

INTERIM HOUSING NEEDS REPORT

August 2024

Received by Council: 4 September 2024.

PREAMBLE

This Interim Housing Needs Report (IHNR) is prepared pursuant to section 790 of the Local Government Act and amends the current 2021 Housing Needs Report (HNR). A regular HNR is required to be received by December 31, 2028, and will supersede this IHNR.

The IHNR is required to include three components:

- The number of housing units required to meet the current and anticipated need for the next 5 and 20 years,
- A statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation; and,
- A description of the actions taken by the Municipality of North Cowichan since receiving the previous HNR.

The 5-year and 20-year housing need have been generated using the [BC HNR Calculator](#) and in accordance with the HNR Method Technical Guidelines which are prescribed by regulation. The data and tables that inform the need are provided within the Appendix: Data Tables. Information and housing needs identified in this report shall amend the January 2021 [Cowichan Valley Regional District Municipality of North Cowichan Housing Needs Assessment Report](#), with which this report shall be read in conjunction.

5-YEAR AND 20-YEAR HOUSING NEED

The anticipated number of new housing units needed with the next **5 years** is **2,172**.

The anticipated number of new housing units needed within the next **20 years** is **7,083**.

The *Local Government Act* requires the OCP and Zoning Bylaw be amended by 31 December 2025 to accommodate the 20-year number of units at a minimum.

ACTIONS TAKEN SINCE 2021

The IHNR must include description of actions taken by the Municipality to reduce housing needs since having received the most recent HNR, as per *Local Government Act* section 790(3)(b)(ii). The current HNR was received in January 2021 and based on 2019 data. The following list chronologically itemizes significant actions taken by the Municipality since this time.

3191 Sherman Road, Duncan: working with BC Housing and Community Land Trust to develop the Municipally-owned property for a 92 unit affordable housing project. Development permit issued Q1 2021.

2022 OCP: new official community plan containing comprehensive housing policies and land use designations for new housing. Adopted August 2022.

ALR Alignment Zoning: zoning bylaw amendment to allow accessory dwellings on rural parcels > 2 ha, in response to changes to the ALC Act. Adopted October 2022.

Housing Accelerator Fund Application: assembled bid to the federal HAF for \$87M to deliver 2,700 units over three years. August 2023. Application was unsuccessful; subsequent bid to HAF2 being assembled.

Market Research & Financial Analysis: consultant-led report analyzing development economics and providing the basis of a draft Affordable Housing Policy. Received December 2023 and included a developers' forum held October 2023.

2988 Elliot St, Chemainus: developing a proposal for development of municipally-owned site, utilizing project development funding from BC Housing, awarded March 2024.

SMMUH Zoning: zoning provisions to permit a minimum of three or four units per residential lot, in response to provincial legislation. Included revisions to site standards to enable the permitted densities to be realized on the majority of parcels. Adopted June 2024.

Building Bylaw: draft bylaw presented to Council July 2024 containing pathways to facilitate non-traditional forms of housing, scheduled to return to Council for first reading fall 2024.

HOUSING IN PROXIMITY TO TRANSPORTATION INFRASTRUCTURE

The IHNR must include a statement regarding the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation, as per *Local Government Act* section 790(3)(b)(iii).

The 2022 Official Community Plan addresses this need in several ways. Primarily, the OCP defines an Urban Containment Boundary that focuses growth within our existing urban areas; namely those that are best served by walkable shops, services and amenities, and public transport.

A notable exception to the above principle is the Bell McKinnon Local Area Plan (BMLAP), which creates a new growth centre in a relatively undeveloped area. It is centred around the Cowichan District Hospital (under construction at the time of writing) for which a new bus route through the area will be created. The BMLAP includes “village core” land use designations around the hospital site to provide a range of services and shops for local residents, reducing the imperative to travel outside the area for daily needs. Furthermore, the road standards prescribed within the BMLAP incorporate pedestrian and cycling infrastructure, to facilitate ease and safety of moving around by means other than cars.

Elsewhere, the highest density residential growth is directed into Berkey’s Corner and University Village; both well-served by bus routes. Secondary growth centres of Crofton and Chemainus also lie on the same No.6 bus route. All four of these growth areas lie within walking distance of a range of local shops, services and amenities.

APPENDIX: DATA TABLES

The following tables follow the HNR Method set out in the HNR Technical Guidelines in generating six components (A-E) of an overall housing need figure. These are:

- A. The number of housing units for households in extreme core housing need
- B. The number of housing units for individuals experiencing homelessness
- C. The number of housing units for suppressed households
- D. The number of housing units for anticipated household growth
- E. The number of housing units required to increase the rental vacancy rate to 3%
- F. The number of housing units that reflects additional local housing demand (“demand buffer”).

Component A: extreme core housing need (ECHN)

Extreme core housing need (ECHN) for renters and owners with a mortgage is used to estimate the number of new units required for those in vulnerable housing situations. Extreme core housing need, as defined by Statistics Canada, refers to private households falling below set thresholds for housing adequacy, affordability or suitability that would have to spend 50% (as compared to 30% for core housing need) or more of total pre-tax income to pay the median rent for alternative acceptable local housing.

Table 1a: Owner & Rental Households

Total number of owner and renter households in the four previous census years.

North Cowichan DM (CSD, BC)				
Total Households	2006	2011	2016	2021
Owners	8,780	9,355	9,560	10,575
Renters	2,510	2,705	3,205	3,185

Table 1b: Extreme Core Housing Need

Total number of owner and renter households in ECHN in the four previous census years, with average ECHN rate.

North Cowichan DM (CSD, BC)									
Extreme Core Housing Need	2006		2011		2016		2021		Average ECHN Rate
	#	% of total	#	% of total	#	% of total	#	% of total	
Owners with a mortgage	n/a		n/a		n/a		145	1.37%	1.37%
Renters	335	13.35%	385	14.23%	375	11.70%	240	7.54%	11.70%

Table 2: 2021 ECHN Total

Total estimate number of owner and renter households in ECHN in 2021. (Table 1a + Table 1b)

North Cowichan DM (CSD, BC)			
Total Households	2021 Households	Average ECHN Rate	Households in ECHN
Owners	10,575	n/a	n/a
Owners with a mortgage		1.37%	145.00
Renters	3,185	11.70%	372.77
Total New Units to Meet ECHN - 20 years			517.77

Component B: housing units and homelessness

People experiencing homelessness (PEH) is a population not typically captured well in data sources such as the census. This component of housing need quantifies the supply of permanent housing units required for those currently experiencing homelessness.

Data on homelessness is derived from the Province’s Integrated Data Project (IDP), a program initiated through a partnership between the Ministries of Housing, Social Development and Poverty Reduction, Citizen Services, and BC Housing. The IDP provides robust data on people experiencing homelessness at any point during the year, as a complement to the annual, one-day point-in-time counts conducted by many local and regional governments.

To be included in IDP counts, individuals must have received income assistance (i.e., BC Employment Assistance) and had no fixed address for three consecutive months or stayed in a BC Housing-affiliated shelter for at least one night, or both. The data is publicly available at the regional scale, with the most recent year being 2021 as of the writing of this guidance.

Calculation: Regional homelessness data, as reported by the IDP, is applied to the applicable municipality or EA based on its share of the regional population. A population-based distribution mitigates some of the impacts of historically varied local government investment in supports and housing serving the PEH population. This calculation assumes that one permanent housing unit is required per PEH.

Table 3: Homes for People Experiencing Homelessness (PEH)

Estimated number of homes required to meet the need of existing PEH households as a proportion of the regional need.

North Cowichan DM (CSD, BC)				
Regional Population	Local Population		Regional PEH	Proportional Local PEH
	#	% of region		
87,330	31,425	35.98%	535	192.52
Total New Units to Homelessness Needs - 20 years				192.52

Component C: housing units and suppressed household formation

Suppressed Household Formation (SHF) addresses those households that were unable to form between 2006 and the present due to a constrained housing environment. Households make decisions on housing based on the choices available to them; for example, young people may have difficulty moving out of their parents’ homes to form households of their own, while others may choose to merge households with roommates due to lack of available and affordable housing supply.

Table 4a: Age of Household Maintainer

Total number of owner and renter households in 2006 by age of primary household maintainer.

North Cowichan DM (CSD, BC)		
Age – Primary Household Maintainer 2006 Categories	2006 Households	
	Owner	Renter
Under 25 years	105	230
25 to 34 years	540	550
35 to 44 years	1,460	485
45 to 54 years	2,085	500
55 to 64 years	1,930	335
65 to 74 years	1,410	225
75 years and over	1,250	190

Table 4b: Owner & Renter Age of Household Maintainer

Total number of owner and renter households in 2021 by age of primary household maintainer.

North Cowichan DM (CSD, BC)		
Age – Primary Household Maintainer 2021 Categories	2021 Households	
	Owner	Renter
15 to 24 years	35	145
25 to 34 years	645	585
35 to 44 years	1,180	595
45 to 54 years	1,420	550
55 to 64 years	2,425	540
65 to 74 years	2,695	460
75 to 84 years	1,660	245
85 years and over	520	70

Table 5: Age

Population by age category in 2006 and 2021

North Cowichan DM (CSD, BC)					
Age Categories – Household Maintainers	Age Categories – Population	2006		2021	
		All Categories	Summed Categories	All Categories	Summed Categories
15 to 24 years	15 to 19 years	2,025	3,455	1,510	2,855
	20 to 24 years	1,430		1,345	
25 to 34 years	25 to 29 years	1,110	2,380	1,275	2,950
	30 to 34 years	1,270		1,675	
35 to 44 years	35 to 39 years	1,555	3,540	1,855	3,495
	40 to 44 years	1,985		1,640	
45 to 54 years	45 to 49 years	2,265	4,450	1,645	3,575
	50 to 54 years	2,185		1,930	
55 to 64 years	55 to 59 years	2,245	3,995	2,450	5,205
	60 to 64 years	1,750		2,755	
65 to 74 years	65 to 69 years	1,375	2,615	2,765	5,360
	70 to 74 years	1,240		2,595	
75 years and over	75 to 79 years	940	2,055	1,735	3,570
	80 to 84 years	615		1,065	
	85 years and over	500		770	

Table 6: 2006 Headship Rate

2006 headship rate in each age category for both renters and owners.

North Cowichan DM (CSD, BC)					
Age Categories – Household Maintainers	2006 Households		2006 Population	2006 Headship Rate	
	Owner	Renter	Total	Owner	Renter
15 to 24 years	105	230	3,455	3.04%	6.66%
25 to 34 years	540	550	2,380	22.69%	23.11%
35 to 44 years	1,460	485	3,540	41.24%	13.70%
45 to 54 years	2,085	500	4,450	46.85%	11.24%
55 to 64 years	1,930	335	3,995	48.31%	8.39%
65 to 74 years	1,410	225	2,615	53.92%	8.60%
75 years and over	1,250	190	2,055	60.83%	9.25%

Table 7: 2021 Headship Rates

Potential 2021 headship rate of each age category for both renters and owners if the headship rate from 2006 remained constant.

North Cowichan DM (CSD, BC)					
Age Categories – Household Maintainers	2006 Headship Rate		2021 Population	2021 Potential Households	
	Owner	Renter	Total	Owner	Renter
15 to 24 years	3.04%	6.66%	2,855	86.77	190.06
25 to 34 years	22.69%	23.11%	2,950	669.33	681.72
35 to 44 years	41.24%	13.70%	3,495	1,441.44	478.83
45 to 54 years	46.85%	11.24%	3,575	1,675.03	401.69
55 to 64 years	48.31%	8.39%	5,205	2,514.56	436.46
65 to 74 years	53.92%	8.60%	5,360	2,890.10	461.19
75 years and over	60.83%	9.25%	3,570	2,171.53	330.07

Table 8: Suppressed Households

Number of suppressed households by subtracting actual households in 2021 from potential households in 2021, by age category.

North Cowichan DM (CSD, BC)							
Age Categories – Household Maintainers	2021 Potential Households		2021 Households		2021 Suppressed Households		
	Owner	Renter	Owner	Renter	Owner	Renter	Total
15 to 24 years	86.77	190.06	35	145	51.77	45.06	96.82
25 to 34 years	669.33	681.72	645	585	24.33	96.72	121.05
35 to 44 years	1,441.44	478.83	1,180	595	261.44	-116.17	145.28
45 to 54 years	1,675.03	401.69	1,420	550	255.03	-148.31	106.71
55 to 64 years	2,514.56	436.46	2,425	540	89.56	-103.54	0.00
65 to 74 years	2,890.10	461.19	2,695	460	195.10	1.19	196.28
75 years and over	2,171.53	330.07	2,180	315	-8.47	15.07	6.61
Total New Units to Meet Suppressed Housing Need - 20 years							672.75

Component D: housing units and anticipated household growth

Anticipated household growth (AHG) quantifies the additional households required to accommodate an increasing population over twenty years.

Calculation: To estimate AHG, data is drawn from the recently updated BC Stats household projections. Two 20-year growth scenarios are developed and the average of the two scenarios is taken as the new units required for AHG for housing needs calculations:

- The Local Household Growth scenario uses household growth projections for the applicable municipality to determine the number of housing units needed.
- The Regionally Based Household Growth scenario takes the applicable municipality’s or EA’s number of households from the most recent census report, and applies the projected 20-year regional household growth rate (%), to determine the number of housing units needed.

Table 9: Regional Population

20 year population projection and growth rate for the CVRD.

North Cowichan DM (CSD, BC)			
Regional District Projections	2021	2041	Regional Growth Rate
Households	37,290	48,258	29.41%

Table 10: 20 Year Housing Need

Number of new homes needed in next 20 years, calculated with the average of municipal and regional growth projections.

North Cowichan DM (CSD, BC)				
Growth Scenarios	Regional Growth Rate	Households		New Units
		2021	2041	
Local Household Growth	n/a	13,760	17,498.00	3,738.00
Regionally Based Household Growth	29.41%	13,760	17,807.19	4,047.19
Scenario Average				3,892.59
Total New Units to Meet Household Growth Needs - 20 years				3,892.59

Component E: housing units and rental vacancy rate

A Rental Vacancy Rate Adjustment (RVRA) adds surplus rental units to restore local vacancy rates to levels representing a healthy and well-functioning rental housing market. Including a RVRA in calculations of housing need has been recommended by multiple sources, including the Expert Panel on Housing Supply and Affordability (BC/Canada) and CMHC. Typically, rates between 3% and 5% are considered healthy rates. These calculations use the more conservative rate of 3%.

The RVRA calculation uses Primary Rental Market Vacancy Rate data from CMHC for each applicable municipality or EA. The difference between the units required to reach a healthy vacancy rate of 3% and the estimated existing number of rental units is taken as the additional number of new units required. If Primary Rental Market Vacancy Rate data from CMHC is not available for the applicable municipality or EA, the local government should instead use the provincial vacancy rate, also provided by CMHC. Any vacancy rates above 3% should be entered as zero as the housing need for this component.

Table 11: Rental Deficit

Difference between existing rental homes and the total number required for a 3% vacancy rate.

North Cowichan DM (CSD, BC)				
	Vacancy Rate	Occupied Rate	Renter Households	Estimated Number of Units
Target Vacancy Rate	3.00%	97.00%	3,185	3,283.51
Local Vacancy Rate	1.00%	99.00%		3,217.17
Total New Units to Achieve 3% Vacancy Rate - 20 years				66.33

Component F: housing units and demand (“demand buffer”)

The final component included in the HNR Method is a calculated number of housing units reflecting additional demand for housing within a given community, beyond the minimum units required to adequately house current and anticipated residents. This is called the “demand buffer” and is designed



to better account for the number of units required to meet “healthy” market demand in different communities. Accounting for additional local demand helps address the needs of households who require or prefer housing with certain characteristics (e.g., housing location, unit size, transportation options, or amenities), thereby reducing pressure in the housing system. Examples of such demand include households seeking homes closer to jobs and schools, growing families looking for larger homes, and seniors looking to downsize in their existing communities.

For the purposes of HNRs, a demand factor based on a ratio of housing price to housing density is calculated for each applicable municipality. This factor is then multiplied by the sum of the housing units calculated for Components A (housing units to address extreme core housing need), B (housing units for persons experiencing homelessness), C (housing units to address suppressed household formation), and E (housing units to increase the rental vacancy rate) to determine the additional local housing demand.

Table 12: Additional Demand

Additional demand derived from applying the demand factor to Component A, B, C & E totals.

North Cowichan DM (CSD, BC)	
Component	Result
A. Extreme Core Housing Need	517.77
B. Persons Experiencing Homelessness	192.52
C. Suppressed Household Formation	672.75
E. Rental Vacancy Rate Adjustment	66.33
Total	1,449.37
Demand Factor	1.20
Total New Units to Address Demand Buffer - 20 years	1,741.50

Total 5-year and 20-year housing need

The calculation of 5-year housing need is based on the 20-year calculation for each of the six components of current and anticipated need described above.

The 5-year total number of new housing units for the applicable municipality or regional district electoral area (EA) is the sum of the six components, rounded to the nearest whole number.

Note: some components are relatively higher in the first 5 years, reflecting the urgency of addressing them, and so calculating the 5-year total is not as straightforward as simply dividing the 20-year number by 4.

Table 13: Total Need

Summation of Components A-F (rounded to nearest whole number) to determine total number of homes needed in the next 5 years and 20 years.

North Cowichan DM (CSD, BC)		
Component	5 Year Need	20 Year Need
A. Extreme Core Housing Need	129.44	517.77
B. Persons Experiencing Homelessness	96.26	192.51
C. Suppressed Household Formation	168.19	672.75
D. Anticipated Growth	1,325.93	3,892.59
E. Rental Vacancy Rate Adjustment	16.58	66.33
F. Additional Local Demand	435.37	1,741.49
Total New Units – 5 years	2,172	
Total New Units – 20 years		7,083

IMPLICATIONS

The headline figures from the method above result in a need for 7,083 units over the next 20 years. The *Local Government Act* requires the OCP and Zoning Bylaw to be amended by 31 December 2025 to accommodate this number of units at a minimum.