BRITISH COLUMBIA | Ministry of Housing

Local Government Housing Initiatives

Frequently Asked Questions for Bill 44 (Housing Needs Reports)

Updated February 10, 2025

Section 1: Overview of Housing Needs Reports (HNR)

1. What are the Housing Needs Reports (HNR), requirements and timelines for implementation?

Local governments were required to complete an Interim Housing Needs Report (HNR), by **January 1, 2025.** These reports must include:

1. The number of housing units needed over 5 and 20 years (calculated using the HNR Method, please see Section 3 for full details on the HNR Method).
2. A statement about the need for housing close to transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation; and,
3. Actions taken by local government since the last report to reduce housing needs.

To reduce short-term work for local governments, **the Interim HNR can be a relatively minor update to their most recent HNR (e.g. in the main body or as an appendix) to include this new required content**. Some local governments may decide to go beyond that and develop an entirely new HNR.

After the Interim HNR, municipalities will have until **December 31, 2025,** to complete their first OCP and zoning bylaw updates so they allow ('pre-zone') for the number of units identified by the Interim HNR.

Note: Regional districts are exempt from OCP and zoning bylaw update (pre-zoning) requirements.

2. After the Interim HNR, when is the next regular HNR due?

After the Interim HNR is completed by January 1, 2025, the next "regular" HNR is due by **December 31, 2028**, and then every five years thereafter. The reports are timed to follow each census data release. Corresponding municipal OCP and bylaw updates will then be due by **December 31, 2030,** and every five years thereafter.

3. What is the rationale for changing the timelines for HNRs? Previously, local governments could just do them every five years.

The timelines for HNRs were updated to ensure consistency and comparability. Prior to these amendments, there were two main barriers to being able to compare the results of local government housing needs reports:

- Different methods were used to determine housing need – that is no longer an issue because of the HNR Method; and,
- Some of the data local governments used were collected at different times.

Aligning completion dates with census data releases helps ensure HNRs are based on the most up to date information and that other, non-census based datasets are collected at around the same time, improving comparability.

Section 2: General Requirements and Guidelines for Housing Needs Reports

4. What is the difference between requirements for "collected information" and "report content" for the regular HNR?

For the regular Housing Needs Report (HNR) due on December 31, 2028, the requirements for collected information differ from those for report content. HNRs must include all the *required report content,* including statements about key areas of local need, the total number of housing units needed, and data on core housing need. However, the "collected information" is simply meant to inform and deepen understanding of local housing needs and does not need to appear in the HNR. The purpose of collecting this information is to provide a richer understanding of local housing needs. While it is not mandatory to include all collected information in the HNR, local governments should determine which data is most relevant for inclusion in the report as lists, tables, graphs, or appendices.

Regional districts must gather this information for each electoral area (except those with populations under 100). For the Islands Trust, data is required for each local trust area. Most required data is available through the BC Data Catalogue at: BC Data Catalogue.

The full list of information collection requirements and report content requirements is here: https://www2.gov.bc.ca/assets/gov/housing-and-tenancy/tools-for-government/uploads/summary_of_legislative_and_regulatory_requirements_for_housing_needs_reports.pdf

In addition, local governments are encouraged to consider whether to provide additional contextual information for their specific community as needed.

5. Were there any changes to information collection requirements?

Yes, the information collection requirements have been reduced. Some are used as part of the HNR Method and so were removed to avoid confusion or duplication.

Others were removed based on local government feedback from the first rounds of HNRs, being of either limited utility and/or particularly arduous to collect.

6. Where can local governments find the data required for housing needs reports?

Most of the data local governments are required to collect is provided through the BC Data Catalogue at: BC Data Catalogue.

7. Can local governments still partner on their HNRs?

Yes, partnerships between two local governments are possible, for either the Interim HNR or the regular HNR. Collaborating in this way can offer potential benefits and efficiencies, as well as a better, comprehensive regional understanding of housing needs. However, any regional-scale studies must include community-specific information for each participating local government to inform local housing decisions.

8. What requirements must be met when multiple local governments jointly prepare reports?

When a housing needs report covers more than one municipality and/or electoral area, each participating local government must ensure all the requirements are met. In particular:

- The report must include the required report content for each municipality and/or electoral area.
- Each participating council/board must receive the report at a meeting that is open to the public and publish it online.

Detailed information collection, report content, additional considerations, and public reporting requirements are summarized in the Summary of Legislative and Regulatory Requirements for Housing Needs Reports (PDF).

9. How flexible are the length, organization, and format of a housing needs report?

The length, organization, and format of a housing needs report are flexible. Communities have different sizes and circumstances, and housing needs reports will reflect this. When developing their report, local governments can determine the document's appropriate length (number of pages), organization (such as sections, chapters, and appendices), and format (including graphs, tables, colour, photos, and maps).

10. What additional information can local governments include in housing needs reports beyond the required collected information and report content?

The required collected information and report content is just a starting point. In addition to the collected information, local governments can use other information and datasets to supplement, qualify, and deepen their understanding of local housing needs. For instance, the results from stakeholder engagement and community surveys will often provide valuable context for the numbers in the datasets. Similarly, beyond the required report content, local governments have the flexibility to include other types of content related to local housing needs and to devote more of their reports to specific areas or issues that are of particular relevance. Areas of focus might be housing for families, accessible housing for seniors, impact of tourism on housing, workforce housing, or high cost of rental housing.

11. Are there any resources to help produce data specifically related to Indigenous housing needs?

The **Indigenous Housing Needs Data Resource Library**, created by the Aboriginal Housing Management Association (AHMA), is designed to help municipalities embed Indigenous housing needs in their HNRs. This resource includes key data points and direct links to data that can be used to assess housing needs and vulnerabilities within Indigenous communities. The aim is to encourage municipalities to include Indigenous populations in their housing data collection and reporting.

Indigenous community members continue to face disproportionate housing challenges, including being overrepresented in homeless populations, higher rates of eviction, and eviction into homelessness. For example, the 2023 Report on Homeless Counts in BC found that 40% of those experiencing homelessness identified as Indigenous, despite Indigenous people making up only 6% of the Census population. In some Northern communities, this percentage rises to over 80%. These figures highlight the urgent need for municipalities to include Indigenous-specific housing data in their planning.

The resource library provides a range of data, including Indigenous population profiles, housing tenure, and core housing needs, as well as links to organizations like local First Nations, Indigenous-led housing providers, and Friendship Centers. It serves as a crucial tool to help municipalities understand and address the unique housing needs of Indigenous communities, with the goal of advancing reconciliation through informed and inclusive housing planning.

Click here to access: Indigenous Housing Needs Data Resource Library – Aboriginal Housing Management Association (ahma-bc.org)

12. Are engagement or partnerships required for housing needs reports?

While engagement and partnerships are not required, they are recommended to enhance the quality of HNRs. Collaborating with community members, stakeholder groups, and nearby First Nations can provide valuable insights and improve the overall quality of HNRs. Local governments have the flexibility to determine the focus, extent, and methods of engagement. It is particularly recommended to engage with vulnerable populations. Additional potential engagement or partnership opportunities include working with non-profit housing and service providers, the development sector, property managers, school boards, post-secondary institutions, health authorities, local business owners, and major employers.

Section 3: Understanding the HNR Method

13. What is the “HNR Method”?

The HNR Method is the required methodology that local governments use to calculate the number of housing units their communities will need for 5 and 20 years. This ensures a more robust, consistent, and comparable calculation of local housing needs in all communities.

The HNR Method consists of six components, which are added together to provide the total number of housing units needed in a municipality or regional district electoral area. The six components are listed here (and then in greater detail in the table below):

A. Supply of units to reduce extreme core housing need

B. Supply of units to reduce homelessness;

C. Supply of units to address suppressed household formation;

D. Supply of units needed to meet household growth over the next 5 or 20 years;

E. Supply of units needed to meet at least a 3% vacancy rate; and,

F. Supply of units needed to meet local demand (the "demand buffer"). *This component is only included for municipalities.*

The HNR Method was developed in collaboration with housing experts and was informed by recommendations from CMHC and the Expert Panel on Housing Supply and Affordability.

Component	Description	How is it calculated?*
A: Housing units and extreme core housing need	Estimates the number of housing units needed for households facing severe affordability challenges (i.e., they spend 50% or more of their income on housing or experience issues with adequacy or suitability).	Calculated using Extreme Core Housing Need data from the last four census years, averaging rates to minimize short-term fluctuations. The average rate is then applied to the most recent census household data to determine the number of new units required.
+		

B: Housing Units and Homelessness	Estimates the number of housing units needed for people experiencing homelessness, who are often not fully captured in traditional data sources like the census.	Calculated by applying the municipality's share of the regional population to regional homelessness data, assuming one housing unit per person. Data is from the Province's Integrated Data Project (IDP), which tracks individuals receiving income assistance without a fixed address or those staying in BC Housing-affiliated shelters.
	+	
C: Housing units and suppressed household formation (SHF)	Estimates the number of housing units needed for households that could not form due to a lack of available and affordable housing options. SHF includes individuals who, under better housing conditions, might have moved out on their own but instead remain in shared living situations.	Calculated by comparing household formation rates from 2006—when housing was less constrained—with the most recent census data. By applying 2006 headship rates (households per population) to current population data, the number of additional households that might have formed is determined. Required data includes household counts by age and tenure from 2006 and the latest census.
	+	
D: Housing units and anticipated household growth	Estimates the number of housing units needed to accommodate population growth over 5 and 20 years.	Calculated using two scenarios: (1) Local Household Growth, which projects household increases within the municipality (BC Stats data), and (2) Regionally Based Household Growth, which applies the regional 5-year and 20-year household growth rate to the municipality's current household count

		(from census). The average of both scenarios determines the total new units required, except for regional district electoral areas (EAs), where only the regional scenario is used due to data limitations.
	+	
E: Housing units and rental vacancy rate	Estimates the number of additional rental units needed to restore the local rental vacancy rate to a healthy level of 3%, ensuring a well-functioning rental market. A Rental Vacancy Rate Adjustment accounts for the shortfall of available rental units.	Calculated by comparing the number of rental units needed for a 3% vacancy rate to the current number of rental units, with the difference representing the additional units required. If the local vacancy rate is 3% or higher, no additional units are needed. Required data includes renter household counts from the most recent census and CMHC vacancy rates.
	+	
F: Additional Local Demand (Demand Buffer) **applies only to municipalities, not regional districts*	Estimates the additional housing units needed to accommodate local demand beyond the minimum required to house current and anticipated residents. This "demand buffer" accounts for household preferences, such as location, unit size, and amenities, helping to reduce pressure in the housing system.	Calculated by applying a demand factor—based on housing price to density ratios—to the combined totals of Components A, B, C, and E. This ensures the housing market can meet diverse needs, including families seeking larger homes, seniors downsizing, and individuals wanting to live closer to jobs or schools. Required data includes unit counts from Components A, B, C, and E, and the demand factor specific to the municipality.

** The 5-year housing need is prorated from the 20-year calculation, with some components adjusted to reflect urgency, as outlined in the HNR Method.*

14. What is the demand buffer and why is it included for municipalities?

The demand buffer is designed to ensure that the HNR Method, in calculating the total number of units needed over 5 and 20 years, accounts for units required to meet "healthy" market demand in municipalities.

The demand buffer essentially builds in the extra capacity that is needed to meet healthy market demand – which is needed to provide more housing choices. This helps accommodate fluctuations in market conditions and ensures a diverse range of housing options for residents.

Examples of the kind of demand for extra capacity include households seeking homes closer to jobs and schools, growing families looking for larger homes, and seniors looking to downsize in their existing communities.

15. Why are the numbers produced by the HNR Method sometimes much higher than the housing needs identified in existing HNRs?

For most communities the HNR Method will likely calculate a higher number of housing units needed than the housing needs identified in existing HNRs.

The HNR Method uses a comprehensive approach of six components to address existing and anticipated housing needs.

As an example, the HNR Method accounts for suppressed household formation and the demand buffer, components which were typically excluded or ignored in previous HNRs. The HNR Method also uses BC Stats as the source for population projections, which will often be higher than projections used in existing reports. The demand buffer will be a major contributor to the higher numbers.

16. How do the HNR calculations relate to housing targets?

The HNR Method was co-developed with the approach for determining housing targets, ensuring consistency between the two methods. However, the HNR Method includes an additional "demand buffer" for municipalities to better account for units required to meet healthy market demand. Additionally, Housing Targets Orders only apply for a 5-year timeframe, with yearly progress reporting.

17. How will local governments be supported in applying the HNR Method?

To support local governments in applying the HNR Method, University of British Columbia's (UBC) Housing Assessment Resource Tools (HART) has developed the HNR Calculator. The calculator, which was developed according to the HNR Method, automatically pulls in relevant data for each component of the HNR Method, showing users each step to calculate the total number of housing units needed over 5 and 20 years.

The HNR Calculator, which was released by UBC in July 2024, is designed to be user-friendly and efficient. All local governments, which includes Regional Districts (by electoral area) and municipalities, can use the calculator to calculate their 5- and 20-year numbers of units needed for the HNRs. The HNR Calculator can be accessed here: https://hart.ubc.ca/bc-hnr-calculator/.

For written guidance please visit the Provincial webpage at Housing Needs Reports - Province of British Columbia (gov.bc.ca).

18. Is the HNR Calculator the only way to calculate the total number of housing units needed using the HNR Method?

Local governments have two options for applying the HNR Method: using the HNR Calculator or undertaking the calculations themselves (e.g. with Excel). Both the HNR Calculator and Excel method use the same data sources and methodology to produce consistent results. For local governments who prefer to work through the HNR Method independently, the HNR Method Technical Guidelines provide comprehensive support for calculating housing numbers using Excel, including formulas, data sources, step-by-step guidance, and examples.

19. Are local governments required to provide a breakdown of housing need by unit type and tenure (bedroom number, etc.)?

Local governments are only required to provide the total number of housing units needed. Breakdowns by bedroom number or affordability can be provided at the discretion of the local government.

Section 4: Proactive Planning

20. How do HNRs affect proactive planning?

The HNR Method component of the HNR will calculate the number of housing units needed for 5 and 20 years. Municipalities must ensure their OCPs, and zoning bylaws allow at least the 20-year number of units.

After the Interim HNR is completed, municipalities will have until **December 31, 2025,** to complete their first OCP and zoning bylaw updates so they allow ('pre-zone') for the number of units identified by the Interim HNR. **Regional Districts are exempt from proactive planning requirements**. After the Interim HNR is completed, the next "regular" HNR is due by **December 31, 2028**, and then every five years thereafter. The Corresponding municipal OCP and bylaw updates will then be due by **December 31, 2030,** and every five years thereafter.

This will play an important role in ensuring there is enough opportunity and flexibility for new housing development. This gives market and non-market developers a wider range of "pre-zoned" sites to choose from.

21. What guidance is available related to proactive planning?

Municipalities can refer to the FAQs on Proactive Planning for guidance. This document addresses common questions and provides information related to ensuring a sufficient supply of pre-zoned areas to accommodate the 20-year number of units. Further guiding documents to support proactive planning initiatives will be made available in the coming months.

22. Why are Regional Districts exempt from proactive planning requirements?

Regional Districts are exempt from proactive planning requirements to help limit urban sprawl and direct growth towards municipalities. Municipalities are better suited for development as they have more established infrastructure and services and are less exposed to hazards compared to the largely rural electoral areas within regional districts. Additionally, while municipalities fall within RD boundaries, they are not directly administered by RDs for planning and land use purposes.