



Housing Needs Report

City of Courtenay

Council meeting

September 11 2024



Project Background

- In 2020, the CVRD produced Housing Needs Reports for each of the regional district's communities. Turner Drake belonged to the team that produced these reports.
- In 2023, Turner Drake was hired to perform an update to the data work for the CVRD, including the City of Courtenay.
- The first legislative requirements for housing needs reports were introduced in 2019. In late 2023, amendments to the Local Government Act introduced new requirements.
- Communities must now use a standardized approach to identify 5- and 20-year housing demand, among other less technical requirements.



State of the Market

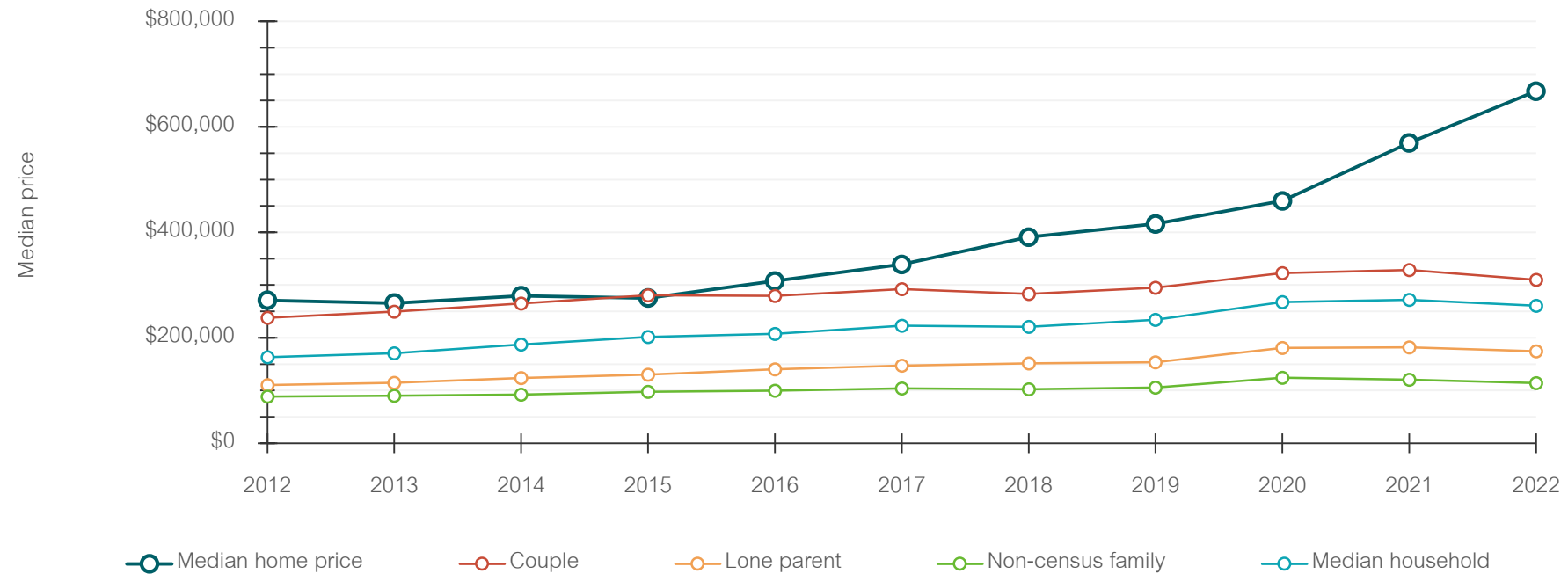
Homeownership

- While Courtenay's residential real estate market was experiencing notable price increases prior to the pandemic, the rate of growth quickly ramped up post-2019.
- Prices rose 35% from 2016 to 2019 and 61% from 2019 to 2022.
- In 2022, the median house price was \$667,800 – up from \$415,800 just three years prior.

Homeownership (cont'd)

- The gap between what can be afforded by the median income and the median purchase price continues to widen.

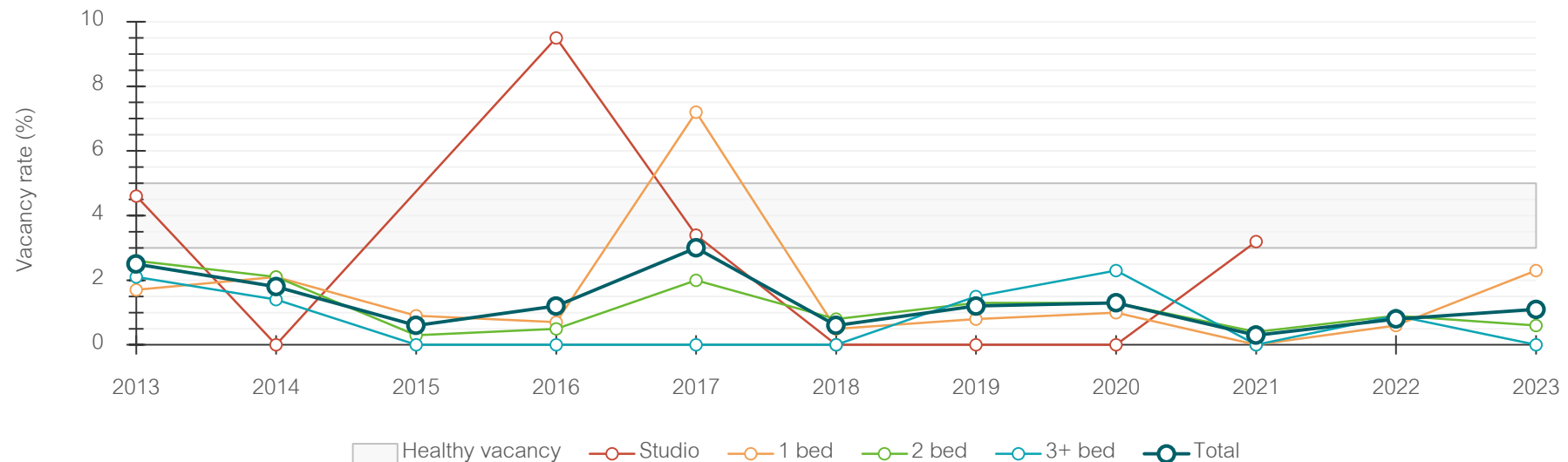
Figure: Median home sale price versus affordable sale price by household family type

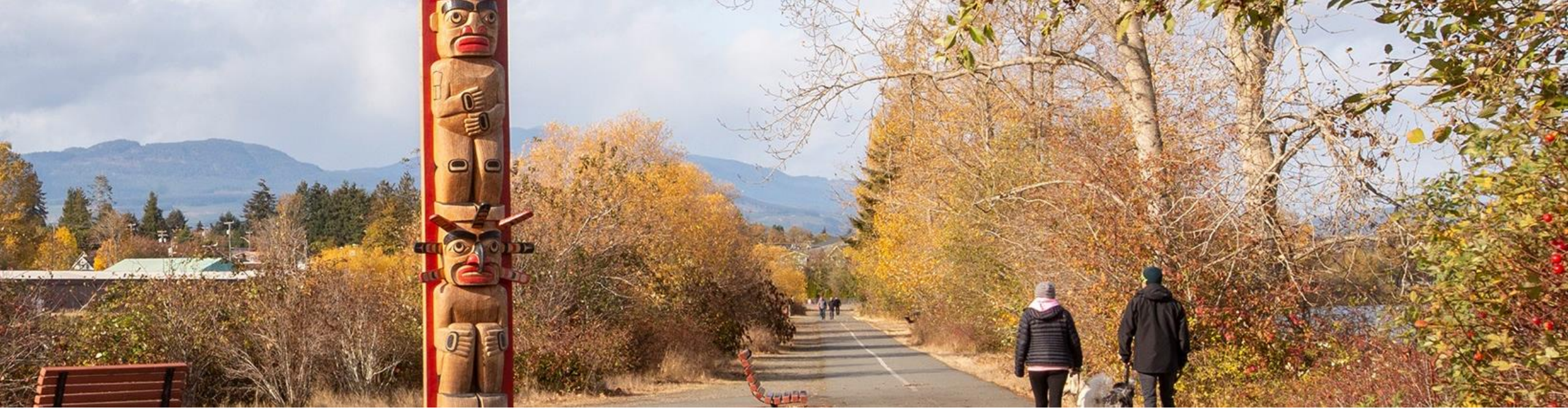


Renting

- The median rent grew 54% from '19 to '23, higher than observed from '16 to '19 (+21%). In 2023, the median rent was \$1,450.
- Since 2013, vacancy has been less than 3%, meaning a rental deficit.

Figure: Primary rental market vacancy rate by unit size (number of bedrooms), Courtenay



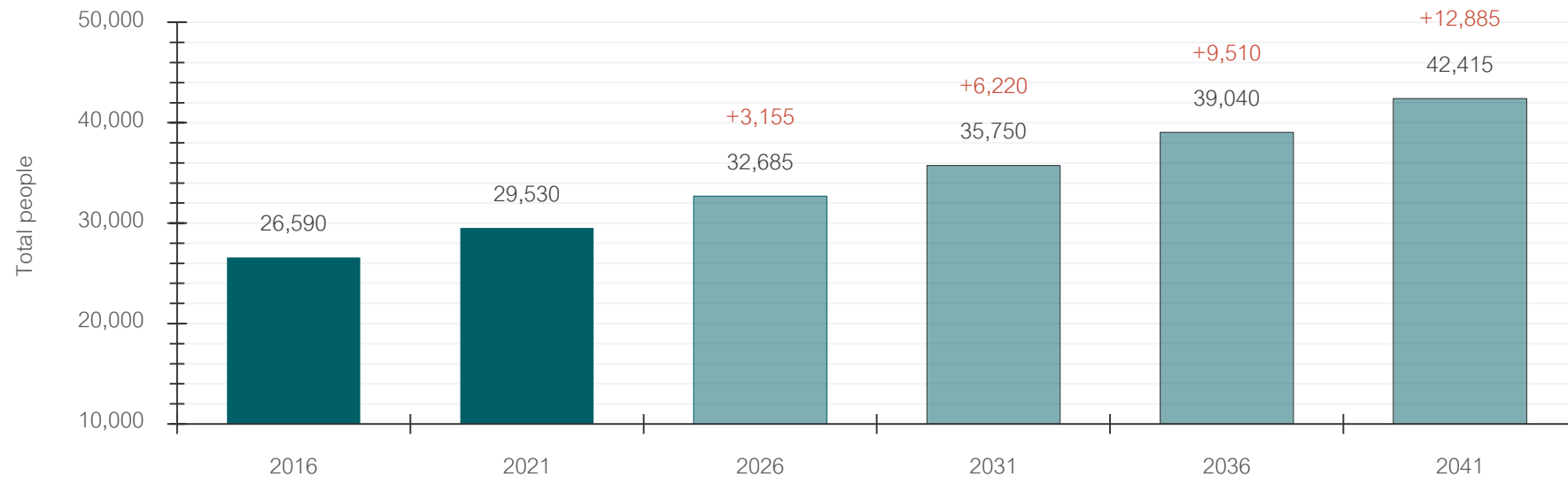


Demographics & Demand

Population Change

- In 2021, Courtenay had 29,530 residents – up 11% from 2016.
- Projections suggest this may increase to 42,415 people by 2041 – a 44% increase (or 12,885 new people).

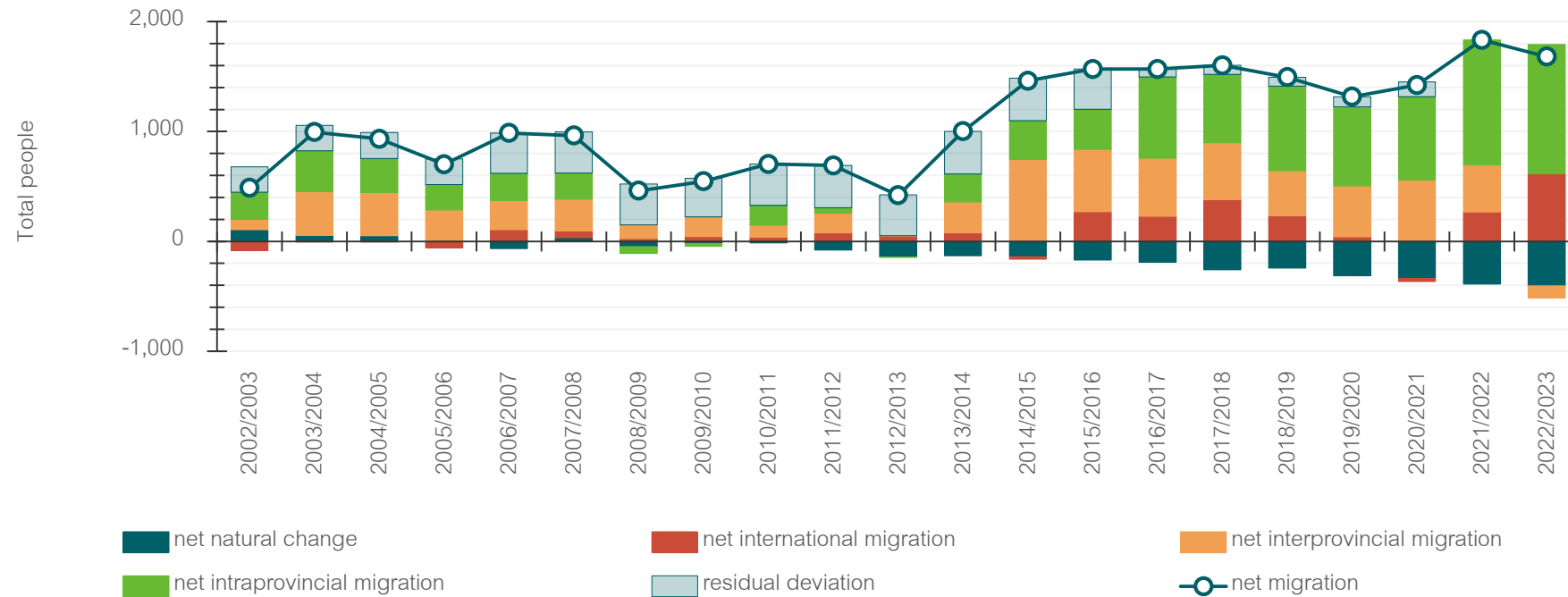
Figure: Historical and anticipated population, net anticipated change of population since 2021



Source of Change

- Growth trends are largely driven by interest from outside the CVRD to move to the CVRD – enough to offset natural population losses.

Figure: Annual change in population (CVRD) by demographic component



Source of Change (cont'd)

- Higher shares of this in-migration are directed towards the CVRD's municipalities, including the City of Courtenay.
- In 2021, about 8% of Courtenay's population had not lived in Courtenay one year prior, with the greatest portion arriving from elsewhere in British Columbia (5%).



Anticipated Dwelling Demand

Provincial HNR Method

- The method estimates the total number of housing units required over 5- and 20-year timeframes. It is made up of six components:

Table: Anticipated housing demand by anticipated period and component

Units need to address:	5 year (by 2026)	20 year (by 2041)
Extreme Core Housing Need	185	739
Homelessness	74	148
Suppressed households	168	671
Anticipated growth	1,819	5,886
Vacancy	26	104
Demand buffer	201	802
Total	2,472	8,350

Distribution of Demand

- Further analysis demonstrates that unit sizes (by number of bedrooms) and housing forms may distribute as follows by 2041, with a notable share of demand likely for affordable alternatives:

Table: Anticipated demand disaggregated by anticipated price model and required number of bedrooms

	Market	Affordable / below-market	Deeply affordable	Total
0- / 1-bed	21%	69%	69%	34%
2-bed	33%	15%	15%	28%
3-bed	26%	10%	10%	22%
4+ bed	20%	6%	6%	16%
Total	6,070	1,996	315	8,350

Source: BC Government, HART, Turner Drake



Takeaways

Takeaways

- Prices are increasing and vacancy is low. While the increase can be largely attributed to local supply and demand dynamics, a notable portion is also due to factors outside a community's control.
- What is largely within the control of local communities is their capacity to be flexible in the provision of several forms of housing.
- However – regardless of how much is built, there will continue to be many households that cannot afford housing – non-market interventions are increasingly necessary to equitably house residents.



Thank you – Questions?

