

Provincial Housing Target Order Progress Report (Oct 1, 2023 – Sept 30, 2024) & Interim Housing Needs Report

November 12, 2024



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- A. THAT Council receive for information and direct Staff to submit the Housing Target Progress Report: October 1, 2023 – September 30, 2024, as contained in Appendix A, to the Province by November 14 in order to comply with the requirements under the Provincial Housing Target Order; and

- B. THAT Council receive the Interim Housing Needs Report, as contained in Appendix B, on January 1, 2025, in order to comply with the Provincial legislative requirements set out in Bill 44 Housing Statutes (Residential Development) Amendment Act, 2023, and related regulations.

1. Housing Target Progress Report

- Background
- Progress to annual target
- Development pipeline

2. Interim Housing Needs Report

- Background
- New Interim Housing Needs Report elements

3. Next steps & summary



Provincial Housing Target Progress Report

Oct 1, 2023 – Sept 30, 2024



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Background – housing targets

Recent Provincial legislation and Council decision on housing targets

May 2023

The Housing Supply Act brought into force - provides Province with new authority to set housing targets for municipalities

Intent: deliver housing faster in areas with greatest needs across the Province

Sep 2023

Housing Target Orders issued for first 10 municipalities, including Vancouver

June 2024

Council approves new 10-year approval targets and new 3-year action plan



Provincial Housing Target Order for Vancouver

5-Year Housing Target for Vancouver October 1, 2023 – September 30, 2028

	Housing Target
Year 1	5,202
Year 2	10,597
Year 3	16,281
Year 4	22,349
Year 5 Total Net New Completed Units	28,900

The Housing Target for Vancouver:

- Total of 28,900 net new completed units over 5 years
- Based on meeting 75% of a housing needs assessment conducted by the Province
- Intended to meet needs of existing and projected new households

Reporting timeline

Reports Required	Report Due to the Province
Interim Oct 1, 2023 – Mar 31, 2024	May 15, 2024
Year 1 Oct 1, 2023 – Sep 30, 2024	Nov 14, 2024
Year 2 Oct 1, 2024 – Sep 30, 2025	Nov 14, 2025
Year 3 Oct 1, 2025 – Sep 30, 2026	Nov 14, 2026
Year 4 Oct 1, 2026 – Sep 30, 2027	Nov 14, 2027
Year 5 Oct 1, 2027 – Sep 30, 2028	Nov 14, 2028

- Municipalities are required to submit regular progress reports
- Reports must be received by resolution by City Council and submitted to the Province within 45 days of the end of the reporting period
- Progress reports are intended to provide the Province information on a municipality’s ability to meet or make progress toward targets
- If a municipality does not meet their target, the Province may:
 - Appoint an advisor to review progress and make recommendations
 - Require the municipality to enact or amend by-laws or issue specific permits

What is the Provincial Housing Target measuring?

Projects reaching completions in 2024 are measuring applications that began construction 2 – 3 years ago.

In-stream projects approved pre-2024: anticipated to complete by 2028

Most projects counted toward Provincial Target are in-stream, anticipated to complete by 2028

Approvals from 2024 onwards

A small portion of projects approved today will reach completion by 2028 (e.g. low-rise or ground-oriented housing)

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28,900 net new completed units over 5 Years (2023 - 2028)

Progress in the first year

	Net New Units	Year 1 Provincial Target
Oct 2023 – Mar 2024	1,607 (62%)	2,601
Apr 2024 – Sept 2024	2,536 (98%)	2,601
Total Year 1	4,143 (80%)	5,202

- Decline in completions since 2022 attributed to factors delaying construction including higher construction costs/interest rates, labour shortage, and material availability
- Completions accelerated in the 2nd half of the Year 1 reporting period and are expected to increase based on the volume of projects under construction

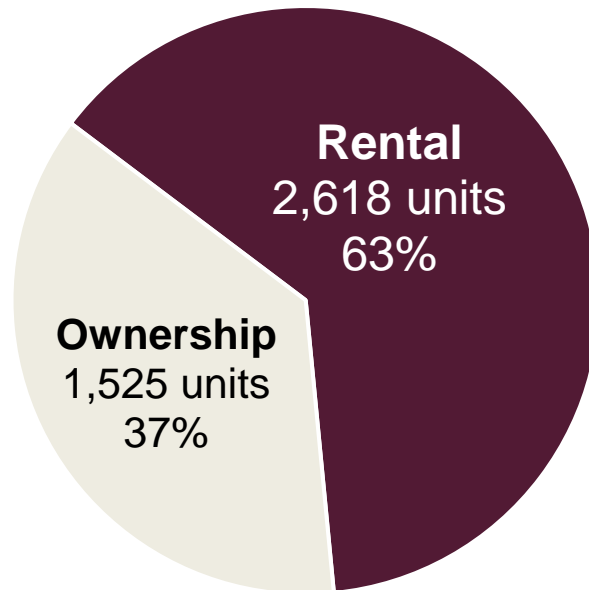
Provincial guidance categories

- The breakdown of the target by sub-categories provided as **guideline only** and could be made mandatory through a revised Order at a later date
- Reporting template with detailed data requested for each sub-category

Initial Guidance – Unit Breakdown Categories (Oct 2023 – Sept 2028)

Guideline category		Net New Units to Complete	% of target
Unit Size	Studio & 1-bed	17,459	60%
	2 bed	5,231	18%
	3+ bed	6,209	21%
Tenure	Rental	20,886	72%
	Owned	8,015	28%
Rental by Affordability	Market	12,992	45%
	Units renting at/below HILs	7,894	27%
Supportive Rental Units		583	2%

Tenure of net new dwellings completed - Year 1 Provincial Target



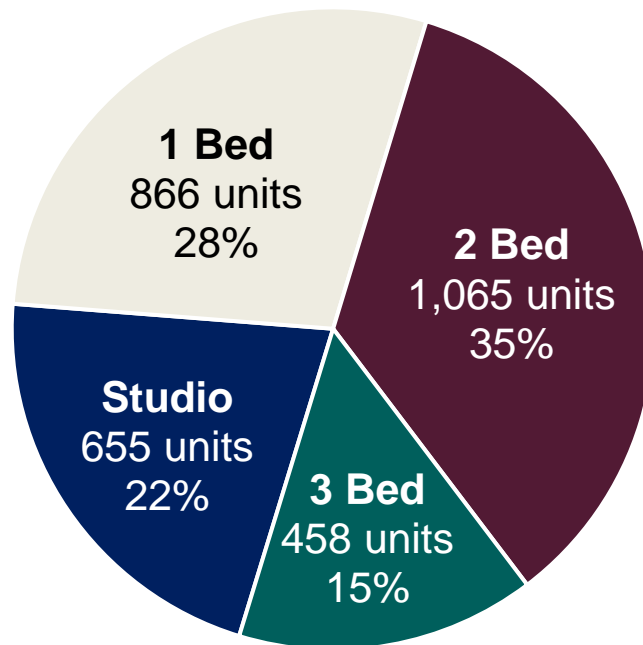
Provincial Guidance

Rental (72%)

Ownership (28%)

- Almost 2/3 of net new units completed over the past year are purpose-built or secondary rental
- **78% of all housing units approved in 2023 were purpose-built rental or laneway units**, signaling a further shift toward rental completions in upcoming years.

Unit size mix of net new dwellings completed - Year 1 Provincial Target

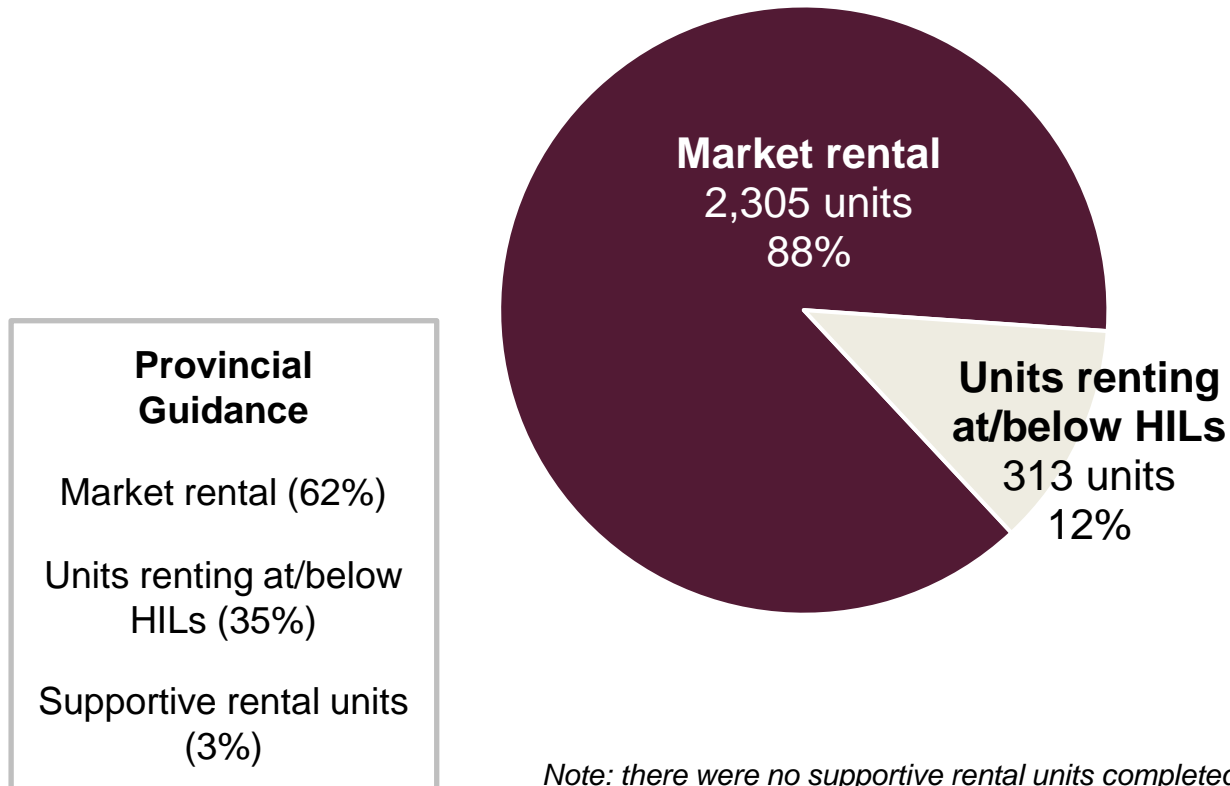


Note: Unit size mix is based on gross units in apartment and townhouse forms only

Provincial Guidance
Studio (40%)
1 Bed (20%)
2 Bed (18%)
3 Bed+ (22%)

- Over the last year, ~50% of new apartment and townhouse units completed have 2 or more bedrooms.
- 3-bedroom units are difficult to deliver due to cost and current market conditions, especially in rental buildings

Affordability of net new rental dwellings completed - Year 1 Provincial Target



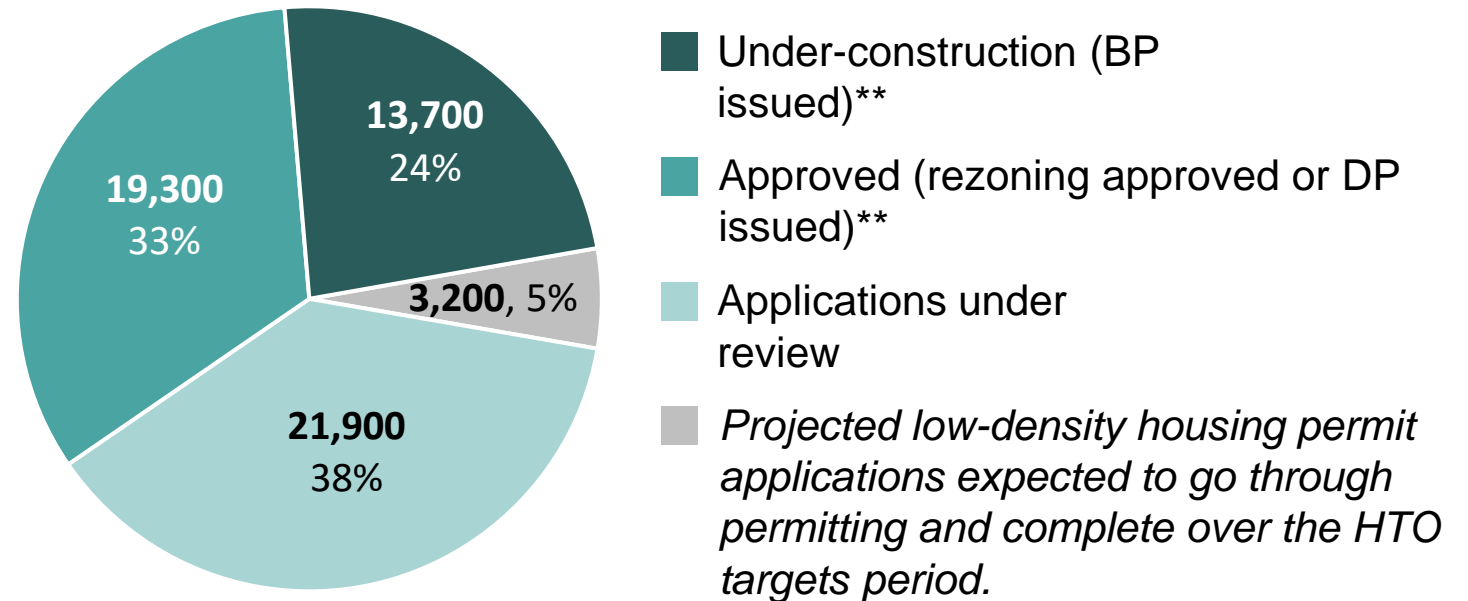
- After the first year, 12% of completed units will rent at or below HILs.
- Delivering units renting at or below HILs is extremely challenging without increased senior government funding.

Looking ahead - City has capacity to meet 5-year Target

Current development pipeline holds ~58,000 units at different stages of application:

- **~32,700 net new units are expected to be completed by the end of the HTO period.**

In-Stream projects by development status as of Sep. 30, 2024 and projected low-density housing permits*



Notes:

*In-stream projects exclude [Major Projects Sites](#) with an additional 6,800 units anticipated to reach completion in the next 4 years.

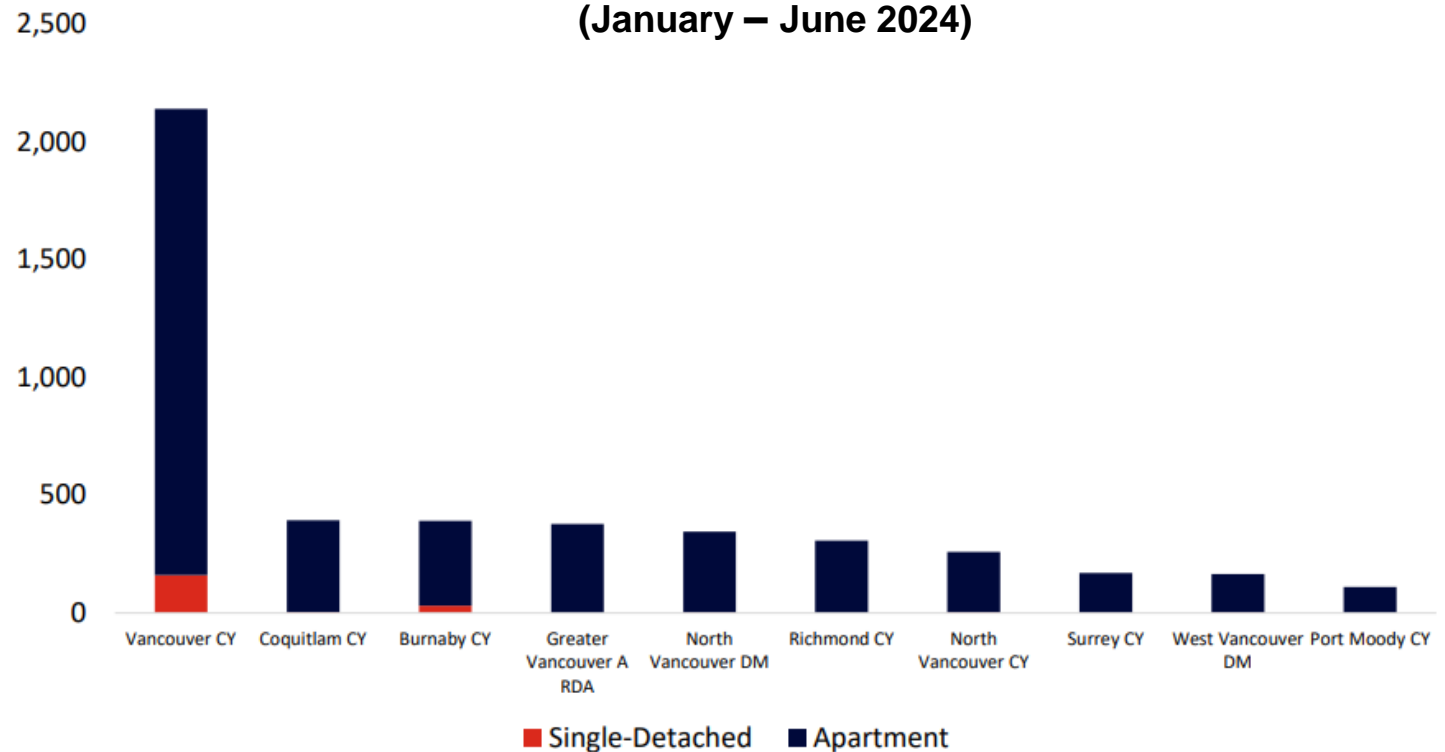
**Of the 33,000 units either approved or under-construction, 29,500 units are expected to complete within the HTO timeframe, plus 3,200 units from anticipated low-density applications

Vancouver leads the region in rental construction

- CMHC reports Vancouver leads the region in housing starts in 1st half of 2024
- Vancouver builds far more rental than other municipalities, supported by dedicated policies
- Full effect of recent higher starts not seen yet in completions



Top Ten municipalities in Metro Vancouver by rental starts
(January – June 2024)



Source: CMHC

Achieving targets requires all levels of government

Targets based on completions requires participation from all levels of government and various sectors of the economy

Factors affecting completion: labour availability, funding & financing, construction costs...

Construction Cost Index, Vancouver CMA (Q1 2019 = 100)



Source: The Globe and Mail



Interim Housing Needs Report

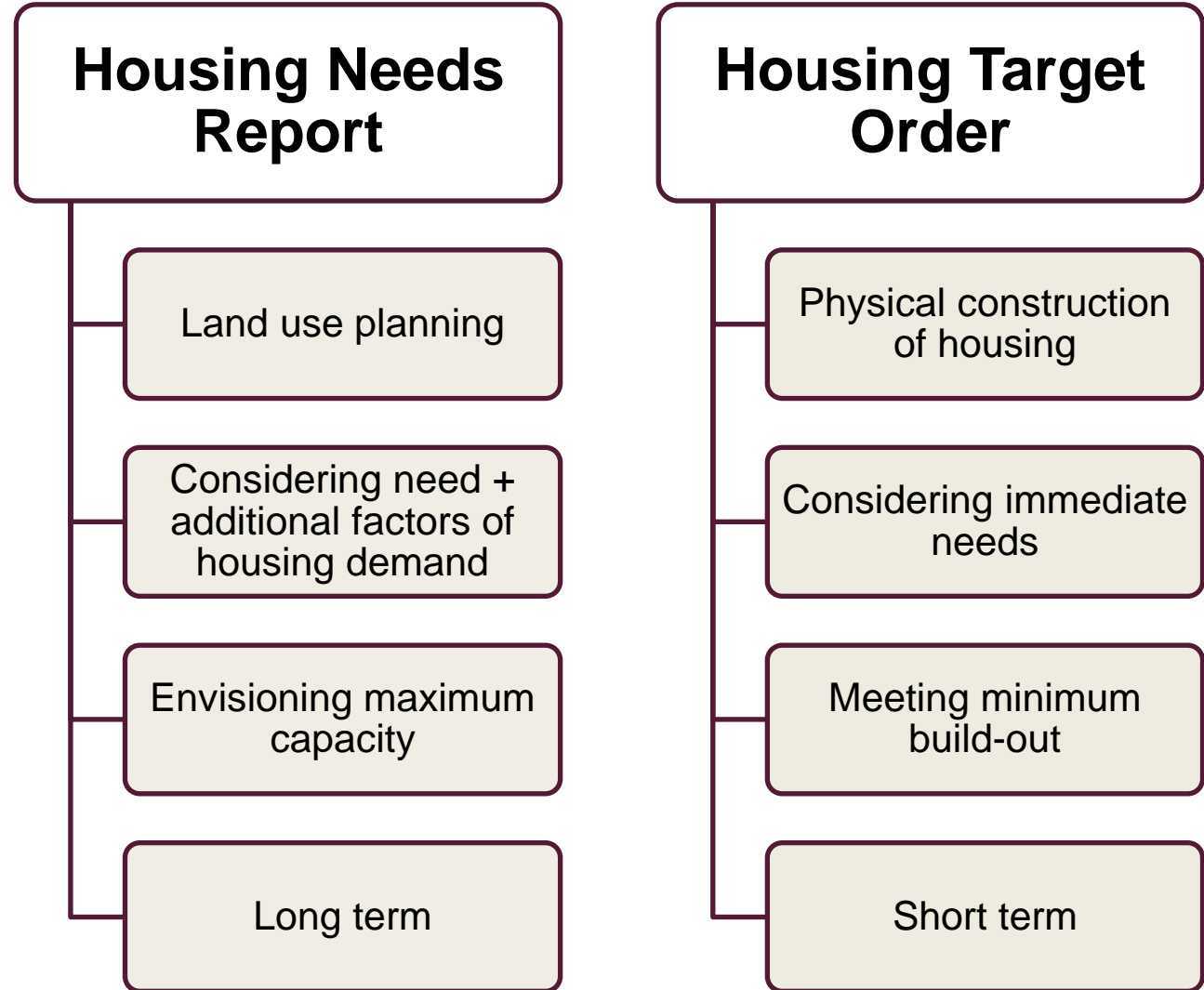


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Housing Needs Report vs Housing Target Order

HNR and HTO use a similar methodology but have different objectives



Background – Housing Needs Report

Recent Provincial legislation on housing needs reports

2019

The Province requires BC local governments to produce a report including data and analysis of local demographic and economic trends, as well as current and anticipated housing needs. **No prescribed methodology**

2022

Council receives Vancouver’s first HNR, with custom content and needs assessment framework: broad analysis of households with un-met needs, household growth, additional indicators of un-met need/demand, recognizing that needs are not targets

2023

Bill 44 amends Housing Needs Report requirements

2024

Bill 18 requires Vancouver to adopt an ODP and include the Housing Needs Report



Regular Housing Needs Reports

- Due date: December 31, 2028 + every 5 years
- Lighter reporting requirements
- Z&D + ODP must have capacity for 20-year need - within 2 years of HNR

Interim Housing Needs Reports

- Due date: January 1, 2025
- Z&D must have capacity for 20-year need by December 31, 2025
- Inclusion in ODP due June 2026
- **New elements:**
 - 5 & 20-year housing needs based on mandatory methodology
 - Need statement for housing close to transportation infrastructure
 - Summary of actions taken since last report

5- and 20-year housing need estimates

Estimate of housing need in Vancouver using the new methodology mandated by the Province:

	5 years (2021-2026)	20 years (2021-2041)
Extreme Core Housing Need	5,378	21,511
Homelessness	1,421	2,842
Suppressed household Formation	488	1,951
Vacancy adjustment	824	3,297
Demand factor	6,292	25,170
Anticipated Growth	41,825	128,176
Total New Units	56,228	182,947

Statement of housing need near transportation

Need for housing in close proximity to transportation infrastructure that supports walking, bicycling, public transit or other alternative forms of transportation

The Vancouver Plan, which guides growth and change over the next 30+ years, aims to create an equitable housing system in complete neighbourhoods to ensure more affordable housing choices are available across the City, while actively working on climate protection and ensuring a strong, resilient economy. This will be achieved by leveraging transit investments to support growing neighbourhoods:

- *Existing and future Rapid Transit Areas (e.g. Broadway)*
- *Oakridge MTC*
- *Neighbourhood Centres*
- *Villages*



Summary of actions taken to reduce need since 2022

Since 2022, the City has taken numerous and varied actions to increase housing supply and reduce housing needs. Highlights include:

New long-range planning

- Vancouver Plan
- Broadway Plan
- Missing middle zoning
- Jericho Lands
- Transit-oriented areas
- ★ Vancouver ODP
- ★ Rupert & Renfrew
- ★ Social Housing Initiative
- ★ Apartment district schedules
- Villages area planning

New housing policies

- New 10-year targets and 3-year action plan
- Seniors Housing
- BMR optimization
- UNDRIP housing actions

Development on City-owned sites

- VAHEF
- Inclusionary turnkey social housing
- CHIP grants
- New middle-income rental pilot

Implementation

- Housing Vancouver
- Secured Rental Policy
- ★ DTES Plan
- Vancouver Plan
- Broadway Plan

Homelessness

- SRO Investment Strategy
- SRO vacancy control
- Granting programs
- Shelter Strategy
- Outreach program

Permits & processes

- Permitting Improvement Program
- ★ Apartment Living
- ★ Citywide development guide

Summary

- Net new completions in Vancouver reached 80% of the Year 1 HTO target
- City has the capacity to meet the HTO Target with significant supply under construction and in development
- Vancouver leads the region in new construction activity, particularly for rental housing
- The Interim HNR identifies the need to have capacity for ~183K new units in the Zoning & Development By-law and upcoming Vancouver ODP.
- While the City can increase supply, senior governments partnerships are essential in delivering deeper levels of affordability





Thank you



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