were also outlined within the Regional Housing Guide. Non-market housing options include households that are renting at below market rental programs or subsidized housing.

The Meridian Housing Foundation provides rent assistance within the tri-municipal region to households in core housing need that meet the Government of Alberta’s income thresholds. These income thresholds are broken down by household size as follows:

Table 15 Income Thresholds for Housing Assistance, Spruce Gove, 2023⁵⁹

Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
\$ 37,000	\$44,000	\$54,000	\$67,000	\$71,500

Table 16 12Regional Non-Market Dwelling Providers, 2024⁶⁰

Name	Location	Year Built	Number of Units	Number of Bedrooms	Rent	Notes
The Nest	Spruce Grove	2015	11	Studio	\$ 870	
Folkstone Manor	Stony Plain	2021	63	1	\$ 1,025	55+
				2	\$ 1,225	55+
Lake Ridge 143 Apartments	Spruce Grove	2012	26	Mixed	Income Tested	CMHC funding dictated affordability for 15 years after construction
Park View Manor	Wabamun	2013	6	1	\$ 725	Seniors
				2	\$ 875	
Spruce Haven Manor	Spruce Grove	N/A	30	1	Income Tested	Seniors

⁵⁹ From Meridian Housing Foundation.

⁶⁰ See Regional Housing Guide Spruce Grove, Stony Plain, and Parkland County.

Alberta Rose Manor	Stony Plain	N/A	20	1	Income Tested	Seniors
Diamont Jubilee Manor	Stony Plain	N/A	45	1	Income Tested	Seniors
Pioneer Manor	Stony Plain	N/A	36	1	Income Tested	Seniors
Foster Manor	Wabamun	N/A	4	1	Income Tested	Seniors

Data Analysis (Table 15, Table 16)

- There are 67 non-market dwelling units in Spruce Grove all of which are noted within the Regional Housing Guide. Most of the units listed within the housing guide are general dwellings with only a handful of purpose-built affordable dwelling options.
 - There are also 26 income tested units in Spruce Grove that only have two-years left within their agreement. This indicates that the lack of affordable options in Spruce Grove may worsen in the coming years.
- 29% of the units listed in the Regional Housing Guide are located within Spruce Grove. The remaining 71% of the units listed are in Stony Plain and Wabamun.
- The Meridian Housing Foundation administers rent assistance in the region to households that meet the income thresholds required to access government supports. These Provincial income thresholds are relatively low as a household with an income of \$37,000 has an affordable housing threshold of \$925 a month if the household were to spend less than 30% of their income on shelter costs.

3.5 CORE HOUSING NEED

Core housing need, per the Canadian Mortgage and Housing Corporation, is a two-stage indicator that is used to explore housing needs across communities. Core housing need outlines households living in dwellings considered unsuitable, inadequate, or unaffordable. It also considers if income levels are such that they could not afford alternative suitable and adequate housing in their community.⁶¹ Within core housing need, the following components are further understood:

- Suitable Housing: there are enough bedrooms for the size and make-up of dwellings according to the National Occupancy Standards.
- Affordable Housing: dwelling costs less than 30% of the household’s pre-tax income.
- Adequate housing: dwelling is not in need of major repairs.

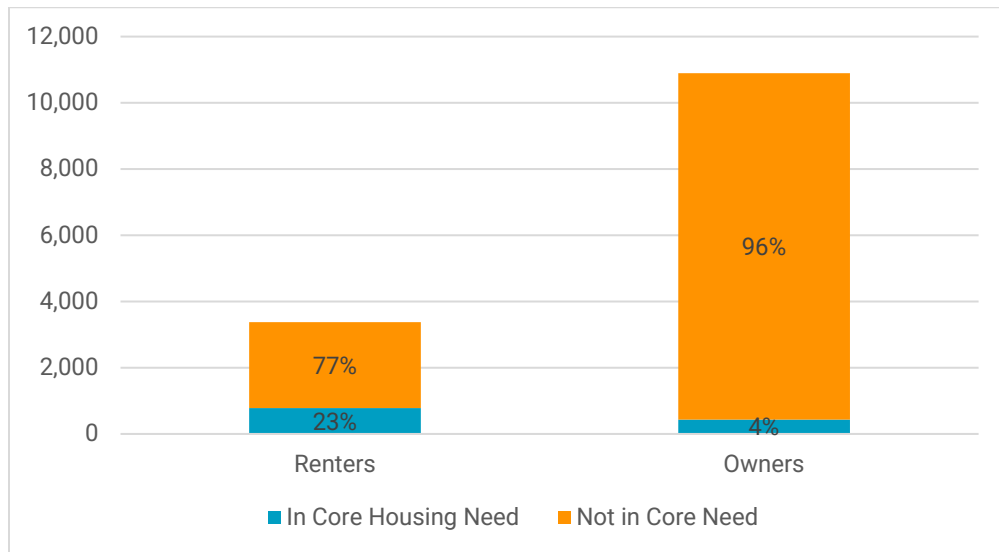
Extreme core housing need refers to households that spend more than 50% of pre-tax income on dwelling costs.

⁶¹ Identifying Core Housing Need | CMHC (cmhc-schl.gc.ca).

Table 17 Core Housing Need Rate, Total Private Households, Comparison, 2021⁶²

	Spruce Grove	Airdrie	Leduc	St. Albert	Strathcona County	Stony Plain
Core Housing Need	8%	8%	9%	6%	5%	11%

Figure 34 Core Housing Need by Tenure as a Percent of Total Owner Renter Households, Spruce Grove, 2021⁶³



⁶² See Statistics Canada Census Program, Census Profiles 2021.

⁶³ See Statistics Canada Census Program 2021.

Figure 35 Extreme Core Housing Need as a Percent of Core Housing Need, Spruce Grove, 2021⁶⁴

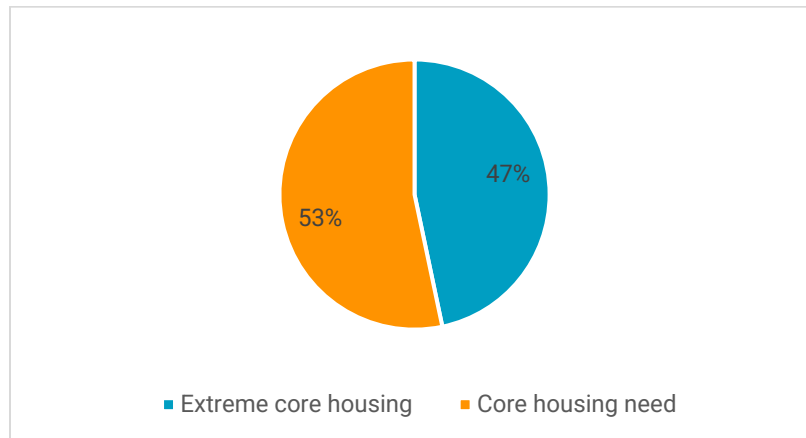
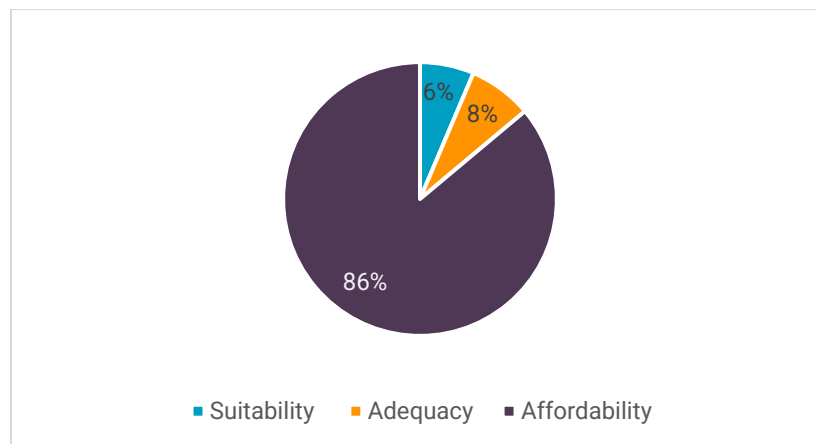


Figure 36 Core Housing Need by Criteria, 2021⁶⁵



Data Analysis (Table 17, Figure 34, Figure 35, Figure 36)

- Core Housing Need in Spruce Grove has remained relatively consistent between the 2016 (8.60%) and 2021(8.48%). This is notable as the federal government provided the Canadian Emergency Response Benefit to households through the pandemic, which, in many communities, suppressed the core housing need within the 2021 census (i.e. core housing need decreased). It does not appear as though the same phenomenon was experienced within Spruce Grove.
- When compared to other municipalities examined throughout this report, core housing need in Spruce Grove is similar to that of Leduc (8.83%) but higher than Airdrie (7.55%), St. Albert (6.23%) and Strathcona County (4.8%) but lower than Stony Plain at 11.29%.

⁶⁴ From *Statistics Canada Census Program 2021*.

⁶⁵ See *Statistics Canada Census Program 2021*

- The distribution of core housing need amongst owners and renters in Spruce Grove illustrates that 64% of households in core housing need in Spruce Grove are renters while the remaining 36% are owners, primarily owners with a mortgage.
- Core housing need disproportionately affects renters in Spruce Grove, as 23% of all renter households are in core housing need while only 4% of all owner households are in core housing need.
- There are a further 1,380 (10% of households in Spruce Grove) households spending between 30% and less than 50% of their income on shelter costs that do not meet the core housing need requirements in Spruce Grove, this indicates they are selecting to pay a higher percent of their income on housing costs and could find suitable housing for less.
- 47% of households within core housing need in Spruce Grove are in extreme core housing need and spending over 50% of their income on dwelling. Extreme core housing need represents 3.96% of all households in Spruce Grove. As the cost of living has increased since the 2021 census, the number of households in extreme core housing need may be underrepresented.
- Affordability has remained the primary issue contributing to core housing need within Spruce Grove. Dwelling suitability and adequacy are not large contributors to overall core housing need within the municipality.

3.6 HOUSING PROFILE KEY FINDINGS

This section outlines key findings from the housing profile section of this report with a focus on overall implications of the analysis provided.

Dwelling Form:

Spruce Grove is primarily composed of single-family units with 63% of dwelling units being single family homes. This is in relative alignment with the other municipalities examined within this report.

Spruce Grove building permit data indicates a recent shift away from single family homes towards row houses, town homes and garden homes. Where single family homes represented 67% of building housing permits in 2022 they only represented 44% of building permits in 2023. Row Houses saw a large increase over the same period from 15% to 29% of building permits issued. This may signal changing market demand as interest rates increased and mortgage costs put more pressure on homeowners. In the first quarter of 2024, this shift in permitting continues with 47% of permits issued to date representing single family homes and 38% of building permits representing row houses.

Dwelling Condition:

Dwelling stock within Spruce Grove was primarily built within the last 20 years indicating that most of the dwelling stock is likely in good condition. This was reflected in 96% of occupied dwelling only requiring maintenance or minor repairs per the 2021 census.

Market Trends:

The average sale price of single-family homes in Spruce Grove increased 20% over the past five years. Apartment units over the same period saw a 15% decline in median sale price. When examining the affordability of each household type (single family home and apartment units) for Spruce Grove it was clear that, even at the median sales price of \$445,000, household types including non-census family

households, one parent census families, and couple families without children, are unable to afford the median price of a single-family home. As interest rates and home prices are continuing to increase higher density options may become more attractive to home buyers.

Rental Market:

Increased challenges within homeownership may also continue to contribute to higher proportions of renter households in comparison to owner households. This indicates that as long as dwelling prices remain unaffordable for a range of households there is increased need for diverse rental options within the municipality. Notably 59% of renter households are living in households within the secondary rental market, for which no cost or vacancy rate data is available. There are also implications for individuals renting within the secondary rental market around stability of their rental arrangements as owners may choose to sell their homes or may put additional restrictions around future tenants. Additionally, the affordability analysis for renter households indicated that non-census families in two-bedroom units offered within the primary rental market at a median rental price were also close to being within the affordability threshold for core housing need. This indicates that for 26% of households in Spruce Grove, the average cost of a 2-bedroom unit would be very close the affordability threshold for core housing need.

Core Housing Need:

Within Spruce Grove, it is notable that core housing need is primarily driven by challenges with affordability. In the comparable communities noted within this report, core housing need within the last census declined when compared to previous census periods likely due to the benefits offered through the Covid-19 Pandemic. This is not the trend experienced in Spruce Grove as core housing need did not decline through the pandemic period. This indicates that supports provided through the pandemic did not provide enough support to pull households in core housing need out of core housing need. As core housing need is being experienced by renters disproportionately more work may need to be done to fully understand the secondary rental market options available to households within Spruce Grove.

Lastly, 47% of households in core housing need are experiencing extreme core housing need. Although this proportion of households experiencing core housing need is not disproportionately high in relation to the other communities examined, these households do represent 3.96% of all households in Spruce Grove. These households are experiencing affordability challenges where deeper subsidies or affordable dwelling rental options may be required to support them into the future.

4.0 PROJECTIONS

Population projections are utilized to support municipal administration in understanding how the community may grow and therefore, how much and what kinds of dwellings may be provided.

4.1 METHODOLOGY

To project future number of households, a household projection model is used that incorporates key Census data on households (e.g. age of primary household maintainers, household composition) and projected growth in population and changes in demographics (e.g. how households age and change).

The methodology undertaken to understand the future population growth was developed based on the latest citywide population projection by the City of Spruce Grove which was informed by both the Federal and Municipal Censuses and Growth Study (2016) conducted by the City as well as the Edmonton Metropolitan Regional Board's Population Projections for the Municipality of Spruce Grove..

The future population age structure of the City is then determined by the projected age structure at the Census Division level developed by the province, assuming constant share (as in 2021) of population by age groups in the City relative to the projected population by age in Census Division No. 11 in the medium growth scenario from the *Alberta Population Projections, 2023-2051 for Alberta and Census Divisions* prepared by the Government of Alberta. The data was then standardized to the total population projected by the city, within the Edmonton Metropolitan Regional Board Projections, based on an average annual population growth rate of 2.6%.

To determine future number of households, headship rate (the proportion of individuals that are heads of household to the population by age groups) was kept constant with 2021 rates within the census. This set of headship rates is then applied to projected future population to derive future number of households.

The proportion of rental tenure by age groups is based on the trendline of rental tenure over the past 15 years (from 2006 to 2021)⁶⁶ to determine the proportion of renters projected in the next 10 years.

Core Housing Needs projections are based on an average percentage of households in core housing need over the last four census periods. However, in Spruce Grove, the percent of households in core housing need in the 2021 census was the second highest among the last four census periods. This indicates there is still a higher percent of households in core housing need compared to past census periods despite the COVID-related benefits.

4.1.1 LIMITATIONS

The limitations of this approach undertaken are outlined below:

Headship rates were assumed to be consistent with the 2021 census in projecting forward. This assumes that the household formation pattern remains the same in the projected period. However, this could be subject to changes in individual preference in household formation, unexpected shocks in economic and migration condition, which would influence the pattern of household growth deviating from the historical trend.

As core housing need was projected utilizing an average of core housing need over the last four census periods, there are some limitations in the confidence of this projection. Core housing need through Covid-19 was still the second highest rate of core housing need in the four census periods examined. Core

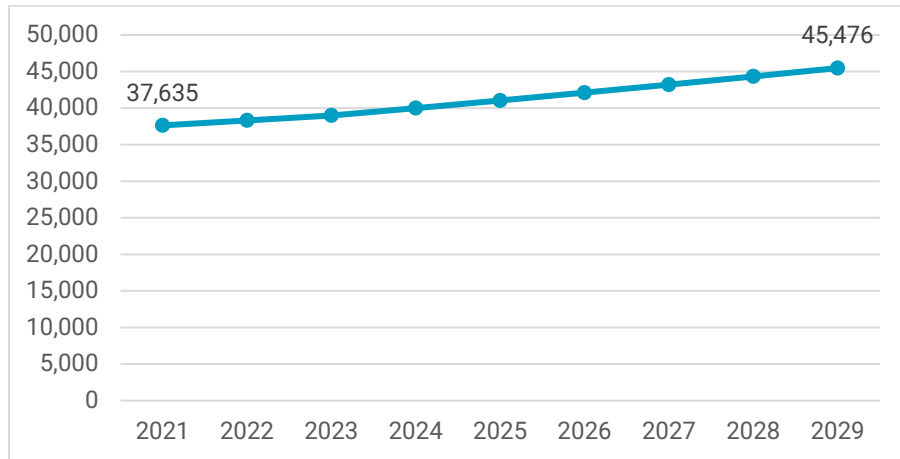
⁶⁶ The rental tenure shares for the age groups over 75 years are assumed to remain constant from the last census (2021), as the rental tenure rate (aged 75 or above) has declined during this period. Projecting the trendline forward may underestimate the rental unit needed for the seniors in the future.

housing need has likely risen beyond the projected rate, these projections should be revisited as the next census captures the rates of core housing need post Covid-19 in Spruce Grove.

4.2 POPULATION AND HOUSEHOLD PROJECTIONS

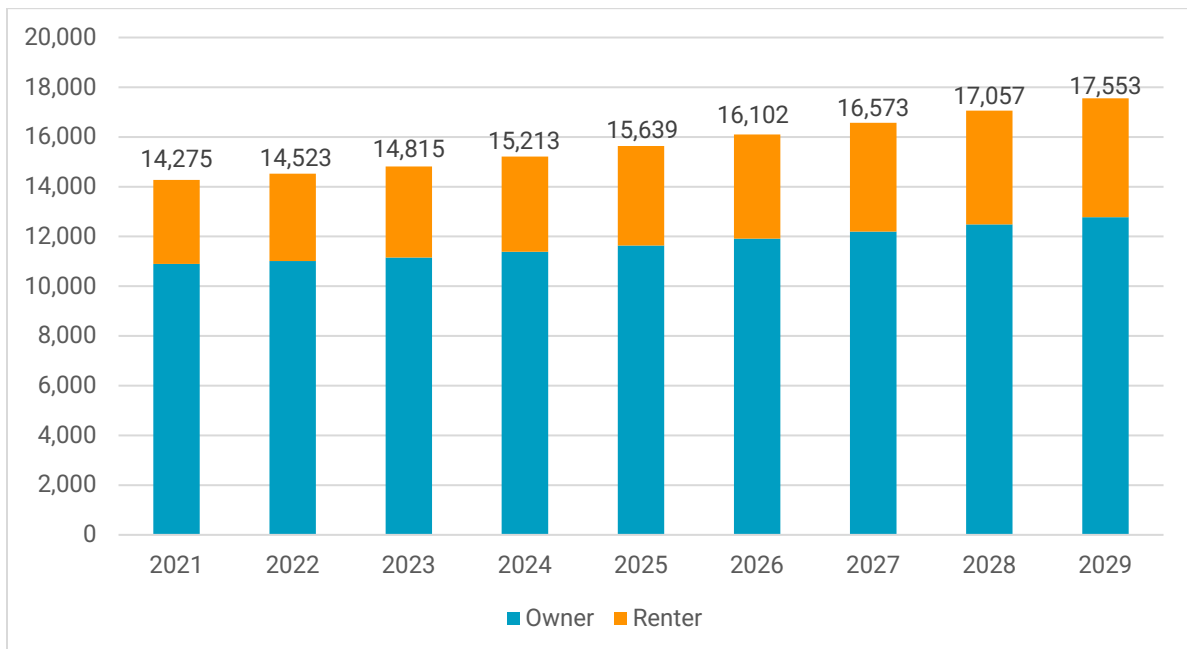
Population projections have been developed in alignment with Municipal projections utilised in other areas of work.

Figure 37 Population Growth Projections



It is assumed that between 2021 and 2029 Spruce Grove will grow by 7,841 individuals. This assumes a 2.6% annual growth rate.

Figure 38 Household Projections, by Tenure



It is projected that between 2021 and 2029 the number of total households will increase by 3,278. In considering household tenure, it is assumed that of the 3,278 new households 1,877 households will own their homes and 1,401 households will rent their homes.

To determine the household type distribution in each year, the 2016 distribution as published in the Census, was applied and held constant from 2016 to 2029. To determine the number of bedrooms required within the projected dwelling growth in Spruce Grove, the following assumptions were made as in Table 18 below.

Table 18 Assumptions, Projected Household Types by Number of Bedrooms

	1 Bed	2 Bed	3+Bed
Couples with children	4%	24%	72%
Couples without children	1%	6%	94%
One-parent census households	2%	24%	74%
Other census households	0%	11%	89%
Non census family household	18%	34%	49%

The projected number of households by number of bedrooms is displayed below in Table 19.

Table 19 Projected Housing Growth by Number of Bedrooms

	2021-2024 (Current Need)	2024-2029 (Future Need)	Growth (2021-2029)	Growth as a % of Total Households in 2021
1 Bedroom	60	149	208	1%
2 Bedroom	194	483	677	5%
3+ Bedroom	685	1,708	2,393	17%
Total	938	2,340	3,278	23%

The projected household growth by number of bedrooms has been displayed by outlining the current need that was projected between the 2021 census and 2024, and future need, the number of homes projected within the next five years.

4.2.1 CORE HOUSING NEED PROJECTIONS

The average core housing need rate over the last four census periods for Spruce Grove is 7.8%. This proportion was applied to the total projected households from 2021 to 2029. This is the number of total households in Spruce Grove that are projected to meet the criteria for core housing need.

Table 20 Projected Households in Core Housing Need, 2021 - 2029

	2021	2022	2023	2024	2025	2026	2027	2028	2029
Number of Households in Core Housing Need	1,118	1,137	1,160	1,191	1,225	1,261	1,298	1,336	1,374
Percentage of All Households in Core Housing Need	7.9	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
Total Households	14,275	14,253	14,815	15,213	15,639	16,102	16,573	17,057	17,553

4.3 KEY FINDINGS

Projected Need

Through population projections the current housing need in Spruce Grove is 938 units (60 one-bedroom, 194 two-bedroom, 685 three-bedroom,) while the future need to 2029 is an additional 2,340 dwellings (149 one-bedroom, 483 two-bedroom, 1,708 three-bedroom). Most of these households will require more than three bedrooms.

New Development

The Intelligence House Report outlines that there are 1,171 serviced lots and developed homes either being built or in inventory indicating that the immediate housing demand may be satisfied. Generally, these homes are sold at prices higher than the average sales price of a detached house in Spruce Grove, meaning that a median earning household may not be able to afford the cost of housing without stretching household spending over the affordability threshold. For example, homes priced just 10% above Spruce Grove’s \$445,000 median single-detached sales price (\$489,500) result in monthly ownership costs of \$3,807, which is barely just affordable for other Census family households (\$3,811 max) and couples with children (\$3,838). Additionally, new units within the Intelligence House report do not satisfy growing demand for purpose built rental housing options. As the population of Spruce Grove increases, so too does the demand for purpose built rental housing.

5.0 SUMMARY

Spruce Grove has experienced substantial growth between 2006 and 2021 census periods. As this growth has occurred so too as the need for diverse housing options for the changing population. The key findings within this document demonstrate insights to inform next steps in informing the municipality’s Housing Strategy.

5.1 KEY FINDINGS

There are a few areas along the housing continuum whereby Spruce Grove does not currently have any housing options. Currently, the City of Spruce Grove does not have emergency housing, short-term transitional housing, and long-term supportive housing (for populations beyond seniors). There is also a lack of non-market options for rental and ownership in Spruce Grove. Existing housing options, including

rental and ownership options, as well as affordability of each have been thoroughly explored in this report.

Population and Household Growth

Spruce Grove has seen 93% population growth between the 2006 census period and the 2021 census period. The largest period of population growth in the community occurred between 2011 and 2016, with community growth slowing between 2016 and 2021. Between 2021 and 2023 (Municipal Census), Spruce Grove's population grew by 1,350 people (annualized rate of 1.36%). Between the 2006 and 2021 census Spruce Grove also experienced a large amount of growth in visible minority (741%) and Indigenous (322%) populations. This indicates a need to create diverse dwelling opportunities that serve the needs of a growing and diversifying population.

As the population of Spruce Grove has increased the proportion of one- and two- person households has increased to 56% of total households. This represents an increase of 2,865 one and two person households within the municipality. One person households have grown from 18% of households in 2006 to 22% of households in 2021. This change in household size may be correlated to the demographic changes experienced within Spruce Grove over the same four census periods, specifically the growth in the 65 to 84 age group.

Income and Employment

Median income within Spruce Grove saw a small decline between the 2016 and 2021 census from \$107,878 to \$106,000. This could have been due to employment changes through the pandemic as many industries representing the working population in Spruce Grove were heavily impacted by pandemic related economic changes, namely the 7% of workers in Spruce Grove working in accommodation and food service. Unemployment rates increased and labour participation rates decreased through the 2021 census. This shift could be due to both the growth within the 65 to 84 age group and pandemic-related economic impacts. The pandemic also shifted the amount of time the working population worked from their homes. Within the census, many individuals noted that they were working from home where previously they noted working outside the home at a usual place of work. This may impact housing trends long-term as households look for spaces within their home to continue either working from home or in a hybrid environment.

Housing Costs

The period captured through the 2021 census was also one of low interest and mortgage rates. By the end of 2020, the average five-year fixed rate mortgage in Alberta had decreased to between 2% and 2.5%. Variable rates also saw a decline, with the average five-year variable rate mortgage in Alberta dropping to around 1.7% by the end of 2020. Since this period mortgage rates have increased substantially to over 5%, as individuals look to renew their 3 to 5-year mortgages, there may be financial pressures faced through this renewal. Additionally, costs associated with home ownership including insurance, maintenance costs, and utilities have also increased for many homeowners throughout the past three years. As these costs increase, so too does the financial pressure faced by home owners.

Housing Stock

The number of bedrooms in the homes that have been built over the last three census periods has demonstrated large growth in dwelling units with over three bedrooms. As a proportion of total dwelling

stock three-bedroom homes grew 57% and four-bedroom homes grew 34% since 2011. This could be due to families starting later, and households wanting extra room to expand ⁶⁷ or increased working from home resulting in households requiring additional office space. Simply stated: census data indicates that there are many households that have additional bedrooms; understanding why households are looking for this space may help the municipality in future planning efforts. When examining comparative municipalities (*Table 21*), Spruce Grove has an above average proportion of 3-bedroom units comprising its housing stock, and a below average proportion of 4+ bedroom units.

Table 21 Percent of Units by Number of Bedrooms by Municipality, 2021⁶⁸

Municipality	1 Bed	2 Bed	3 Bed	4+ Bed
Spruce Grove	4.8	12.3	44.0	31.5
Airdrie	4.4	18.7	43.8	32.8
Leduc	5.1	20.1	42.1	32.3
St. Albert	4.0	17.4	34.3	44.1
Strathcona County	3.6	12.5	36.3	47.4
Stony Plain	9.0	20.4	37.8	32.5
Average	5.2	16.9	39.7	36.8

Housing Tenure

Perhaps the most noteworthy trend experienced through the last four census periods has been the shift in housing tenure seen in Spruce Grove. Throughout the last four census periods Spruce Grove saw a large increase in renter households from 18% to 24%. Amongst the other communities examined, only Stony Plain saw a higher percent growth in renters. This should be noted as both municipalities are close geographically and there may be further need to understand secondary rental options within both communities. The increasing proportion of renters within Spruce Grove may also be due to the increasing costs of home ownership. Understanding that renter households are increasing, as well as one and two person households, demonstrates need to understand the needs of these households. Spruce Grove also saw a higher percent growth in non-census families than other communities examined within this report. This indicates growth in individuals living alone or roommate living situations. Many of these non-census households are one or two person households further demonstrating the need to understand the current dwelling stock available to these households in particular, as well as that there is sufficient stock in the future.

Dwellings in Spruce Grove is primarily composed of single-family units with 63% of dwelling units being single family homes. This is in relative alignment with the other municipalities examined within this report; however, it is notable that there is a comparatively low single-detached distribution in Stony Plain as there may be a shared primary rental market between Spruce Grove and Stony Plain. Building permit data indicates a recent shift away from single family homes towards row houses, town homes and

⁶⁷ Age of first-time mothers increasing in Alberta: report | CTV News

⁶⁸ See *Statistics Canada Census Program, Census Profiles 2021*.

garden homes. Where single family homes represented 67% of building permits in 2022 they only represented 44% of building permits in 2023. Row houses saw a large increase over the same period from 15% to 29% of building permits issued. This may signal changing market demand as interest rates increase and mortgage costs put more pressure on homeowners. In the first quarter of 2024, this shift in permitting continues with 45% of permits issued to date representing single family homes and 38% of building permits representing row houses. This shift towards more dense forms of housing could be due to increased financial pressure on households looking for single family homes as well as trends in household size and the increasing number of one and two person households within the municipality.

Dwelling stock within Spruce Grove was primarily built within the last 20 years indicating that most of the dwelling stock is likely in good condition. This was reflected in 96% of occupied dwellings only requiring maintenance or minor repairs per the 2021 census.

Home Ownership

The average sale price of single-family homes in Spruce Grove has increased 20% over the past five years. Apartment units over the same period saw a 15% decline in median sale price. When examining the affordability of each household type (single family home and apartment units) for Spruce Grove it was clear that, even at the median sales price of \$445,000 household types including non-census family households, one parent census families, and couple families without children, are unable to afford the median price of a single-family home. As interest rates and home prices are continuing to increase higher density options may become more attractive to home buyers.

Table 22 Home Ownership Affordability Analysis^{69, 70}

	Median Annual Incomes	Monthly Affordable Shelter Costs (30% of avg monthly income)	Single Detached Dwelling – Monthly Shelter Cost	Apartment – Monthly Shelter Cost
Non-Census Family Households	\$ 60,800	\$1,598	\$3,259	\$1,456
Other Census Family Households	\$145,000	\$3,811	\$3,259	\$1,456
One Parent Census Family	\$74,500	\$1,958	\$3,259	\$1,456

⁷⁰ Assumptions related to Shelter costs are outlined in Section 3.2.1 and include utilities, insurance, mortgage payments, and property tax

Couple with Children	\$146,000	\$3,838	\$3,259	\$1,456
Couple without Children	\$108,000	\$2,839	\$3,259	\$1,456
Individual on AISH⁷¹	\$22,356	\$560	\$3,259	\$1,456
Low Income Senior	\$25,200	\$630	\$3,259	\$1,456
Minimum Wage Full Time Employee	\$28,800	\$720	\$3,259	\$1,456

Rental Market

Increased challenges within homeownership may also continue to contribute to higher proportions of renter households in comparison to owner households. This indicates that as long as dwelling prices remain unaffordable for a range of household types there is increased need for diverse rental options within the municipality. 59% of renter households are living in households within the secondary rental market, for which no cost or vacancy rate data is available. Additionally, the affordability analysis for renter households indicated that non-census families in two-bedroom units offered within the primary rental market at a median rental price were also close to being within the affordability threshold for core housing need. This indicates that for 26% of households in Spruce Grove, the average cost of a 2-bedroom unit would be very close the affordability threshold for core housing need.

Table 23 Rental Affordability Analysis⁷²

	Median Annual Incomes	Monthly Affordable Shelter Costs (30% of avg monthly income)	Average 1-Bedroom Rent	Average 2-Bedroom Rent	Average Total Rent (Including 3-Bedroom)
Non-Census Family Households	\$ 60,800	\$ 1,598	\$1,230	\$1,498	\$1,412

⁷¹ AISH: Assured Income for the Severely Handicapped.

⁷² See section 3.3.4 for assumptions, shelter costs include rent and condo fees, and tenant insurance

Other Census Family Households	\$ 145,000	\$ 3,811	\$1,230	\$1,498	\$1,412
One Parent Census Family	\$ 74,500	\$ 1,958	\$1,230	\$1,498	\$1,412
Couple with Children	\$ 146,000	\$ 3,838	\$1,230	\$1,498	\$1,412
Couple without Children	\$ 108,000	\$ 2,839	\$1,230	\$1,498	\$1,412
Individual on AISH⁷³	\$ 22,356	\$ 560	\$1,230	\$1,498	\$1,412
Low Income Senior	\$ 25,200	\$ 630	\$1,230	\$1,498	\$1,412
Minimum Wage Full Time Employee	\$ 28,800	\$ 720	\$1,230	\$1,498	\$1,412

Core Housing Need

Within Spruce Grove, it is noteworthy that core housing need is primarily driven by challenges with affordability. Typically, core housing need within the last census declined when compared to previous census periods due to the benefits offered through the Covid-19 Pandemic. This is not the trend experienced in Spruce Grove as core housing need did not decline through the pandemic period. This indicates that supports provided through the pandemic did not provide enough support to pull households in core housing need out of core housing need. As core housing need is being experienced by renters disproportionately more work may need to be done to fully understand the secondary rental market options available to households within Spruce Grove.

Lastly, 47% households in core housing need are experiencing extreme core housing need. Although this proportion of households experiencing extreme core housing need is not disproportionately high in relation to the other communities examined, these households do represent 3.96% of all households in Spruce Grove. These households are experiencing affordability challenges where deeper subsidies or affordable rental options may be required to support them into the future.

⁷³ AISH: Assured Income for the Severely Handicapped.

Projections

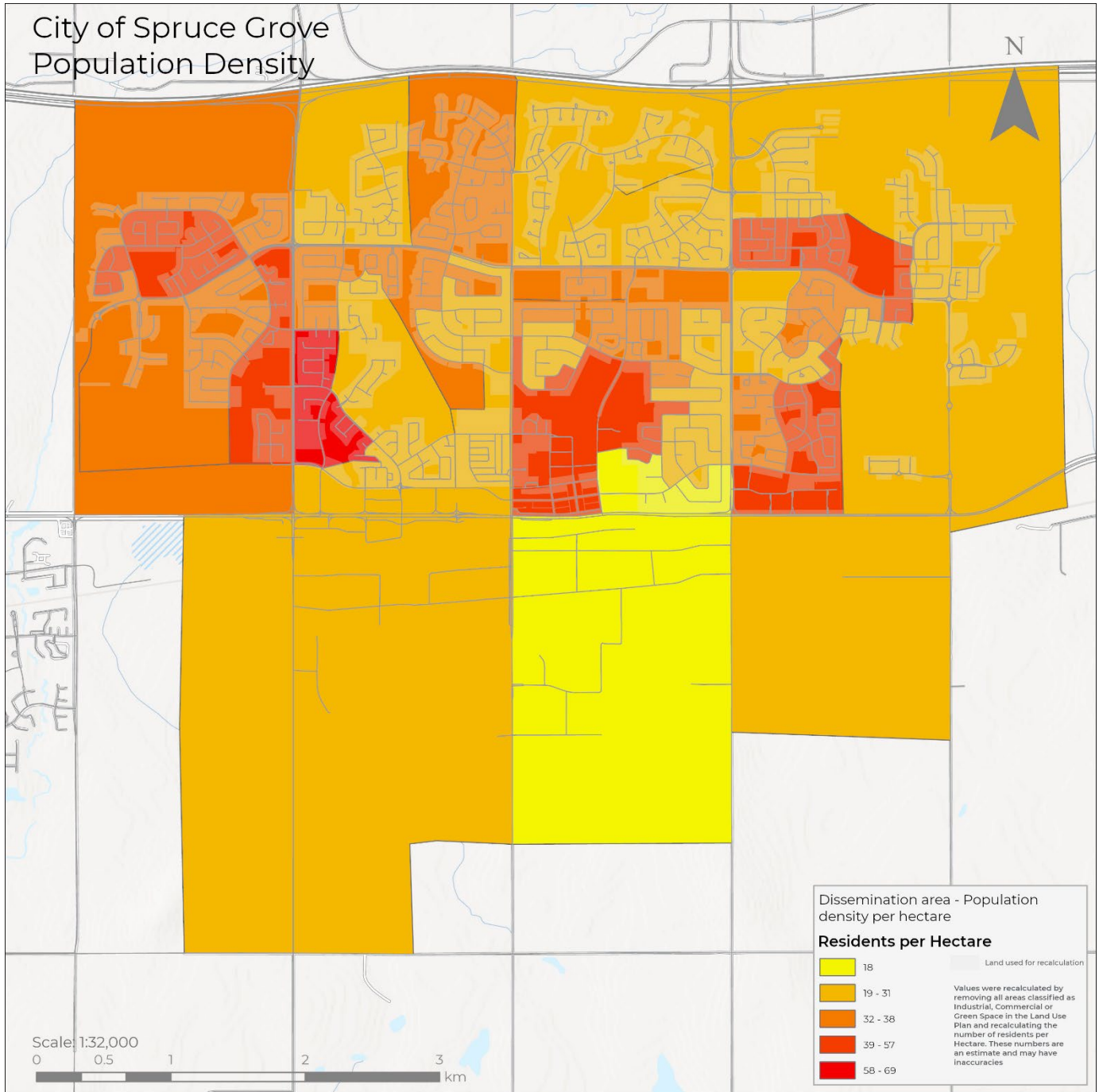
Through population projections the current dwelling need in Spruce Grove is 938 dwellings (60 one-bedroom, 194 two-bedroom, 685 three-bedroom,) while the future need to 2029 is an additional 2,340 dwellings (149 one-bedroom, 483 two-bedroom, 1,708 three-bedroom). Most of these households will require more than three bedrooms.

New Development

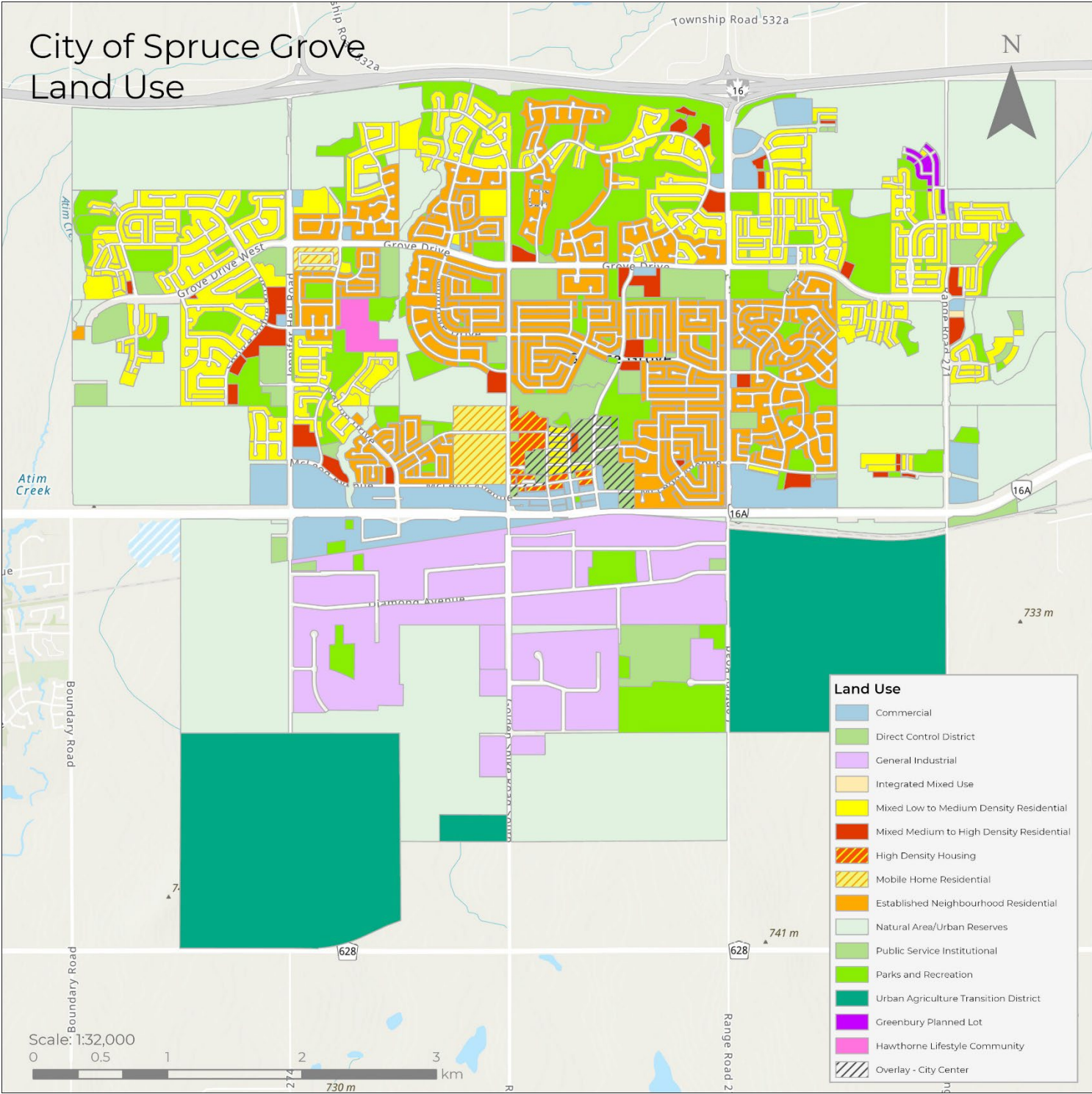
The Intelligence House Report outlines that there are 1,171 serviced lots and developed homes either being built or in inventory indicating that the immediate housing demand may be satisfied. It is possible that the sales price could be higher than the average sales price of a detached house in Spruce Grove (\$445,000) as these are newly constructed. For a high-end unit, the sales price might be in the mid-\$500,000s while a household earning the median income in Spruce Grove earns \$106,000). To save up for a downpayment of 10% of the sales price, the median-earning household would need to save up for approximately three (3) years⁷⁴. Additionally, new units within the Intelligence House report do not satisfy growing demand for purpose built rental housing options. As the population of Spruce Grove increases, so too does the demand for purpose built rental dwelling units.

⁷⁴ Assuming a median-earning household income saves 20% of their before-tax annual income for their downpayment.

APPENDIX A: MAPS



City of Spruce Grove Land Use



City of Spruce Grove Core Housing Needs

