Housing Needs Report

Comox Valley Regional District

August 2024

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In collaboration with:

Comox Valley Regional District

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1 Executive Summary

In 2020, the Comox Valley Regional District (CVRD), alongside its participating municipalities and electoral areas, released its initial Housing Needs Report in response to new legislation and evolving housing market conditions.

Similar to many Canadian communities, the CVRD has faced increasing housing pressures, notably rising costs. Acknowledging the dynamic housing landscape, the need for updated reports, and the availability of new data, the regional district commissioned this report to provide an overview of the current and expected local housing situation.

1.1 Quick Facts

Demography

- The regional district's total population and households both grew by 9% between 2016 and 2021. Similar trajectories are expected to persist, albeit at a gradually slowing pace, over the next two decades.

- Across all communities, growth has historically been greatest among senior age cohorts and is anticipated to continue like so, although support could also come from other age groups over the foreseeable future.

Housing

- Almost one-quarter of the CVRD's dwelling stock was built in the 1990s. Construction activity has not matched this expansion since.

- Approximately 77% of local households own their dwelling.

- The median home price rose by 64% between 2019 and 2022 – nearly double the 33% increase from 2016 to 2019.

- An estimated 795 local units were used as commercial short-term rentals in 2023.

Housing need

- About 9% of local households were in Core Housing Need in 2021, with a higher prevalence among renters, single persons, lone parents, Indigenous households, transgender or non-binary persons, and refugees.

- Overall, the CVRD may need an additional 17,750 housing units to be built by 2041 to meet anticipated demand and mitigate market imbalances – based on the Province's HNR Method.

- Projections anticipate that about 5,320 units could be needed by 2026. Most of the demand should be addressed by market housing, though there exists a forecasted need to supply below-market and deeply affordable alternatives, across both owner- and renter-occupied housing.

1.2 Key Areas of Regional Need

Affordable housing

According to the Census, unaffordability remains the largest contributor to Core Housing Need, with about 19% of local households spending more than 30% of their total income on shelter in 2021. Since then, the gap between income purchasing power and actual house prices has widened, indicating a worsening of conditions post-Census.

Income categorizations based on HART methodologies show that approximately 19% of households earned a "very low" or "low" income in 2021. While many in these categories may already be shelter-secure (e.g., retired households with fully paid-off mortgages), this percentage represents a significant portion of the population that may be especially vulnerable to affordability challenges.

Projection work suggests that the community may require 17,750 additional housing units by 2041. Of these, at least 4,681 should be intentionally built at below-market or deeply affordable prices (most of which would be rentals).

Rental housing

Homeownership is becoming increasingly unaffordable for the median household, forcing many who would prefer to own a home to rent instead. Although renting is also experiencing a significant rise in costs, it often remains the more cost-effective option between the two tenures.

Regional data shows that renting appears to be becoming less popular locally, with the share of renter-occupied dwellings decreasing from 24% to 23% between 2016 and 2021 (mostly led by electoral area trends). Broader vacancy trends in the CVRD's urban areas and across BC suggest that the demand for rental housing should continue to grow – as rental vacancy rates continue to decrease, there is a rise in demand for rental housing relative to available supply.

Projection calculations suggest continued rental demand, anticipating an increase over the next two decades. Up to 38% of all dwellings demanded may be rental units.

Special needs housing

Although data on waitlists and core housing need is not specific to community members with special needs, national disability statistics show that overall rates of disability increased from 22.3% to 27.0% between the 2017 and 2022 surveys. Much of this increase is attributed to the growth of the senior population.

However, increases were also observed among youth and working-age adults, with significant rises in mental health, learning, and developmental challenges. This indicates a broad need for improved access to supportive housing options that cater to various specific support needs.

Housing for seniors

According to BC projections, the community can anticipate that senior-led households overall may be a consistent driver of dwelling demand growth over the next two decades. Total senior-led households are anticipated to increase across all communities, commanding even higher shares of overall households.

In 2022, the Canadian disability rate among the senior population was 40%, an increase of 3 percentage points since the last survey in 2017. A significant portion of this rate is related to mobility issues, and the likelihood of disability increases with age.

Given the anticipated growth in senior-led households and the elevated disability rate within this group, increased senior housing interventions are necessary. These could include ensuring senior facilities are widely permitted locally, further modifying building standards to support aging in place, or developing and improving existing senior services and programs.

While many solutions fall outside the direct influence of local government, there may be opportunities to partner with the provincial government and regional organizations.

Housing for families

Families, particularly couples, are often the most capable of owning or renting a dwelling due to the higher likelihood of dual-income households. This makes families among the most competitive households in the housing market.

Projections suggest that young family households (led by a 25- to 44-year old) may be on the rise across all communities over the next two decades. Consequently, there should be a growing demand for family-specific dwellings (e.g., those with more bedrooms or larger floor areas).

Shelters to address homelessness

Regional, provincial, and national trends show that overall homelessness is on the rise, with hidden homelessness likely increasing.

Using HART's income categorization methodology, about 2% of regional households (about 680) were identified as earning "very low" incomes in 2021 (a conservative estimate). These individuals are the most vulnerable to changes in their housing circumstances and are the most likely to require emergency housing interventions.

Addressing homelessness locally is ideal, as it allows residents to remain within their community. However, doing so can be challenging; particularly, when are diverse communities and contexts involved. Despite these difficulties, continuing to connect and

engage with local governments (rural and urban) through regional homelessness strategies is essential to coordinate and determine the allocation of emergency housing services and programs.

Proximity to transportation

Shelter costs are just one of many expenses that individuals and households must manage, and the ability to afford one thing often depends on the ability to afford another. Access to multiple transportation options is crucial, offering low-cost alternatives, improved access to jobs and essential services, and an enhanced overall quality of life.

The CVRD's regional transportation policies are guided by the 2010 Comox Valley Regional Growth Strategy (RGS). The RGS works to strengthen the regional transportation system with an emphasis on creating more opportunities for sustainable, efficient and effective transport options and networks. Increased efficiency in transportation will also help to decrease GHG emissions and non-renewable energy use. The strategy aims to achieve these goals by increasing public transit use, improving biking and pedestrian infrastructure, and developing and maintain an inter-regional transportation system.

While the CVRD's rural and urban areas grapple with many of the same concerns, there are differences in options available to them to address; specifically, rural communities. For instance, the capacity to allow for denser, more accessible communities is largely contingent on the adequacy of private well and septic. Furthermore, active or public transportation networks must cover greater geographies and thus generally cost more dollars to develop.

The CVRD's policies look to the region as a whole, but electoral areas and municipalities have their owning guiding policy documents to address local needs more directly. Nevertheless, with demographic bases anticipated to grow across all CVRD communities, it is especially important for the regional and local government to coordinate and collaborate to achieve or exceed their goals. Doing so will improve access to employment and housing options that might otherwise be geographically or economically out of reach.

2 Project Context

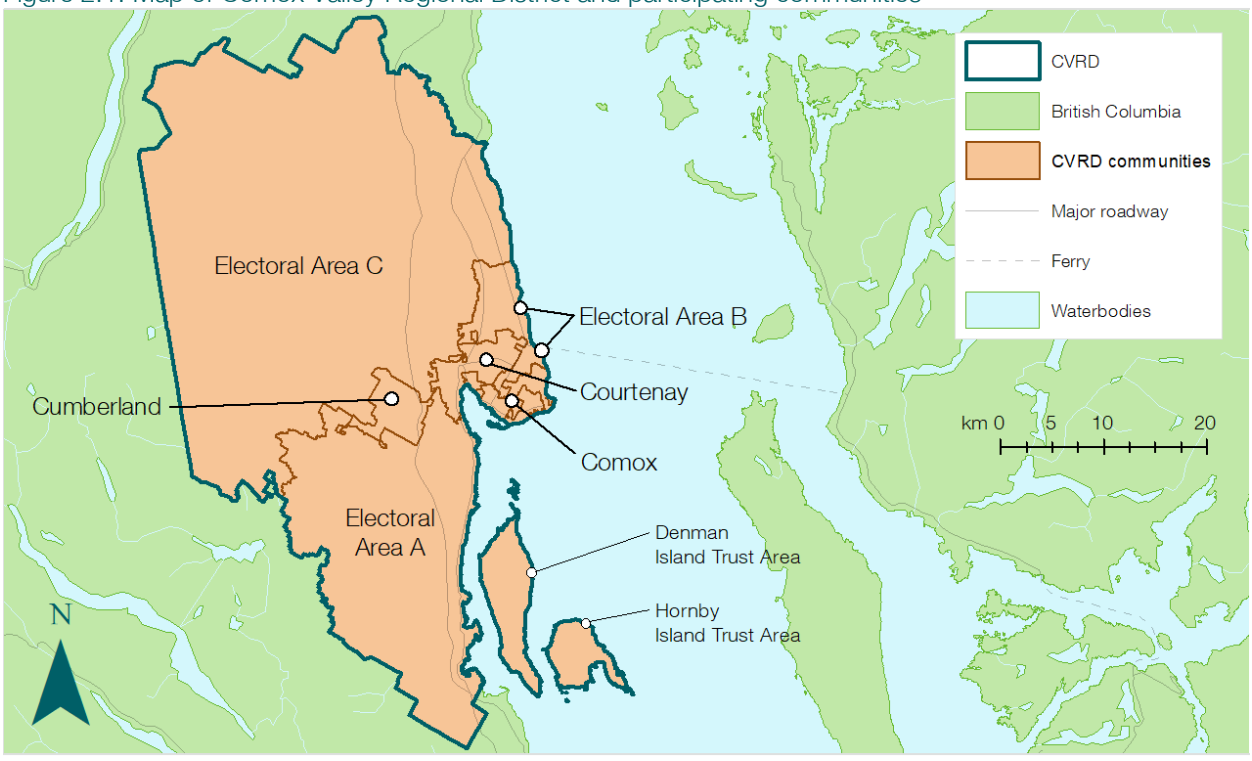
2.1 Study Area

This report focuses on the Comox Valley Regional District (CVRD), comparing its three municipalities and three electoral areas, as listed below and illustrated by Figure 2.1.

- The Town of Comox
- The City of Courtenay
- The Village of Cumberland
- Electoral Area A
- Electoral Area B (Lazo North)
- Electoral Area C (Puntledge – Black Creek)

Important note: Regional-level data in this report is often a simple summation of all participating municipalities and electoral areas (there will be a note in those sections where there is a different approach). Specifically for the Housing Needs work, it is important to note that the boundaries of Electoral Area A do not include Denman and Hornby Island Trust Areas. As a result, the totals reported in this document may not align with values reported by Statistics Canada or the BC government for the CVRD.

Figure 2.1: Map of Comox Valley Regional District and participating communities



Source: BC Geo Warehouse, Statistics Canada

2.2 Purpose

The purpose of this report is to comprehend the current and anticipated housing conditions in and across the CVRD. A Housing Needs Report (HNR) provides an overview of existing gaps, shedding light on potential opportunities crucial for housing provision.

A thorough assessment of housing need is a vital foundation for the support of future initiatives. The data gathered and insights generated by a needs report can inform land use and social planning initiatives at local levels, as well as provide hard evidence in support of advocacy to more senior levels of government. They are also a useful resource for those engaged in or entering the housing sector.

While an important document for directing policy, an HNR is also a requirement for municipalities, as set out in BC's *Local Government Act* and the Housing Needs Reports Regulation. Since provincial regulations dictate what data HNRs must include, this report covers many of the same topics as the 2020 report. However, there are notable differences between the two iterations:

1) This report intentionally keeps its written content concise compared to the 2020 document to enhance data clarity and overall readability. Individual community report appendices contain comprehensive collections of data tables for those interested in all data mandated by the Province for local governments to gather.

2) Like the 2020 HNR, this regional report is supplementary – it is intended to provide comparisons among communities and delve into explanations of methodologies and definitions.

3) This report was prepared without stakeholder consultation or a resident survey, focusing solely on updating quantitative data from secondary sources like Statistics Canada, CMHC, and various BC Government departments.

2.3 Sources

The report references various data sources contributing to the contextualization of housing conditions in the CVRD. The secondary quantitative data sources utilized include:

- AirDNA™
- BC Assessment
- British Columbia Statistics
- Canada Mortgage and Housing Corporation (CMHC)
- Statistics Canada
- UBC Housing Assessment Resource Tools (HART)

Limitations for each source are detailed in the next subsection. At a high level, the analysis cannot be exact without individualized person or household datasets. Many datasets in this

report rely on population samples, statistically sound but potentially not representative of the entire population. Therefore, the analysis should be seen as providing ballpark figures rather than precision.

This is especially applicable to projection work from any source. Estimating variable changes without knowledge of future conditions is inherently flawed. The data collected represents a time stamp subject to economic, social, and environmental conditions that may not persist in the future. Outputs from such exercises should serve as guiding posts, regularly recalculated to incorporate new information and adjust course as needed.

2.3.1 Data limitations

AirDNA™

Proprietary process

AirDNA™ employs a proprietary scraping process to extract short-term rental information from platforms like AirBnB and VRBO. The methodology details are not disclosed due to being a private company. While assumed to be appropriate and accurate, a detailed explanation is unavailable.

BC Assessment

Grouped Information

BC Assessment provides assessment roll spreadsheets for communities across British Columbia for the years 2005/2006 through 2022/2023. Assessment roll information is not on an individual property level; rather, similar types of properties are grouped together in "folios" based on several factors, such as property type and dwelling type. These folio groups also mean that assessment and sale price values reflect averages, making it more difficult to express community level average and median values.

Unit Counts

For purpose-built rental properties, unit totals within folios are sometimes represented by the value "20+," limiting accurate summation. This category is less relevant for owned properties.

British Columbia Statistics

Urban focus

BC Statistics helpfully consolidates most data related to complete Housing Needs Reports, like the new homes registry, non-market housing, post-secondary student housing, and homeless count sources. The database primarily offers data for urban areas, potentially excluding unincorporated or rural data, or suppressing data for confidentiality. This is often due to urban communities having greater data quality and quantity.

Canada Mortgage & Housing Corporation (CMHC)

Reporting landscape

CMHC conducts its Rental Market Survey (RMS) every year in October to estimate the relative strengths in the rental market. The survey collects samples of market rent levels, turnover and vacancy unit data for all sampled structures. The survey only applies to primary

rental markets, which are those urban areas with populations of 10,000 and more. The survey targets only privately initiated rental structures with at least three rental units, which have been on the market for at least three months. CMHC only collects rental data for the City of Courtenay, Town of Comox, or the Courtenay Census Agglomeration (CA). Therefore, rental data will refer to the Courtenay CA, since urban trends do have an impact on peripheral, rural communities.

Statistics Canada

Area & data suppression

Some geographic areas are too small to report, resulting in the deletion of information. Suppression can occur due to data quality or technical reasons, limiting the use of granular Census geographies. This was not a particular concern for this study, but limited the ability to use granular Census geographies (specifically, Dissemination Areas – see Definitions).

Random rounding

Numbers are randomly rounded to multiples of "5" or "10," leading to potential discrepancies when summed or grouped. Percentages derived from rounded data may not accurately reflect true percentages, introducing a level of approximation. Furthermore, the sums of percentages may not equal 100%.

UBC Housing Assessment Resource Tools (HART)

Sourced from Statistics Canada

While HART offers detailed methodologies for their analysis, they do rely on Statistics Canada datasets to perform them. Consequently, the same limitations as stated above apply for HART analysis results.

3 Regional Profile

3.1 Population

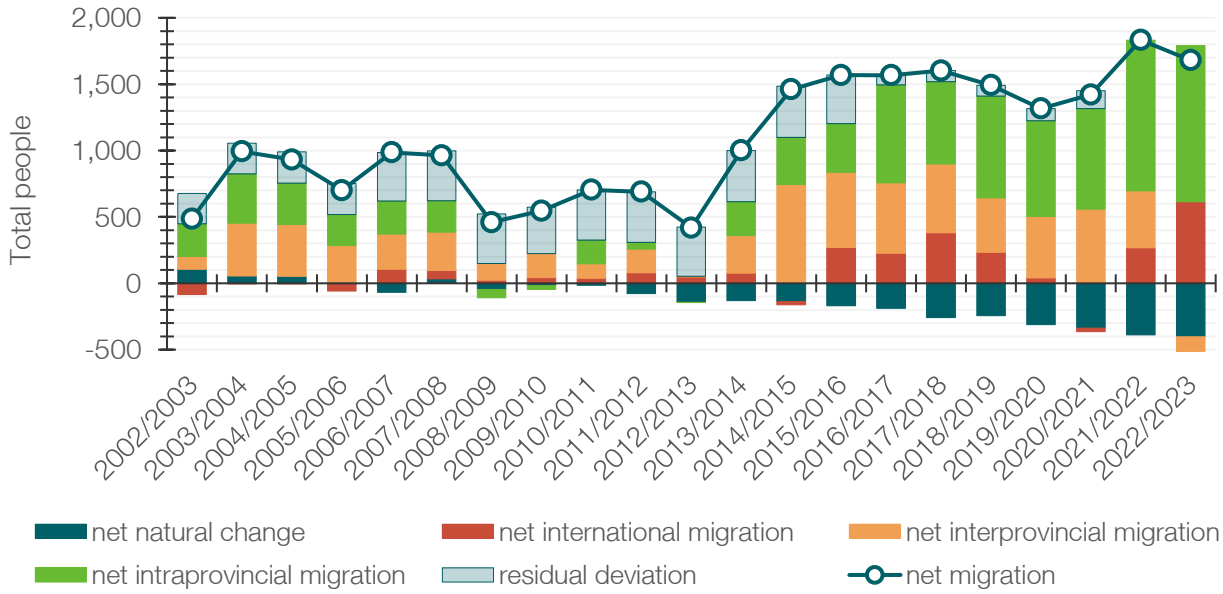
3.1.1 Migration

Figure 3.1 illustrates migration data for the CVRD, including migration components and the population change based on net natural change (births minus deaths).

The region has historically experienced a net positive influx of people, with net migration notably increasing since 2014 compared to prior years. Key points include:

- From 2014 to 2023, approximately 1,550 people moved to the CVRD annually, versus about 740 from 2002 to 2014.
- International in-migration was not historically a significant source of growth, except for 2015 to 2019 and 2021 to 2023. The 2022/23 period represented the year of greater in-migration volumes, occurring at the same time as the first net loss in in-migration from other provinces in two decades.
- Historically, newcomers largely originate from other parts of British Columbia, with support from newcomers from other provinces (except for during 2022/23).
- Due to the expansion of senior age cohorts, the region has reported gradually higher volumes of deaths compared to births (net natural change) since around 2011.

Figure 3.1: Annual demographic change related to migration



Source: Statistics Canada[1]

[1] Statistics Canada. Table 17-10-0140-01 Components of population change by census division, 2016 boundaries. DOI: https://doi.org/10.25318/1710014001-eng

3.1.2 Historical & anticipated population

According to British Columbia Government estimates, BC's population increased by over 7%, driven by economic opportunities, immigration, and the quality of life. This growth has heightened the demand for housing, infrastructure, and services, presenting both opportunities and challenges for the province as it adapts to a changing demographic landscape.

Estimates show that the CVRD grew 9% during the same period. Table 3-1 summarizes historical shifts in total population across the municipalities and electoral areas, providing insights into expected figures over the next two decades. Figure 3.2 illustrates each community's 2021 total population (estimates for municipalities) and the anticipated 20-year net growth in population.

Table 3-1: Historical and anticipated population by community (BC Gov't projections)

	CVRD*	Comox	Courtenay	Cumberland	EA A**	EA B	EA C
Historical population							
2016 population	65,585	14,480	26,590	3,925	4,955	7,090	8,545
2021 population	71,300	15,265	29,530	4,655	5,380	7,380	9,090
% change ('16-'21)	+9%	+5%	+11%	+19%	+9%	+4%	+6%
Anticipated population							
2026 population	76,815	16,080	32,685	5,130	5,645	7,740	9,535
% change ('21-'26)	+8%	+5%	+11%	+10%	+5%	+5%	+5%
2041 population	92,790	18,595	42,415	6,660	6,185	8,485	10,450
% change ('26-'41)	+21%	+16%	+30%	+30%	+10%	+10%	+10%
% change ('21-'41)	+30%	+22%	+44%	+43%	+15%	+15%	+15%

* CVRD does not include the Denman and Hornby Island Trust Areas
** Electoral Area A does not include the Denman and Hornby Island Trust Areas
Source: BC P.E.O.P.L.E estimates, BC P.E.O.P.L.E projections, Statistics Canada

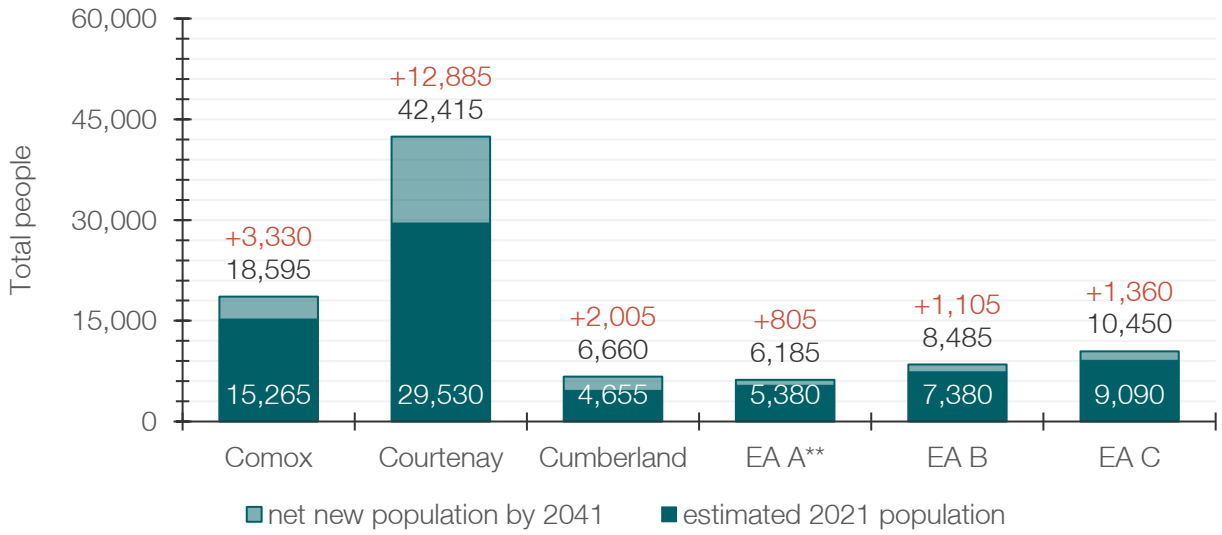
- The estimated regional population for 2021 (excluding Island Trust Areas) was 71,300, reflecting a 9% increase from 2016's 65,585 estimate.

- The City of Courtenay and Village of Cumberland historically experienced the highest growth rates between 2016 and 2021 (11% and 19%, respectively), expected to lead regional growth (in percentage terms) over the next two decades.

- The total population may grow 30% from 2021 to 2041, reaching about 92,790 people according to BC produced projections and excluding Island Trust Areas. The rate of five-year interval growth should gradually soften over time.

- In other words, about 21,490 more people may reside in the CVRD by 2041.

Figure 3.2: Historical and anticipated population, net anticipated change of population since 2021



* CVRD does not include the Denman and Hornby Island Trust Areas
** Electoral Area A does not include the Denman and Hornby Island Trust Areas
Source: BC P.E.O.P.L.E estimates, BC P.E.O.P.L.E projections, Statistics Canada

Projection methodology:

- For municipalities, the BC government's "Population Extrapolation for Organizational Planning with Less Error" (P.E.O.P.L.E.) provides historical population estimates and projections by gender and age cohorts. Readers interested in the outputs or the methodology can access both from this webpage.

- P.E.O.P.L.E. projections are unavailable for individual electoral areas. Instead, the government produces outputs for the total unincorporated areas of a regional district. In the case of the CVRD, this would be the total of Electoral Area A, B, and C.

- To project results for individual electoral areas, a "constant share" method is applied, maintaining consistency with government outputs. This involves determining the total population by age cohort for an electoral area in 2021, dividing it by the total population for all local unincorporated areas in 2021, and applying this ratio to BC projections for the respective age cohort.

- For instance, if in 2021 there are 100 people aged 30 to 34 in Area A and 300 people that age across all unincorporated areas, then Area A makes up 1/3 of the rural population of that age cohort. So, if the anticipated 30 to 34 age bracket total is 390 people in 2031, then Area A would be 130 people.

3.2 Households

Statistics Canada defines a household as a person or group of persons sharing the same dwelling without another usual residence. A household is the highest-level descriptor of many unique living situations. Households are often categorized in this report by the primary household maintainer's age, which is the age of the person responsible for major expenses like rent, mortgage, taxes, and utilities. When multiple people share this responsibility, the first listed individual becomes the primary household maintainer.

3.2.1 Historical & anticipated households

Total households and the age distribution of maintainers are influenced by population changes, driven by factors like relocations, preferences, and financial situations. Changes in household patterns typically align with broader population trends.

Household growth is a fundamental component of housing demand. By definition a household requires an available dwelling to occupy. Therefore, household projections are (simplistically) closely linked with the required increase in housing stock to accommodate expected population changes (note that overall housing demand is also influenced by economic and financial factors, but these are omitted from the exercise because they are difficult to predict, particularly at the local level).

Table 3-2 summarizes historical shifts in total households across the municipalities and electoral areas, providing insights into expected figures over the next two decades. Figure 3.3 illustrates each community's 2021 estimated total households and the anticipated 20-year net growth in households.

- In 2021, the region had approximately 30,795 households (excluding Island Trust Areas), a 9% increase from the 2016 Census (28,245).

- Historically, Courtenay and Cumberland experienced the highest growth rates, a trend expected to continue over the next two decades. Growth is anticipated in all communities.

- Total households may increase by 37% from 2021 to 2041, reaching around 42,260. The rate of five-year interval growth is expected to gradually ease over the two decades.

- In essence, approximately 11,465 new households may be established in the Comox Valley Regional District by 2041.

Table 3-2: Historical and anticipated households by community (BC Gov't projections)

	CVRD*	Comox	Courtenay	Cumberland	EA A**	EA B	EA C
Historical households							
2016 households	28,245	6,150	11,715	1,560	2,220	3,030	3,570
2021 households	30,795	6,525	13,140	1,825	2,420	3,150	3,735
% change ('16-'21)	+9%	+6%	+12%	+17%	+9%	+4%	+5%
Anticipated households							
2026 households	34,275	7,100	15,065	2,080	2,610	3,395	4,025
% change ('21-'26)	+11%	+9%	+15%	+14%	+8%	+8%	+8%
2041 households	42,260	8,360	19,885	2,880	2,895	3,770	4,470
% change ('26-'41)	+23%	+18%	+32%	+38%	+11%	+11%	+11%
% change ('21-'41)	+37%	+28%	+51%	+58%	+20%	+20%	+20%

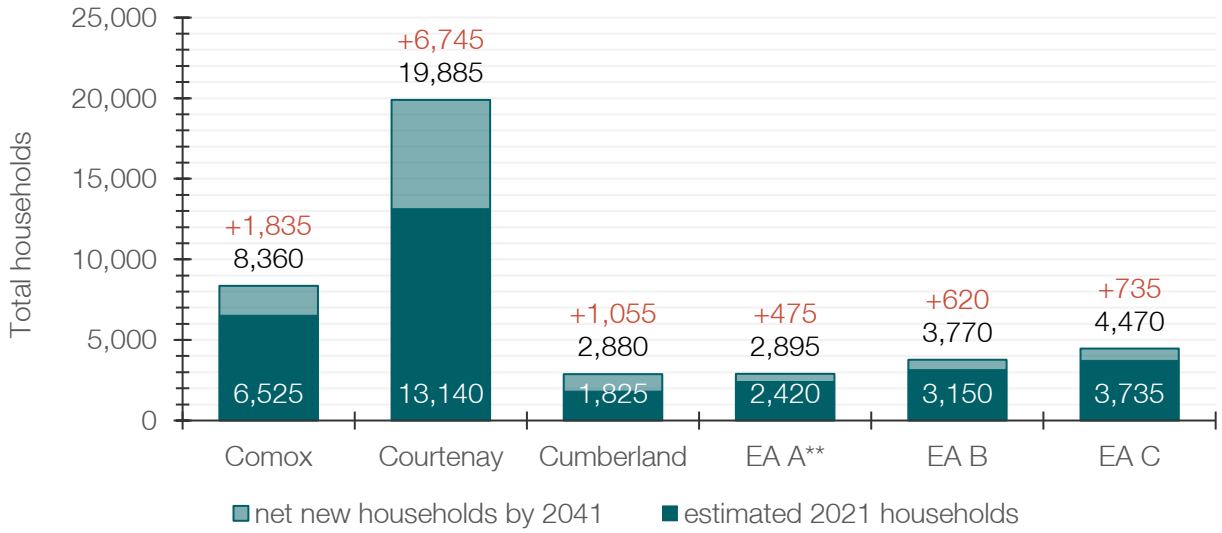
* CVRD does not include the Denman and Hornby Island Trust Areas
** Electoral Area A does not include the Denman and Hornby Island Trust Areas
Source: Statistics Canada, BC P.E.O.P.L.E estimates, BC P.E.O.P.L.E projections, Turner Drake & Partners

Projection methodology:

- Like for population, the BC government offers historical household estimates and household projections for municipalities. Readers interested in the outputs or the methodology can access both from this webpage.
- BC government outputs provide total households without age distribution. To derive age-specific distributions, we employ headship rates. These rates are calculated using 2021 population and household age cohorts, ensuring proportional adjustments to align with Census data.
- Headship rates represent the ratio of households to population within a specific age group. For example, if there were 100 households led by individuals aged 25 to 34 in 2021, with a corresponding population of 300 in that age group, the headship rate is 1/3. This rate is then applied to future population age groups to estimate potential households.
- Since household maintainer age cohorts are a Census product, each household result must then be adjusted proportionally by the difference between BC estimates of total households and the sum of individual headship results in a given year.

- Household projections are not available for individual electoral areas. For these areas, the government provides outputs for the total unincorporated sections of a regional district (e.g., Electoral Area A, B, and C). To project results for electoral areas, the "constant share" method is applied, focusing on total households. The age distribution is determined using a similar process to that described above.

Figure 3.3: Historical and anticipated households, net anticipated change of households since 2021

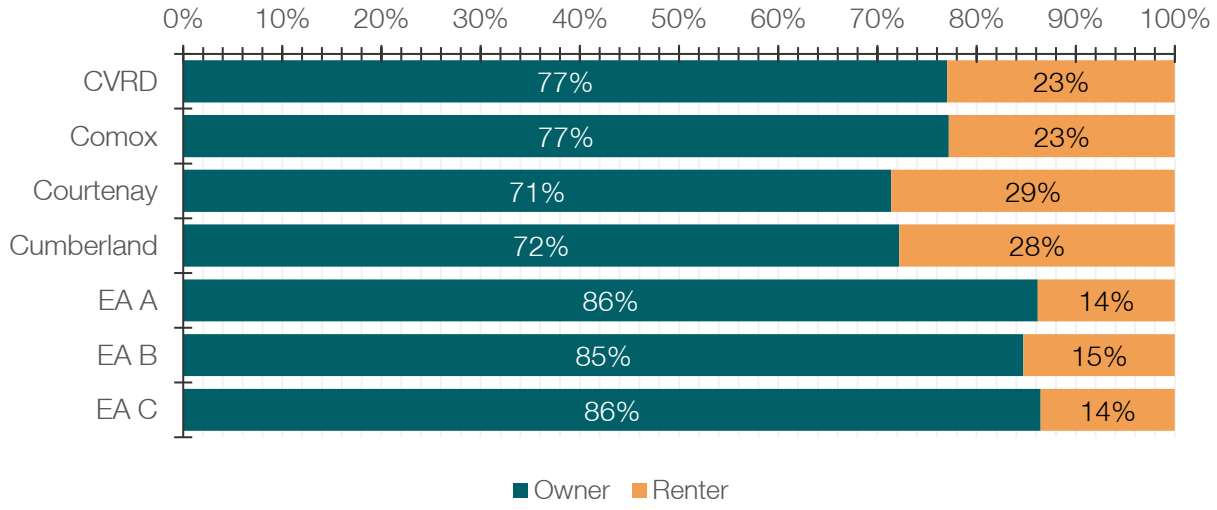


* CVRD does not include the Denman and Hornby Island Trust Areas
** Electoral Area A does not include the Denman and Hornby Island Trust Areas
Source: Statistics Canada, BC P.E.O.P.L.E estimates, BC P.E.O.P.L.E projections

3.2.2 Additional household characteristics

Figure 3.4 summarizes the distribution of households in each community by their tenure splits, per the 2021 Census. Generally, municipalities proportionally have more renter households than the electoral areas.

Figure 3.4: Distribution of household tenure by community

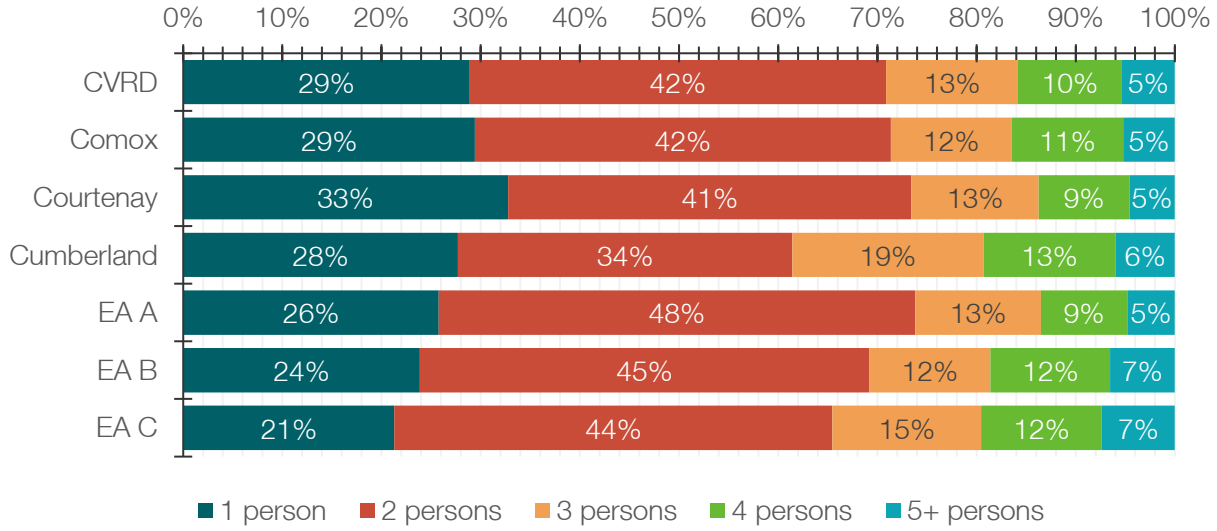


Source: BC Government purchased Custom Statistics Canada Census Tabulations

Figure 3.5 summarizes the distribution of households in each community by their household size, per the 2021 Census.

- Cumberland has a higher proportion of 3+ person households, reaching about 38% in 2021, compared to 28% for the CVRD overall.
- Single persons (who are also most often renters) are most prevalent within urban communities.

Figure 3.5: Distribution of household size by community



Source: BC Government purchased Custom Statistics Canada Census Tabulations

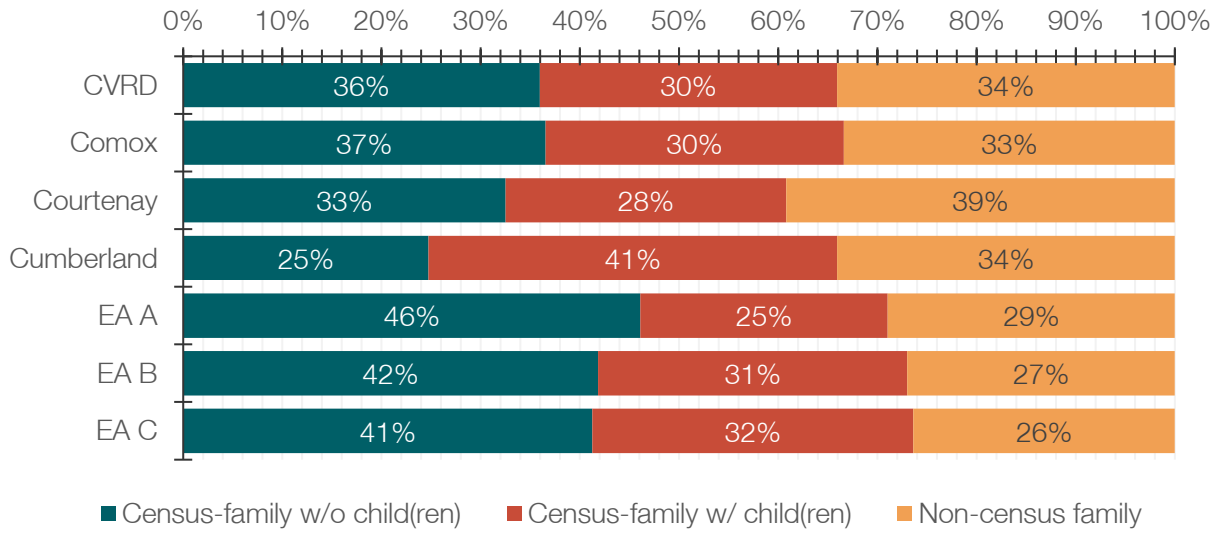
Figure 3.6 presents an overview of household distribution in each community based on census family types, as per the 2021 Census. A "census family" is defined as a married or

common-law couple with or without children, or a one-parent family with children. "Non-census families" encompass single-person or roommate households. Key observations include:

- Cumberland exhibits a higher proportion of 3+ person households, translating to the highest share of households with children (41% in 2021).

- Municipalities, notably Courtenay, report higher levels of non-census families (i.e., single-person or roommate households), often linked to increased local renting rates.

Figure 3.6: Distribution of household census-family type by community



Source: BC Government purchased Custom Statistics Canada Census Tabulations

3.3 Income

Most affordability calculations use median before-tax household income – the total income earned by a household before income taxes and other elements are deducted – as their primary input. The level of earnings is largely contingent on the characteristics of a household – i.e., how old is the household, how many people are in the household, does a household own or rent their dwelling?

3.3.1 Median before-tax household incomes

Figure 3.7 summarizes the median before-tax household incomes by tenure for each CVRD community. Figure 3.8 summarizes the regional medians related to tenure and household family type, distinguishing lone-parents from families with children and single and 2+ person households from non-census families.

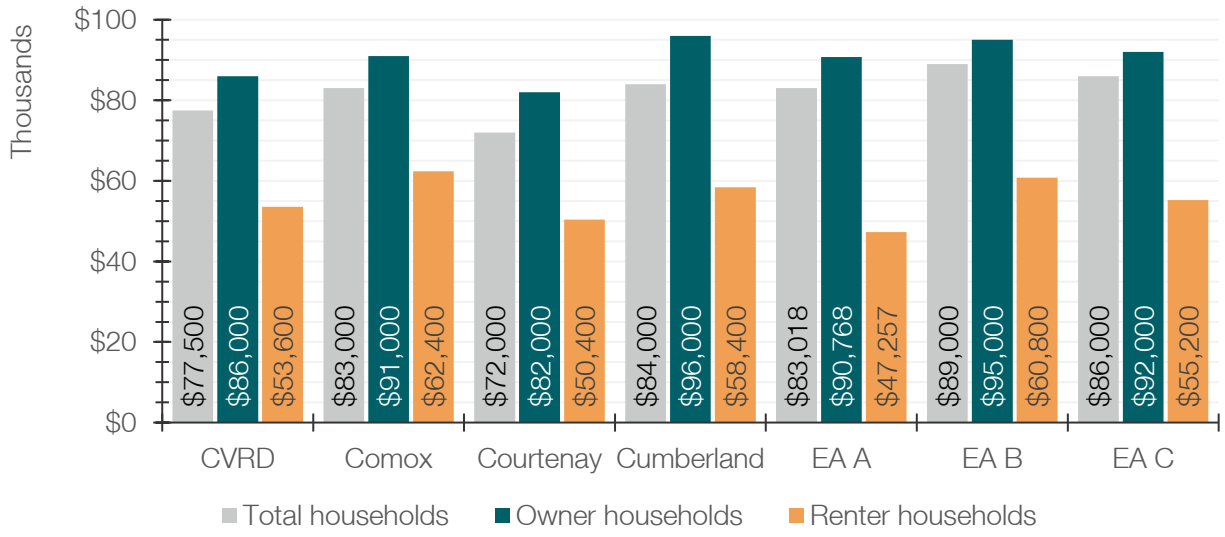
- In 2021, the median household income was approximately $77,500 before tax, a 23% increase from about $62,992 in 2016. The notable rise is mainly attributed to the impact of COVID-19 relief payments, detailed later in this report.

- Two or more person households generally have higher median incomes than single earners. Couples with and without children reported the highest median annual incomes, at $124,000 and $89,000, respectively.

- Owner households, typically having larger average household sizes, reported higher median incomes than renter households.

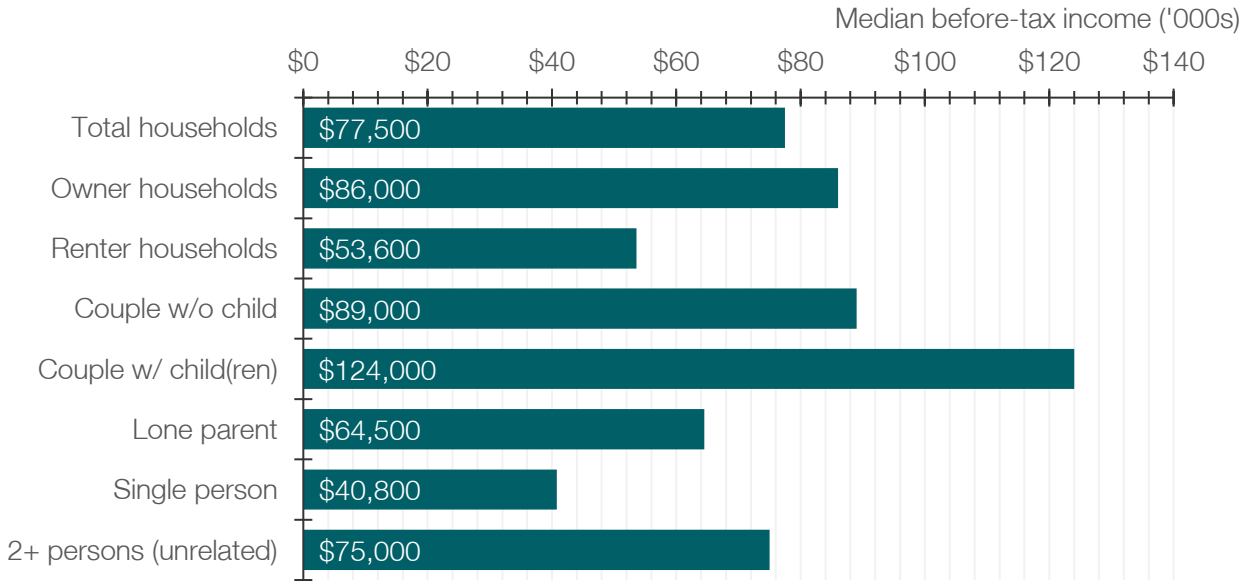
Important note: Regional incomes include Denman and Hornby Island Trust Areas.

Figure 3.7: Median before-tax household income by tenure and household family type, 2021



Source: BC Government purchased Custom Statistics Canada Census Tabulations

Figure 3.8: Median before-tax household income by tenure and household family type, 2021

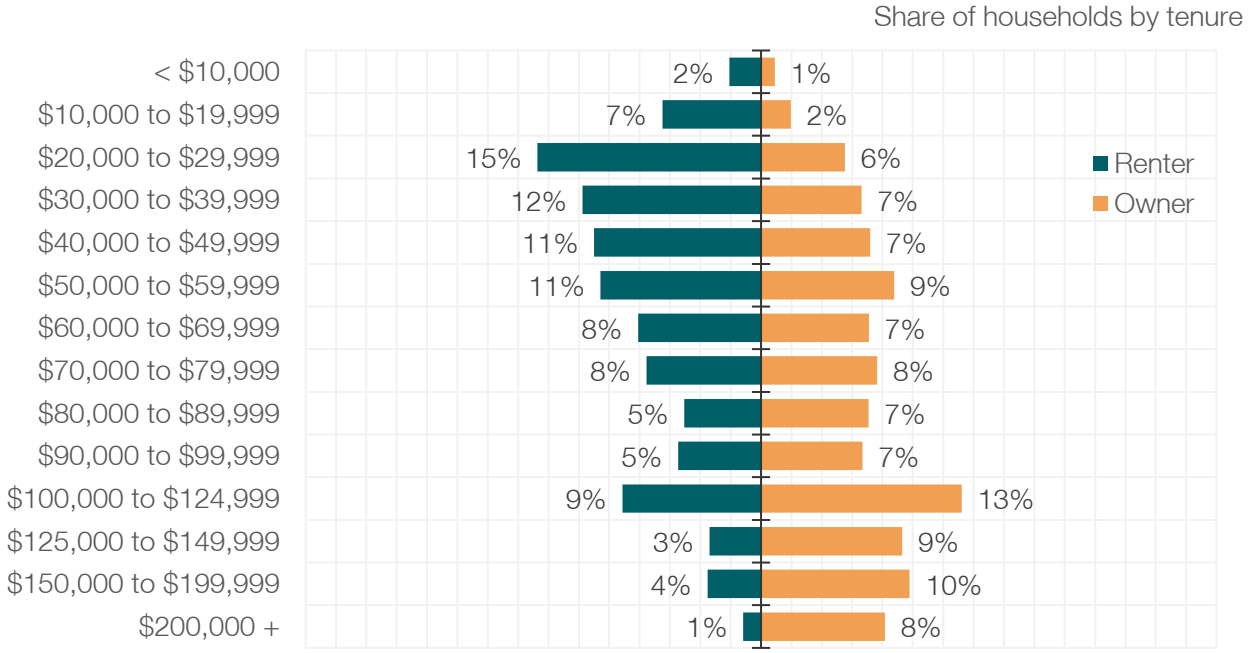


Source: BC Government purchased + Turner Drake purchased Custom Statistics Canada Census Tabulations

3.3.2 Income distribution

The distribution of household incomes varies based on household configuration and tenure. Single-income households tend to have a higher prevalence of lower incomes, increasing the likelihood of housing hardship. Figure 3.9 compares the distribution of incomes for owner and renter households.

Figure 3.9: Income distribution by tenure, 2021



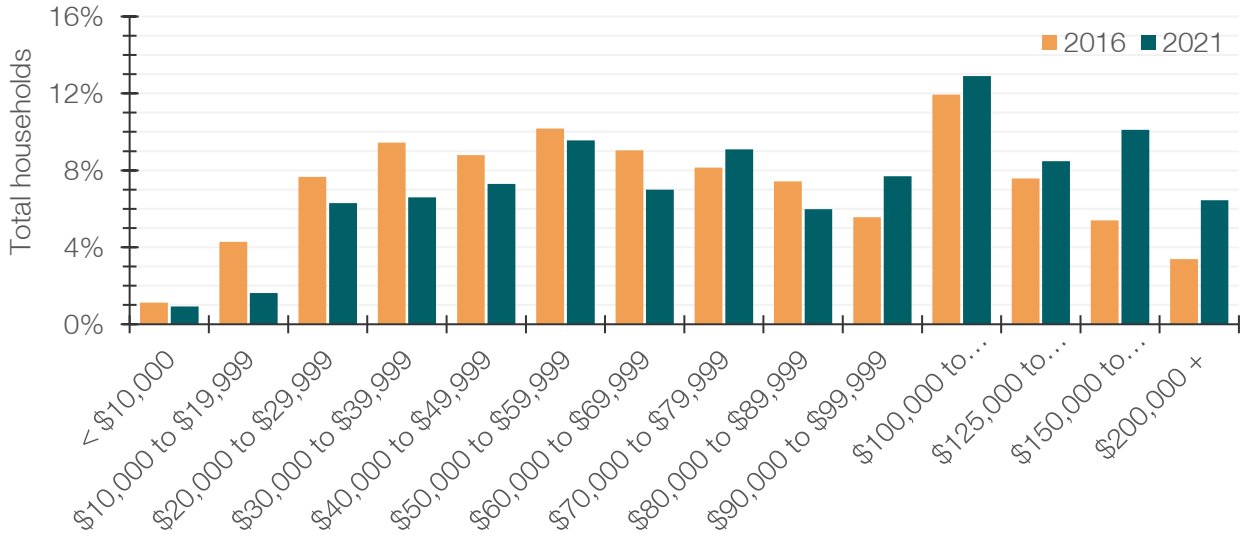
Source: BC Government purchased Custom Statistics Canada Census Tabulations

- Renter households, often smaller than owner households, demonstrate a greater share of earners below $60,000 annually.

- Conversely, higher income brackets are made up predominantly represented by homeowners.

Figure 3.10 illustrates the change in household income between census periods. The primary aim of the chart is to visualize the impact of the Canada Emergency Relief Benefit (CERB). While CERB served as a necessary stimulus during the peak of the COVID-19 pandemic, it has, from a purely statistical standpoint, led to inflated changes in reported income between Census periods. This is most evident in the shift in households earning less than $20,000 annually, with approximately 9% of all households earning that amount in 2016, reducing to roughly 4% in 2021.

Figure 3.10: Income distribution of total households, 2016-2021



Source: BC Government purchased Custom Statistics Canada Census Tabulations

3.3.3 Income categories

This report adopts methods used by UBC's Housing Assessment Resource Tools (HART), which uses custom Statistics Canada Census tabulations, to establish five household income categories that can help inform the share of the population most at risk of financial pressures related to housing. HART applied the categories built by governments in the US, Vancouver, and Melbourne. The categories are as follows:

- Very low income: 20% or less of area median household income (AMHI), generally equivalent to shelter allowance for income support recipients.
- Low income: 21-50% AMHI, generally equivalent to one full-time minimum wage job.
- Moderate income: 51-80% AMHI, equivalent to starting salary for a professional job such as nurse or teacher.
- Median income: 81-120% AMHI, representing the 'middle class.'
- High income: More than 120% AMHI, the group with the greatest housing wealth.

Table 3-3 provides a summary of these calculations, outlining the percentage of households within each income category and the estimated range of shelter costs affordable for each. It is important to note that the affordable shelter costs are based on Statistics Canada's 30% shelter-cost-to-income ratio (i.e., affordability threshold), assuming 25% of shelter costs cover ancillary expenses such as insurance or utilities.

- In 2021, approximately 39% of households fell into the "high income" category, indicating that they could afford a monthly mortgage payment or rent of at least $1,745.

- Around 19% of households earn a "very low income" or "low income," totalling about 6,060 households. These households can afford at most a monthly mortgage payment or rent of $725.

Table 3-3: Income category summary, 2021

Income category	Annual household income	Affordable shelter cost	Estimated share of total households
Very low income	≤ $15,500	< $290	2%
Low income	$15,501 to $38,750	$290 to $725	17%
Moderate income	$38,751 to $62,000	$730 to $1,165	20%
Median income	$62,001 to $93,000	$1,165 to $1,745	22%
High income	$93,001 +	$1,745 +	39%

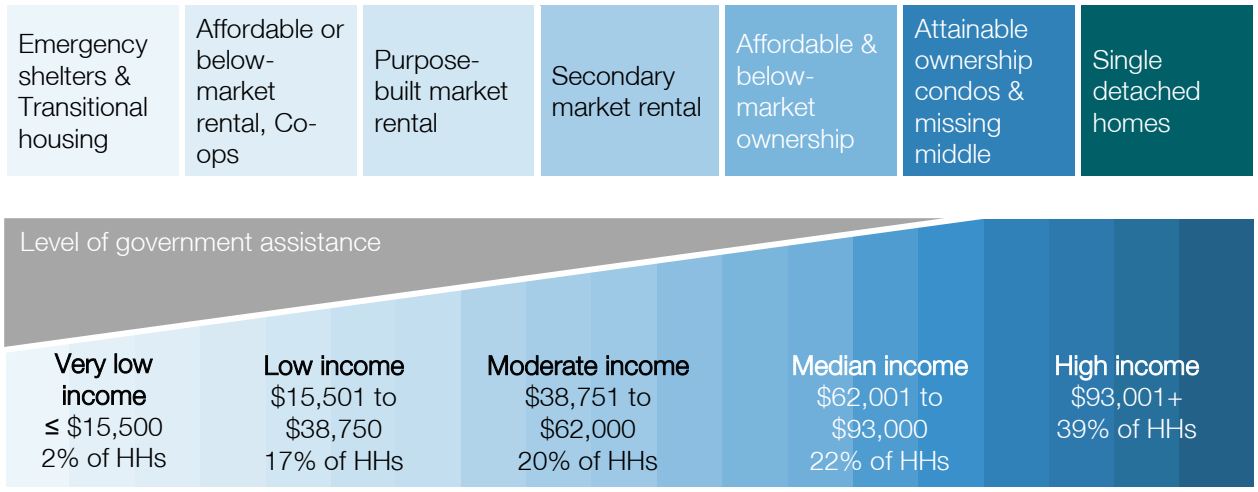
Source: UBC Housing Assessment Resource Tools (HART)[2]

3.3.4 Income vs. Housing Continuum

Figure 3.11 illustrates a varied version of the housing continuum, as originally formulated by CMHC, and demonstrates how the income categories and the households within each category may align along this continuum.

It is not possible precisely determine the number of households that should occupy each type of housing because there is a lack knowledge about the specific circumstances of individual households. However, this representation gives an estimate of the number of units needed to potentially accommodate the maximum number of households' needs.

Figure 3.11: Rough distribution of households on the housing continuum



Around 5,670 local households with at most low incomes, often single individuals, are at higher risk of needing emergency housing services due to sudden personal, physical, or financial changes.

[2] University of British Columbia. (2022). Housing Needs Assessment Tools (HART). https://hart.ubc.ca/

4 Housing Profile

4.1 Existing Housing Stock

As of the 2021 Census (excluding Denman and Hornby Island Trust Areas), the Comox Valley Regional District (CVRD) comprised approximately 32,415 total dwellings, of which 30,695 were occupied by usual residents. A dwelling occupied by a usual resident is one where a household lives in the dwelling the majority of the year. This would not include empty homes, recreational properties, or short-term rentals. No data exists for non-usual resident occupied dwellings.

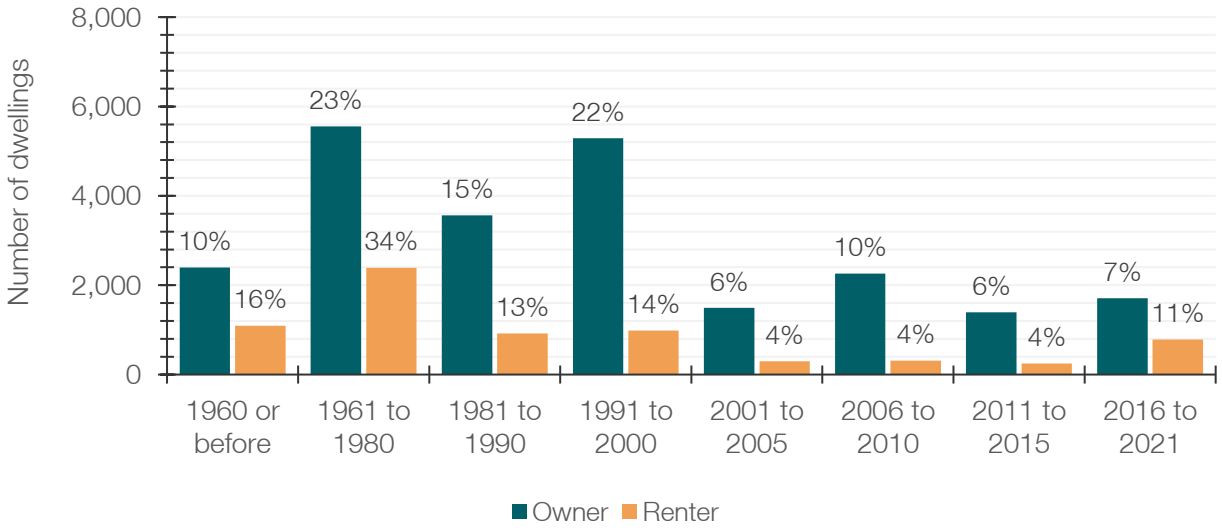
Table 4-1 provides a summary of the totals and distribution by structure type for the regional district. Additionally, Figure 4.1 illustrates the current distribution of the dwelling stock by its age of construction, categorized by tenure.

Table 4-1: Dwellings occupied by usual residents by structural type and tenure, 2021

	Total	Single	Row	Semi	Duplex	Apt (<5 floors)	Apt (5+ floors)	Mobile
Total	31,950	21,405	1,725	2,875	945	3,660	60	1,205
Share	100%	67%	5%	9%	3%	11%	0%	4%
Owner	77%	88%	62%	68%	52%	35%	25%	81%
Renter	23%	12%	38%	32%	48%	65%	75%	19%

Source: BC Government purchased Custom Statistics Canada Census Tabulations

Figure 4.1: Dwellings occupied by usual residents by age of construction and tenure, 2021



Source: BC Government purchased Custom Statistics Canada Census Tabulations

- Single-detached homes constitute the majority of the housing supply, totaling 20,225 units, followed by apartments at 14% (3,225 units, including duplexes).

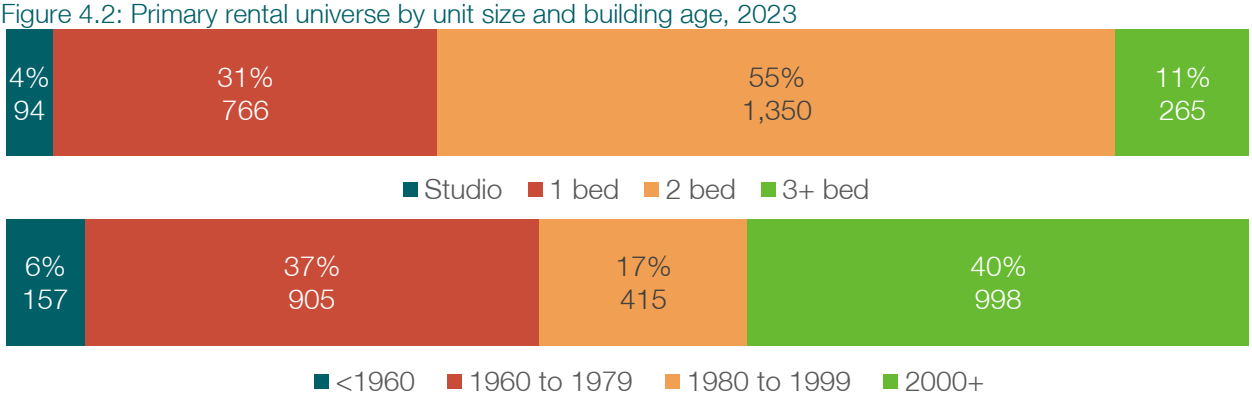
- Approximately one fifth of the CVRD's dwelling stock was constructed in the 1990s, and construction activity has not matched this level of expansion since.

- The regional dwelling stock experienced nearly an 8% growth between 2016 and 2021, averaging about 455 new units annually.

4.2 Rental Universe

CMHC's Rental Market Survey offers comprehensive insights into the "primary rental market," specifically purpose-built rentals with 3 or more units, within the Courtenay Census Agglomeration (CA). This includes detailed information on rents, the rental stock, and vacancy rates, all of which are discussed in this report. Figure 4.2 the distribution of primary rental stock, categorized by unit size and building age. Additionally, Figure 4.3 provides an overview of the overall rental stock, distinguishing between primary rentals and secondary rentals (comprising all rentals not part of the primary stock).

Figure 4.2: Primary rental universe by unit size and building age, 2023

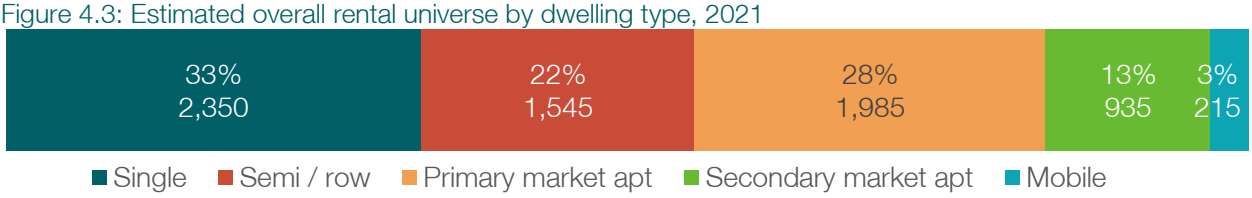


Source: CMHC Rental Market Survey

- Two-bedroom units dominate the unit size landscape in the CA.

- There was a notable slowdown in rental construction in the 1980s and 1990s. Construction post-2000 more than doubled this period.

Figure 4.3: Estimated overall rental universe by dwelling type, 2021



Source: BC Government purchased Custom Statistics Canada Census Tabulations

- In 2021, approximately 7,030 dwellings in the CVRD (adjusted for the Island Trust Areas) were occupied by renters. Among these, about 1,985 were from the primary rental market, leaving a potential 5,045 units in the secondary market, including 935

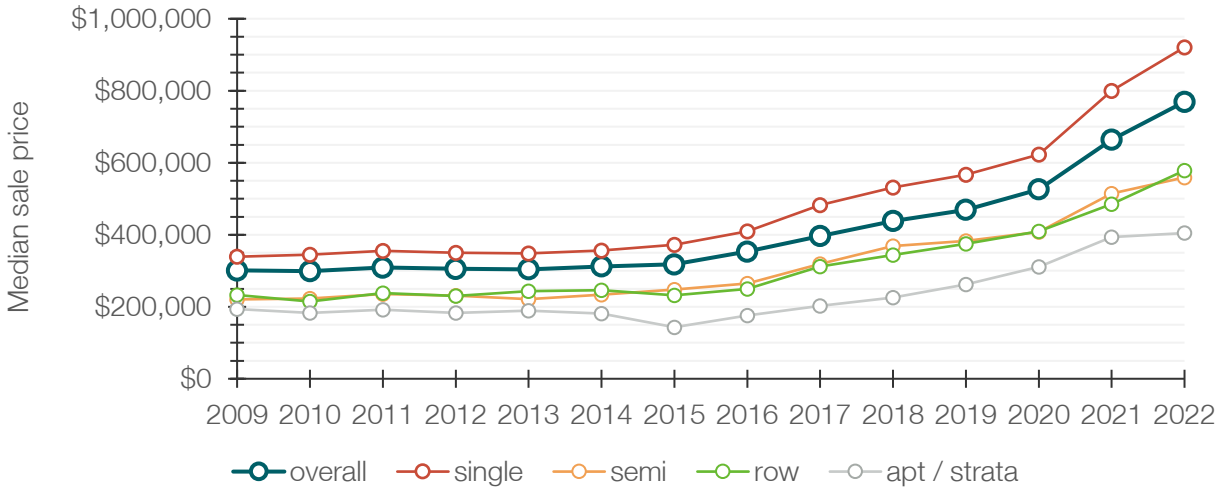
apartments. The remaining 4,110 were distributed across lower-density housing forms, such as single- and semi-detached homes or rowhouses.

4.3 Market Housing Activity

4.3.1 Homeownership

Figure 4.4 presents a graphical representation of historical median home prices by dwelling type. The data is sourced from BC Assessment's historical revised rolls, which include sales information up to and including 2022. For those familiar with the dataset, it is worth noting that the dwelling types have been reclassified to align with the categories used by Statistics Canada in their Census questionnaire.

Figure 4.4: Annual median sale price by dwelling type



Source: derived from BC Assessment

Table 4-2 offers the same data, but this time it presents the percentage change in median home prices by dwelling type over specific time intervals.

- From 2010 to 2016, home prices rose about 18%, or 3% annually.
- Price appreciation began its considerable rise after 2016, with the 64% increase from 2019 to 2022 almost doubling the rate of growth from 2016 to 2019.
- The most notable appreciation from 2019 to 2022 occurred in Electoral Area A and Electoral Area C, while other communities experienced more consistent growth relative to the period between 2016 and 2019.
- Single-detached homes are generally the most expensive dwelling type across all communities; however, all communities experienced recent appreciation across the defined dwelling types.

- Note that inflation was about 9% from 2016 to 2019 (3% annually) and 15% (5%) from 2019 to 2022 for owned accommodation in British Columbia, suggesting that market factors had a greater influence on price than inflation alone.

Table 4-2: Sale price and percentage change by dwelling type and select years

	Sale price				Percent change		
	2010	2016	2019	2022	'10-'16	'16-'19	'19-'22
CVRD	$298,900	$353,300	$469,300	$769,400	+18%	+33%	+64%
Comox	$323,200	$349,000	$495,600	$723,800	+8%	+42%	+46%
Courtenay	$266,800	$307,700	$415,800	$667,800	+15%	+35%	+61%
Cumberland	$274,300	$323,000	$497,700	$788,000	+18%	+54%	+58%
Electoral Area A	$359,400	$442,500	$528,300	$1,078,500	+23%	+19%	+104%
Electoral Area B	$347,400	$451,800	$704,400	$1,120,900	+30%	+56%	+59%
Electoral Area C	$323,700	$419,000	$483,600	$937,700	+29%	+15%	+94%

Source: derived from BC Assessment

4.3.2 Rental market

CMHC's Rental Market Survey reports rent and vacancy data for the Courtenay CA. Table 4-3 summarizes the median rents by unit sizes and the changes in rent between select years. Figure 4.5 shows how the local rental vacancy rate evolved since 2010.

Table 4-3: Primary rental market median rents by unit size and select years, as of October of each year

	Median rent				Percent change		
	2010	2016	2019	2023	'10-'16	'16-'19	'19-'23
Median apartment	$700	$790	$959	$1,450	+13%	+21%	+51%
Studio apartment	$550	$585	$615	$1,300	+6%	+5%	+111%
1-bed apartment	$625	$675	$790	$1,420	+8%	+17%	+80%
2-bed apartment	$750	$819	$1,027	$1,474	+9%	+25%	+44%
3+ bed apartment	$850	$965	$1,280	$1,255	+14%	+33%	-2%

Source: CMHC Rental Market Survey

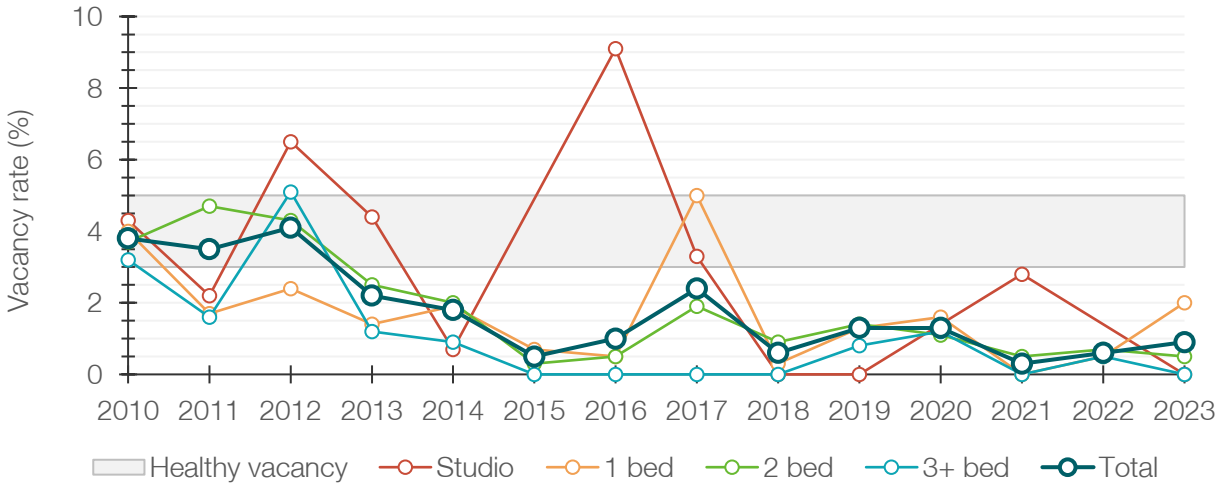
- The median apartment rent increased 51% from 2019 to 2023.

- Median rent increases were noted across most defined unit sizes, with significant changes in studio and 1-bedroom apartments. This increase is primarily attributed to a notable expansion in their respective total stocks, resulting in a larger number of new units with higher prices factored into the calculation.

- Since 2013, the CA has not experienced any year with an overall "healthy" vacancy rate (between 3% to 5%). The CA has faced considerable demand for purpose-built rentals, leading to increased pressure on the cost of renting a unit.

A low vacancy rate signifies high demand in relation to supply, giving landlords greater leverage to increase rents. While electoral areas may not contribute data to the CA results, the low CA vacancy means that households are seeking housing options in other locations, such as the unincorporated communities. This, in turn, contributes to deteriorating rental conditions and vacancy rates in those areas.

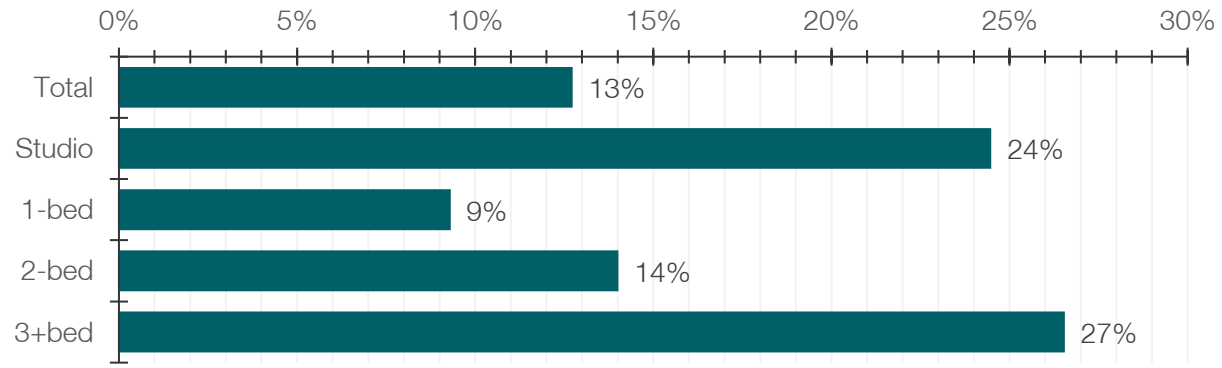
Figure 4.5: Annual vacancy rate by unit size, as of October of each year



Source: CMHC Rental Market Survey

Figure 4-6 demonstrates what discrepancy may have existed between a vacant and occupied unit in 2023. The percentages are based on averages of BC communities where data is available and are disaggregated by unit type.

Figure 4-6: Average difference between average vacant and occupied rents, 2023, BC major centres



Source: CMHC Rental Market Survey [3]

[3] CMHC. (2024, January 31). Rental Market Survey Data Tables. https://www.cmhc-schl.gc.ca/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables

Overall, the typical vacant unit in BC was rented out for about 13% higher than the typical occupied unit. Note that this data reflects the primary rental market.

4.4 Short-term Rentals (STRs)

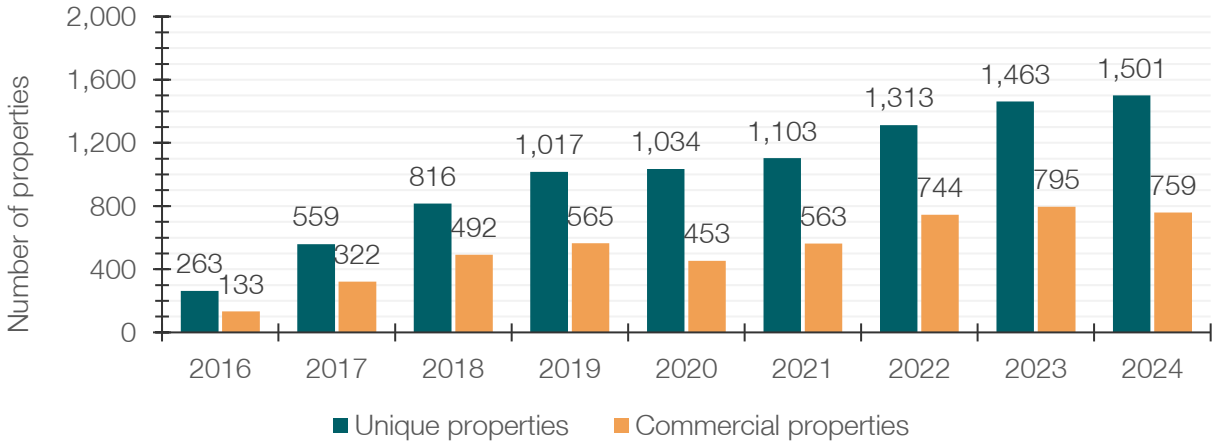
Short-term rentals (STRs) continue to proliferate, offering a flexible approach to utilizing residential properties for temporary lodging. This trend blurs the distinction between rental housing and commercial hospitality. With the expansion of the STR market comes growing concerns about its impact on the traditional residential real estate sector, particularly whether STRs are displacing long-term housing options, reducing housing supply, and making it more challenging for households to secure permanent residences.

Figure 4.7 depicts the changes in unique STR properties from 2016 to 2024 (as of July 2024) across the CVRD, along with the estimated number of unique properties that could be classified as commercial properties (i.e., a property that is made available and/or is rented more than 50% as an STR, demonstrating that the property is intended for commercial/hospitality purposes). This data is sourced from AirDNA™, a company that compiles monthly information on the STR market by collecting data from various STR platforms' public-facing websites. Commercial property estimates are derived from AirDNA™ data by Turner Drake. Note that a "commercial" property indicates that a property is most probably not used as long-term permanent housing but could otherwise be used as such if not used as an STR.

- Unique STR properties considerably from 2016 to 2023, reaching 1,463 properties across the regional district by that year. As of July 2024, 1,501 unique properties had already been active at least one day locally.

- Approximately 54% of 2023's unique properties, totaling 795 units, are estimated to be used commercially.

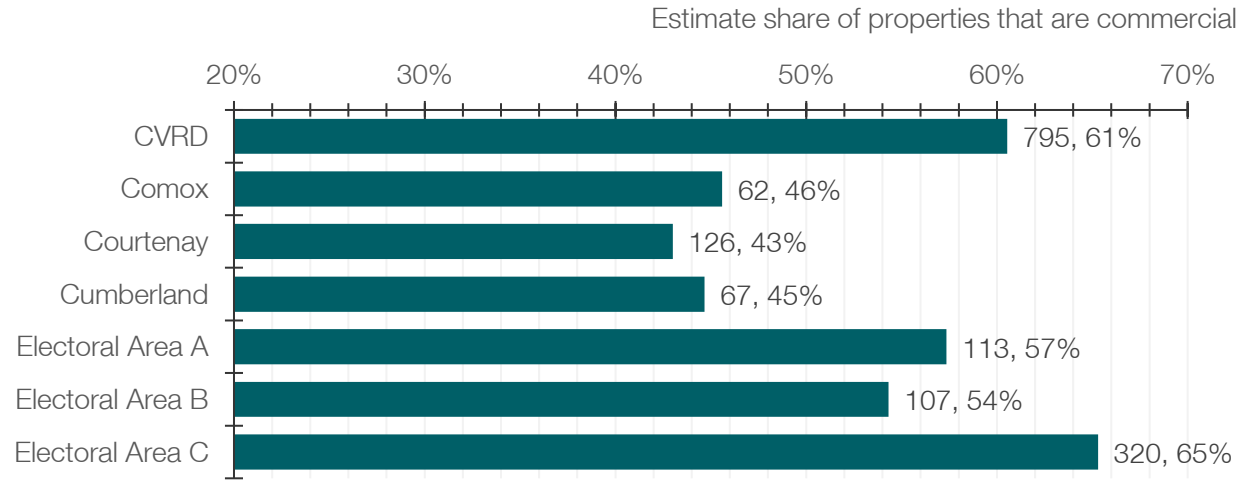
Figure 4.7: Total annual unique short-term rental properties versus estimated* commercial properties



* 2024 data is as of July 2024
Source: derived from AirDNA™

Figure 4.8 illustrate how the share of estimated commercial properties may have differed across CVRD communities in 2023. Generally, the electoral areas (notably, Electoral Area C) report higher shares of commercial property owners

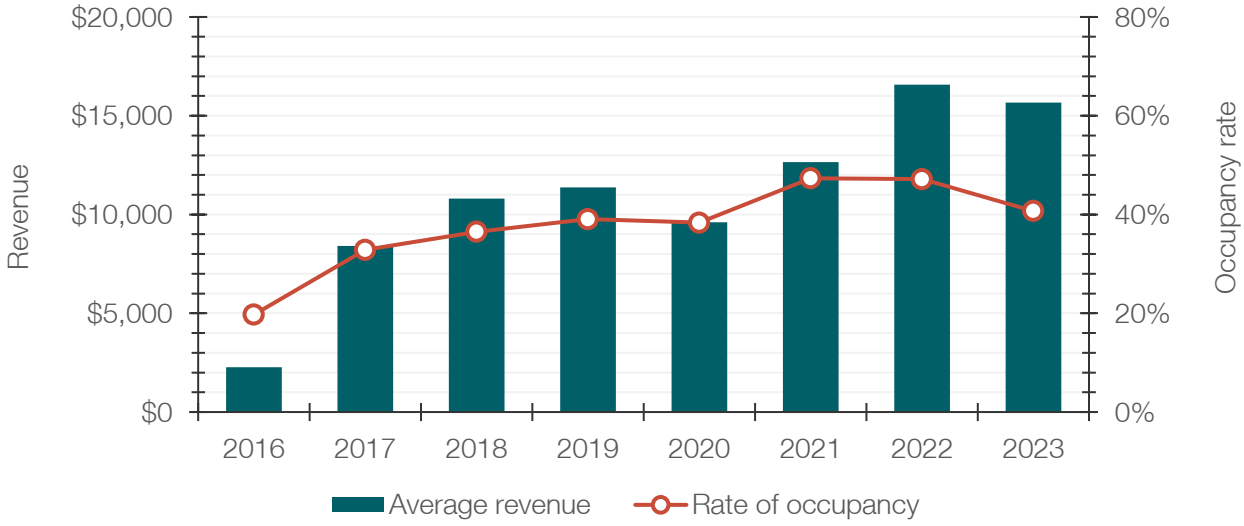
Figure 4.8: Share of estimated commercial properties by community, 2023



Source: derived from AirDNA™

Figure 4.9 expands on the earlier STR data presentation, illustrating the average annual revenue per unit through vertical bars and depicting the average occupancy rate with a line graph.

Figure 4.9: Average annual* revenue per unit versus average rate of occupancy



* 2024 data is as of July 2024
Source: derived from AirDNA™

- Average annual revenues per property showed a consistent upward trend until 2020, largely influenced by the COVID-19 pandemic. Subsequently, earnings have continued to rise, reaching a historical high of approximately $16,570 in 2023.

- The average unit occupancy rate, calculated as the number of reserved days over the total available days, closely followed the trend in average revenue until 2022 when it appears to have plateaued.

4.5 Non-market Housing Inventory

Non-market housing encompasses all forms of housing whose price is not entirely subject to market forces, including public or social housing, affordable housing offered by non-profit organizations, and transitional and emergency shelters. Table 4-4 provides an overview of the current housing and program offerings within the CVRD, as reported by BC Housing in March 2023.

- 126 units of emergency housing
- 215 units of transitional/assisted living housing (mostly for senior populations)
- 288 units of social housing (largely geared towards families)
- 518 recipients (mostly seniors) of rent assistance.

The City of Courtenay is the non-market housing centre of the CVRD, with 847 of 1,147 regional units, programs, or recipients located in the city.

Table 4-4: Summary of local non-market housing and programs, March 2023

Emergency Shelter and Housing for the Homeless	
Homeless housed	52
Homeless rent supplements	60
Homeless shelters	14
Total	126

Transitional Supported and Assisted Living	
Supportive seniors housing	111
Special needs	38
Women & children fleeing violence	66
Total	215

Independent Social Housing	
Low income families	230
Low income seniors	58
Total	288

Rent Assistance in Private Market	
Rent assistance for families	85
Rent assistance for seniors	391
Canada Housing Benefit recipient	42
Total	518

Source: BC Housing

4.6 Post-secondary Student Housing

North Island College (NIC) is the sole post-secondary education institution within the CVRD, with its Comox Valley campus located in the City of Courtenay.

In the 2022-2023 academic year, NIC reported a total enrollment of 1,804 students at the Comox Valley campus, of which approximately 22% were international students.

Similar to permanent residents of Courtenay, students also face challenges due to increased market pressures, leading to reduced housing availability and higher rental rates. A recent NIC survey revealed:

- 49% of NIC students are renters;
- 62% of students have difficulty finding rental accommodation; and
- 74% of students express a preference for living in on-campus housing.

As of now, NIC does not provide student housing, requiring renters to compete in the private rental market. However, plans are underway to address this issue. In 2025, NIC is set to open the Student Housing Commons, a 217-bed building designed to accommodate students from across the North Island. While survey responses indicate a higher demand than the incoming supply, the construction of the Commons marks an important step toward providing local student housing and alleviating pressure on the general rental market.

5 Housing Need

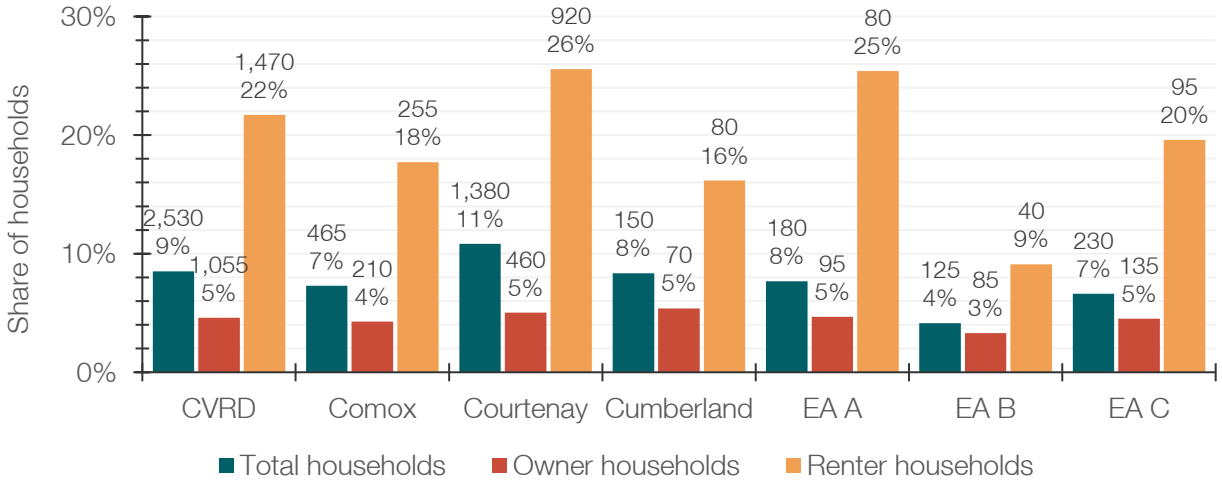
5.1 Core Housing Need

CMHC's Core Housing Need (CHN) metric measures whether a household's living situation does not meet any of three criteria and whether there exist alternatives in the market to meet said criteria. These criteria are adequacy (a dwelling's state of repair), suitability (the prevalence of overcrowding), and affordability (less than 30% of before-tax household income spent on shelter costs).

Unaffordability contributes the most to CHN, but a household in an unaffordable home does not necessarily mean they are experiencing CHN. Affordability is based solely on the 30% metric. CHN considers whether affordable alternatives exist. In other words, CHN considers if a household lives unaffordably by choice (e.g., buying a home that is expensive now to enter the market, but may be affordable later as the household income grows) or not.

Figure 5.1 shows the prevalence of Core Housing Need by tenure in 2021, for each of the CVRD's communities. Figure 5.2 summarizes the total and rate of households with a vulnerable person that were in Core Housing Need in the same year. Data is disaggregated by vulnerable population type and is sourced from HART's custom Statistics Canada Census tabulations.

Figure 5.1: Share of households experiencing Core Housing Need by community, 2021



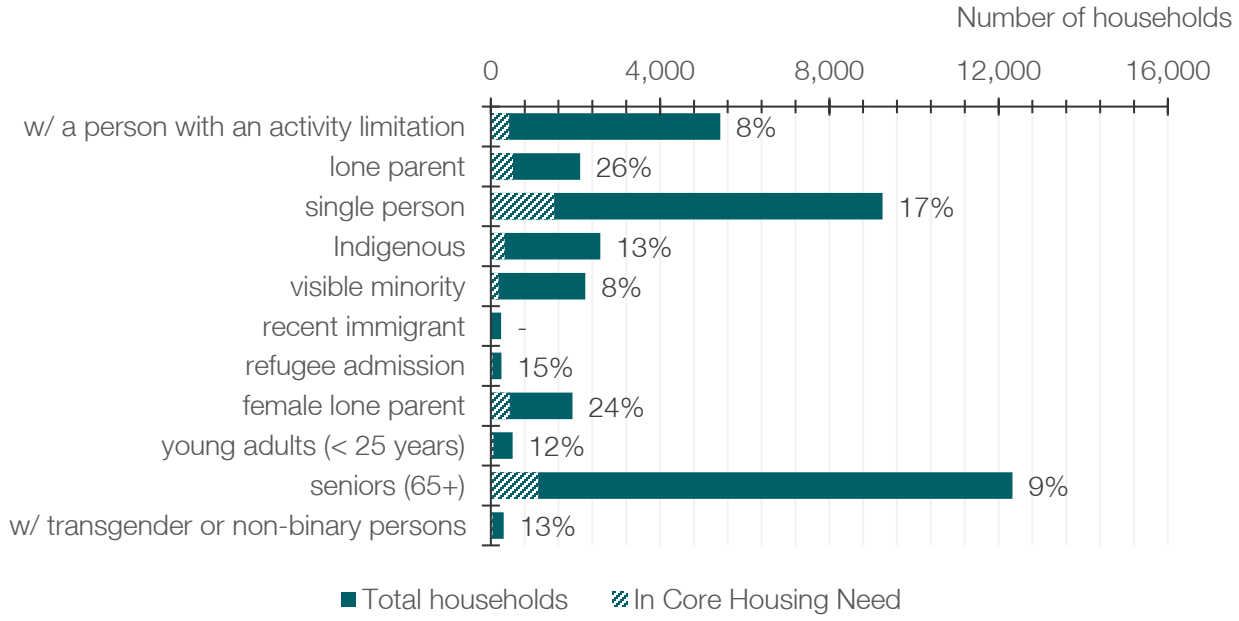
Source: BC Government purchased Custom Statistics Canada Census Tabulations

- In 2021, approximately 9% of households in the CVRD experienced Core Housing Need.
- Populations relying on a single income, such as lone parents or single individuals, are more likely to face Core Housing Need.

- Indigenous households, households with a transgender or non-binary individual, and households with refugee admissions exhibit higher rates of Core Housing Need compared to the overall households.

- Renter households consistently experience more challenges than owner households across all CVRD communities. This trend is most pronounced in Courtenay and Electoral Area A (excluding Denman and Hornby Island Trust Areas), with the largest percentage point disparity between the two tenures.

Figure 5.2: Core Housing Need for households with a member of a vulnerable population, 2021



Source: UBC Housing Assessment Resource Tools (HART)

5.2 Unhoused Persons

On the evening of March 13, 2023, and during the daytime of March 24, 2023, a Point-in-Time (PiT) Count took place in Cumberland, Courtenay, and Comox to estimate regional homelessness. For the purpose of the count, an individual was considered experiencing homelessness if they did not have a place of their own where they paid rent and could expect to stay for at least 30 days.

A PiT Count provides a snapshot of people experiencing homelessness in a 24-hour period, capturing demographic characteristics, service use, and other relevant information. The count was conducted through a partnership involving the Homelessness Services Association of BC (HSABC), the Government of British Columbia, and the BC Housing Research Centre.

As of March 2023, 272 individuals were identified as homeless across the CVRD, compared to 132 in 2020. Since the 2020 PiT Count, several new shelter spaces have been made

available during the COVID-19 pandemic, including the Cliffe Avenue Motel conversion. This may contribute to higher PiT numbers by ensuring that more people are counted in these spaces than if they were not sheltered. Nevertheless, general trends around the cost and availability of housing suggest an increasing prevalence of homelessness.

Key findings from the most recent PiT Count are illustrated by the following figures and accompanying text. All data comes from the PiT Count, with documentation for communities across British Columbia found here.

Figure 5.3: (Un)sheltered status of respondents

Figure 5.4: Gender identity of respondents

About 12% of respondents identified as 2SLGBTQIA+ and approximately 28% identified as Indigenous. Around 67% of Indigenous respondents reported a lived or generational experience with residential schools.

Figure 5.5: Age group of respondents

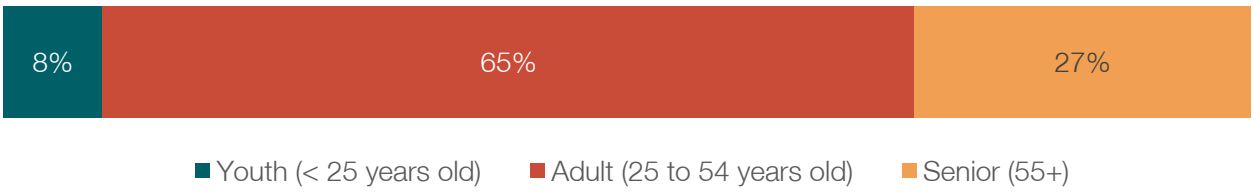


Figure 5.6: Length of time of a respondent living in the community

About 12% of respondents had experienced homelessness for under six months, down from 33% in 2020. This suggests that many people experiencing homelessness in the CVRD were in the CVRD the last time they were housed.

Figure 5.7: Top reasons for housing loss

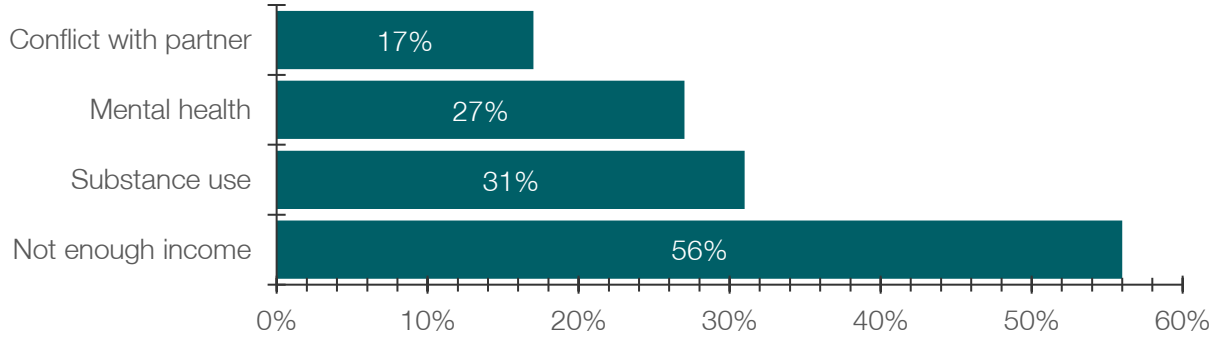
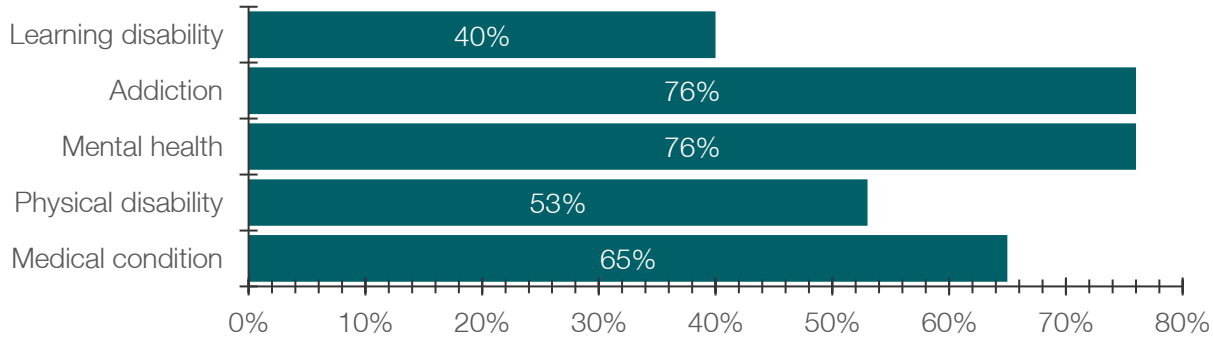


Figure 5.8: Health concerns of respondents



About 44% of respondents reported an acquired brain injury in 2023, up from 33% in 2020. Responses for all health concerns increased, as did the number of respondents reporting two or more (84%, up from 68%).

6 Analysis

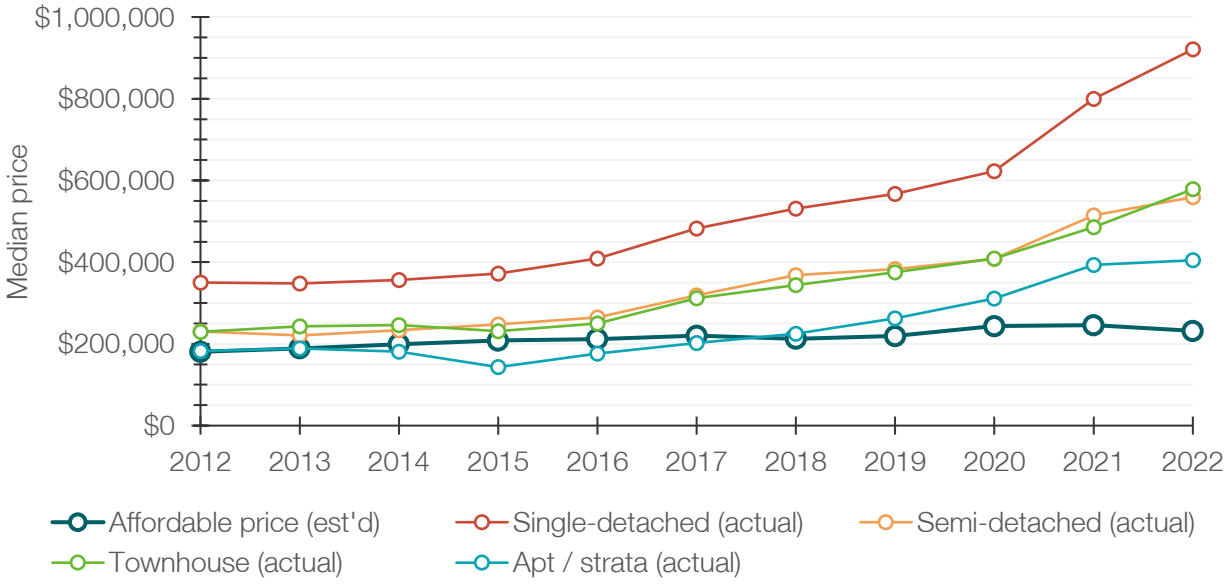
6.1 Housing Attainability

Attainable and affordable housing are often used interchangeably. Both use the affordability threshold assumptions (30% of before-tax household income). Attainable housing is sometimes used to distinguish affordability from subsidized housing – it is a measure of the housing that is affordable to households earning the median income. Alternatively, it is a measure of the monthly mortgage or rent that is affordable to the median household.

6.1.1 Homeownership attainability

Figure 6.1 offers a perspective on the cost local housing by comparing the price of a handful of dwelling types available across the CVRD versus the cost the price that the estimated median income in a given year could afford. The purpose is to highlight the impact of changing local incomes on affordability.

Figure 6.1: Historical estimated affordable dwelling price vs actual median home prices by dwelling type



Source: derived from BC Assessment, custom Statistics Canada dataset[4] and mortgage assumptions

- The median single-detached home has exceeded the estimated affordable house price since the early 2010s, while semi-detached, townhouse, and apartment dwellings remained relatively affordable until the latter half of the last decade.

- Notably, the gap between townhouse prices and the affordable threshold was approximately $23,200 in 2015, escalating to $91,400 a year later and further widening to $346,900 by 2022.

[4] Statistics Canada. Table 11-10-0012-01 Distribution of total income by census family type and age of older partner, parent or individual. DOI: https://doi.org/10.25318/1110001201-eng

- Estimates indicate that, as of 2022, all median dwelling types are beyond the reach of the median local income. Strata apartments remain the most accessible (considering only the mortgage payment, excluding condo fees), while single-detached homes are the least affordable.

Important note: The gap between the affordable purchase price and actual price reflects the median. There are individuals or households who face significantly greater financial challenges related to their shelter. As of 2021, 14% of owner households in the CVRD reported not reasonably affording where they live.

Assumptions:

- Same mortgage and affordability assumptions as previously stated, except that interest rates reflect the annual average of weekly interest rates for each respective year.

Calculations:

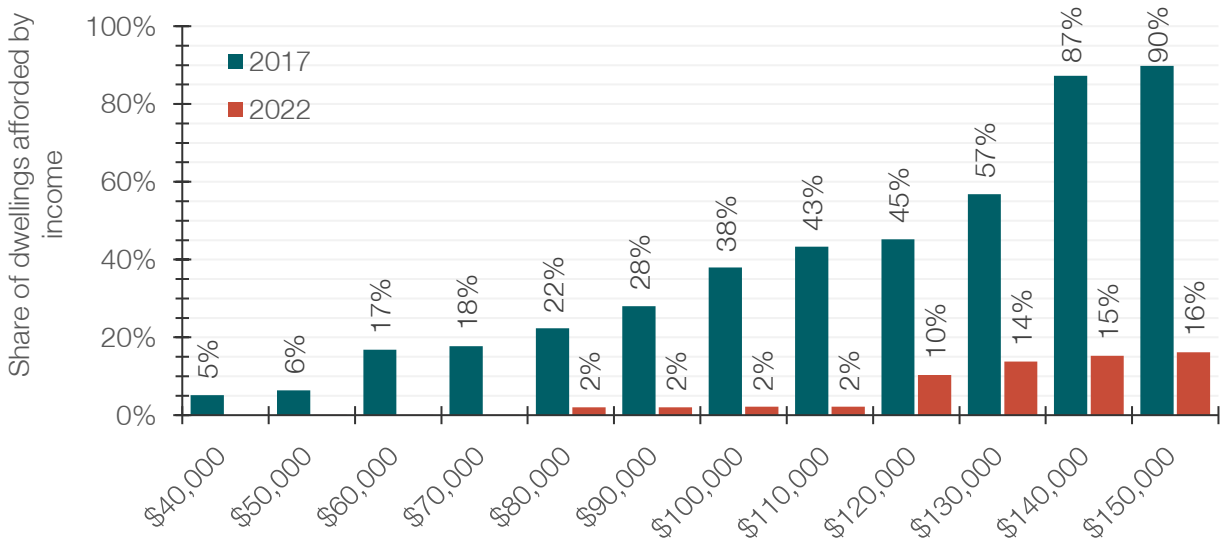
- Collect annual median income data for the CVRD (in this case, from a custom Statistics Canada dataset previously purchased by Turner Drake).
- Estimate an affordable monthly payment using affordability assumptions above (i.e., income x 30% x [1 – 25%] = monthly payment).
- Convert the affordable monthly payment to an affordable purchase price, based on mortgage and down payment assumptions.
- Collect the historical median purchase prices by dwelling type
- Compare historical median purchase prices to the estimated historical affordable purchase prices.

Figure 6-2 further demonstrates how housing attainability has changed over time by comparing estimates of how many dwelling sales in a given year would have been affordable (i.e., 30% of income) for various income levels. The analysis is based on sales from across the CVRD and used similar mortgage assumptions as noted above.

- In 2017, about 22% of regional sales (including new and old housing) may have been affordable for an $80,000 household income. By 2022, this had fallen to 2%.

- Similarly, a $150,000 income in 2017 could possibly afford 90% of sales, versus 16% in 2022.

Figure 6-2: Change in the share of dwellings afforded by defined income, CVRD



Source: derived from BC Assessment

6.1.2 Rent attainability

Table 6-1 examines whether households with various characteristics, such as type, income bracket, and category, can afford the median rents 2023. Median income is transformed into a "max budget" based on earlier referenced assumptions. If a household cannot afford a certain unit, the cell is marked "no"; if it can, the cell is marked "yes."

Rents are based on Courtenay CA results instead. Furthermore, they are adjusted upwards by the estimated disparity between vacant and occupied rents from major centres of BC.

Table 6-1: Attainability of rents using median income of households by characteristic, 2023 estimate

			Adjusted median monthly rent, 2023				
			Median	Studio	1-bed	2-bed	3-bed
Income category	Max budget	Share of HHs	$1,640	$1,610	$1,550	$1,680	$1,595
Households by type							
Couples w/o children	$1,670	35%	yes	yes	yes	no	yes
Couples w/ children	$2,330	20%	yes	yes	yes	yes	yes
Lone parent	$1,210	8%	no	no	no	no	no
Singles / roommates	$850	33%	no	no	no	no	no
Households by income bracket							
< $80,000	$1,500	52%	no	no	no	no	no
$80,000 +	-	48%	yes	yes	yes	yes	yes

			Adjusted median monthly rent, 2023				
			Median	Studio	1-bed	2-bed	3-bed
Income category	Max budget	Share of HHs	$1,640	$1,610	$1,550	$1,680	$1,595
Households by income categories							
Very low income	$291	2%	no	no	no	no	no
Low income	$727	17%	no	no	no	no	no
Moderate income	$1,163	20%	no	no	no	no	no
Median income	$1,744	22%	yes	yes	yes	yes	yes

Source: BC Government purchased Custom Statistics Canada Census Tabulations, UBC HART, CMHC

- Regional rents are generally more attainable than local sale prices. Even so, many household types and incomes cannot financially attain the median rent. This is particularly worrisome given that CMHC rents underreport vacant / asking rents[5] (likely even after adjustments are made to estimate these asking rents).

- Notwithstanding, median rents remain out of reach more times than not for single income households and those earning less than $80,000 annually before-tax.

[5] CMHC median price is lower than asking rents a reader may see on online listing platforms. This is because CMHC rents include all units, including those currently occupied by tenants. Some renters may have lived in the same unit for a long time and may not be subject to sharp increases to their rent annually. The more occupied units in CMHC's sample, the lower the reported rent may be compared to a vacant unit. For instance, in 2020 the average vacant unit in Victoria (the closest CMA where data exists) was listed for $1,623, versus $1,267 if already occupied.

6.2 Anticipated Housing Demand

To determine the current and anticipated housing demand for the CVRD, we refer to the HNR demand calculation methodology, released by the Province in June 2024. The purpose of a standardized method for calculating demand ensures that all local governments produce consistent and comparable assessments of their housing need.

The HNR Method estimates the total number of housing units required to address a community's current and anticipated housing needs over 5- and 20-year timeframes, based on publicly available data sources that can be applied to communities of various scales. It is composed of the following six components (labeled A through F):

Component	Housing units for:	Intention
A	Households in Extreme Core Housing Need	To estimate the number of new units required for those in vulnerable housing situations. Extreme need refers to those paying more than 50% of household income on shelter costs.
B	Individuals experiencing homelessness	To quantify the supply of permanent housing units required for those currently experiencing homelessness.
C	Suppressed households	To address those households that were unable to form between 2006 and the present due to a constrained housing environment.
D	Anticipated household growth	To quantify the additional households required to accommodate an increasing population over twenty years. Note that anticipated growth for municipalities is based on the average of local and regional projections (thus, population / household growth trends discussed above may not follow the same trajectory as dwelling projections) and electoral areas use solely regional projections.
E	Increasing the rental vacancy rate to 3%	To add surplus rental units to restore local vacancy rates to levels representing a healthy and well-functioning rental housing market. Typically, rates between 3% and 5% are considered healthy rates.
F	A local demand buffer	To reflect 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. For the purposes of HNRs, a demand factor is based on a ratio of housing price to housing density, and is calculated for each applicable community.

Source: HNR demand calculation methodology[6]

[6] Ministry of Housing. (2024, June). Guidelines for Housing Needs Reports – HNR Method Technical Guidance. https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/tools-for-government/uploads/hnr_method_technical_guidelines.pdf

Table 6-2 provides a summary of the result for each component, as required over the next 5 years and 20 years (as per legislative requirements). Note that the results equal the sum of all municipalities and electoral areas (excluding the Island Trust Areas), as reported in their own HNR documents. Table 6-3 provides a summary of results for each geography.

- The results indicate that the CVRD may need to build 5,320 units by 2026 and 17,750 units by 2041. While much of the demand will come from future growth, a notable portion relates to the number of suppressed households since 2006 and the demand buffer adjustment applicable to municipalities.

- Components A, B, C, and E contemplate unmet "current" demand, and thus serve as an estimate of the existing shortage (without consideration of demographic growth since 2021, which is the reference year).

Table 6-2: Anticipated housing demand by anticipated period

Component	5 year (by 2026)	20 year (by 2041)
A: Extreme Core Housing Need	318	1,273
B: Homelessness	182	363
C: Suppressed households	457	1,826
D: Anticipated growth	3,896	12,420
E: Vacancy	43	173
F: Demand buffer	424	1,695
Total	5,320	17,750

Important note: HNR Method calculations do not apply a local "demand factor" to electoral area results. In addition, totals do not include the Island Trust Areas.

Table 6-3: Anticipated housing demand by geography

Geography	5 year (by 2026)	20 year (by 2041)
Comox	1,036	3,358
Courtenay	2,471	8,350
Cumberland	358	1,350
Electoral Area A (excl. Island Trust Areas)	384	1,245
Electoral Area B	466	1,484
Electoral Area C	603	1,963
CVRD	5,320	17,750

6.3 Distribution of Anticipated Demand

Accurately forecasting the required units by size or type necessitates sophisticated datasets encompassing past, present, and future individual household demand, along with an assessment of the economic feasibility of constructing these units by the private sector. Unfortunately, such granular data is not available, and even if it were, predictions would remain imperfect. Thus, this report adopts two simple approaches, one to estimate minimum need and another to estimate market outcomes.

6.3.1 Process

The determination of demanded unit size by number of bedrooms varies between market and non-market housing. In market housing, bedroom size is driven by developers who cater to buyer or renter preferences, offering layouts that align with market trends. In contrast, non-market housing focuses on providing essential shelter, generally prioritizing minimum standards to ensure affordability. Thus, units in non-market housing are typically smaller and more utilitarian, designed to meet basic needs rather than personal preferences.

The HNR Method, in conjunction with UBC HART's income categories, gives a rough idea of what volume of current and future units demanded may be for market and non-market units. The process for determining the distribution of unit size (by number of bedrooms) for each is outlined below.

Need based on National Occupancy Standards

Understanding the variation in household sizes across different family types is crucial for determining the number of bedrooms required in a dwelling to meet specific needs. To estimate these outcomes, we use 2021 Census Public Use Microdata Files (PUMF) from Statistics Canada for BC's non-metropolitan areas, which allow us to estimate maintainer age to total bedroom conversion rates based on National Occupancy Standards (NOS). This methodology draws inspiration from the approach presented in the City of Burnaby's Housing Needs Report from January 2021.[7]

Briefly, Burnaby estimates the demand for particular unit sizes by determining the minimum number of bedrooms needed (as per NOS) based on the number of persons in a household and their relationship (e.g., a studio or one-bedroom unit as the minimum requirement to meet the needs of a couple without children). This approach is particularly useful when addressing non-market housing provision, a notable limitation being that there is no detailed information about the characteristics of non-market housing occupants. As a proxy, we limited the households studied to those that experienced Core Housing Need in 2021.

Table 6-4 summarizes how unit sizes (by number of bedrooms) may distribute by household type in 2021 for the aforementioned non-metropolitan areas of BC. Figure 6-3 displays the

[7] City of Burnaby. (2021 January). Housing Needs Report. https://www.burnaby.ca/sites/default/files/acquiadam/2021-07/Housing%20Needs%20Report.pdf

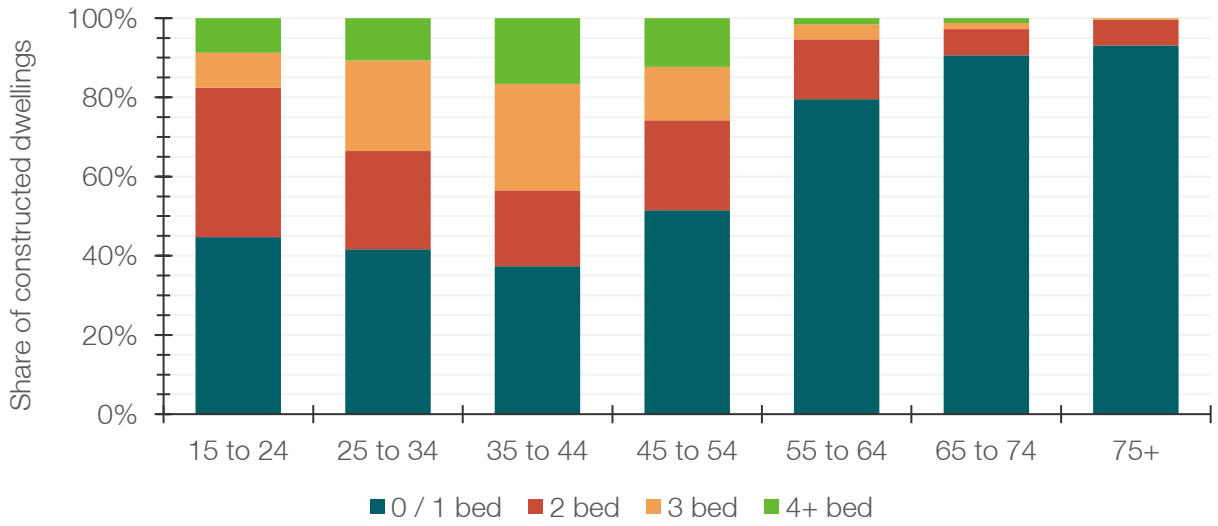
results of converting the table results to unit sizes by maintainer age. The purpose of this relationship being that we can then apply these ratios to household projections.

Table 6-4: Household type to unit size conversion for those in Core Housing Need, BC non-CMA

Household type	Total	Studio / 1-bed	2-bed	3-bed	4+ bed
Couple w/o child(ren)	5,810	100%	0%	0%	0%
Couple w/ child(ren)	3,075	0%	39%	36%	25%
Lone parent	8,735	0%	50%	35%	15%
Non-relatives	34,475	92%	7%	1%	0%
Other families	1,470	0%	0%	40%	60%
Total	53,565	70%	15%	9%	6%

Source: 2021 Census Public Use Microdata File (PUMF) – Statistics Canada

Figure 6-3: Household type to unit size for those in Core Housing Need, BC non-CMA



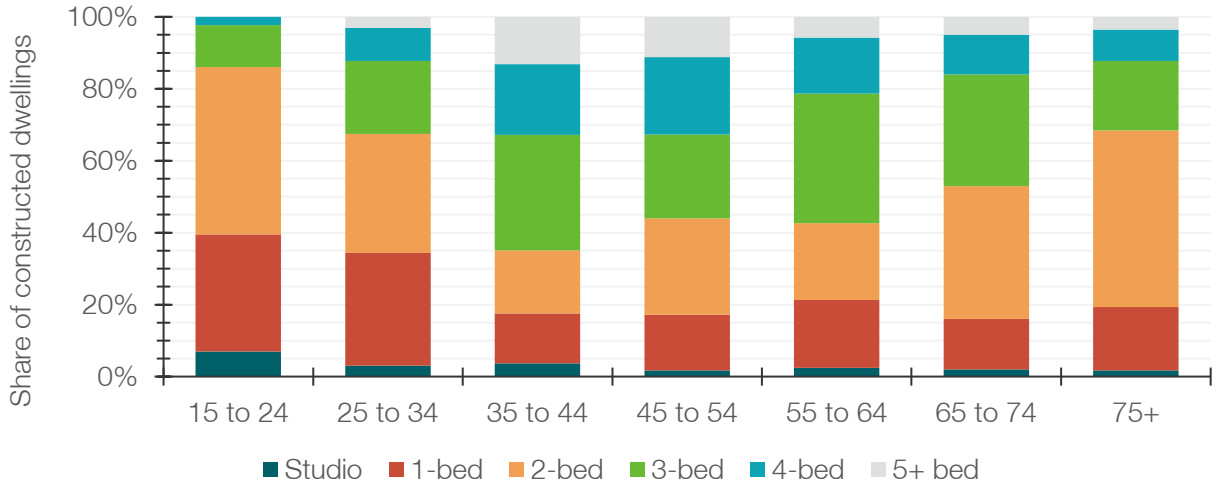
Source: 2021 Census Public Use Microdata File (PUMF) – Statistics Canada

Demand based on recent market housing outcomes

While the preceding analysis addresses spatial requirements, private market outcomes often notably differ. To estimate these outcomes, we utilize the same 2021 PUMF data for BC's non-metropolitan areas. Specifically, we establish how primary maintainers distribute across unit sizes (by number of bedrooms) for dwellings constructed between 2016 and 2021.

By incorporating projected household maintainer age data, we can assess how bedroom demand may evolve over the specified period based on anticipated demographic changes. Figure 6-4 illustrates the construction activity in those five years, disaggregated by number of bedrooms and maintainer age groups.

Figure 6-4: Distribution of dwellings (by number of bedroom) among primary maintainer age groups, 2016 to 2021, all areas of BC outside CMAs



Source: 2021 Census Public Use Microdata File (PUMF) – Statistics Canada

Results are then further adjusted for the change in the above relationship from 2011 to 2021 (2011 data reflects construction activity from 2006 to 2011) to estimate how preferences may be changing over time (with the understanding and limitation that changes in preference may be influenced more so by the existing strained conditions of BC housing markets).

Minimum need versus potential market outcomes

Table 6-5 provides a concise summary of the overall distributions derived from both analyses, as of the 20-year projection period. The disparity of bedroom number distribution underscores the absence of a universal solution in housing provision. This suggests that while relying solely on the market may lead in a specific direction (i.e., centred around wants/preferences – like a couple purchasing a home with extra bedrooms in anticipation of a growing family), there remains a need to offer smaller unit sizes, especially for affordable housing initiatives.

Table 6-5: Share of dwellings by number of bedrooms, minimum need versus market driven outcomes

	Studio / 1-bed	2-bed	3-bed	4+ bed
Minimum need	70%	15%	10%	6%
Market driven outcomes	20%	32%	26%	21%

6.3.2 Results

As mentioned, an adaptation of the HNR Method provides a rough idea of what The CVRD could expect in terms of market and non-market housing demand currently and over the projection period.

Table 6-6 summarizes the results of applying the dwelling size distributions presented in Table 6-5 to these estimations. The outcome of this analysis is a table outlining anticipated demand, disaggregated by the number of bedrooms and intended market / price model.

Note that non-market housing has been further separated into "affordable / below-market" housing (i.e., housing explicitly offered at prices below market, like the 80% of Median Market Rent criteria described by CMHC funding opportunities) and "deeply affordable" housing (i.e., rent-geared-to-income housing, often combined with support services).

To distinguish what portion of the community might benefit from non-market housing, we consider HART's income categories and how they overlap across the housing continuum. Briefly, we apply the historical proportions of households earning "very low" and "low" incomes to demand totals. The demand for deeply affordable and below-market units represents these respective income categories.

While these adjustments were made at the community level, the follow tables reflect the sum of local results. Meaning, results may differ if the analysis was separately performed for regional numbers.

Table 6-6: Anticipated demand* disaggregated by price model and required number of bedrooms

	Market		Affordable / below-market		Deeply affordable		Total	
	5-year	20-year	5-year	20-year	5-year	20-year	5-year	20-year
0- / 1-bed	790	4,245	793	2,731	211	519	1,794	5,892
2-bed	1,286	4,245	160	579	42	110	1,488	4,934
3-bed	1,047	3,451	98	380	26	72	1,171	3,904
4+ bed	787	2,733	62	244	16	46	865	3,024
Total	3,910	13,071	1,113	3,934	295	747	5,320	17,750

* total results may not be perfectly equal to their parts due to rounding.

- As mentioned, the 5- and 20-year demand projections suggest a need for 5,320 and 17,750 units, respectively.

- Market housing should remain the primary contributor to the local inventory, though there is a need for non-market interventions, whether locally or through regional partners. By 2041, the CVRD may need 3,934 affordable / below-market offerings and 747 additional deeply affordable units.

- As suggested by the previously calculated shares of units by number of bedrooms, market housing demand will likely focus more on 2- and 3-bedroom units; whereas, non-market solutions may distribute more to 0- and 1-bedroom dwellings.

For the most part, the market will ultimately decide whether new dwellings are built for rental or ownership based on prices and preferences. Nevertheless, adapting the 2021 PUMF data to estimate how demand might distribute between owner and renter demand is useful for understanding which price models might be most needed over time.

Table 6-7 showcases the results of this analysis, highlighting how different forms of housing may distribute across time and tenure.

- While it is likely that market housing demand will mainly be for owner-occupied housing, there is a notable forecasted interest in expanding the local rental inventory.

- Given that households in greatest housing need are most prominent in the rental market (i.e., greater prevalence of single income earners), rental demand projections suggest almost 41% of new units should be at least affordable or at below-market prices. While non-market solutions typically take the form of rentals, data anticipates there could also be demand for below-market ownership options. This could mean alternative forms of ownership such as co-operatives or community land trusts.

Table 6-7: Anticipated demand* disaggregated by anticipated price model and tenure

	5-year (by 2026)		20-year (by 2041)	
Price model:	Owner	Renter	Owner	Renter
Market housing	2,685	1,226	8,904	4,168
Affordable / below-market	424	689	1,523	2,411
Deeply affordable	0	295	0	746
Total	3,109	2,210	10,427	7,324

* total result of this chart and other associated analysis may not be exactly the same due to rounding.

7 Then & Now

In recent years, significant changes have occurred in the local, regional, and national demographic and housing context. These shifts have been primarily influenced by the COVID-19 pandemic and related migration trends. As a result, this report offers insight into post-pandemic housing need, while the 2020 document focused on the pre-pandemic outlook. The following table summarizes notable changes between documents.

Table 7-1: Key statistics from 2020 and 2024 reports

Item	2020 report	2024 report
Demographic change (2016 to 2021)	Projected	Actual
Total population	+ 6%	+ 9%
Total households	+ 8%	+ 9%
Housing indicators	2016 Census	2021 Census
Inadequate dwellings	6%	7%
Unsuitable dwellings	2%	4%
Unaffordable dwellings	20%	19%
Households in Core Housing Need	11%	9%
Households in Extreme CHN	5%	3%
Change in dwelling prices	2016 to 2019	2019 to 2022
Median purchase price	+ 33%	+ 64%
Change in rents	2017 to 2020	2020 to 2023
Median rent (Courtenay CA)	+ 21%	+ 36%

The previous report's projection for population growth between 2016 and 2021 was slightly underestimated due to an expanded youth cohort, contrary to the projected decrease for most communities. However, total households increased at the anticipated rate.

The rise in household growth since 2016 aligns with increased housing demand, reflected in notable increases in local housing prices and rents.

Despite the heightened demand and escalating housing costs, affordability metrics did not worsen from 2016 to 2021, according to 2021 data. In 2016, 20% of households lived in unaffordable dwellings, and 11% faced Core Housing Need. These figures decreased to 19% and 9%, respectively, in 2021. It is essential to note the impact of COVID-19 relief payments in 2020, which temporarily assisted more households in affording their shelter and living expenses. Support also likely came from controlled rent increases, implemented by the BC government in 2019. Nevertheless, with increasing housing costs and higher interest

rates, it is reasonable to assume that these metrics have likely worsened since 2016, not improved as suggested by 2021 results.

8 Discussions

8.1 Interpreting Housing Demand

The HNR Method projects housing demand by combining six components, each based on specific assumptions about their significance in demand calculations. While these projections provide insights into immediate and future housing needs, a comprehensive understanding requires recognizing the complex interplay of external factors, including political, environmental, social, and economic influences, which shape housing dynamics and contribute to potential deficits or surpluses.

Although housing demand calculations are essential for anticipating community or regional growth, they often cannot fully account for broader factors, such as mobility between communities, due to data limitations and quality concerns. Therefore, it is crucial to view these assessments as snapshots of the conditions at the time of data release, acknowledging that the data may not capture the complete picture.

Given these constraints, communities should adopt a proactive housing development approach, regardless of whether demand projections indicate lower or higher volumes than expected. A broad and flexible development strategy allows for better responsiveness to changing market dynamics and supports the creation of more equitable, sustainable, and inclusive communities.

8.2 Upzoning Case Studies

Rising global housing costs have triggered severe affordability crises in major cities, prompting a push for solutions like 'upzoning'—the relaxation of land use regulations (LURs) to permit more intensive housing development. Advocates argue that upzoning can increase housing supply, curbing prices. However, skeptics question the effectiveness of market-driven policies, advocating instead for government interventions such as government-led construction, public space repurposing, and demand-limiting policies. Despite the debate, empirical research on upzoning's impact is scarce, hindering a comprehensive understanding.

Bill 44 of the British Columbia Legislative Assembly, known as the *Housing Statutes Amendment Act*, is a legislative initiative designed to enhance housing supply throughout the province. The bill proposes changes that would permit the development of multi-unit residential dwellings as-of-right within traditionally low density residential zones, an approach that closely resembles initiatives taken by municipalities across BC and Canada in response to the Housing Accelerator Fund program.

As part of this legislative framework, the BC government mandates updates to the by-laws of municipalities with populations exceeding 5,000. These updates must allow for the construction of 3- to 4-unit residential dwellings on standard residential lots and up to 6-unit developments on larger lots. Additionally, for lots with existing single-detached dwellings, municipalities are required to permit secondary or backyard/laneway units as-of-right. The

legislation aims for full implementation in all affected municipalities by June 2024, as indicated in the initial reading of the bill.

Similar initiatives have been implemented elsewhere, to varying success. The following section examines two examples from the United States, one from New Zealand, and a case study of Victoria in British Columbia, which has already instituted the kind of upzoning advocated by the proposed legislation.

8.2.1 Implementation examples

Portland, Oregon[8] [9] [10]

In August 2020, Portland's City Council implemented the Residential Infill Project, sharing a similar goal with Bill 44 by seeking to enhance allowable density in historically single-detached dwelling areas. The project followed the work by the State of Oregon to widely end single-family-only zoning. The primary objectives were to promote affordability and, as reported by The Oregonian, encourage "economic and racial integration." The plan facilitates more multiplex development (du- through four-plex) while concurrently imposing restrictions on the maximum allowable square footage for a single-detached home, reduced from 6,750 ft² to 3,500 ft².

Importantly, Portland's Residential Infill Project extends beyond merely increasing density; it is also dedicated to improving affordability. In alignment with this goal and the promotion of economic integration within Portland neighborhoods, the project mandates that half of the units within these developments must be accessible based on income level, regardless of tenure. Specifically, within purpose-built rental units, half must be affordable to households earning no higher than 60% of the area median income, while owner purpose-built units must be affordable to households earning no higher than 80% of the area median income.

The program was lauded as the nation's most ambitious low-density zoning reform at the time. It has given rise to a growing industry of developers focusing on "missing middle" housing. However, the results were relatively modest after one year, yielding only about 200 to 300 additional net units since the program took effect in August 2021.

In response, the City Council implemented reforms to the project in June 2022. Notably, they increased the floor area ratio (FAR) for four or more dwelling units, made lots without a front lot line eligible for development (i.e., landlocked lots), and other technical amendments.

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[8] Bailey, Everton Jr. (2020, August 13). Portland changes zoning rules to allow duplexes, triplexes, fourplexes in areas previously reserved for single-family homes. Oregon Live. https://www.oregonlive.com/portland/2020/08/portland-changes-zoning-code-to-allow-duplexes-triplexes-fourplexes-in-areas-previously-reserved-for-single-family-homes.html

[9] Portland.gov (2022, May 24). City Council adopts amendments to the Residential Infill Project – Part 2 Recommended Draft. https://www.portland.gov/bps/planning/rip2/news/2022/5/24/city-council-adopts-amendments-residential-infill-project-part-2

[10] CBC News. (2022, November 9). What B.C. cities can learn from Portland, Ore., about ending single-family zoning. https://www.cbc.ca/news/canada/british-columbia/single-family-zoning-experience-1.6644436

The goal is not only to legalize but also to make a broader range of housing options practical and economically viable.

Minneapolis, Minnesota[11]

Proposed in 2018 and implemented in early 2020, Minneapolis' **Minneapolis 2040 Plan** stands as the first initiative in the United States to eliminate single-family zoning. Alongside the removal of this zoning, Minnesota also did away with parking requirements and introduced policies to upzone transit corridors.

While the Plan has resulted in a significant increase in multiplex dwelling development, assessing its overall success involves considering multiple factors. One researcher highlights that multiplex developments made up only 2% of all permitted units in Minneapolis for 2022, a statistic that might be prematurely deemed a failure.

Certain trends suggest a more nuanced picture. Notably, although the construction of plexes represents a small proportion of the supply, it grew by 40% since 2019 and an impressive 480% since 2015, indicating a shift away from single-family development.

Moreover, blocks within the Minneapolis city borders experienced an increase in value after the reform, relative to those just outside. Interestingly, larger blocks with more available space saw a relatively more substantial increase. This suggests that zoning regulations were indeed influencing the market.

Victoria, British Columbia[12] [13] [14] [15]

In early 2023, the City of Victoria launched the Missing Middle Housing Initiative. Similar to Bill 44, the initiative aims to enhance housing supply by upzoning traditional residential areas, allowing up to six units on a single lot. In tandem with increased density, Victoria introduced provisions addressing housing affordability, mandating one below-market ownership or affordable rental unit in exchange for density bonusing allowances.

After a six-month review of the Initiative, city staff revealed that only three development permit applications had been submitted. Feedback from the pre-application process

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[11] One Final Report. (2023, April 17). A Detailed Look at the Outcomes of Minneapolis' Housing Reforms. https://onefinaleffort.com/blog/a-detailed-look-at-minneapolis-housing-supply-reforms

[12] City of Victoria. (2023). Missing Middle Housing Initiative. https://www.victoria.ca/building-business/permits-development-construction/rezoning-development/missing-middle-housing

[13] City of Victoria. (2023). Schedule P – Missing Middle Regulations. https://www.victoria.ca/media/file/schedule-ppdf

[14] Duffy, Andrew A. (2023, September 29). Victoria overhauls missing-middle housing rules to kickstart building. Times Colonist. https://www.timescolonist.com/local-news/victoria-overhauls-missing-middle-housing-rules-to-kickstart-building-7617745

[15] Chai, Howard. (2023, September 25). Why And How Victoria Is Revising Its Missing Middle Housing Policy. Storeys. https://storeys.com/victoria-missing-middle-housing-review/

highlighted that the regulations were too prescriptive and onerous. The realization of the missing-middle program's limited impact on bringing new housing to the city, even within a short period, prompted the city to reassess and amend its regulations.

The amendments aimed to simplify rules for developers by eliminating all bonus density requirements and adjusting setback and site coverage regulations for specific dwelling types, among other changes. These amendments were approved in November 2023. Further reviews of the regulations are anticipated, including considerations for flexibility in parking requirements and variance approvals.

Auckland, New Zealand[16] [17]

The recent push for large-scale upzoning to address housing affordability lacked empirical study until Auckland's comprehensive zoning reforms in 2016 through the **Auckland Unitary Plan (AUP)**. This plan removed restrictions on three-quarters of residential land, facilitating a significant surge in housing development.

A 2022 study by Greenaway-McGrevy and Phillips (GMP) provided statistical evidence supporting the notion that upzoning substantially increased housing construction. The research revealed 26,903 additional dwellings permitted in the initial five years post-policy shift, constituting around 5% of the pre-policy housing stock. Notably, this surge predominantly manifested in the construction of more capital-intensive attached structures in the suburban core. These findings are optimistic for proponents of upzoning as a strategy to address housing affordability, emphasizing the critical role of augmented housing supply.

GMP's research also unveiled rent reductions of 22% to 35% for 3-bedroom units and 14% to 21% for 2-bedroom units in Auckland compared to potential rents without the AUP. In essence, rents in Auckland could have been 14% to 35% higher, contingent on unit size, if the plan had not been implemented. Despite Auckland remaining among New Zealand's pricier cities for renting, the AUP appears to have mitigated rent increases, fostering a more sustainable housing market.

However, not everyone agrees with GMP's conclusions. Murray and Helm contend that GMP's method may be inherently flawed. Auckland's permit trend appears linked to a growth cycle initiated by increased migration around 2014 and a cyclical boom, akin to major cities in Australia during the same period.

8.2.2 Impacts of upzoning

While upzoning holds the promise of increasing housing density, its success is not guaranteed, as evidenced by mixed results in various case studies.

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[16] Greenaway-McGrevy, R., & Phillips, P. C. B. (2022, May). The impact of upzoning on housing construction in Auckland. Journal of Urban Economics, 136, 103555. https://doi.org/10.1016/j.jue.2023.103555

[17] Murray, C and Helm, T. (2023, June 4). The Auckland myth: There is no evidence that upzoning increased housing construction. Fresh Economic Thinking https://www.fresheconomicthinking.com/p/the-auckland-myth-there-is-no-evidence

Victoria, despite early 2023 amendments showing little to no immediate impact, is demonstrating a commitment to revising existing regulations to enhance the program's effectiveness over time. Similarly, Portland has passed amendments to its Residential Infill Project to stimulate more activity after achieving smaller successes than anticipated.

In contrast, Auckland's implementation of the Auckland Unitary Plan in 2016 has been deemed successful, resulting in a notable increase in unit production and improved affordability This showcases the positive outcomes achievable with well-executed upzoning. Minneapolis also witnessed modest initial results, with anticipated improved success in the long run.

The varied outcomes from different case studies highlight the intricate nature of urban development and the need for a holistic strategy in implementing zoning changes. A comprehensive approach goes beyond the act of upzoning itself, encompassing a thorough review of existing regulations, constant evaluation, and a willingness to make necessary adjustments. This involves not only considering the immediate impacts of upzoning but also understanding the evolving dynamics of housing markets over time. It emphasizes the importance of actively monitoring the progress of implemented changes and being responsive to emerging challenges or unforeseen consequences. A dynamic and adaptive approach to zoning ensures that the intended goals of increased housing density and improved affordability are not only realized in the short term but also sustained and enhanced in the long run.

Moreover, it is crucial to recognize that the dynamics of housing markets are influenced not only by local factors but also by changes occurring at regional and provincial levels. Upzoning is just one facet of the British Columbia government's broader plans to expand the available housing supply. Additional measures, such as new regulations regarding short-term rental accommodations and the expansion of the speculation and vacancy tax (now covering Courtenay, Comox, and Cumberland), aim to contribute to the comprehensive strategy for addressing housing challenges.

8.3 Housing Need via Housing Income Limits

Determining the households that would benefit from affordable housing units or programs can be approached in various ways. In this report, we specifically focus on the methodology employed by the Province’s HNR Method (specifically, quantifying Extreme Core Housing Need and unsheltered persons), with adaptions using HART’s income categories by community. This analysis is used to estimate the number of community members most in need of below-market and deeply affordable interventions.

It is essential to note that while HART's income categories provide valuable insights into a community's overall financial landscape and distribution, they are not directly linked to specific housing programs. Instead, Housing Income Limits (HILs) are commonly employed for this purpose. HILs, produced by BC Housing but based on figures established by CMHC,

signify the minimum income necessary to afford suitable accommodation in the private market. In simpler terms, incomes below this limit are considered insufficient for accessing appropriate private market housing and qualify for various housing supports.

Thus, rather than utilizing the income categories as the threshold for identifying households in need of housing support (i.e., those with low or very low incomes), we can employ the government's HILs as a new criterion in our calculations. The underlying assumption is that the sum of households eligible for a program, based on the HILs, aligns with the number of households requiring support. There are weaknesses to this approach – namely, not all household below a HIL will require support given that each household's circumstances are unique. Therefore, this approach will identify the maximum potential number of households that may access housing support, which most likely overestimates the number that would actually seek them. However, in the absence of individualized datapoints, this is a best alternative.

Table 8-1 outlines the process of breaking down the households needing a specific unit size, as classified by the HILs documentation. The goal is to determine the number of households within each unit requirement that meet or fail to meet the income criteria. The table offers estimates using 2021 HILs for a more relevant comparison with HART's analysis. Additionally, it presents estimates based on 2023 HILs to gauge the changes in the demand for housing supports over a short timeframe.

Table 8-1: Estimated total and share of renter households earning below a HIL (based on the unit size) and that also require a particular unit size

		Housing income limit unit size categories			
Tenure	Description	0-/1-bed	2-bed	3-bed	4+ bed
2021	Housing income limit	$39,500	$49,000	$61,000	$66,500
	Estimated total HHs requiring [X]-bedrooms	2,215	2,930	1,125	760
	Estimated share of HHs requiring [X]-bedrooms earning below the HIL	40%	47%	40%	31%
	Estimated total HHs requiring [X]-bedrooms earning below the HIL	885	1,375	450	235
2023	Housing income limit	$44,000	$49,500	$68,500	$84,500
	Estimated total HHs requiring [X]-bedrooms	2,305	3,055	1,175	790
	Estimated share of HHs requiring [X]-bedrooms earning below the HIL	45%	48%	47%	49%
	Estimated total HHs requiring [X]-bedrooms earning below the HIL	1,035	1,465	550	385

Source: derived from Turner Drake purchase custom Statistics Canada Census tabulation, BC Housing HILs, results of Section 6.3.

- In 2021, an estimated 2,945 renter households, constituting approximately 42% of the CVRD's renter households, may have needed financial support for housing, based on HILs thresholds.

- Two-bedroom units, aligning with unit size requirements by household type, emerge as the most sought-after type of unit, both overall and among households earning less than the 2-bedroom dwelling income limit.

- In 2023, around 3,345 CVRD renter households, equivalent to about 47% of all renter households, may have required financial support for their housing.

Methodology:

- Utilize a custom Statistics Canada Census dataset (obtained by Turner Drake) to gather median before-tax household income brackets for the year 2021, categorized by household type.
- Reuse the unit size requirements by household type as outlined in Section 6.3.
- Apply the recycled unit size requirements to convert income brackets by household type into income brackets by the required dwelling size.
- Obtain HIL figures corresponding to each unit size.
- Compare the HILs by unit size with the distribution of households categorized by income bracket and the unit size required.
- Estimate the number of households that, based on their income and required unit size, fall below the Housing Income Limit for that specific unit size.
- Sum up the individual results obtained in the previous step to determine the total number of households that could potentially benefit from financial support for housing.

Important notes:

- The analysis focuses exclusively on renter households and does not encompass all households. The intricacies for owner households are notably more complex. For instance, a household might have an income below the Housing Income Limit (HIL), but simultaneously, that same household may not have a mortgage.
- Both the 2021 and 2023 results are derived from the income bracket distributions of the year 2021.
- Results are adjusted to exclude Denman and Hornby Island Trust Areas.

9 Conclusion

The housing landscape in the Comox Valley Regional District (CVRD) is evolving, driven by a surge in both population and households from 2016 to 2021 across all municipalities and electoral areas. This growth trend is expected to persist through the next two decades, indicating a sustained rise in housing demand.

This population expansion aligns with significant price and rent increases in recent years. The median home price appreciated by 64% between 2019 and 2022, while the median apartment rent rose by 36%, exacerbating housing affordability challenges.

In 2021, approximately 9% of local households experienced Core Housing Need, with higher prevalence among renters, single individuals, lone parents, Indigenous households, refugees, and transgender or non-binary persons. Meeting the demand for affordable housing options is crucial. Estimates suggests that about 3,934 below-market and 747 deeply affordable units could be required over the next 20 years to meet the needs of those most vulnerable.

Overall, the CVRD may need an additional 17,750 housing units to be built by 2041 to meet anticipated demand and mitigate market imbalances – based on the Province's HNR Method. Projections anticipate that about 5,320 units could be needed by 2026. Most of the demand should be addressed by market housing, though there exists a forecasted need to supply below-market and deeply affordable alternatives, across both owner- and renter-occupied housing.

10 Definitions

"activity limitation" refers to difficulties that people have in carrying out daily activities such as hearing, seeing, communicating, or walking. Difficulties could arise from physical or mental conditions or health problems;

"bedrooms" refer to rooms in a private dwelling that are designed mainly for sleeping purposes even if they are now used for other purposes, such as guest rooms and television rooms. Also included are rooms used as bedrooms now, even if they were not originally built as bedrooms, such as bedrooms in a finished basement. Bedrooms exclude rooms designed for another use during the day such as dining rooms and living rooms even if they may be used for sleeping purposes at night. By definition, one-room private dwellings such as bachelor or studio apartments have zero bedrooms;

"census" means a census of population undertaken under the *Statistics Act* (Canada);

"census agglomeration (CA)" Area consisting of one or more neighbouring municipalities situated around a core. A census agglomeration must have a core population of at least 10,000;

"census division (CD)" means the grouping of neighbouring municipalities, joined together for the purposes of regional planning and managing common services (e.g. Comox Valley Regional District);

"census family" is defined as a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a lone parent of any marital status with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling. A couple may be of opposite or same sex;

"census subdivision (CSD)" is the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes (e.g. electoral areas);

"child" refers to any unmarried (never married or divorced) individual, regardless of age, who lives with his or her parent(s) and has no children in the same household;

"commuting destination" refers to whether or not a person commutes to another municipality (i.e., census subdivision), another census division or another province or territory. Commuting refers to the travel of a person between his or her place of residence and his or her usual place of work;

"components of demographic growth" refers to any of the classes of events generating population movement variations. Births, deaths, migration, marriages, divorces, and new

widowhoods are the components responsible for the variations since they alter either the total population or the age, sex, and marital status distribution of the population.:

> "**emigrant**" refers to a Canadian citizen or immigrant who has left Canada to establish a permanent residence in another country.
>
> "**immigrant**" refers to a person who is, or who has ever been, a landed immigrant or permanent resident. Such a person has been granted the right to live in Canada permanently by immigration authorities;
>
> "**interprovincial migration**" refers to movement from one province or territory to another involving a permanent change in residence. A person who takes up residence in another province or territory is an out-migrant with reference to the province or territory of origin and an in-migrant with reference to the province or territory of destination;
>
> "**intraprovincial migration**" refers to movement from one region to another within the same province or territory involving a permanent change of residence. A person who takes up residence in another region is an out-migrant with reference to the region of origin and an in-migrant with reference to the region of destination;
>
> "**non-permanent residents**" refers to persons who are lawfully in Canada on a temporary basis under the authority of a temporary resident permit, along with members of their family living with them. Non-permanent residents include foreign workers, foreign students, the humanitarian population and other temporary residents;

"**core housing need**" is when housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that meets all three housing standards;

> "**adequate housing**" means that, according to the residents within the dwelling, no major repairs are required for proper use and enjoyment of said dwelling;
>
> "**affordable housing**" means that household shelter costs equate to less than 30% of total before-tax household income;
>
> "**suitable housing**" means that a dwelling has enough bedrooms for the size and composition of resident households according to National Occupancy Standard (NOS) requirements;

"**dwelling"** is defined as a set of living quarters;

"**dwelling type**" means the structural characteristics or dwelling configuration of a housing unit, such as, but not limited to, the housing unit being a single-detached house, a semi-

detached house, a row house, an apartment in a duplex or in a building that has a certain number of storeys, or a mobile home;

"**single-detached house**" means a single dwelling not attached to any other dwelling or structure (except its own garage or shed). A single-detached house has open space on all sides, and has no dwellings either above it or below it. A mobile home fixed permanently to a foundation is also classified as a single-detached house;

"**semi-detached house**" means one of two dwellings attached side by side (or back to back) to each other, but not attached to any other dwelling or structure (except its own garage or shed). A semi-detached dwelling has no dwellings either above it or below it, and the two units together have open space on all sides;

"**row house**" means one of three or more dwellings joined side by side (or occasionally side to back), such as a townhouse or garden home, but not having any other dwellings either above or below. Townhouses attached to a high-rise building are also classified as row houses;

"**duplex**" (also known as apartment or flat in a duplex) means one of two dwellings, located one above the other, may or may not be attached to other dwellings or buildings;

"**apartment in a building that has five or more storeys** " means a dwelling unit in a high-rise apartment building which has five or more storeys;

"**apartment in a building that has fewer than five storeys**" means a dwelling unit attached to other dwelling units, commercial units, or other non-residential space in a building that has fewer than five storeys;

"**mobile home**" means a single dwelling, designed and constructed to be transported on its own chassis and capable of being moved to a new location on short notice. It may be placed temporarily on a foundation pad and may be covered by a skirt;

"**employment rate"** means, for a particular group (age, sex, marital status, geographic area, etc.), the number of employed persons in that group, expressed as a percentage of the total population in that group;

"**extreme core housing need**" has the same meaning as core housing need except that the household has shelter costs for housing that are more than 50% of total before-tax household income;

"**full-time equivalent (FTE) student**" represents all full-time and part-time enrolments, converted to represent the number of students carrying a full-time course load. One student whose course load is equal to the normal full-time number of credits or hours required in an

academic year would generate 1.0 Student FTE. A student taking one-half of a normal course load in one year would be a 0.5 Student FTE;

"household" refers to a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad;

> "owner household" refers to a private household where some member of the household owners the dwelling, even if it is still being paid for;
>
> "renter household" refers to private households where no member of the household owns their dwelling. The dwelling is considered to be rented even if no cash rent is paid;

"household maintainer" refers to whether or not a person residing in the household is responsible for paying the rent, or the mortgage, or the taxes, or the electricity or other services or utilities. Where a number of people may contribute to the payments, more than one person in the household may be identified as a household maintainer. In the case of a household where two or more people are listed as household maintainers, the first person listed is chosen as the primary household maintainer;

"household size" refers to the number of persons in a private household;

"household type" refers to the differentiation of households on the basis of whether they are census family households or non-census-family households. Census family households are those that contain at least one census family;

"Indigenous identity" refers to whether the person identified with the Aboriginal peoples of Canada. This includes those who are First Nations (North American Indian), Métis or Inuk (Inuit) and/or those who are Registered or Treaty Indians (that is, registered under the Indian Act of Canada), and/or those who have membership in a First Nation or Indian band;

"labour force" refers to persons who, during a defined week in a Census year, were either employed or unemployed;

"migrant" refers to a person who has moved from their place of residence, of which the origin is different than the destination community they reported in. Conversely, a non-migrant is a person who has moved within the same community;

"mobility status, one year" refers to the status of a person with regard to the place of residence on the reference day in relation to the place of residence on the same date one year earlier;

"NAICS" means the North American Industry Classification System (NAICS) Canada 2012, published by Statistics Canada;

"NAICS industry" means an industry established by the NAICS;

"participation rate" means the total labour force in a geographic area, expressed as a percentage of the total population of the geographic area;

"primary rental market" means a market for rental housing units in apartment structures containing at least 3 rental housing units that were purpose-built as rental housing;

"Rental Market Survey" refers the collection of data samples from all urban areas with populations greater than 10,000 and targets only private apartments with at least three rental units. Among the information provided are median rental prices for units within the primary rental market;

"secondary rental market" means a market for rental housing units that were not purpose-built as rental housing;

"shelter cost" refers to the average or median monthly total of all shelter expenses paid by households that own or rent their dwelling. Shelter costs for owner households include, where applicable, mortgage payments, property taxes and condominium fees, along with the costs of electricity, heat, water and other municipal services. For renter households, shelter costs include, where applicable, the rent and the costs of electricity, heat, water and other municipal services;

"short-term rental (STR)" means the rental of a housing unit, or any part of it, for a period of less than 30 days;

"STR – commercial market" refers to all short-term rental units that were active within a given time period, but are available and/or reserved more than 50% of the days that they have been active. The 50% cut off is meant to separate residents using the service to generate supplemental income from non-resident STR operators operating income/investment properties. The commercial market only considers entire homes or apartments, not listings that are hotels, private rooms, or other;

"STR – total market" refers to all short-term rental units that were active (meaning, reserved or available at least one day in a month) within a given time period. The total market only considers entire homes or apartments, not listings that are hotels, private rooms, or other;

"subsidized housing" refers to whether a renter household lives in a dwelling that is subsidized. Subsidized housing includes rent geared to income, social housing, public housing, government-assisted housing, non-profit housing, rent supplements and housing allowances;

"tenure" refers to whether the household owns or rents their private dwelling. The private dwelling may be situated on rented or leased land or be part of a condominium. A household is considered to own their dwelling if some member of the household owns the dwelling

even if it is not fully paid for, for example if there is a mortgage or some other claim on it. A household is considered to rent their dwelling if no member of the household owns the dwelling;

"unemployment rate" means, for a particular group (age, sex, marital status, geographic area, etc.), the unemployed in that group, expressed as a percentage of the labour force in that group;

"vacancy" means a unit that, at the time of the CMHC Rental Market Survey, it is physically unoccupied and available for immediate rental.