

Report

Date March 5, 2025

File: SPP00106

Subject Interim Housing Target Order Progress Report Form: August 1, 2024 – January 31, 2025

PURPOSE

To receive the interim Housing Target Progress Report Form (Attachment 1) and fulfill North Cowichan's legislative reporting requirements under the *Housing Supply Act*.

BACKGROUND

The Province of British Columbia identified North Cowichan as one of [30 municipalities](#) with the highest housing need and projected population growth. As a result, the Minister of Housing issued a Housing Target Order (HTO) on June 17, 2024, mandating a five-year target of 1,233 net new completed housing units, structured with the following annual goals:

Reporting Period	Year 1	Year 2	Year 3	Year 4	Year 5
Unit Target (Additive)	191	210	237	274	311
Unit Target (Cumulative)	191	401	638	912	1,233

Year 1 is further broken down into two six-month interim reporting periods. This report contains the data for the first interim reporting period August 1, 2024 – January 31, 2025, which Council must receive within 45 days of the end of the period. The HTO is appended to this report as Attachment 2.

DISCUSSION

The interim progress report, prepared using the prescribed Housing Target Progress Report Form (Attachment 1), covers the reporting period from August 1, 2024, to January 31, 2025, and fulfills the reporting obligations under the *Housing Supply Act* and HTO.

Once submitted, the Housing Targets Branch will assess progress against the performance indicators in Schedule B of the HTO. Failure to meet targets or demonstrate satisfactory progress may result in compliance action by the Minister of Housing.

Reporting Schedule

- *First Interim Report:* August 1, 2024 – January 31, 2025
- *Second Interim Report:* February 1, 2025 – July 31, 2025
- *Annual Reports:* Beginning August 1, 2025 – July 31, 2026, and annually thereafter

Each report must be received publicly by Council resolution within 45 days of the reporting period's end, submitted to the Minister of Housing, and posted on North Cowichan's website.

New Housing Completions & Approvals

North Cowichan continues to track progress toward meeting its Provincial Housing Target, as required under the *Housing Supply Act*. The following data reflects the first six months of the five-year HTO, detailing new housing completions, demolitions, and net new units and a breakdown by tenure and affordability. Additionally, development and building permit approvals provide insight into future housing supply and potential growth for upcoming reporting periods.

New Net Units

Net new housing units completed between August 1, 2024, and January 31, 2025 are shown below. The total is calculated by subtracting demolitions from the occupancy permits issued during this period.

Table 1: New Net Units

Number of Net New Units	Completions (Reporting Period)	Demolitions (Reporting Period)	New Net Units (Reporting Period)	Net New Units (Since HTO Effective Date)
Total	83	0	83	83

Units by Tenure and Affordability

A breakdown of housing completions by tenure (rental or ownership) and affordability (market or below market) provides further insight into the diversity of new housing stock. No below-market units were delivered in this period, but over 80 market units were approved, 25% of which are rental:

Table 2: Units by Tenure and Affordability

Units by Tenure	Completions (Reporting Period)	Demolitions (Reporting Period)	New Net Units (Reporting Period)	Net New Units (Since HTO Effective Date)
Rental Units - Total	19	0	19	19
Owned Units	64	0	64	64
Units by Rental Affordability				
Market	19	0	19	19
Below Market - Total	0	0	0	0

Approved Housing Development Applications

The number of approved rezonings, development permits, and building permits issued during the reporting period offers a snapshot of housing units in the development pipeline. While these approvals do not immediately count toward completions, they indicate upcoming supply that will contribute to future housing targets. A highly significant 319 units have been approved across 40 separate building permits. It is difficult to predict how many of these will receive occupancy permits within the next interim reporting period (and thus count towards the target), but certainly some will.

A total of 139 units are implied within the six residential Development Permit applications approved during the reporting period. This includes a reissued development permit with variance for the 92-unit affordable housing project at 3191 Sherman Road:

Table 3: Approved Housing Development Applications

Planning and Building Permits	Rezoning	Development Permit	Building Permit	Total
Applications	2	6	40	48
New Units	2	139	319	460

Impact of Immigration

On February 13, 2024, the Provincial Housing Minister replied to Mayor Douglas' December 20, 2024 letter regarding how changes to the federal immigration policy announced in fall 2024 might affect housing pressure. The reply explained that immigration policy is considered by BC Stats in developing projections and the impacts of this change will be considered in the next update to BC Stats' population projections.

The letter indicates that any reductions in housing demand arising from immigration policy changes may be reflected in future HNR updates and future HTOs, but does not suggest that any revision to North Cowichan's HTO targets is likely. The more significant targets within the interim HNR (2,172 units in five years, and 7,083 units in 20 years) could however be subject to revision when the next HNR update is completed by December 2028 at the latest.

Conclusion

North Cowichan is currently in Year 1 of its five-year housing target, with an interim requirement of 191 net new completed units. While this report only covers the first six months, early indications suggest that progress is on track to meet this initial target, particularly given the number of approved building permit applications.

While infrastructure capacity remains an issue in some areas, there is sufficient residual capacity district-wide to accommodate well in excess of the 1,233 units required by the HTO by July 31, 2029. This trajectory is higher than historical trends, but not excessively so, and is represented multiple times within the number of units implied by the variety of planning and building applications currently under processing. However, achieving this target is not entirely within North Cowichan's control as it relies on developers completing their approved projects to the point of occupancy. While North Cowichan can issue building permits, it cannot compel developers to build. External economic factors could result in fewer building completions in a given period regardless of how many permissions North Cowichan grants.

OPTIONS

1. **(Recommended Option)** THAT Council accepts the interim Housing Target Progress Report Form for the interim reporting period 1.1 attached to the March 5, 2025 report from the Manager, Planning.
 - Once received, the report form must be posted on North Cowichan's website and submitted to

the Ministry of Housing.

IMPLICATIONS

Council’s receipt of the reporting form is a mandatory requirement of the HTO. No other implications from receipt are identified.

RECOMMENDATION

THAT Council accepts the interim Housing Target Progress Report Form for the interim reporting period 1.1 attached to the March 5, 2025 report from the Manager, Planning.

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Approved to be forwarded to Council:



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Attachments:

- (1) HTO Reporting Form Period 1.1
- (2) HTO Appendices A and B