

Date October 29, 2024
Author Rory Stever, Planner II
Subject Housing Needs Reports Interim Update 2024

BACKGROUND

In June 2024, the Province provided guidance on the updated legislative requirements for Housing Needs Reports enacted by Bill 44, 2024. All local governments are required to complete an Interim Housing Needs Report that includes new information on the updated requirements by January 1, 2025, utilizing new standardized methodology. Following the completion of the Interim Reports, all local governments must complete 'regular' Housing Needs Reports in 2028 and every 5 years thereafter.

To meet these new requirements, a Housing Needs Report Interim Update was commissioned for all six RDEK Electoral Areas. The interim reports contain all information required by the new legislation. In addition to the six electoral area specific reports, a RDEK Regional Summary Page and Electoral Area Summary Page will be completed by December 31, 2024, and published to the RDEK website for the public to view. This reporting methodology aligns with the 2021 Housing Needs Report format.

INFORMATION

The first legislative requirements for housing needs reports were established in 2019, and required local governments to collect data, analyze trends and present reports that describe current and anticipated housing needs. RDEK Housing Needs Assessment Reporting was completed in November 2021.

The purpose of Housing Needs Reports is to provide a comprehensive understanding of current and projected housing conditions within a community or region. For the RDEK, this work serves as an update to previous reports submitted by M'Akola Development Services and Turner Drake & Partners in November 2021. The update incorporates new Census and market data to present a more up-to-date picture of the Electoral Areas and includes legislatively mandated calculations of anticipated new units required to meet demand.

Housing Needs Reports are required by BC's *Local Government Act* and the Housing Needs Reports Regulation, as amended by Bill 44. These reports inform land use planning and social policy initiatives at the local level, while also providing solid evidence for advocacy to higher levels of government. They are a valuable resource for stakeholders in the housing sector. Regular updates to these reports are essential for adapting to changing market dynamics and ensuring decision-makers have access to the most recent data.

The interim reports highlight a mix of affordability challenges, demographic shifts, and market trends, with both commonalities and distinct nuances across the six electoral areas. The key themes are summarized as follows:

.../2

Affordability and Income Vulnerability

Across the rural RDEK, considerable portions of households face housing affordability challenges, with between 7% and 14% of households spending more than 30% of their income on housing, depending on the community. This is often exacerbated by rising gaps between local incomes and housing prices, a trend that has worsened since the 2021 Census. Although some residents are financially secure, a notable percentage of households across the regions – ranging from 18% to 21% - are classified as "very low" or "low" income, making them particularly vulnerable to housing affordability issues. These concerns underscore the need for affordable housing interventions, especially for lower-income households.

Housing Demand Projections

The new provincial methodology for determining future housing demand suggests a substantial need for dwellings by 2041, with required units per Electoral Area ranging from 291 to 889, as shown in Table 1 attached. A portion of this demand is expected to come from households needing below-market or deeply affordable units, with the number of such units per Electoral Area identified as necessary varying from 62 to 170. In total, 2,755 units may be required by 2041 across the RDEK. With a recent historical average permitting volume of about 150 annually, the rural areas may already be on track to meet future targets; however, not all areas are building at the same rate, it is unlikely how markets will evolve over the next two decades and it is unknown whether these new builds will align with the type of housing needed.

The number of new housing units required by Electoral Area and Subregion are shown in the attached Table. The anticipated housing demand is calculated utilizing standardized calculation methodology, referred to as the HNR. The HNR Method allows for local governments to calculate consistent and comparable assessments of their housing need. The five components required for regional district calculations are added together to provide the total number of housing units needed for each electoral area. The components are:

1. Supply of units to reduce extreme core housing need (those paying more than 50% of income for housing).
2. Supply of units to reduce homelessness.
3. Supply of units to address suppressed household formation.
4. Supply of units needed to meet household growth over the next 5 or 20 years.
5. Supply of units needed to meet at least a 3% vacancy rate.

Senior Housing Needs

One of the most significant demographic trends across the regions is the expected growth in senior-led households, with projected increases ranging from 11% to 59%. By 2041, senior-led households are anticipated to represent between 30% and 49% of all households. This will likely increase the demand for senior-specific housing, such as accessible homes and those offering supportive services, particularly as the incidence of disabilities rises within this group.

Family-Specific Housing Needs

All Electoral Areas should see some form of increase of local families, driven by growth among younger adults and youth populations. The rise of families would generally translate to a need for larger units with more bedrooms.

.../3

Secondary Suites and Short-Term Rentals

Secondary suites have become an increasingly popular form of housing across the rural areas, making up between 4.5% and 9% of the total dwelling stock. This trend points to growing demand for more flexible and affordable living arrangements, particularly as housing affordability challenges persist.

In contrast, short-term rentals (STRs) have a more mixed impact, with some Electoral Areas seeing negligible effects on housing availability, while others, especially those with a tourism focus, experience a significant portion of their housing stock – up to 16% – allocated to STRs.

Summary

The RDEK has completed their legislative obligation by completing these interim Electoral Area reports. The next full report is required to be completed by December 31, 2028. Although the RDEK does not have the same incentives available to drive demand and development as municipalities, it is worth considering if available incentives to target specific housing needs or target numbers are warranted based on the findings of these reports.

Regional Districts are not required to align their interim reports with their Official Community Plans by a specific date set by legislation or regulation. However, all pending and future planning processes and OCP updates are anticipated to consider and integrate information from this interim reporting.

Attachments

- Housing Needs SummaryData Table
- 2024 Housing Needs Report Electoral Area A SummaryReport
- 2024 Housing Needs Report Electoral Area B SummaryReport
- 2024 Housing Needs Report Electoral Area C SummaryReport
- 2024 Housing Needs Report Electoral Area E SummaryReport
- 2024 Housing Needs Report Electoral Area F SummaryReport
- 2024 Housing Needs Report Electoral Area G SummaryReport