

Cowichan Region Worker Snapshots

A PLACE TO BUILD FUTURES

May 2024

LAND ACKNOWLEDGEMENT

We acknowledge that for thousands of years the Quw'utsun, Malahat, Ts'uubaa-asatx, Halalt, Penelakut, Stz'uminus, Lyackson, Pauquachin, Ditidaht, and Pacheedaht Peoples have walked gently on the unceded territories where this work has taken place.

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INTRODUCTION

On behalf of the Cowichan Valley Regional District (CVRD), CitySpaces Consulting prepared a Workforce Housing Strategy for the Cowichan region. The purpose of the Strategy is to address housing problems as it relates to employment.

This *Worker Snapshots* document is a companion report to the Workforce Housing Strategy, illustrating diverse types of households experiencing a range of housing situations in the Cowichan region. Each snapshot is based on feedback provided through engagement sessions with community stakeholders, employers, and residents, demonstrating a different scenario while outlining the challenges residents may be encountering when trying to secure affordable, safe, and adequate housing.

For the purpose of these snapshots, housing affordability has been calculated by comparing average shelter costs (rent or mortgage) and a household's before-tax income. Rental listings obtained from Facebook Marketplace in March 2023 were also referenced to better understand current market conditions and compare what households are able to afford.

What are Shelter Costs?

- For renters, shelter costs include rent and utilities.
- To qualify for a mortgage, a gross debt service formula is used to determine a household's ability to afford homeownership and meet debt obligations, which consider mortgage payments (principal and interest), property taxes, condominiums / strata fees (if any), and heating costs.
- Housing is one factor in the overall cost of living for individuals and families; other factors include the cost of groceries, transportation, childcare, communications (phone, internet), and medical expenses.

Affordability Measures

For rental housing, affordability was calculated using Canada Mortgage and Housing Corporation's (CMHC) standard, which outlines that housing is considered unaffordable when a household spends 30% or more of its before-tax income on shelter costs.

To qualify for a mortgage, financial institutions typically require a Gross Debt Service (GDS) ratio of no more than 32%, meaning a household's total monthly housing costs (mortgage payments, property taxes and heating costs, etc.) should total no more than 32% of its before-tax monthly income.

For mortgage eligibility, a 7.04% mortgage stress test rate and 5.04% mortgage rate¹ over a five-year fixed term was applied to the following snapshot calculations, along with the assumptions of a 25-year amortization period. Not all workers are in the position to save enough for a downpayment and it is increasingly common for entry-level homebuyers to get support from family members (i.e. parents, grandparents) in order to buy a home. Households that do not have intergenerational wealth are at a disadvantage and, despite having good income, are challenged to save enough to become homeowners.

1. Mortgage rate and stress test based on rates from Royal Bank of Canada (March 2023).

WORKER SNAPSHOTS

Snapshot #1: Couple with Children



Healthcare is an important employment sector in the Cowichan region. Given the upcoming Cowichan District Hospital replacement project, the number of healthcare and supportive care providers – including ambulatory care, registered nurses (RNs), and licensed practical nurses (LPNs) – living in the region is expected to increase. This snapshot considers a family with one partner working as a Year-1, Level-1 LPN and the other partner as a construction labourer at a small company. They have two school-aged children and are seeking a 2+bedroom detached house with a yard. However, the lack of single-detached rental homes in the area leads them to search for a 2-bedroom rental unit.

The wage for a Year-1, Level-1 LPN in British Columbia is \$28.43 per hour.² The median wage for a construction labourer on Vancouver Island is \$19.00 per hour.³ Cumulatively, the household has an annual income of \$95,690.

The family is searching for a home in Duncan, as it is near their work and the school their children currently attend. Based on their household income, they can afford to spend over \$2,300 per month on rent and utilities, which would cover the cost of a 2-bedroom rental unit in Duncan but not a 3+bedroom unit. Additionally, finding a suitable rental unit may be difficult, as available options for 2-bedroom purpose-built rental units are limited. In 2022, the rental vacancy rate for both 2-bedroom and 3-bedroom purpose-built rental units was 0%.⁴

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$2,392	\$1,600	\$2,100	\$2,700

2. Wages and Benefits 2019-2022, BC Nurses' Union, 2023.

3. Construction Trades Helpers and Labourers in British Columbia, Government of Canada, 2023.

4. Primary Rental Market Vacancy Rate Duncan, CMHC, 2023.

Given the family’s needs as well as their income, they may consider purchasing a 2+bedroom unit instead of renting.

Affordable Purchase Price	Benchmark Sales Prices in the Cowichan region		
	Single-Detached	Townhouse	Apartment
\$380,525 ⁵	\$738,200	\$547,600	\$330,400

Since much of the region’s housing comprises 2+bedroom single-detached houses, there are options that meet this family’s space requirements. However, the price of a detached home / townhouse is beyond what this family can afford. Given the mismatch between the household’s need and what is available, they may have serious difficulty finding a unit that can accommodate them.



Employer’s Perspective

Engagement with local employers and developers indicated difficulty hiring and retaining skilled trades and construction labourers, impacting the volume of new housing developments in the Cowichan region.

With limited affordable housing options and new construction, there are not many homes available that meet the household needs of families; this disparity results in out-migration, as well as an inability to attract a young and sustainable workforce. When this trend is prolonged, it creates instability in local businesses.

5. Affordable purchase price is calculated based on a household income of \$95,690 and a gross debt service ratio of 32%, assuming a 20% downpayment (\$76,105), a stress test interest rate of 7.04%, and a 25-year amortization.

Snapshot #2: Single-Parent Family

In 2021, there were 3,990 single-parent families in the Cowichan region, with close to three quarters of these families led by a woman+.^{6,7} This snapshot considers a single mother working as an administrative assistant for the Cowichan Valley School District; the median wage of an administrative assistant on Vancouver Island is \$25.47 per hour, or \$50,940 annually.⁸ The BC government has a Rental Assistance Program (RAP), but they do not qualify because the income threshold is \$40K. They have one child that attends daycare. This household resides in North Cowichan and is seeking a 1- to 2-bedroom apartment.

Based on the household’s income, they can afford to spend \$1,274 a month on rent and utilities, which does not cover the cost of a purpose-built rental unit in North Cowichan. Additionally, finding an available 2-bedroom rental unit may prove difficult. In 2022, the rental vacancy rate for 2-bedroom purpose-built rental units in North Cowichan was 0%.⁹

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$1,274	\$1,600	\$2,100	\$2,700

If this family were to consider homeownership, they would be unable to afford any form of housing in the Cowichan region. Under this scenario they are restricted to the rental market, where there are limited availabilities. These circumstances place this family in a difficult position, as suitable rental options are lacking in North Cowichan; they may have to consider housing options in communities outside of the Cowichan region. However, going outside the community adds considerably to transportation and childcare costs.

Affordable Purchase Price	Benchmark Sale Prices in the Cowichan region		
	Single-Detached	Townhouse	Apartment
\$168,306 ¹⁰	\$738,200	\$547,600	\$330,400

6. 2021 Census of Population, Statistics Canada, 2023.
 7. Women+ means women and women who are underrepresented or face gender-based biases, such as non-binary.
 8. Administrative Assistant in British Columbia, Government of Canada, 2023.
 9. Primary Rental Market Vacancy Rate North Cowichan, CMHC, 2023.
 10. Affordable purchase price is calculated based on a household income of \$50,940 and a gross debt service ratio of 32%, assuming a 20% downpayment (\$33,661), a stress test interest rate of 7.04%, and a 25-year amortization.

This scenario represents the difficulties employees face when trying to find affordable and appropriate housing in the Cowichan region.



Employer's Perspective

Engagement with employers indicates that prospective and current employees are rejecting job offers or resigning because they are unable to afford or find housing in the area. In 2022, the BC Teachers Federation cited inflation, soaring costs of living, and low salaries as contributing factors to low recruitment rates. This scenario is representative of the staffing shortages school districts across BC are facing. When labourers reject job offers because they are unable to find housing within the community, employers cannot maintain operations. In this scenario, the impacts of housing disparities to educational institutions affects employees and employers, as well as future generations of the labour force.

Snapshot #3: Working Seniors

Seniors are a growing demographic in the Cowichan region, including single and coupled seniors, independent seniors, and seniors with mobility limitations. As their circumstances change, they will need housing options that can accommodate their evolving healthcare needs.



This snapshot examines an active senior working part-time as a sales associate at a local retail shop, with a partner already retired.

The median wage of a part-time sales associate on Vancouver Island is \$16.25 per hour, and \$16,900 annually.¹¹ They also have \$95,000 in personal retirement savings and will soon start receiving Canadian Pension Plan (CPP) payments¹². They have their savings invested in a GIC at 5%, which earns them approximately \$396 each month in addition to \$1,408 in wages, for a total monthly income of \$1,777.

This household is currently living in a rental single detached house and searching for a 1-bedroom apartment in Lake Cowichan to downsize, as a one-level unit will best accommodate their mobility needs as they age. Assuming no debt, this household can afford to spend \$533 on rent and utilities each month. Given the household’s limited income and the reality that rental rates range from \$1,600 to \$2,700 per month, it is unlikely they can afford a rental unit in the community. Even after receiving an average of \$831.92 from CPP, with a total monthly income of \$2,608.92, spending 30% of their monthly income (\$782.68) for rent is still unlikely to afford a rental unit.

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$533	\$1,600	\$2,100	\$2,700

Given this household’s limited income, they may consider accessing the BC Government Income Assistance Program or the Shelter Aid for Elderly Renters (SAFER) Program. Under this program, applicants are eligible to receive up to \$500 per month towards housing and living costs.

11. Retail Salesperson in British Columbia, Government of Canada (2023)
 12. The average monthly retirement pension at age 65 in January 2024 was \$831.92 (Government of Canada, 2024).



Employer's Perspective

Small, independently-owned employers such as the retail shop in this snapshot do not generate enough revenue to maintain a large, full-time staff. Currently, potential employees are turning down job offers because they are unable to secure and afford housing in the Cowichan region. The inability to attract and retain a young workforce to part-time roles leaves small-scale employers in precarious positions when current staff leave or retire.

Snapshot #4: Student

In 2021, roughly 33% of youth aged 18 to 24 in the Cowichan region were attending post-secondary school.¹³ A common practice among students is to work part-time to support themselves while attending classes. Many of these students work in the hospitality industry as food and beverage servers. Part-time food and beverage servers working on Vancouver Island on average work 25 hours and earn \$18.00 per hour plus tips, or \$21,600 annually.¹⁴ This household is a single student working part-time as a server at an independently owned restaurant in Cobble Hill.



A student working part-time at minimum wage can afford to spend \$540 per month on rent and utilities. With an average 1-bedroom unit renting at \$1,600 per month, this household would be spending over 80% of their monthly earnings to afford a 1-bedroom unit. They may consider shared accommodation in the secondary market; however, private rooms are renting at \$900 per month in the Cowichan region, spending over 50% of their monthly income.

Additionally, during engagement it was revealed that the private rental market in the Cowichan region is unstable. Community members indicated that a growing share of housing units have been converted to short-term rentals, limiting the stock of available long-term rentals. In addition, the practice of renovations and demo-victions, in which tenants are evicted from their housing unit for renovations or demolitions, has been increasing.

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$880	\$1,600	\$2,100	\$2,700

Recognizing that many students have student loans in addition to other living expenses, it is likely that many are unable to afford housing on a part-time income in the Cowichan region.

13. Statistics Canada, 2021 Census of Population (2021)

14. Food and Beverage Server in British Columbia, Government of Canada (2023)



Employer's Perspective

Throughout engagement, independent business owners cited housing supply and affordability as contributing factors to staffing shortages. The most notable impact to businesses is reduction to operating hours, with numerous businesses closing for multiple days of the week because they are unable to find staff. Cumulatively, factors such as limited affordable housing options and lack of amenities due to business closures have resulted in the workforce looking to communities outside of the Cowichan region for housing that meets their needs.

Snapshot #5: First Nations Family

The Cowichan region is within the unceded territories of the Quw'utsun, Halalt, Penelakut, Lyackson, Stz'uminus, Malahat, Ts'uubaa-asatx, Pauquachin, Ditidaht, and Pacheetdaht Peoples. The Indigenous population in the Cowichan region is growing at a much faster rate than the overall population, experiencing a +13.7% change between 2016 and 2021.¹⁵ In 2021, 63% of Indigenous people living in the Cowichan region were between the ages of 15 to 64, and 27% were younger than 15 years of age.¹⁶



This snapshot considers a Malahat Nation multi-generational household residing off-reserve in Mill Bay. The family consists of one working professional, a grandparent, and a young child. The employed professional works as a paramedic, earning \$42.00 per hour or \$80,808 annually.¹⁷ The grandparent is retired and receives \$782 a month / \$8,736 annually from their CPP benefit.¹⁸ Cumulatively, this household has an annual income of \$89,544. Accounting for family size and the need to accommodate extended family members during visits, this household needs an adequately sized single-detached house.

Based on their income, this household may be able to purchase an apartment for \$330,400. However, given their need for more space and multiple bedrooms, they are searching for a single-detached dwelling. Under this scenario, they are unable to afford to purchase a home in the Cowichan region that suits their needs.

Affordable Purchase Price	Benchmark Sales Prices in the Cowichan region		
	Single-Detached	Townhouse	Apartment
\$351,379 ¹⁹	\$738,200	\$547,600	\$330,400

Given this household is unable to find appropriate housing in the homeownership market, they may consider rental options in North Cowichan. However, although they live off-reserve, their close proximity to their Nation in Mill Bay holds cultural, spiritual, and familial significance for them.

15. Economic Development Cowichan, State of the Cowichan Economy, 2023

16. Ibid.

17. Manufacturing Manager in British Columbia, Government of Canada, 2023

18. Government of Canada, CPP Retirement Pension, 2022 Canada Pension Plan – How much could you receive.

19. Affordable purchase price is calculated based on a household income of \$89,544 and a gross debt service ratio of 32%, assuming a 20% downpayment (\$70,276), a stress test interest rate of 7.04%, a 25-year amortization.

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$2,239	\$1,600	\$2,100	\$2,700

Within these circumstances, this family is able to rent a 2-bedroom purpose-built unit but is unable to afford to rent a 3+bedroom unit. Further factors impacting this household include finding an available 3-bedroom rental unit, as there is limited stock. In 2022, the rental vacancy rate for 3-bedroom purpose-built rental units in the North Cowichan area was 0.3%.²⁰

20. Primary Rental Market Vacancy Rate North Cowichan, CMHC, 2023.

Snapshot #6: Relocating Family Physician

Recent developments in the Cowichan region such as the Crofton Fire Hall (at less than \$5 million), Cowichan Bay Fire Hall (approximately \$15 Million), Cowichan District Hospital replacement project (\$1.45 billion), and Cowichan Secondary School Replacement Project (\$83.8 million) have generated growth in numerous sectors of the regional labour market; this strong growth has attracted young professionals to the Cowichan region from other parts of BC as well as from out of province.



This snapshot considers a family physician recently relocated to the area for work. This household is searching for temporary accommodations such as an Airbnb until they find appropriate housing for their family. The median income for a family physician in BC is \$79.30 per hour, or \$164,939 annually.²¹ During March 2023, the average monthly cost for an entire house on Airbnb was \$11,141 and the average monthly cost for a private room in a house was \$3,960. Given this household's income, they can afford to spend \$4,123 per month on rent. Under these circumstances, this household can afford to rent a private room through Airbnb in the Cowichan region. However, considering the high cost to rent an entire house on Airbnb, this household would be unable to accommodate their entire family.

Monthly Rent at 30% of Income	Average Monthly Airbnb Cost in the Cowichan region	
	Entire House	Private Room in House
\$4,123	\$11,141	\$3,960

Given this household's Airbnb arrangements are temporary, they may consider homeownership options in the Cowichan region. They are looking for a single-detached house with a yard to accommodate a growing family.

Affordable Purchase Price	Benchmark Sales Prices in the Cowichan region		
	Single-Detached	Townhouse	Apartment
\$708,928 ²²	\$738,200	\$547,600	\$330,400

Under this scenario, this household is unable to afford the benchmark price of a single-detached house, but well within their means to purchase a townhouse. However, it may be challenging to find and secure a house due to lack of availability. During 2022, the median number of days a housing unit was available on

21. General Practitioner in British Columbia, Government of Canada (2023).

22. Affordable purchase price is calculated based on a household income of \$164,939 and a gross debt service ratio of 32%, assuming a 20% downpayment (\$141,786), a stress test interest rate of 7.04%, a 25-year amortization.

the market ranged from 12 to 46. These figures are indicative of a competitive housing market. This snapshot is representative of how households of various incomes are struggling to secure housing in the Cowichan region, as the effects of limited affordable housing options are felt by both employees and employers.

Snapshot #7: Temporary Worker

Numerous converging factors such as an aging population, the COVID-19 pandemic, inflation, and high costs of living have contributed to labour shortages across the Cowichan region. Since 2019, job vacancy rates in BC have risen in almost every industry except for agriculture, forestry, fishing, and hunting.²³ At present, the Cowichan region agriculture industry attracts workers from within as well as outside the province.



This snapshot examines a temporary labourer residing in employer-provided shared accommodations. The employee works at a poultry farm just outside of North Cowichan; they are a general farm labourer earning \$18.00 an hour (equivalent to \$37,440 annually).²⁴ Their employer rents shared rooms for \$500 per month and private rooms for \$600 per month to their employees.

Monthly Rent at 30% of Income	Cost of Accommodation with Employer-Provided Subsidy	
	Shared Room	Private Room
\$936	\$500	\$600

Given the employee's income, they can afford rental costs of up to \$936 per month. Since their employer offers subsidized living accommodations, they can afford to rent either a shared or private room in the employer-provided housing. In the primary rental market, rooms are renting at \$900 per month in the Cowichan region. Renting a private apartment is unattainable for this household, as they would need to spend more than 50% of their monthly income to afford a 1-bedroom apartment in the Cowichan region.

Monthly Rent at 30% of Income	Average Monthly Rents in the Cowichan region		
	1-bedroom	2-bedroom	3+bedroom
\$936	\$1,600	\$2,100	\$2,700

Under these circumstances, this worker is restricted to employer-provided housing, which is limited in the Cowichan region.

23. Economic Development Cowichan, State of the Cowichan Economy (2023).

24. General Farm Labourer in British Columbia, Government of Canada (2023).



Employer's Perspective

During engagement with employers, it was noted that every sector is experiencing difficulty hiring and retaining staff. Some large-scale employers are seeking temporary workforce housing solutions to mitigate housing and staffing disparities. Ucluelet Harbour Seafoods explored a temporary RV camp for seasonal workers on company-owned land. Although some employers have been able to seek employee housing solutions, many in the Cowichan region lack the capacity to offer these resources to their employees. More housing options are needed to accommodate the current and potential workforce.

