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Executive Summary

This report presents an updated summary of interim housing needs in the District of Lantzville, as mandated by the Province of British Columbia in June 2024. The study was funded by the Regional District of Nanaimo (RDN) and conducted by Deloitte, following the guidelines specified in the *Housing Needs Report Regulation*. Specifically, the Housing Needs Report (HNR) framework is used to calculate local housing needs within a 5- and 20-year time frame.

The report includes calculations of interim housing need in six categories, as required by the Province. These categories include housing units needed for households in extreme core housing need, individuals experiencing homelessness, suppressed households (that have not formed due to high housing costs and other factors), anticipated household growth, raising the rental vacancy rate to 3%, and accounting for additional local housing demand. Deloitte also conducted supplementary analysis to provide characteristics of the projected units of need. The summary of the results for each of these sections are presented in Table 1.

The final section of this report outlines key municipal policies and recent initiatives aimed at supporting housing development near transportation infrastructure and reducing overall housing need. The results of this report will be used by local governments to update their Official Community Plan (OCP) and zoning bylaws by the end of 2025.

Table 1: Summary of local housing need in Lantzville		
	5-year need	20-year need
0/1 Bedroom	39	96
2 Bedroom	44	134
3 Bedroom	104	313
4+ Bedroom	99	297
Total housing need	286	840

Introduction

This report provides an updated summary of interim housing needs in the District of Lantzville, as mandated by the Province of BC in June 2024.

The study was funded by the RDN and was prepared by Deloitte concurrent with the preparation of similar reports for the RDN rural areas and the Town of Qualicum Beach.

The report includes:

- Calculations of interim housing need in six categories, based on specific calculation requirements released by the Province.
- A summary of municipal policy and recent initiatives aimed at reducing housing need and supporting housing development near transportation infrastructure (as required by the Provincial regulations).
- Additional analysis to segment housing needs by type, size and tenure. The mandated housing need calculations produce an estimate of **total units** of need, which has been supplemented by this additional custom analysis to provide useful characteristics of the required units.
- Summaries of the methodology for all calculations along with summary and detailed tables of housing need results.

The intended use of the results is for each local government to update their OCP and zoning bylaws by the end of 2025 to ensure the required number of units can be accommodated. A fully updated Housing Needs Report (including this analysis plus community consultation and other elements) is required by the end of 2028 to align with the results of the 2026 Census, and subsequent updates are required every five years as new Census results become available.

Methodology

As part of understanding local housing need, municipal and regional district governments in British Columbia are required to follow the guidelines specified in the *Housing Needs Report Regulation*, which includes the Housing Needs Report (HNR) framework for calculating local housing need.

Specifically, the HNR method is used to calculate the local needs for housing within a 5- and 20-year time frame, and consists of the following six criteria:

- A. The quantity of housing units needed for households in extreme core housing need,¹ which is defined as households with shelter costs for housing that are more than 50% of their total before-tax household income.
- B. The quantity of housing units required for individuals experiencing homelessness.
- C. The quantity of housing units necessary for suppressed households,² which are those households that were unable to form due to a shortage of affordable housing options. Examples include young adults who might be living with parents or roommates but in a previous generation would have been expected to lead their own household.
- D. The quantity of housing units needed for anticipated household growth, based on BC Stats growth projections.
- E. The quantity of housing units necessary to raise the rental vacancy rate to 3%, which represents a more balanced supply of available rental stock.
- F. The number of housing units that accounts for additional local housing demand (the “demand buffer”). This is intended to reflect the additional housing required to accommodate “healthy” market demand for different types, locations, and characteristics of units and could also be interpreted (although not stated by the Province) as a means to reduce inflationary pressure on housing prices. The demand buffer is an additional factor provided by the Province based on a combination of local housing prices and housing density, although the exact formula and rationale is not provided. This final category of need is applied only to municipalities and not to Electoral Areas.

A more detailed breakdown for the calculations of each component can be found in the Appendix section of this report.

¹ [Housing Needs Report Regulation](#)

² [Household Formation and the Housing Stock](#)

Data Sources

The data sets used in the analysis include those specified by the HNR method, in addition to several related sources used by Deloitte as input into the custom analysis of unit characteristics. The data requirements for this analysis can be broken down into two parts:

1. HNR Method Data Sources:
 - The four most recent Census reports (2006, 2011, 2016, and 2021)
 - Various housing counts, measures of housing suitability, rates of household formation
 - The Province of British Columbia
 - BC Stats household projections
 - Regional homeless counts
 - Custom calculation of the “demand buffer”
 - Canada Housing Mortgage Corporation (CMHC)
 - Housing Market Information Portal (for rental market information)
2. Additional data sources used by Deloitte as inputs into the custom analysis of unit characteristics:
 - 2021 Census tables that show the relationship between household maintainer rates by age and structure type, tenure, and bedroom counts
 - BC Stats population projections by age

Summary of Interim Housing Needs Results

Interim HNR Calculations

Table 2: Total local housing need for Lantzville		
Component	5-year need	20-year need
A Extreme Core Housing Need	9	36
B Persons Experiencing Homelessness	11	22
C Suppressed Household Formation	20	78
D Household Projections	194	497
E Rental Vacancy Rate Adjustment	0	1
F Additional Housing Demand	52	206
Total housing need	286	840

Table 2 presents total local housing need for the District of Lantzville, indicating a projected need for 286 units over a 5-year period and 840 units over a 20-year period. This includes all six components referenced earlier: extreme core housing need, homelessness, suppressed household formation, household projections, rental vacancy rate adjustment, and additional housing demand.

Additional Unit Characteristics

The Provincial guidelines provide a simple estimate of total units of housing need. No additional characteristics of those housing units, such as type or size of the required units, are available through the Provincial calculation formulas.

A supplementary analysis was prepared by Deloitte to provide additional useful detail to the District. This custom analysis uses the Provincial guidelines as a starting point, while incorporating additional demographic projections from BC Stats, the latest population and housing projections completed for the RDN in 2023, and Census data describing existing patterns of housing structure type, tenure, and bedroom count in relation to population age.

The analysis produces estimates of how many units of need are required as single family versus multi-family homes (where multi-family includes apartments, townhouses, and other higher-density structures). Estimates are also provided of how many owned versus rental homes are required, and how large they should be (as measured by number of bedrooms).

The calculation of unit characteristics is different for each of the six components of housing need:

- **Component A – Extreme Core Housing Need.** The Provincial estimates show both owned and rented homes in this category. Due to extreme core housing need potentially affecting all types of homes, detailed estimates are based on the current distribution of structure

type (single family versus multi-family), tenure and bedroom counts across all existing homes.

- **Component B – Persons Experiencing Homelessness.** The provision of homes for the currently homeless is assumed to be equivalent to one rental apartment for each unit of need.
- **Component C – Suppressed Household Formation.** The Provincial guidelines produce an estimate of the number of suppressed households for each age range. Using typical housing patterns for that age range, the number of units of each type, tenure and size can be estimated.
- **Component D – Anticipated Growth.** Using demographic projections from BC Stats that show the projected change in the local population at each age range, the typical housing patterns by age can be used to project increased demand for each type, tenure and size of unit.
- **Component E – Rental Vacancy Rate Adjustment.** This component is entirely focused on rental units, so the typical distribution of rental units by type and size is used to estimate future need.
- **Component F – Additional Housing Demand.** This is the “demand buffer” that amplifies the housing need calculated under Components A, B, C and E to better approximate a “healthy” housing market. The distribution of units by type, tenure and size is similarly calculated as a multiple of the calculations under those components.

The estimated characteristics of housing need are shown in Table 3 below, although several limitations of the analysis must be highlighted. First, the distribution by structure type is based on current development patterns, which are heavily weighted toward single-family homes. In most communities, the future development pipeline includes a higher share of multi-family units than in the past, suggesting that the estimates shown below may somewhat overstate the need for single-family dwellings.

Similarly, the estimated need by tenure (owned versus rented) is also based on existing patterns. It is possible that due to high housing prices and other constraints, additional needed units are more likely to be rental to act as a bridge for households currently lacking their own unit to secure a home, with potential later transition to home ownership. If that is the case, these estimates may somewhat overstate the need for owned units.

Table 3: Additional local housing need in Lantzville		
	5-year need	20-year need
Owned - Total	215	647
...Owned 0/1 Bedroom	4	12
...Owned 2 Bedroom	29	86
...Owned 3 Bedroom	91	272
...Owned 4+ Bedroom	92	277
Rented - Total	70	194
...Rented 0/1 Bedroom	35	84
...Rented 2 Bedroom	15	48
...Rented 3 Bedroom	13	42
...Rented 4+ Bedroom	7	21
Total (Owned & Rented)	286	840
...Total 0/1 Bedroom	39	96
...Total 2 Bedroom	44	134
...Total 3 Bedroom	104	313
...Total 4+ Bedroom	99	297
Total Units	286	840
Single Family Dwelling	229	676
Multi-Family Dwelling	56	164

Table 3 reports additional local housing need in Lantzville, spanning both 5- and 20-year time periods. Approximately 70% of the need is for larger units (three or more bedrooms). Most of this demand is projected as single family homes, although as noted earlier, evolving development patterns in many communities will increasingly satisfy the need for larger units through multi-family development.

The projected need for rental units is 25% of the total (70 units out of 286 in the next five years).

Supportive Policy Statements/Actions

As required by the Housing Needs Reports Regulations, the following statements are meant to inform the local housing needs of all local governments within the province: (1) 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 (2) A description of the actions taken by the local government, since receiving the most recent housing needs report, to reduce housing needs. For RDN communities, the most recent housing needs report was completed in 2020.

1) Housing development in proximity to transportation infrastructure

The District of Lantzville recognizes the need for housing near transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation. The Official Community Plan and Regional Growth Strategy outline specific policies pertaining to housing developments in the District.^{3,4}

In terms of infrastructure, trails and journey ways are considered a vital component of the District's overall transportation system. The District has a robust sidewalk network in Lower Lantzville, which, along with a modern sewage system, supports greater housing capacity in the region. For public transit, Council plans to explore additional scheduling options and transit routes in the future that also provide access to Indigenous reserves.

2) Recent actions by local government to reduce housing needs

Since receiving the most recent housing needs report, the local government in Lantzville has taken several actions to reduce housing needs. Notable actions include:

- The **Foothills Development** is a significant housing project with a projected total buildout of 814 residential units, including commercial centres. While the first phase of the development is nearing completion, the overall buildout is expected to take at least ten years based on the current pace of subdivision and house construction. In the next five years, Phase 2 of the development is anticipated to be partially built out, primarily consisting of townhouses and small lot singles.
- The **Clark/Medd Subdivision**, another housing development project, has a planned total buildout of 250 dwelling units. The Medd portion of the development has received construction approval, but final subdivision approval may take a few years as the developer progresses with the preliminary phases. The Clark Drive portion of the project is currently on hold and has only obtained zoning approval. This development will positively contribute to the housing supply in the area once it moves forward with subdivision approval and construction.

These policies, projects, and developments demonstrate the District of Lantzville's commitment to reducing housing needs and promoting housing development in proximity to transportation infrastructure across its municipality.

³ [District of Lantzville: Official Community Plan – Schedule 'A' to Bylaw No. 150, 201](#)

⁴ [Regional District of Nanaimo – Regional Growth Strategy](#)

Appendix: Detailed HNR Tables

Component A: Housing units and extreme core housing need

Identifying Extreme Core Housing Need (ECHN) is crucial to accurately assess local housing need and address the demand for housing affordability and accessibility. To calculate the number of new units to address ECHN, data from the four most recent census reports is required to calculate average ECHN rates for owners with a mortgage and renters, which are then used to calculate total units needed.

The calculations involve the following steps:

- Step 1: Gather data from the four most recent census reports, including the number of owner households, renter households, and owner households with a mortgage in ECHN.
- Step 2: Calculate average ECHN rates for owners with a mortgage and renters by dividing the number of households in ECHN by the total number of households for each census year.
- Step 3: Calculate current households in ECHN by multiplying the average ECHN rates by the total number of households from the most recent census report.
- Step 4: Calculate the total number of new units needed by adding the number of owner households in ECHN and renter households in ECHN (Table 2). This figure represents the total new units needed to address ECHN over 20 years (Table 4).
- Step 5: Given the housing units for this component are distributed over 20 years, to obtain the number of 5-year units, simply divide the 20-year result by 4.

Table 4: Extreme core housing need calculations for Lantzville			
Total Households	2021 Households	Average ECHN Rate	Households in ECHN
Owners with a mortgage	1,290	1.6%	20
Renters	195	8.1%	16
Total New Units - 20 years			36
Total New Units - 5 years			9

Component B: Housing units and homelessness

Measuring the number housing units required for people experiencing homelessness (PEH) provides a quantifiable measure of the housing supply needed to address the specific needs of this vulnerable population. To estimate the number of permanent housing units required for PEH, the Integrated Data Project (IDP) is used to gather robust data on PEH at any point during the year. The IDP counts individuals who have received income assistance and had no fixed address for three consecutive

months or stayed in a BC Housing-affiliated shelter for at least one night. This data is publicly available at the regional scale.

The calculations involve the following steps:

- Step 1: Calculate the applicable municipality's or EA's population as a share (%) of the regional population by dividing the local population from the most recent census report by the regional population.
- Step 2: Gather PEH data from the IDP report published on the date closest to the most recent census, using the number of PEH for the associated regional district (Census Division).
- Step 3: Multiply the applicable municipality's or EA's population share (%) from Step 1 by the number of PEH as determined in Step 2 to estimate the proportional local number of PEH.⁵ This figure represents the total new units needed to address PEH over 20 years (Table 5).
- Step 4: To address the urgent needs of this population, total housing units are distributed over 10 years and is calculated by dividing the 20-year need by 2 instead of 4.

Table 5: People experiencing homelessness calculations for Lantzville				
Regional Population	Local Population		Regional PEH	Proportional Local PEH
	#	% of Region		
170,367	3,815	2.2%	996	22
Total New Units - 20 years				22
Total New Units - 5 years				11

Component C: Housing units and suppressed household formation

Suppressed Household Formation (SHF) refers to households that were unable to form between 2006 and the present due to a constrained housing environment. To estimate SHF, 2006 census data is used to determine headship rates by tenure and age cohort, which are then applied to the population data from the most recent census report to estimate the additional households that might have formed under more favorable housing conditions.

The calculations involve the following steps:

- Step 1: Gather Primary Household Maintainer data by age and tenure from the 2006 and most recent census reports. Adjust age categories to align with the census reports.
- Step 2: Gather population data by age from the 2006 and most recent census reports. Sum population age categories to align with Primary Household Maintainer age categories.

⁵ This assumes one unit per person, so the proportional local number of PEH is equal to the number of units required.

- Step 3: Calculate the 2006 Headship Rates (%) by age category and tenure. Divide the 2006 number of households by the 2006 population for each Primary Household Maintainer age category and tenure.
- Step 4: Calculate 2021 Potential Households. Multiply the 2006 Headship Rates calculated in Step 3 by the population from the most recent census report for each age category and tenure.
- Step 5: Calculate the number of Suppressed Households. Subtract the number of households from the most recent census report from the estimated Potential Households for each age category and tenure.
- Step 6: Sum Suppressed Household results for each age category to arrive at age category totals. For any categories where the total is less than 0, enter 0 as the total. Sum the totals from each age category to determine the Total New Units needed to address SHF over 20 years (Table 6).
- Step 7: Given the housing units for this component are distributed over 20 years, to obtain the number of 5-year units, simply divide the 20-year result by 4.

Table 6: Suppressed household formation calculations for Lantzville

Age Categories - Household Maintainers	2021 Potential Households		2021 Households		2021 Suppressed Households		
	Owner	Renter	Owner	Renter	Owner	Renter	Total
15 to 24 years	0	18	0	10	0	8	8
25 to 34 years	95	15	85	20	10	-5	5
35 to 44 years	154	32	155	40	-1	-8	0
45 to 54 years	257	26	245	25	12	1	13
55 to 64 years	370	35	330	40	40	-5	35
65 to 74 years	338	19	290	50	48	-31	17
75 years and over	201	14	215	10	-14	4	0
Total New Units - 20 years							78
Total New Units - 5 years							20

Component D: Housing units and anticipated household growth

Anticipated Household Growth (AHG) quantifies the additional households required to accommodate an increasing population over twenty years. Data from BC Stats' Household Estimates & Projections tool, along with household data at the regional district level from the most recent census report as used to estimate AHG. Two 20-year growth scenarios are developed: the Local Household Growth scenario and the Regionally Based Household Growth scenario. The average of these two scenarios is taken to represent the total units needed to address AHG in the local municipality.

The calculations involve the following steps:

- Step 1: Gather the number of households for the associated regional district from the most recent census report and the BC Stats household projection data for the associated regional district for the year 20 years after the most recent census. Calculate the percent increase in households at 20 years

(Regional Growth Rate) by dividing the difference in households by the number of households from the year of the most recent census report.

- Step 2: Gather the number of households for the applicable municipality from the most recent census report and the BC Stats household projection data for the applicable municipality for the year 20 years after the most recent census. Use the difference between the two figures as the New Units for the Local Household Growth scenario.
- Step 3: Calculate the Regionally Based Household Growth scenario. Multiply the Regional Growth Rate calculated in Step 1 by the number of households for the applicable municipality or EA from the most recent census report. Use the result as the New Units for the Regionally Based Household Growth scenario.
- Step 4: For municipalities, take the average of the New Units calculated for each scenario. Use the average as the Total New Units to address AHG over 20 years. For EAs, use the results of the Regionally Based Household Growth scenario as the Total New Units to address AHG over 20 years (Table 7).
- Step 5: To calculate 5-year need, the steps above remain the same, except replace the BC Stats household projection data from Step 1 with 5 years after the most recent census report (i.e. 2026) (Table 8).

Table 7: Anticipated household growth calculations for Lantzville

Growth Scenarios	Regional Growth Rate	Households		New Units
		2021	2041	
Local Household Growth	n/a	1,520	1,957	437
Regionally Based Household Growth	36.7%	1,520	n/a	558
Scenario Average				497
Total New Units - 20 years				497

Table 8: Anticipated household growth calculations for Lantzville

Growth Scenarios	Regional Growth Rate	Households		New Units
		2021	2026	
Local Household Growth	n/a	1,520	1,736	216
Regionally Based Household Growth	11.3%	1,520	n/a	172
Scenario Average				194
Total New Units - 5 years				194

Component E: Housing units and rental vacancy rate

Rental Vacancy Rate Adjustment (RVRA) adds surplus rental units to restore local vacancy rates to levels representing a healthy and well-functioning rental housing market. To estimate RVRA, rental market data from Canadian Mortgage Housing Corporation's Housing Market Information Portal, as well as the number of renter households from the most recent census report are used. The calculations use Primary Rental Market Vacancy Rate data from CMHC for each applicable municipality or EA.

The calculations involve the following steps:

- Step 1: Gather the local Primary Rental Market Vacancy Rate from CMHC. Use the rate for British Columbia if local data is not available. If the applicable Vacancy Rate is 3% or greater, the RVRA housing need over 20 years is assumed to be zero.
- Step 2: Calculate the local Occupied Rate by subtracting the local Vacancy Rate from 100%. For the target Vacancy Rate of 3%, the Occupied Rate is 97%.
- Step 3: Calculate the Estimated Number of Units for the target and local Vacancy Rates by dividing the number of Renter Households by the target and local Occupied Rates. The Estimated Number of Units represents the expected total number of rental units (occupied and vacant).
- Step 4: Subtract the local Estimated Number of Units from the target Estimated Number of Units to determine the Total New Units needed to address RVRA over 20 years (Table 9).
- Step 5: Given the housing units for this component are distributed over 20 years, to obtain the number of 5-year units, simply divide the 20-year result by 4.

Table 9: Rental vacancy rate adjustment calculations for Lantzville				
	Vacancy Rate	Occupied Rate	Renter Households	Estimated Number of Units
Target Vacancy Rate	3.0%	97.0%	195	201
Local Vacancy Rate	2.7%	97.3%	195	200
Total New Units - 20 years				1
Total New Units - 5 years				0

Component F: Housing units and demand (the "demand buffer")

The demand buffer is the calculated number of housing units that reflects additional demand for housing within a given community, beyond the minimum units required to adequately house current and anticipated residents. It helps account for the number of units needed to meet "healthy" market demand and reduces pressure in the housing system by addressing the needs of households seeking specific characteristics in housing.

The calculations involve the following steps:

- Step 1: Take the sum of the results calculated for components A, B, C, and E (housing units to address extreme core housing need, homelessness, suppressed household formation, and increase rental vacancy rate, respectively). Exclude component D (anticipated household growth) from this calculation.

- Step 2: Multiply the sum from Step 1 by the demand factor (multiplier) calculated for the applicable municipality. The demand factor is based on a ratio of housing price to housing density, and represents the Total New Units needed over 20 years (Table 10)
- Step 3: Given the housing units for this component are distributed over 20 years, to obtain the number of 5-year units, simply divide the 20-year result by 4.

Table 10: Additional local housing demand calculations for Lantzville

Component	Result
A Extreme Core Housing Need	36
B Persons Experiencing Homelessness	22
C Suppressed Household Formation	78
E Rental Vacancy Rate Adjustment	1
Total	137
Demand Factor	1.51
Total New Units - 20 years	206
Total New Units - 5 years	52

Summary of Interim Housing Needs Calculation

Below are the summary tables from the Summary of Interim Housing Needs Results section.

Table 11: Total local housing need for Lantzville

Component	5-year need	20-year need
A Extreme Core Housing Need	9	36
B Persons Experiencing Homelessness	11	22
C Suppressed Household Formation	20	78
D Household Projections	194	497
E Rental Vacancy Rate Adjustment	0	1
F Additional Housing Demand	52	206
Total housing need	286	840



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