Interim Housing Needs Report

COUNCIL PRESENTATION
December 16, 2024

Housing Needs Report Legislation

- Provincial government established HNR legislation in 2019

- 2023 amendments established new requirements

- "Housing Needs Report Method"/"HNR Method" (HNRM)
  - New standardized calculation for estimating housing unit need

Interim Housing Needs Reports

- Local governments must complete an Interim Housing Needs Report (IHNR) by January 1, 2025

- IHNRs must include the HNR Method calculation for 5- and 20-years, and two statements on housing need

- Report includes supplementary 10-year analysis

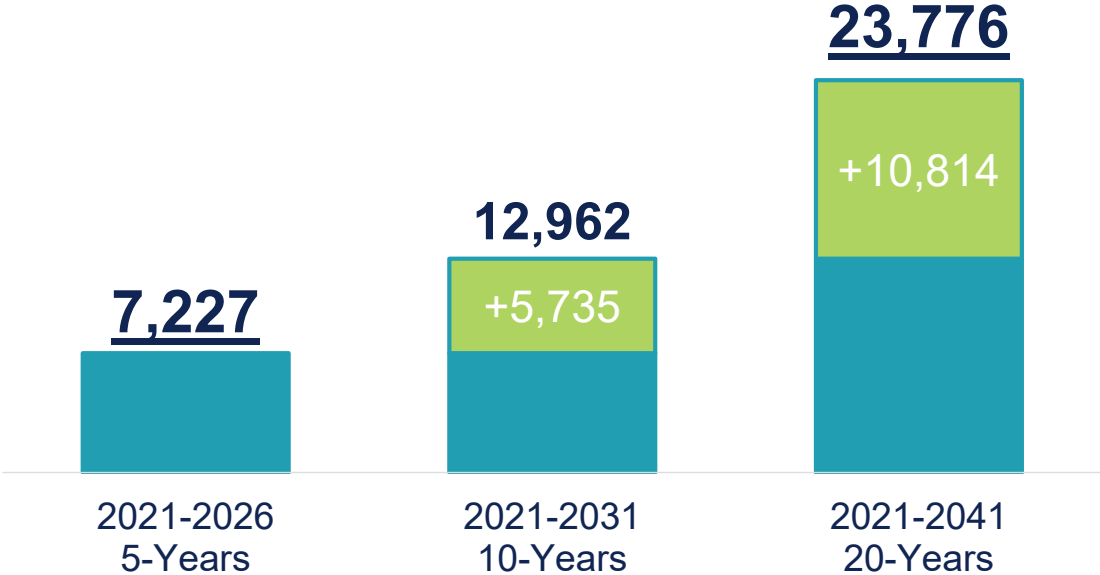- 20-year HNRM estimate must be updated and designated into OCPs every 5-years

Housing Needs Report Method

The HNR Method calculation includes six components:

- Extreme core housing need

- Persons experiencing homelessness

- Suppressed household formation

- Anticipated household growth (71%-74% of need)

- Rental vacancy adjustment

- Demand Buffer

HNR Method Results

7,227

12,962
+5,735

23,776
+10,814

2021-2026
5-Years

2021-2031
10-Years

2021-2041
20-Years

Housing Type Analysis

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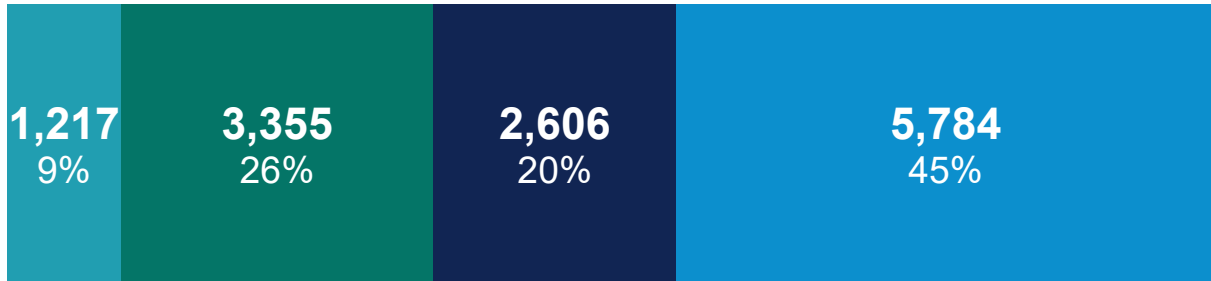CALL HOME

HNRM – Housing Type Analysis

- Applied an income- and affordability-based approach to distributing the required HNRM results to four housing categories

- Estimates the type of housing needed *if all households were affordably accommodated by* <u>new</u> *dwellings*

- Some housing need will be addressed by existing dwellings; market dynamics + household choices are complex

Housing Type Categories

Type	Affordable Monthly Housing Cost	Income Range
Deep Subsidy + Supportive Rental	No more than $500	$20,000 or less
Non-Market Rental	$500 - $1,500	$20,000 - $59,999
Market Rental (primary + secondary)	$1,500 - $3,125	$60,000 - $125,000
Ownership* (owner-occupiers)	$3,125+	$125,000 or more

*Ownership allocation is more complicated; not solely income-based

Housing Type Results – 10-Year Results

1,217 9%	3,355 26%	2,606 20%	5,784 45%
■ DEEP SUBSIDY + SUPPORTIVE RENTAL	■ NON-MARKET RENTAL	■ MARKET RENTAL	■ OWNERSHIP
No more than $500	$500 - $1,500	$1,500 - $3,125	$3,125+

HNR Method and Housing Target Order

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HNR Method + Housing Target Order

- HNRM is not a target; it is needs assessment

- Needs assessment is a technical exercise, but meeting the determined need may not be feasible within the timeframe assessed

- This means a short-term target may be different from the estimated need

HNR Method + Housing Target Order

- **A target is a strategic decision based on consideration of:**
  - Estimated housing needs
  - Capacity of the development sector
  - External factors such as interest rates or funding availability
  - Local policies or incentives
  - Ability of households to afford housing

Targets attempt to find the balance between the need and what is reasonably possible

HNRM + HTO – Key Differences

HNR Method

- Needs assessment; not a target
- 5- and 20-year estimate of need for a balanced or "healthy" housing system
- Informs long-range planning (OCP designations)
- Sequenced with census years (2021-2041)
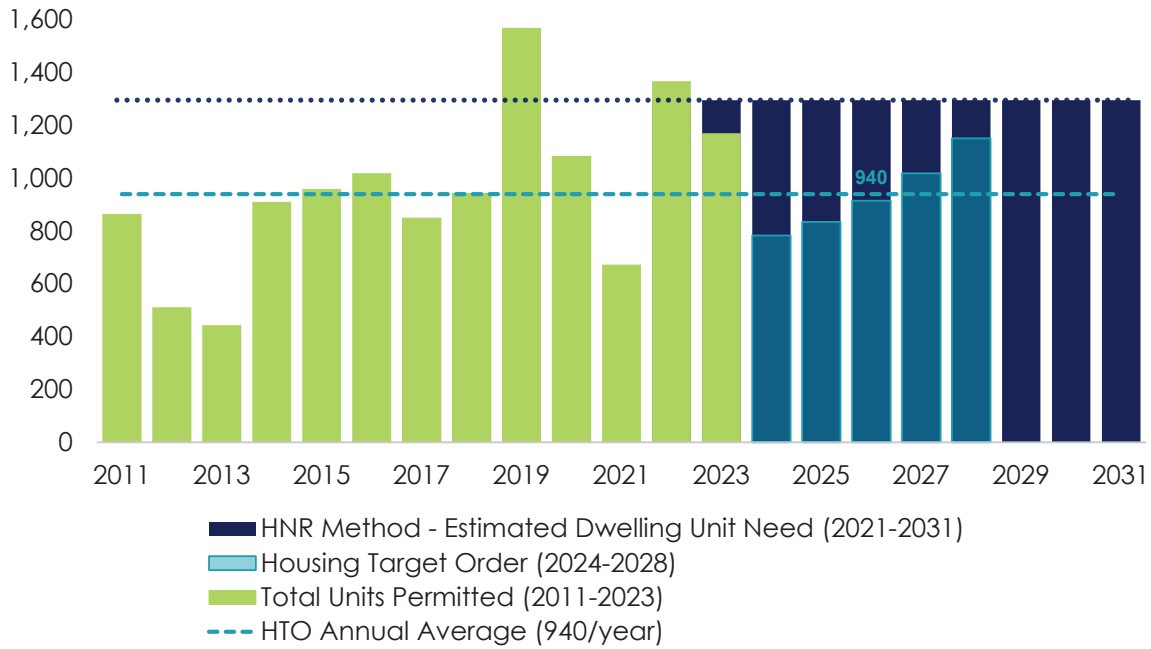
Housing Target Order

- Is a target; expected to be achieved
- Short-term requirement (next 5 years)
- Sequenced from the year it was issued (2024-2028)
- Pace increases annually each year
- ~75% of the estimated need

HNRM vs. HTO – Total Units

Year	Dwellings	
	HTO	HNRM
2021	-	1,296
2022	-	1,296
2023	-	1,296
2024	**783**	**1,296**
2025	**835**	**1,296**
2026	**915**	**1,296**
2027	**1,019**	**1,296**
2028	**1,151**	**1,296**
2029	-	1,296
2030	-	1,296
5-Year Total (2024-2028)	**4,703**	**6,480**

73% of

Recent Activity, Housing Target Order, and HNRM

Legend:
- HNR Method - Estimated Dwelling Unit Need (2021-2031)
- Housing Target Order (2024-2028)
- Total Units Permitted (2011-2023)
- HTO Annual Average (940/year)

Interim Housing Needs Report Content Summary

Interim Housing Needs Report – Content Summary

- The report includes a wide range of supplemental information beyond the basic Interim HNR requirements:

    - Estimated distribution of need by income group, tenure and household size

    - Supplemental breakdowns for the 5- and 10-year needs estimate

    - Detailed comparison and discussion of HTO and HNRM results

    - HTO + HNRM results by housing type, and bedroom count

    - Updates to rental and ownership statistics and comparison against recent permitting activity

    - The companion Technical Memorandum includes detailed explanations of the HNR Method and advanced analysis assumptions

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Thank you!

Questions?

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