



# Town of Lake Cowichan Interim Housing Needs Report

Fall 2024



DRAFT of November 26, 2024 for Council review

# Introduction

All local governments are required to complete an Interim Housing Needs Report (HNR) by January 1, 2025. The Interim Housing Needs Report must include three new, additional items:

1. The number of housing units required to meet current and anticipated need for the next 5 and 20 years, as calculated using the HNR Method provided in the Regulation;
2. A statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation; and,
3. A description of the actions taken by the local government, since receiving the most recent Housing Needs Report, to reduce housing needs.

Local governments may fulfill this requirement by updating their most recent Housing Needs Report to include these three items, or by completing an entirely new Housing Needs Report.

The 2021 Housing Needs Report prepared by the Cowichan Valley Regional District’s consultants was amended by the Town planning consultant to overcome methodological problems, errors, and to acknowledge on-the-ground, local knowledge.

Using the Census Canada definition for bedrooms and household types and the consultant’s percentage breakdown, the Town’s planning consultant prepared an alternative conclusion on the housing need by number of bedrooms as illustrated in the following table. For the five-year period from 2020 to 2025 the Town determined a need for 172 additional dwellings, of which 72 are one-bedroom, 40 are two-bedrooms, and 60 are three-bedrooms.

**2021 Housing Needs Assessment**  
**Table of 5-Year Housing Need for Lake Cowichan**

	Households 2016 (census) need as defined by CMHC (1 bedroom per couple plus 1 per child)			
	1-bedroom	2-bedroom	3-bedroom +	Total
count	955	340	200	1495
%	64	23	13	

	Dwellings 2016 Actual Count (census)			
	1-bedroom	2-bedroom	3-bedroom +	Total
count	133	325	1018	1475
%	9	22	69	

	Need to 2025	Lake Cowichan Planning		
	1-bedroom	2-bedroom	3-bedroom +	Total Additional Units
% per census definition of need	64	23	13	--
count	110	40	22	172
% per CVRD HNA	42	13	35	--
<b>Count: Town Amendment to HNA</b>	<b>72</b>	<b>40</b>	<b>60</b>	<b>172</b>

# 2024 Update to the 2021 Housing Needs Report

This HNA update calculates the number of housing units required to meet current and anticipated need for the 5 and 20 years. It does so in two ways: the Provincial methodology, and a modified method using local rather than the regional population growth rate. Our conclusion is to adopt our modified method.

We begin by establishing the Town’s official population projection.

## Population Projection

The Town is forecasted to grow to a population within a range of 4,000 and 4,200 by the year 2043, the time-frame of the 2024 Official Community Plan.

This forecast is derived from a simple annual growth rate of between 0.75 and 1.0%. The higher growth rate of 1.0% is similar to the rate experienced over the past two decades and the slower growth rate of 0.75% is similar to the projection by BC Stats for the West Cowichan Local Health Area.

Barring unanticipated job growth or the arrival of a major developer with deep and patient pockets, the Town will likely grow at the slower rate of 0.75% for the foreseeable future. This is largely due to significant infrastructure challenges which will curtail potential growth, particularly in the areas known as Block 200, Block 48, and Lakeview Park.

Population Projection to 2043			
	2021 (census)	2043	Percentage change
<b>Modest Growth Scenario</b>	3,325	4,000	0.75% annually; 20% total increase
<b>Higher Growth Scenario</b>	3,325	4,200	1.0% annually; 26% total increase

BC Stats has a slightly higher estimated 2021 population of 3,441. The 2023 population is estimated by BC stats at 3,694, which may be quite generous.



## Calculating 5-year 20-year housing need

The following tables illustrate the calculation of 20-year, and 5-year housing need according to provincial methodology. Note that the methodology assumes a starting point in the census year of 2021 and does not adjust for starting in the current year of 2024. This is a mystery.

The Town is using the Housing Assessment Resources Tool (HART) housed at the University of British Columbia to create the housing needs assessment. HART has produced this calculator to support communities in British Columbia to satisfy a provincial requirement for interim housing needs reports. One can learn more about the HART methodology at <https://hart.ubc.ca/housing-needs-assessment-tool/>.

### Component A: Extreme core housing need calculation

The following tables calculate the new homes required to meet existing Extreme Core Housing Need (ECHN) according to provincial guidelines.

Table 1a

This table shows total owner and renter households in the four previous census years (Step 1).

Lake Cowichan T (CSD, BC)				
Total Households	2006	2011	2016	2021
Owners	975	1,000	1,090	1,265
Renters	285	295	385	220

Table 1b

Table 1b shows the total number and proportion of owners with a mortgage and renter households in Extreme Core Housing Need (ECHN) in the four previous census years, to arrive at an average ECHN rate (Step 2). Please note that data for owners with a mortgage is only available for 2021.

Lake Cowichan T (CSD, BC)									
Extreme Core Housing Need	2006		2011		2016		2021		Average ECHN Rate
	#	% of total	#	% of total	#	% of total	#	% of total	
Owners with a mortgage		n/a		n/a		n/a	0	0.00%	0.00%
Renters	50	17.54%	20	6.78%	45	11.69%	0	0.00%	9.00%

Table 2

Table 2 shows the estimated total of owners with a mortgage and renter households in ECHN in 2021 (Steps 3 and 4).

Lake Cowichan T (CSD, BC)			
Total Households	2021 Households	Average ECHN Rate	Households in ECHN
Owners	1,265	n/a	n/a
Owners with a mortgage		0.00%	0.00
Renters	220	9.00%	19.81
<b>Total New Units to Meet ECHN - 20 years</b>			<b>19.81</b>

### Component B: Housing units and homelessness

The following table calculates the number of new homes required to meet the needs of the existing population of people experiencing homelessness (PEH), according to provincial guidelines and as a proportion of the regional need (Steps 1-3).

Table 3

Lake Cowichan T (CSD, BC)				
Regional Population	Local Population		Regional PEH	Proportional Local PEH
	#	% of region		
87,330	3,315	3.80%	535	20.31
<b>Total New Units to Homelessness Needs - 20 years</b>				<b>20.31</b>

### Component C: Housing units and suppressed household formation

The following tables calculate the number of new homes required to meet the demand from households unable to form due to a constrained housing environment, since 2006, according to provincial guidelines.

Table 4a

This table shows the number of owner and renter households in 2006 by age of the primary household maintainer (Step 1).

Lake Cowichan T (CSD, BC)		
Age - Primary Household Maintainer 2006 Categories	2006 Households	
	Owner	Renter
Under 25 years	20	20
25 to 34 years	50	50
35 to 44 years	145	80
45 to 54 years	250	65
55 to 64 years	225	40
65 to 74 years	130	10
75 years and over	160	25



Table 4b

Table 4b shows the number of owner and renter households in 2021 by age of the primary household maintainer (Step 1, cont'd)

Lake Cowichan T (CSD, BC)		
Age – Primary Household Maintainer 2021 Categories	2021 Households	
	Owner	Renter
15 to 24 years	0	0
25 to 34 years	90	30
35 to 44 years	140	45
45 to 54 years	190	40
55 to 64 years	310	60
65 to 74 years	365	20
75 to 84 years	135	25
85 years and over	40	0

Table 5

This table shows the population by age category in 2006 and 2021 (Step 2).

Lake Cowichan T (CSD, BC)					
		2006		2021	
Age Categories – Household Maintainers	Age Categories – Population	All Categories	Summed Categories	All Categories	Summed Categories
15 to 24 years	15 to 19 years	225	355	160	250
	20 to 24 years	130		90	
25 to 34 years	25 to 29 years	140	295	85	270
	30 to 34 years	155		185	
35 to 44 years	35 to 39 years	155	350	160	390
	40 to 44 years	195		230	
45 to 54 years	45 to 49 years	275	525	220	395
	50 to 54 years	250		175	
55 to 64 years	55 to 59 years	255	440	275	620
	60 to 64 years	185		345	
65 to 74 years	65 to 69 years	140	240	370	660
	70 to 74 years	100		290	
75 years and over	75 to 79 years	120	215	155	295
	80 to 84 years	30		85	
	85 years and over	65		55	



Table 6

Table 6 shows the 2006 headship rate of each age category for both renters and owners (Step 3).

Lake Cowichan T (CSD, BC)					
Age Categories - Household Maintainers	2006 Households		2006 Population	2006 Headship Rate	
	Owner	Renter	Total	Owner	Renter
15 to 24 years	20	20	355	5.63%	5.63%
25 to 34 years	50	50	295	16.95%	16.95%
35 to 44 years	145	80	350	41.43%	22.86%
45 to 54 years	250	65	525	47.62%	12.38%
55 to 64 years	225	40	440	51.14%	9.09%
65 to 74 years	130	10	240	54.17%	4.17%
75 years and over	160	25	215	74.42%	11.63%

Table 7

Table 7 shows the potential 2021 headship rate of each age category for both renters and owners if the headship rate from 2006 remained constant (Step 4).

Lake Cowichan T (CSD, BC)					
Age Categories - Household Maintainers	2006 Headship Rate		2021 Population	2021 Potential Households	
	Owner	Renter	Total	Owner	Renter
15 to 24 years	5.63%	5.63%	250	14.08	14.08
25 to 34 years	16.95%	16.95%	270	45.76	45.76
35 to 44 years	41.43%	22.86%	390	161.57	89.14
45 to 54 years	47.62%	12.38%	395	188.10	48.90
55 to 64 years	51.14%	9.09%	620	317.05	56.36
65 to 74 years	54.17%	4.17%	660	357.50	27.50
75 years and over	74.42%	11.63%	295	219.53	34.30

Table 8

This table calculates the number of suppressed households by subtracting actual households in 2021 from potential households in 2021 by age category, according to provincial guidelines (Steps 5 and 6).

Lake Cowichan T (CSD, BC)							
Age Categories – Household Maintainers	2021 Potential Households		2021 Households		2021 Suppressed Households		
	Owner	Renter	Owner	Renter	Owner	Renter	Total
15 to 24 years	14.08	14.08	0	0	14.08	14.08	28.17
25 to 34 years	45.76	45.76	90	30	-44.24	15.76	0.00
35 to 44 years	161.57	89.14	140	45	21.57	44.14	65.71
45 to 54 years	188.10	48.90	190	40	-1.90	8.90	7.00
55 to 64 years	317.05	56.36	310	60	7.05	-3.64	3.41
65 to 74 years	357.50	27.50	365	20	-7.50	7.50	0.00
75 years and over	219.53	34.30	175	25	44.53	9.30	53.84
<b>Total New Units to Meet Suppressed Housing Need - 20 years</b>							<b>158.13</b>

Component D: Housing units and anticipated household growth

The following tables calculates the number of new homes required to accommodate an increasing population over 20 years according to provincial guidelines.

Table 9

Table 9 shows the 20-year population projection and growth rate for the regional district, in our case the Cowichan Valley Regional District (Step 1).

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

Table 10

The following table shows the calculated number of new homes needed in the next 20 years calculated with the average of the municipal and regional growth projections (Steps 2-5).

Lake Cowichan T (CSD, BC)				
Growth Scenarios	Regional Growth Rate	Households		New Units
		2021	2041	
Local Household Growth	n/a	1,490	2,034.00	544.00
Regionally Based Household Growth	29.41%	1,490	1,928.25	438.25
Scenario Average				491.12
<b>Total New Units to Meet Household Growth Needs - 20 years</b>				<b>491.12</b>

### Modification with alternative growth rate

The assessment presents at this point an alternative growth rate matching the actual town’s historic rate of approximately 1 % per year. This growth scenario results in an additional 328 units instead of 491.

Revised Table 10

Lake Cowichan Household Growth 2021 to 2041			
Official Community Plan Growth Assumption of 1.0% per annum			
Growth Scenario			New Units
Year	2021	2041	22% increase over 20 years
No. of households	1490	1818	328
Total New Units to Meet Household Growth			328

### Component E: Housing units and rental vacancy rate

Table 11 calculates the number of new homes required to restore local vacancy rates to 3% according to provincial guidelines. The table shows the difference between the existing total number of rental homes and the total number of rental homes required for a 3% vacancy rate (Steps 1-4). For the Town of Lake Cowichan this requires an additional 3.68 additional units.

Lake Cowichan T (CSD, BC)				
	Vacancy Rate	Occupied Rate	Renter Households	Estimated Number of Units
Target Vacancy Rate	3.00%	97.00%	220	226.80
Local Vacancy Rate	1.40%	98.60%		223.12
<b>Total New Units to Achieve 3% Vacancy Rate - 20 years</b>				<b>3.68</b>

### Component F: Housing units and demand (the “demand buffer”)

The demand factor is a multiplier used to calculate additional local housing demand (or "demand buffer"), determined by the province.

Table 12

Table 12 calculates additional demand for new housing by applying a demand factor of 1.22 to the total of the other relevant components, according to provincial guidelines (Steps 1 and 2).

Lake Cowichan T (CSD, BC)	
Component	Result
A. Extreme Core Housing Need	19.81
B. Persons Experiencing Homelessness	20.31
C. Suppressed Household Formation	158.13
E. Rental Vacancy Rate Adjustment	3.68
<b>Total</b>	<b>201.92</b>
Demand Factor	1.22
<b>Total New Units to Address Demand Buffer - 20 years</b>	<b>246.93</b>

### Total 5-year and 20-year housing need

Table 13

Table 13 sums Components A-F and rounds the totals to the nearest whole number to determine the total number of new homes needed in the next 20 years, according to provincial guidelines. It also displays 5-year housing need estimates using the multipliers provided in the provincial guidelines and BC Stats household projections from 2021 to 2026.

Lake Cowichan T (CSD, BC)		
Component	5 Year Need	20 Year Need
A. Extreme Core Housing Need	4.95	19.81
B. Persons Experiencing Homelessness	10.15	20.31
C. Suppressed Household Formation	39.53	158.13
D. Anticipated Growth	214.16	491.12
E. Rental Vacancy Rate Adjustment	0.92	3.68
F. Additional Local Demand	61.73	246.93
<b>Total New Units - 5 years</b>	<b>331</b>	
<b>Total New Units - 20 years</b>		<b>940</b>

Application of this 20 year projection of 940 households to the base of 1490 results in a total of 2430 households. If the average household size in 20 years is 2, that yields a population of 4,860. Given the provincial methodology for assessing housing need, average household size would likely decrease well below 2.

Revised Table 13

Application of the local growth rate, discussed in Component D, and illustrated with an alternative Table 10, results in an alternative conclusion. The anticipated 5 year need yields 179 additional dwelling units, and the 20 year need 777 dwelling units.

Lake Cowichan Revised 5 and 20 Year Household Need		
Component	5 Year Need	20 Year Need
A. Extreme Core Housing Need	5	20
B. Persons Experiencing Homelessness	10	20
C. Suppressed Household Formation	40	158
D. Anticipated Growth	62	328
E. Rental Vacancy Rate Adjustment	1	4
F. Additional Local Demand	62	247
Total New Units – 5 years	179	
Total New Units – 20 years		777



### A Closer Look at the Next Five Years: 2025 to 2029

Under the Provincial formula used in this assessment the five-year need is 179 new units.

At this point, the assessment takes a deeper dive into the reality of the *actual* next 5 years of 2025 to 2029.

The Town has agreed to a new home construction *target* under the CMHC Housing Accelerator Fund. This target is based on a 20% increase over the previous three years average of new residential construction permits issued in 2020, 2021, and 2022. This target is 95 residential unit permits in 2024, 2025, and 2026. Achieving this target would result in a **2.3% annual growth rate over these three years**. Given slow market conditions already experienced in 2024, the target will likely take an additional year to achieve. Even under a slower than anticipated growth rate, the anticipated five year housing unit need is **146 units**:

- 2025 32 units
- 2026 32 units
- 2027 32 units
- 2028 25 units
- 2029 25 units

**Total 146 units**

This five year target is more realistic and useful for local planning and capital funding purposes. Further, it covers a different five year period beginning in the year 2025 instead of 2021.



## A look at Affordable Housing Need by Bedroom Count

The HART tool offers us a glimpse into affordable housing need as well. It identifies for the year 2021 a deficit of 75 dwelling units in the low income shelter range. Calculations based on the median area annual household income of \$71,500 in 2020.

### 2021 Affordable Housing Deficit

The following table shows the total number of owner and renter households in **CHN** by income category, which may be considered as the existing deficit of housing options in the community.

EXPORT

Lake Cowichan T (CSD, BC)			
Income Category (Max. affordable shelter cost)	Owner households	Renter households	Total
Very Low Income (\$357)	0	0	0
Low Income (\$893)	35	40	75
Moderate Income (\$1430)	0	0	0
Median Income (\$2145)	0	0	0
High Income (>\$2145)	0	0	0
<b>Total</b>	<b>35</b>	<b>40</b>	<b>75</b>

The HART tool also looks at affordable housing need by bedroom and concludes there is a need for 50 one bedroom homes to serve those who can afford a cost of a maximum \$893 monthly.

### By Bedroom

Lake Cowichan T (CSD, BC)						
Max. affordable cost	1 Bedroom Homes	2 Bedroom Homes	3 Bedroom Homes	4 Bedroom Homes	5 Bedroom Homes	Total
\$357	0	0	0	0	0	0
\$893	50	0	0	0	0	50
\$1430	0	0	0	0	0	0
\$2145	0	0	0	0	0	0
>\$2145	0	0	0	0	0	0
<b>Total</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50</b>

The bedroom analysis is based on the Canada Census definition of housing suitability. A detailed definition from the Canada Census website follows.

**Housing suitability** refers to whether a private household is living in suitable accommodations according to the National Occupancy Standard (NOS); that is, whether the dwelling has enough bedrooms for the size and composition of the household. A household is deemed to be living in suitable accommodations if its dwelling has enough bedrooms, as calculated using the NOS.

'Housing suitability' assesses the required number of [bedrooms](#) for a household based on the age, sex, and relationships among household members. An alternative variable, 'persons per room,' considers all rooms in a private dwelling and the number of household members.

The NOS derives the number of bedrooms a household requires as follows:

- A maximum of two persons per bedroom.
- Household members, of any age, living as part of a married or common-law couple share a bedroom with their spouse or common-law partner.
- Parents in a one-parent family, of any age, have a separate bedroom.
- Household members aged 18 or over have a separate bedroom, except those living as part of a married or common-law couple.
- Household members under 18 years of age of the same sex share a bedroom, except parents in a one-parent family and those living as part of a married or common-law couple.
- Household members under 5 years of age of the opposite sex share a bedroom if doing so would reduce the number of required bedrooms. This situation would arise only in households with an odd number of males under 18, an odd number of females under 18, and at least one female and one male under the age of 5.

An exception to the above is a household consisting of one individual living alone. Such a household would not need a bedroom (i.e., the individual may live in a studio apartment and be considered to be living in suitable accommodations).

## Statement about the need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation

The 2024 Official Community Plan contains goals and objectives that support the proximity of transportation infrastructure supporting active forms of transportation and public transit.

The following are notable goals and objectives:

### 4.1 Urban Containment Goal

All future development lies within the urban containment boundary in such a manner that it is efficiently and effectively serviced in accordance with the vision, goals, and objectives of this plan.

#### Objectives

- 1) Servicing development is efficient and cost effective.
- 2) Maximize urban infill, density, and mix of uses to create a walkable community.

### 4.2 Downtown & Uptown Goal

Downtown & Uptown is promoted, revitalized as a hub for commerce, culture, public services, institutions public gathering places, and mixed use development incorporating residential uses.

### 4.5 Transportation and Mobility Goal

The transportation system supports active, safe movement of people and vehicles within Town.

#### Objectives

- 1) Maintain and develop a transportation network that provides safe and efficient movement for pedestrians, cyclists, transit users, automobiles, and freight (logging trucks).
- 2) Provide integrated inter-modal connections for all transportation modes.
- 3) Develop and improve parking facilities for all modes of transportation.

## Description of the actions taken by the local government, since receiving the most recent Housing Needs Report, to reduce housing needs

- 1) The Town was awarded in January of 2024 a federal Housing Accelerator Fund grant to accelerate housing construction over a three year period.
- 2) In June of 2024 the Town amended its Zoning Bylaw to permit accessory dwelling units in all residential zones.
- 3) In October of 2024 the Town amended its Zoning Bylaw by pre-zoning of selected parcels for increased densities and rental only housing.
- 4) In November of 2024 the Town amended its Zoning Bylaw to permit increased density on single lots in the majority or residential zone districts.

