Interim Housing Needs Report

Technical Memorandum

Prepared by CitySpaces Consulting | November 2024
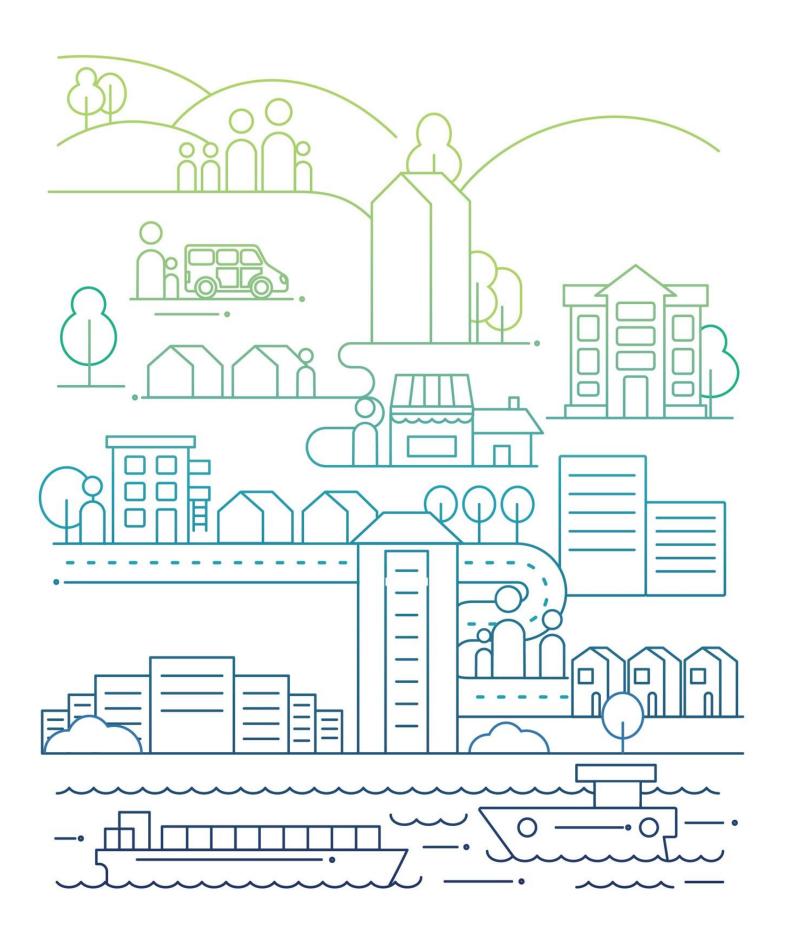
CITY OF NANAIMO
THE HARBOUR CITY

CITY SPACES

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Acronyms and Glossary

ACRONYMS	
AMI	Area Median Income
CHN	Core Housing Need
CMHC	Canada Mortgage and Housing Corporation
ECHN	Extreme Core Housing Need
HART	Housing Assessment Resource Tools
HNR	Housing Needs Report
HNRM	Housing Needs Report Method
HTO	Housing Target Order
IHNR	Interim Housing Needs Report
OCP	Official Community Plan

GLOSSARY	
Area Median (household) Income	Describes the median total income of household in the community. This variable is used in assessing housing need to understand the amount households can afford to spend on their housing, and for the income group concept specifically. Abbreviates to AMI.
Core Housing Need	Core housing need is a census concept based on a two-part test and three housing standards: • **Affordability**: households can afford their housing when they spend no more than 30% of before-tax income on housing; • **Suitability**: housing is suitable when there are enough bedrooms for the household's type and size; and • **Adequacy**: housing is adequate when it does not require any major repairs. When a household does not meet any one of the housing standards and could not move to another

	dwelling in their community to resolve the issue without spending more than 30% of their before-tax income on housing, they are classified as being in core housing need. Abbreviated to CHN.
Deep Subsidy Non-Market Housing	"Deep subsidy" non-market housing units refer to units rented at rates affordable to individuals and households on social assistance (based on the BC Income Assistance Shelter Allowances by household size). BC Housing projects often include a subset of units for this rent category. Within the needs assessment analysis in this report, this category attempts to capture the need for people experiencing homelessness, and those on social assistance, who need very low rents.
Housing Needs Report Method	The new provincially mandated methodology for estimating housing unit need in communities across BC. The calculation includes six components to estimate current and future housing need (further described below under Housing Needs Report Method Components). This calculation estimates housing need but is not a direct target. The results must be accommodated within Official Community Plans. Abbreviated to HNRM or HNR Method.
Housing Target Order	The Housing Supply Act gives the BC government authority to issue housing targets municipalities. The current targets are based on meeting 75% of the estimated need over the next five years. The target includes sub-targets for housing type or tenure and bedroom count.
Official Community Plan	Official community plans describe the long-term vision of communities. They are a statement of objectives and policies to guide decisions on

	municipal and regional district planning and land use management.
Housing Needs Report Method Components[1]	
Anticipated Household Growth	Based on the BC Stats projection for Nanaimo (2021-2041), this component describes the expected household growth over the next 20 years.
Demand Buffer	The demand buffer estimates the number of housing units needed to accommodate additional demand for housing within a given community, beyond the minimum units required to adequately house current and anticipated residents. The "demand buffer" is designed to better account for the number of units required to meet "healthy" market demand. Accounting for additional local demand helps address the needs of households who require or prefer housing with certain characteristics (e.g., housing location, unit size, transportation options, or amenities), thereby reducing pressure in the housing system.
Extreme Core Housing Need	Extreme core housing need describes the same concept as Core Housing Need (see above) except it describes households spending more than 50% of its income on housing (rather than 30% as with regular core housing need).
Persons Experiencing Homelessness	This component of housing need quantifies the supply of permanent housing units required for those currently experiencing homelessness. Data on homelessness is derived from the Provincial Integrated Data Project, which provides data on people experiencing homelessness at any point in

1. Refer to the Ministry of Housing's 'Guidelines for Housing Needs Reports – HNR Method Technical Guidance' document for further detail on the specific components, what they represent, and why they were included in the methodology.

	the year. To be included in these estimates, an individual must receive social assistance and have no fixed address for three consecutive months or stayed in a BC Housing shelter for at least one night.
Rental Vacancy Adjustment	The rental vacancy adjustment calculation seeks to estimate the number of vacant rental units required to maintain a vacancy rate of at least 3%. The result is not an estimate of how many rental units are needed in general, but rather how many more need to be vacant at a point in time to achieve a balanced vacancy rate.
Suppressed Household Formation	Suppressed household formation aims to estimate the number of households that could not be formed due to high housing costs or insufficient availability between 2006 and 2021. This concept describes situations, such as adult children being unable to move out of their parental home or two couples living together when they would prefer to each have their own separate homes.

Introduction

This technical memorandum introduces the new legislatively mandated 'Housing Need Report Method' (referred to as the 'applicable method' in legislation) to estimating current and future housing need in British Columbia. The first section describes a brief history of housing needs report requirements, followed by the mandatory calculations results. The remaining sections explore a more complex analysis of the results to understand the estimated need by housing tenure and type, household income, household size, and required bedroom count.

Housing Needs Report History and HNR Method

Initial Legislative Requirements (2019)

Since 2019, local governments in British Columbia have been legislatively required to undertake a housing needs assessment process every five years. While the requirements included stating an estimated number of additional housing units needed over the next five years to meet demand, there was no guidance or methodology for producing the estimate. As a result, most communities simply projected forward the last five years of household growth into the future, resulting in perpetuating any pre-existing undersupply or mismatch in the housing system. Similarly, there was no enforcement mechanism or requirement to implement policy to meet the likely underestimated housing need. The City of Nanaimo adopted an Affordable Housing Strategy in 2018, participated in a regional Housing Needs Report (HNR) in 2020, adopted City Plan – Nanaimo ReImagined in 2022, and completed a City of Nanaimo HNR in May 2023.

Legislative Amendments (2023)

In Fall 2023, new legislation was introduced to significantly amend a broad range of planning and land use tools, regulations, and requirements for local governments. A key change was a shift to pro-active planning, the requirement to estimate 5- and 20-year housing need with a specific HNR Method (HNRM), and to implement sufficient residential capacity through Official Community Plan (OCP) amendments to accommodate the HNRM identified need. An interim housing needs report (IHNR) with the results of the HNRM calculation must be completed by all local governments no later than January 1, 2025, with OCPs amended to accommodate the estimated need no later than December 31, 2025. The analysis, and associated OCP updates, must be completed every five years going forward. IHNRs have two additional components beyond the HNRM calculation (See **Appendix A** for all three required components).

With the release of the HNRM guidelines in late June 2024, the work to prepare an IHNR can now be initiated. This technical memo serves to present the findings of the HNRM analysis, alongside additional 10-year timeframe breakdowns, by housing type and tenure, income group, household size, and bedroom count for 5- and 10-years.[2] The additional components are supplemental to the basic requirements and provide City of Nanaimo with a more nuanced understanding of housing need.

HNR Method Legislatively Required Results

The legislatively required 5- and 20-year estimates are for 7,227 and 23,776 additional units respectively (see Table 1 for breakdowns by component). Revised OCPs must accommodate this amount of housing. Table 1 includes a supplemental 10-year estimate for 12,962 units.

The methodology includes six components[3], each with a prescribed calculation method. It should be noted the five-year result is not simply one quarter of the 20-year result.

Table 1: 5-, 10-, and 20-Year HNR Method Housing Need Estimates, City of Nanaimo[4]

Component	Detail	5-year	10-Year	20-Year
A	Extreme Core Housing Need	623.5	1,247.0	2,494.1
B	Persons Experiencing Homelessness	299.3	448.9	598.6
C	Suppressed Household Formation	313.9	627.8	1,255.6
D	Anticipated Household Growth	5,370.4	9,398.8	16,948.4
E	Rental Vacancy Rate Adjustment	45.3	90.6	181.2
F	Demand Buffer	574.4	1,148.9	2,297.7
	Total	**7,227**	**12,962**	**23,776**

2. The HNRM only requires 5- and 20-year breakdowns, however, most new housing units realized over the next five years will be from current projects, and it may be challenging for local governments to meaningfully shape outcomes on this timescale. The 20-year timeframe has the opposite challenge with the timeline being so long the context will likely change before then. Ten years is a middle point where the estimated need may still be relatively accurate, with the ability for local governments to implement policy with the capacity to impact development outcomes. The 10-year calculation follows the same logic and approach as described for 5- and 20-years in the guidelines, however, it is not an officially mandated methodology and some discretion around how to distribute the different components was required.
3. Refer to the Ministry of Housing's 'Guidelines for Housing Needs Reports – HNR Method Technical Guidance' document for further detail on the specific components, what they represent, and why they were included in the methodology.
4. The Ministry of Housing HNR Method guidelines state values should remain unrounded until the final total, which is to be rounded to the near whole number. For the components, one decimal place has been shown for clarity when summing to the total.

Nanaimo's dominant driver of changing pace is from BC Statistics' projection shifting from a higher growth rate in the first five-years (2.3% annual growth) to a lower rate from 2026-2031 (1.5%) and slowing down further over the next 10-years through 2041 (1.3%). The Provincial HNRM guidelines note there is urgency in addressing the needs of people experiencing homelessness (Component B) and the guidelines intend for half of the need to be addressed in five years, while the 10-year number represents 75% of the 20-year need for persons experiencing homelessness.

Component D (Anticipated Household Growth) can be described as the estimated future need, while the other components of the HNRM are considerations of pre-existing unmet need(s) regardless of future population growth. Most of the estimated need is from projected growth (74% of the need over five years, and 71% over 20-years).

Most development over the next five years will be from projects that are already underway and in-stream in the approval process, and it may be challenging to affect development outcomes between 2021 and 2026 with policy changes made today. However, City policies and bylaws already in place, such as City Plan and the recent provincial housing legislative changes implemented in Nanaimo, establish an updated framework for land use and housing regulation that are expected to address housing need and result in more housing options over time

Values presented in Table 1 provide the minimum requirements of the HNRM calculation for IHNRs. The remainder of this technical memo will explore more complexity, including the type, size, and price points required to meet the needs of City of Nanaimo households for the next 5- and 10-years (20-years is likely too far away for the analysis to be meaningful).

ANALYSIS TIMEFRAMES

The HNRM will always be based on a census year as the starting year. The first calculation for this IHNR will be out of sync with the current year. References to "5-years" generally describes 2021-2026, "10-years" refers to 2021-2031, and "20-years" refers to 2021-2041. Alignment with the current year will be more in-sync when the next analysis is required.

Distribution of HNR Method by Price-Point, Housing Type and Tenure, and Bedroom Count

While an estimate of the overall unit need for housing is important to understand, there are a wide range of housing needs requiring different solutions. More advanced analysis of the basic HNRM results can provide a broader understanding of potential housing need in the community. A key aspect of distributing overall estimated housing need to housing type,

tenure, or price-point is considering the amount household can afford paying for their housing.

Income Group Concept

The University of British Columbia's Housing Research Collaborative received funding through the Canada Mortgage and Housing Corporation's (CMHC) Housing Supply Challenge to develop standardized, replicable, and equity-focused Housing Assessment Resource Tools (HART) to support better housing supply decision-making. The Housing Assessment Tool introduced an income group concept allowing for the distribution of future demand (population projections) and unmet need (core housing need) into income groups. The key innovation of the work is the custom dataset allowing for crosstabulation of Census data by five income groups. The income group concept was applied in Nanaimo's 2023 HNR to estimate future households by income and household size, but did not assign all identified need to a particular housing type or potential solution.

Since the completion of the 2023 HNR, CitySpaces has further developed this baseline concept to incorporate additional conceptualizations of unmet need, which closely paralleled the concepts now introduced through the HNRM.[5] This new approach included applying a revised version of the custom dataset to allow for additional considerations and adaptability to local concerns or trends. A new version of the income group dataset has been procured to support more advanced analysis within the new HNRM framework, and previous approaches have now been adapted to build upon the HNRM components.

Income Groups

Table 2 provides a high-level description of the five income groups by type of income, the resulting percentage of the area median (household) income (AMI) they would earn, and the share of households falling into each group (national average distribution).[6] With the groups defined by a percentage of the area median household income, the exact income thresholds will vary by community, but the overall share of households falling into each group is generally consistent across all geographies. The AMI represents the total income of households.

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5. CitySpaces Consulting, rennie intelligence, and the City of Kelowna partnered in 2023 to strengthen the general framework established by the HART team and took the analysis further to estimate need by housing type and price-point. The approaches applied in this report build upon this work within the new HNR Method context.
6. See the updated HART Housing Need Assessment Tool Methodology Guide (2024) for further background on the income groups.

Table 2: Income Groups by Income Type, Percent of Area Median Income, and National Average Distribution (%)

Income Group	Income Type or Source	Percent of AMI	2021 National Average Distribution
Very Low	Social Assistance	< 20%	3%
Low	Minimum Wage Worker	20% – 49%	18%
Moderate	Entry-Level Professional Job	50% – 79%	18%
Average	Middle Class	80% – 120%	21%
Above Average	High-Income	> 120%	40%

Table 3 provides the resulting income ranges, affordable monthly housing cost (30% of income), and number and share of households in each income group for City of Nanaimo based on the median household income of $76,000 (2021).

Table 3: Income Range, Monthly Affordable Housing Cost, and Number of Households by Income Group, City of Nanaimo

Income Group	Income Range	Maximum Monthly Housing Cost	Number of Households	Share of Households
Very Low	< $15,000	< $375	1,020	2%
Low	$15,000 – $34,999	$376 – $1,000	7,245	17%
Moderate	$35,000 – $59,999	$1,001 – $1,500	8,750	20%
Average	$60,000 – $89,999	$1,501 – $2,250	8,945	21%
Above Average	$90,000+	> $2,250	17,065	40%

The rightmost columns of Tables 2 and 3 show there is similar share of households in each income group compared to the national average. Although, there is a slightly smaller share of Very Low and Low income households in Nanaimo, with a higher proportion in the Moderate income group. Based on the 2021 Census, the median household income in Nanaimo ($76,000) is lower than for BC ($86,000) and Canada ($84,000).

Allocation of HNR Method – Housing Type + Tenure Categories

To provide a deeper understanding of the high-level results, the HNRM calculation has been allocated to four different housing types or tenures:

1. **Market rental** is rental housing with rents set by the market, and in this context could include both secured primary rental and secondary rental. The need would ideally be met with purpose-built secured market rental, which generally offers superior security of tenure and is more likely to be maintained as rental in perpetuity. However, strata apartments or secondary suites rented by individual owners on the secondary rental market would also address this need. Based on analysis of local market rents and incomes, **this represents households with incomes between $60,000 and $125,000, who could afford to spend between $1,500 and $3,125 per month.**

2. **Non-market rental** is purpose-built subsidized rental housing with a range of below-market rents; this category could include a range of price-points above the housing component of social assistance. Based on analysis of market rents and affordable housing programs, **this represents households with incomes of between $20,000 and $59,999, who could afford to spend between $500 and $1,500 per month.**

3. **Deep subsidy and supportive rental** represent two conceptual categories, including those on social assistance with rents affordable to those earning less than the "deep subsidy income limits" as defined by BC Housing programs (generally rents of no more than $500). This category also includes supportive housing for people experiencing homelessness and those requiring on-going supports with their housing. Based on analysis of market rents and affordable housing programs, **this represents households with incomes less than $20,000, who could afford to spend no more than $500 per month.**

4. **Ownership** describes housing owned and occupied by individual households; this category is broad, representing a range of households, and does not identify a specific structure type. The ownership category in this methodology represents owner-occupiers only, and investment properties purchased to rent on the secondary market would be in the market rental category. Based on an affordability analysis of local ownership housing, **this represents households with incomes of $125,000 or more, who could afford to spend more than $3,125 per month.**[7]

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7. Based on the minimum income required ($122,917) to qualify for the benchmark priced townhouse ($515,600, Sept 2024) with a 20% downpayment ($103,120) at 4.44% for 25-years with a gross debt service ratio of 32% and $575 of relevant housing costs per month for qualification at the stress test rate at 4.44%+2%. In the past 12-months, benchmark townhouse prices have ranged from $508,200 to $529,200.

There is some discretion in the allocation and the assumptions to apply will change over time as the local dynamics of rental and ownership housing prices evolve. For example, if ownership prices decrease, a larger share of renter households could be assumed to successfully purchase in the future. Similarly, if market rents were reduced due to the rebalancing of vacancy rates, a smaller share of households could be allotted to non-market rental housing. As the HNRM analysis must be updated every five-years, there will be frequent opportunities to reconsider the allocation of current and future demand to different housing types or tenures.

Table 4 provides the resulting distribution of the four housing categories for 5- and 10-years, while the following sections further explain how the HNRM components have been allocated to the four housing type and tenure categories.

Table 4: City of Nanaimo 5-Year and 10-Year HNR Method Type and Tenure Allocation

TIMEFRAME		MARKET RENTAL	NON-MARKET RENTAL	DEEP SUBSIDY + SUPPORTIVE RENTAL	OWNERSHIP	TOTAL
5-Year	#	1,426	1,833	711	3,257	7,227
	%	20%	25%	10%	45%	100%
10-Year	#	2,606	3,355	1,217	5,784	12,962
	%	20%	26%	9%	45%	100%

Allocation of HNR Method – Distribution of Components

Table 5, on the following page, broadly summarizes how the HNRM components have been allocated to the four housing type and tenure categories. The allocation of the HNRM components to housing type considers the income group concept introduced in the previous section, alongside more detail income data, and an affordability analysis of market and non-market rental (BC Housing programs), and ownership prices.

Table 5: Type and Tenure Allocation of HNR Method, City of Nanaimo

COMPONENT	DETAIL	TYPE + TENURE ALLOCATION
A	Extreme Core Housing Need (ECHN)	Distribute to Rental Categories Based on Income of Households in ECHN
B	Persons Experiencing Homelessness	Deep Subsidy + Supportive Rental
C	Suppressed Household Formation	Market Rental + Ownership[8]
D	Anticipated Household Growth	Distribute by Income[9]
E	Rental Vacancy Rate Adjustment	Market Rental
F	Demand Buffer	Distribute by Income

The assumptions for distributing each HNRM component by housing type or tenure are described below.

Component A – Extreme Core Housing Need

It is assumed households in Extreme Core Housing Need (ECHN) will require non-market rental housing to meet needs for adequate and affordable housing. 26% of ECHN is allocated to **Deep Subsidy + Supportive Rental**, based on the share of renter households experiencing ECHN with incomes below $20,000, while the remainder is allocated **Non-Market Rental** (74%).

Component B – Persons Experiencing Homelessness

It is assumed all persons experiencing homelessness require **Deep Subsidy + Supportive Rental**.

Component C – Suppressed Household Formation

It is assumed suppressed households will generally require **Market Rental**, except for the 9% of renter households earning over $125,000 per year, which are instead allocated to **Ownership**. Assessing suppressed household formation seeks to understand how many

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8. Suppressed household formation units allotted to ownership proportionally by the share of renter households (9%) earning over $125,000/year with the remainder assigned to market rental.
9. Estimated future renter households are assigned to market, non-market, and deep subsidy rental by income compared against current market rents, and non-market funding programs.
For owners, the share of new owner households from 2011-2021 has been considered to conservatively project 50% of new households from 2021-2031 will purchase their home (resulting in the overall share of households who own shifting from 67% in 2021 to 63% by 2031). It is assumed a similar share of new households will own in the future regardless of income to accommodate for inheritance, assistance from family members, or other novel circumstances allowing for purchase without a high income.

households could not form between two time periods due to high housing costs or unavailability.[10]

Component D – Anticipated Household Growth

Anticipated household growth has been allocated based on an affordability analysis of rental and ownership housing compared against renter and owner incomes. Based on the 2011-2021 trend of new households who rented or owned, 50% of new households from the BC Statistics projection through 2031 are assigned to each tenure. This means half of new households are estimated to be able to purchase a dwelling over the next ten years regardless of their household's income.[11]

- **Market Rental**: based on the share of renter households that could spend between $1,500 and $3,125 per month, which is equivalent to households earning between $60,000 and $125,000 per year (all households in the average income group and bottom 49% of the above average-income group).

- **Non-Market Rental**: based on the share of renter households that could spend between $500 and $1,500 per month, which is equivalent to households earning between $20,000 –and $59,000 per year (all households in the moderate-income group and top 82% of the low-income group).

- **Deep Subsidy + Supportive Rental**: based on the share of renter households that can spend no more than $500 per month (all households in the very low-income group and bottom 18% of the low-income group).

- **Ownership**: based on a 50% share of new households being owners, in addition to the 9% of new renter households earning over $125,000 per year, that can afford to spend more than $3,125 per month.

Component E – Rental Vacancy Adjustment

It is assumed all rental vacancy adjustment is **Market Rental**, as this component seeks to achieve a 3% market rental vacancy rate.

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10. The suppressed household formation concept describes situations such as adult children being unable to move out of their parental home or two couples living together when they would prefer to each have their own homes. If a community is predominantly detached houses, it may be challenging for a couple to find their first home together without enough income to afford a larger dwelling than they need. Similarly, if there are no one-bedroom units to rent or the cost is too high, young adults may struggle to move out of their parental home for the first time.
11. Many households purchase homes despite their incomes appearing to be too low to qualify for a mortgage at current prices due to leveraging existing equity, downpayment assistance from parents, using an inheritance, or other ways unique to individual households.

Component F – Demand Buffer

Component F seeks to describe the required buffer, or extra room in the housing system, to achieve a 'healthy' supply-demand balance. It is assumed this component will represent a range of housing types and is broadly allocated with the same method as Component D.

While the distribution of Component D and F are framed as shares of the five income groups, the affordability analysis to assign units to housing type is based on smaller income ranges, as available in the census. This has resulted in some of the income groups being split into multiple categories as they do not currently align with the housing costs associated with the four types. The next section explores the income group and household size distributions for owners and renters represented by Components D and F.

Income Group + Bedroom Count Allocation

This section explores distributing Components D and F by income group and household size, with a final breakdown by number of bedrooms required to meet the National Occupancy Standards[12]. These components broadly represent all households, which allows them to be allocated based on current census trends; the other components represent specific subpopulations that cannot be cross-tabulated by the income group indicator. The allocations have been calculated for the 5- and 10-year breakdowns of the HNRM results based on 2021 household distribution. The projected distribution of future renter (50%) and owner households (50%) used in the housing type analysis was applied to this analysis.[13]

By projecting a larger share of future households as renters, the overall distribution of households by income group shifts towards the lower income groups, with 5% less of the total in the above average group. See **Appendix B** for a full set of 5- and 10-year tables alongside supplemental breakdowns with proportions (%) rather than unit counts.

10-YEAR ALLOCATION OF PROJECTED GROWTH + DEMAND BUFFER

Table 6 provides the distribution of all households by income group and household size (2021 Census distribution carried forward) applied to Components D and F combined.

Table 6: Estimated 10-Year Future Demand by Income Group and Household Size, All Households, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average		
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	248	1,526	1,018	509	266	**3,567**	34%
2-person	41	401	908	1,092	1,474	**3,916**	37%
3-person	0	72	237	353	763	**1,425**	14%
4+person	0	14	129	297	1,200	**1,640**	16%
TOTAL	**289**	**2,013**	**2,292**	**2,251**	**3,703**	**10,548**	
%	3%	19%	22%	21%	35%		

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12. Bedroom count allocation is based on Nanaimo household composition distribution in the 2021 Census by income group. The distribution has been applied to the combined projected growth and demand buffer (Component D + F) from the HNR Method calculation for all households, renters, and owners.
13. Based on an assessment of the share of new households that rent or own from 2011-2021.

Table 7 provides the distribution of **owner households** by income group and household size (2021 Census distribution) applied to Components D and F.

Table 7: Estimated 10-Year Future Demand by Income Group and Household Size, Owner Households, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average		
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	62	498	420	232	165	**1,377**	26%
2-person	8	124	418	580	1,026	**2,156**	41%
3-person	0	22	58	139	534	**753**	14%
4+person	0	8	28	94	858	**988**	19%
TOTAL	**70**	**652**	**924**	**1,045**	**2,583**	**5,274**	100%
%	1%	12%	18%	20%	49%		

Table 8 provides the distribution of **renter households** by income group and household size (2021 Census distribution) applied to Components D and F.

Table 8: Estimated 10-Year Future Demand by Income Group and Household Size, Renter Households, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average		
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	186	1,028	598	277	101	**2,190**	42%
2-person	33	277	490	512	448	**1,760**	33%
3-person	0	50	179	214	229	**672**	13%
4+person	0	6	101	203	342	**652**	12%
TOTAL	**219**	**1,361**	**1,368**	**1,206**	**1,120**	**5,274**	100%
%	4%	26%	26%	23%	21%		

This approach results in exact unit estimates; however, the ultimate focus should be on the general distribution of units across the income groups rather than the precise number of units.

For renters, there is a clear and direct relationship between household income and the housing cost they can afford. However, many owners can purchase despite incomes being too low to qualify at first glance. Many owners have existing equity in their homes to leverage, assistance from family, or inheritances, to support accessing ownership housing. As a result, there may be new owner households in the bottom four income groups who are able to purchase despite their incomes.

Bedroom Allocation

There is not a completely direct and consistent relationship between the number of people in a household and number of bedrooms required to meet their housing need due to variations in household composition and the resulting difference in bedroom needs. For example, a three-person household comprising one couple with one child requires two bedrooms to meet the National Occupancy Standards; however, a three-person household with three unrelated roommates would require three bedrooms. Alternatively, a four-person household comprising two couples would only require two bedrooms. While larger households typically need more bedrooms, it is not always the case.

This analysis is based on meeting the minimum basic needs of households, however, many households prefer having an extra bedroom for visitors, storage, office space or other uses. When financially able, many households will seek out larger dwellings than required to meet their needs, but this analysis does not contemplate this factor (which largely comes down to personal choice and financial capacity rather than housing need).

The backend analysis for the bedroom and income group distributions in Table 9 (unit count by bedrooms) and Table 10 (percent distribution by bedrooms) are per income group. For example, based on the analysis of the distribution of household composition of low-income households, 92% would require one-bedroom units; studios are functionally equivalent to 1-bedrooms, but may have a lower rent. This approach has been chosen as there is a relationship between incomes, household size, and composition.[14]

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14. Undertaking this analysis based on each individual income group results in a higher estimated need for smaller units than an aggregated analysis would provide. Changing demographic trends and an aging population are resulting in an increasing need for smaller housing units than in the past. Many communities also have a higher concentration of larger units (typically detached houses), while there is a direct relationship between housing affordability and unit size. Addressing affordability for many household may involve developing smaller units than the historical trend.

Table 9: Estimated 10-Year Future Demand by Minimum Bedrooms Required, Components D and F, City of Nanaimo

UNIT SIZE	INCOME GROUP					TOTAL	%
	Very Low	Low	Moderate	Average	Above Average		
1-bedroom	226	1,547	1,515	1,308	1,600	**6,196**	59%
2-bedroom	19	171	398	500	1,284	**2,372**	22%
3-bedroom	0	51	179	267	736	**1,233**	12%
4+bedroom	0	9	54	120	564	**747**	7%
TOTAL	**245**	**1,778**	**2,146**	**2,195**	**4,184**	**10,548**	

Table 10: Estimated 10-Year Future Demand Minimum Bedrooms Required Income Group Distribution, City of Nanaimo [15]

UNIT SIZE	INCOME GROUP				
	Very Low	Low	Moderate	Average	Above Average
1-bedroom	92%	87%	71%	60%	38%
2-bedroom	8%	10%	19%	23%	31%
3-bedroom	0%	3%	8%	12%	18%
4+bedroom	0%	0.5%	2%	5%	13%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**

Data limitations mean the income-based model can only be applied to Components D and F of the HNRM. However, manual examination of the other components and reference data from the 2021 census has been undertaken to estimate bedroom needs for the entire HNRM estimate at a higher level. See **Appendix B** (Table 31) for a summary table with the proportional allocation of each component by bedroom count.

Table 11: Estimated Bedroom Needs, All HNR Method Components

UNIT SIZE	Units	Share
1-bedroom	7,935	61%
2-bedroom	2,787	22%
3-bedroom	1,414	11%
4+bedroom	826	6%
TOTAL	**12,962**	100%

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15. Describes the share of future demand by bedroom count and income group. For example, 92% Very Low income households are estimated to require at least a 1-bedroom unit, while 71% of Moderate income households are estimated to require a 1-bedroom unit and 19% require a 2-bedroom unit.

Interpreting the Results + Housing System Affordability

> **The housing need estimates describe the potential demand
> for new housing units of various types, tenures, and price ranges
> to affordably address estimated current and future housing needs.**

Accurately estimating current and future housing need is complex, and addressing any estimated need can be even more challenging for local governments, which do not typically construct housing. Addressing the housing needs of the community relies on the construction of new housing by individual private and non-profit actors. Local governments can use regulations and incentives to encourage outcomes, but do not directly control what is developed. Meeting need also comes down to the choices households make about where to live, whether to move, how much space they want or can afford, and other factors.

All new households will not necessarily require a new dwelling to meet their needs because existing homes may become available when a current household moves into a new unit. This means the actual number of new units needed may vary from the assessed demand. An important consideration for addressing housing need is the impact of these moves, the resulting vacancies, and how it drives filtering of prices in the housing system. **Filtering describes the way units become available to lower income households as they age, allowing households to meet their needs by sorting themselves into housing they can afford.**

As a household's need or income changes, they may decide to move into a larger or more expensive dwelling, thereby freeing up their existing (and potentially more affordable) home for another household. These moves can trigger a chain of moves and available units, where each vacated unit allows another household to move into it. As households access bigger, newer, or otherwise more desirable dwellings over time, and as incomes increase, priorities change and/or families grow, these chains of moves can create room for lower income households in existing and relatively more affordable housing.

Where there is a sufficient supply of new housing to meet demand, older units should filter down in price. In contrast, if supply is insufficient, older units may filter up in price. **A key aspect of the current housing challenge is most dwellings have been filtering up in price, regardless of age or physical depreciation.** In some high-demand areas, the rent for older dwellings is similar to new dwellings, despite clear differences in quality, due to insufficient supply driving up prices of the entire housing system over time.

In a balanced market, older homes should become relatively more affordable. This means the needs of a low- or moderate-income household could be met by a new market-priced unit being created, not because they move into it, but due to an opening created within the existing housing stock. In this way, addressing all housing need or demand will not necessarily rely on the construction of new units for all households. **Protecting the existing stock of older, relatively more affordable housing is important as it allows for downward price filtering as new dwellings are added.**

All else being equal, adding a significant number of market-rate units can therefore have a positive impact for lower income households, as long as it is not replacing dwellings that could otherwise be affordable to those households. Although it may seem counterintuitive, **new market-rate homes can enhance overall affordability by absorbing the higher-income households who can afford them.** Without other options, these households would bid up the price of existing lower cost housing. **Nonetheless, it is unlikely the needs of very low- and low-income households can be effectively met by the market.** Non-market housing options will also be needed, especially for the foreseeable future while existing supply imbalances are being addressed; any efforts to support lower prices in new housing construction will be vital to meeting the needs of these households.

These dynamics are more complicated when considering ownership housing. While the same patterns generally apply, where households will sort themselves into housing based on their needs and means, there can be extra costs and effort involved in changing dwellings for owners. Additionally, while owner households can be distributed into the five income groups, as seen in Table 7, **more than 50% of new owner households projected over the next 10-years likely could not purchase a dwelling today based on incomes alone.** Many owners have existing equity they can use when purchasing a new home or, in the case of first-time buyers, they often receive support from parents or use an inheritance. Senior owners may have a significantly reduced income from when they first purchased.

Most newly built ownership housing will be at the upper end of the price spectrum, but when an existing owner moves into a new dwelling, the previous unit becomes available, likely at a lower price-point than a new dwelling. Ownership housing will still filter down in price as supply increases relative to demand, but it is difficult to understand or predict exactly how households are purchasing, or what they will be able to purchase, compared to renter households where the relationship between incomes and the cost of affordable housing is clearer.

Key Takeaways for Interpreting the Results

- The housing type demand estimates are based on a set of current assumptions, which may vary over time or by data source.

- The housing demand estimates represent how current unmet and projected future need could be accommodated through **new dwellings**. However, not all households will need new dwellings to meet their needs because vacancy may be created when an existing household moves into a new dwelling.

- In general, all net additional housing improves the affordability of the housing system at a high level. In existing urban areas, the greatest impact will be when low-density, relatively expensive housing is replaced by higher density, relatively more affordable housing. Some households will need non-market options to afford their housing, and supporting its development will have the highest impact on affordability.

- If the estimated demand for market rental or ownership housing has been met, it does not mean the local government should stop allowing more to be built. If higher cost housing is not added, higher income households will simply pay more for existing lower cost homes, thereby bidding-up the price until lower income households have been priced-out. Historical lack of market supply to absorb high-income households is a key driver of current housing prices.

- Policies or incentives to shift development to non-market options would be positive and necessary to meet the needs of some households. Protecting the existing, relatively more affordable housing is also key, this may often be older market rental and other multi-unit housing forms.

- **Regular five-year updates to the estimates will help determine how effectively recent development has addressed the identified needs within the complexity of household choice, the diversity of ways first time buyers purchase, and how filtering can address the needs of some lower income households without building a new dwelling for them.**

Conclusion

This Interim Housing Needs Report and technical memo provides the legislatively required content for an Interim Housing Needs Report with additional supplemental analysis. **Appendix A** includes all Interim Report requirements as per Part 14 of the *Local Government Act*:

1. The number of housing units needed currently and over the next 5- and 20-years, calculated using the HNR Method provided in the Regulation;

2. 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

3. A description of the actions taken by the local government, since receiving the most recent housing needs report, to reduce housing needs."[16]

The supplemental analysis in this memo provides a finer grain understanding of the total number of estimated units required to meet local need as per the HNR Method and will support crafting effective housing policies and land use regulations in City of Nanaimo, particularly for required updates to the Official Community Plan by the end of 2025.

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16. Requirements as described in the Ministry of Housing's Guide to Requirements for Housing Needs Reports (June 2024).

APPENDIX A

Interim Housing Needs Report Legislative Requirements

Interim Housing Needs Report Legislative Requirements

Table 1 provides the required results of the HNR Method calculation as per the Ministry of Housing's **Guidelines for Housing Needs Reports – HNR Method Technical Guidance** to estimate housing need for 5- and 20-years.

Table 1: 5- and 20-Year HNR Method Housing Need Estimates, City of Nanaimo

Component	Detail	5-year	20-year
A	Extreme Core Housing Need	623.5	2,494.1
B	Persons Experiencing Homelessness	299.3	598.6
C	Suppressed Household Formation	313.9	1,255.6
D	Anticipated Household Growth	5,370.4	16,948.4
E	Rental Vacancy Rate Adjustment	45.3	181.2
F	Demand Buffer	574.4	2,297.7
	Total	**7,227**	**23,776**

STATEMENT ON HOUSING NEED IN PROXIMITY TO ALTERNATIVE TRANSPORTATION INFRASTRUCTURE

The City of Nanaimo Official Community Plan (City Plan) was adopted in July 2022, and is based on the principles of an integrated city that focuses residential development and employment near transit in seven Urban Centres. The Urban Centres are to be complete communities with the City's highest residential densities and mix of land uses. A density of more than 250 housing units per hectare is intended for downtown, and an average density of 200 housing units per hectare is intended for the other six Urban Centres.

The Urban Centres will accommodate the majority of the City's housing need, and will serve as mobility hubs that are integral to the City's transit and transportation network. Each Urban Centre will have a transit exchange that is highly accessible. The Corridor land use designation will tie together the Urban Centres, with rapid and frequent transit networks, and will contain higher intensity residential and mixed-uses (with an average residential density of 100 units per hectare). The City's others land use designations such as Neighbourhood, Suburban Neighbourhood, and Old City will also accommodate residential density in the form of small-scale multi-unit housing.

DESCRIPTION OF ACTIONS TAKEN BY LOCAL GOVERNMENT TO REDUCE HOUSING NEED

The City of Nanaimo has implemented a broad range of changes to address housing needs:

Permissive Tax Exemptions: A new 'Permissive Tax Exemption Policy' was adopted by Council in July 2024 that includes criteria for non-market housing. The policy outlines permissive tax exemption eligibility criteria for non-for-profit organizations that provide non-market housing for Temporary and Supportive Housing.

Small Scale Multi-Unit Housing and Transit Oriented Areas: The City's current Zoning Bylaw was amended in June 2024 to allow four units per lot on most residential lots in the City, as required by the provincial Bill 44, related to Small Scale Multi-Unit Housing. In addition, the City passed a Transit Oriented Area Bylaw that identifies three bus exchanges in Nanaimo that are designated as Transit-Oriented Areas: Woodgrove, Country Club, and Vancouver Island University (VIU). Lands within a 400-meter radius of these bus exchanges are permitted to have higher density and greater building heights.

Digital Building Permit System: The City of Nanaimo is working towards increasing annual building permits issued for housing units by improving the customer and staff user experience with the City's digital building permit system. The City is replacing its existing digital building software system to a web-based solution that allows developers and homeowners to submit and manage their development related applications without the need to visit City Hall or contact City staff. The objective is to improve transparency, clarity, coordination and accountability in the application, review and approval of development applications; and to reduce approval timelines to support accelerated development of housing. For staff, the online tools include automation such as notifications on actions to complete, thus minimizing the need for manual processes that can delay a permit's issuance. The City's new web-based digital permitting solution will be accessible 24 hours per day, 7 days per week, and 365 days per year, offering an intuitive user experience that will result in increases to the number of annual building permits issued.

Short Term Rental Review: A review of the City's Short-Term Rental Program was completed in 2024, and the City will be utilizing the tools in the Provincial Bill 35 - Short-Term Rental Accommodation Act to help increase compliance such that the supply of residential units continues to be available for long-term rental.

Reducing Permit Requirements: As part of implementing City Plan, the City also removed form and character development permit requirements (outside of the Old City) for housing projects of four housing units and less.

Certified Professional Program: The City has also adopted the Certified Professional program in 2023, to assist with the efficient processing of building permit applications. The first building permit to be received through this program is the mass-timber student housing tower at Vancouver Island University.

City Wide Parking Review: The City has started a city wide parking review project to remove barriers for housing, and ensure that the City's mobility system achieves its full potential. The goal is to modernize off-street and on-street parking management in Nanaimo, including optimizing parking regulations in the Traffic and Highway Regulation Bylaw, Crossing Control Bylaw, and Off-Street Parking Bylaw. The project will consider eliminating and reducing parking requirements in the City's Downtown Urban Centre and other high density areas, near transit, and for missing middle and affordable housing.

Woodgrove Urban Centre Area Plan: The City has commenced a project to complete an Area Plan for the Woodgrove Urban Centre to eliminate barriers for mixed use and high density residential development. This project includes reviewing infrastructure investment plans to support an accelerated pace of housing development in the Woodgrove Urban Centre. The project objectives are to: a) provide clear direction for construction of mixed-use and high density residential development in the Woodgrove Urban Centre; and b) to eliminate barriers and create an implementation plan for the construction of the mobility, water and sewer infrastructure necessary to accommodate growth, and to ensure this Urban Centre becomes a well designed complete community hub.

Rent Bank and Rent Supplement Programs: Since 2016, the City has provided funding and partnered with local non-profit agencies to deliver these two programs. A rent bank is a short term or temporary homelessness prevention tool that helps to provide housing stability for low to moderate income renters who are unable to pay their rent or utilities due to life circumstances. Rent supplements are government-funded payments that bridge the gap between what an individual or family can afford to pay and what the actual cost of housing is.

DCC Reductions for Non-Market Housing: Since 2019, the City has offered development cost charge (DCC) reductions for non-market housing. "Development Cost Charge Bylaw 2017 No. 7252" contains a provision allowing for a 50% reduction of development cost charge (DCC) fees for not-for-profit rental housing when at least 30% of the units are secured with a housing agreement such that rent does not exceed 30% of before tax income.

Downtown Tax Exemption for Housing: The City's "Revitalization Tax Exemption Bylaw 2018 No. 7261" encourages multi-family units in the downtown area by offering a tax exemption, on the municipal portion for a 10-year term, for new multi-family units.

2019 MOU between the City and BC Housing: This Memorandum of Understanding (MOU) will provide approximately 610 housing units (50% non-market units), including supportive housing at 702 Nicol Street, 285 Prideaux Street, 355 Nicol Street, 250 Terminal Avenue, 1435 Cranberry Avenue and a range of affordable housing units at the Te'tuxwtun development. The City continues to work cooperatively with BC Housing to find new sites for supportive and affordable housing.

HEART and HEART: The Ministry of Housing has identified the City of Nanaimo as a priority community to participate in the Provincial programs Homeless Encampment Action Response Team (HEART) and Homeless Encampment Action Response Temporary Housing (HEARTH). The City has been working cooperatively with the Ministry to deliver more than 200 temporary housing units on four sites in Nanaimo at 250 Terminal Avenue, 1300 Island Highway South, 1030 Old Victoria Road, and 1298 Nelson Street.

Housing Legacy Reserve Fund: The City has had a Housing Legacy Reserve Fund since 2005. The accumulated funds in the Housing Legacy Reserve Fund have been used for: a) The purchase, and acquisition, of land and buildings, as well as land and building improvement costs, related to supportive housing, emergency shelters, and below market housing; b) Offering development cost charge reductions, as well as works and servicing reductions (i.e. for roads, drainage, sanitary sewer, water, and parkland improvements) directly related to supportive housing, emergency shelters, and below market housing developments; c) Rent Bank programs; d) Rent supplement programs; e) The provision of humanitarian basic needs services to the City's unsheltered population; and f) The development of strategies, plans, and solutions to address and create more affordable housing in the City of Nanaimo.

APPENDIX B
HNR Method Results + Supplemental Tables

5-YEAR ALLOCATION OF PROJECTED GROWTH + DEMAND BUFFER

All Households

Table 12: Estimated 5-Year Future Demand by Income Group and Household Size, All Households, Components D + F, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	>$2,250	TOTAL	%
1-person	140	859	574	287	150	**2,010**	34%
2-person	24	226	511	616	830	**2,207**	37%
3-person	0	40	134	198	430	**802**	13%
4+person	0	8	73	168	677	**926**	16%
TOTAL	**164**	**1,133**	**1,292**	**1,269**	**2,087**	**5,945**	
%	3%	19%	22%	21%	35%		

Table 13: Estimated 5-Year Future Demand Share by Income Group and Household Size, All Households, Components D + F, City of Nanaimo

HOUSEHOLD SIZE	INCOME GROUP					%
	Very Low	Low	Moderate	Average	Above Average	
1-person	2.4%	14.4%	9.7%	4.8%	2.5%	**34%**
2-person	0.4%	3.8%	8.6%	10.4%	14.0%	**37%**
3-person	0%	0.7%	2.3%	3.3%	7.2%	**13%**
4+person	0%	0.1%	1.2%	2.8%	11.4%	**16%**
Total	**3%**	**19%**	**22%**	**21%**	**35%**	**100%**

Owner Households

Table 14: Estimated 5-Year Future Demand by Income Group and Household Size, Owner Households, Components D + F, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	>$2,250	TOTAL	%
1-person	35	280	237	131	93	**776**	26%
2-person	5	70	235	327	578	**1,215**	41%
3-person	0	12	33	78	301	**424**	14%
4+person	0	5	16	54	483	**558**	19%
TOTAL	**40**	**367**	**521**	**590**	**1,455**	**2,973**	100%
%	1%	12%	18%	20%	49%		

Table 15: Estimated 5-Year Future Demand Share by Income Group and Household Size, Owner Households, Components D + F, City of Nanaimo

HOUSEHOLD SIZE	INCOME GROUP					%
	Very Low	Low	Moderate	Average	Above Average	
1-person	1.2%	9.4%	8.0%	4.4%	3.1%	26.1%
2-person	0.1%	2.4%	7.9%	11.0%	19.4%	40.9%
3-person	0%	0.4%	1.1%	2.6%	10.1%	14.3%
4+person	0%	0.2%	0.5%	1.8%	16.2%	18.8%
Total	**1.3%**	**12.3%**	**17.5%**	**19.8%**	**48.9%**	100%

Renter Households

Table 16: Estimated 5-Year Future Demand by Income Group and Household Size, Renter Households, Components D + F, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	>$2,250	TOTAL	%
1-person	105	579	337	156	57	1,234	42%
2-person	19	156	276	289	252	992	33%
3-person	0	28	101	120	129	378	13%
4+person	0	3	57	114	194	368	12%
TOTAL	124	766	771	679	632	2,972	100%
%	4%	26%	26%	23%	21%		

Estimated 5-Year Future Demand Share by Income Group and Household Size, Renter Households, Components D + F, City of Nanaimo

HOUSEHOLD SIZE	INCOME GROUP					%
	Very Low	Low	Moderate	Average	Above Average	
1-person	3.5%	19.5%	11.3%	5.2%	1.9%	41.5%
2-person	0.6%	5.2%	9.3%	9.7%	8.5%	33.3%
3-person	0%	0.9%	3.4%	4.0%	4.3%	12.7%
4+person	0%	0.1%	1.9%	3.8%	6.5%	12.4%
Total	4.2%	25.8%	25.9%	22.8%	21.3%	100%

Bedroom Allocation

Table 17: Estimated 5-Year Future Demand by Minimum Bedrooms Required, Components D + F, City of Nanaimo

UNIT SIZE	INCOME GROUP					TOTAL
	Very Low	Low	Moderate	Average	Above Average	
1-bedroom	128	872	855	737	902	3,494
2-bedroom	10	96	225	282	724	1,337
3-bedroom	0	28	101	150	415	694
4+bedroom	0	5	30	67	318	420
Total	138	1,001	1,211	1,236	2,359	5,945

Table 18: Estimated 5-Year Future Demand Minimum Bedrooms Required Income Group Distribution Share by Income Group, Components D + F, City of Nanaimo

UNIT SIZE	INCOME GROUP				
	Very Low	Low	Moderate	Average	Above Average
1-bedroom	92%	87.1%	71%	60%	38%
2-bedroom	8%	9.6%	19%	23%	31%
3-bedroom	0%	2.8%	8%	12%	18%
4+bedroom	0%	0.5%	2%	5%	13%
Total	100%	100%	100%	100%	100%

Table 19: Estimated 5-Year Future Demand Minimum Bedrooms Required Income Group Distribution, Share of Total by Income Group, Components D + F, City of Nanaimo

UNIT SIZE	INCOME GROUP					%
	Very Low	Low	Moderate	Average	Above Average	
1-bedroom	2.15%	14.7%	14.4%	12.4%	15.2%	59%
2-bedroom	0.17%	1.6%	3.8%	4.7%	12.2%	22%
3-bedroom	0%	0.5%	1.7%	2.5%	7.0%	12%
4+bedroom	0%	0.1%	0.5%	1.1%	5.3%	7%
Total	2.3%	16.8%	20.4%	20.8%	39.7%	100%

Table 20: Estimated 5-year Bedroom Needs, All HNR Method Components

UNIT SIZE	Units	Share
1-bedroom	4,431	61%
2-bedroom	1,551	22%
3-bedroom	785	11%
4+bedroom	460	6%
TOTAL	**7,227**	100%

Table 21: Estimated Bedroom Needs, Proportional Allocation to Bedroom Count by HNR Method Component

	1-bedroom	2-bedroom	3-bedroom	4+bedroom
Component A Extreme Core Housing Need	70%	17%	9%	4%
Component B Persons Experiencing Homelessness	90%	10%	0%	0%
Component C Suppressed Household Formation	65%	19%	11%	5%
Component D Anticipated Household Growth	59%	22%	12%	7%
Component E Rental Vacancy Adjustment	55%	41%	4%	0%
Component D Demand Buffer	59%	22%	12%	7%

10-YEAR ALLOCATION OF PROJECTED GROWTH + DEMAND BUFFER

All Households

Table 22: Estimated 10-Year Future Demand by Income Group and Household Size, All Households, Components D + F, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average		
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	> $2,250	TOTAL	%
1-person	248	1,526	1,018	509	266	**3,567**	34%
2-person	41	401	908	1,092	1,474	**3,916**	37%
3-person	0	72	237	353	763	**1,425**	14%
4+person	0	14	129	297	1,200	**1,640**	16%
TOTAL	**289**	**2,013**	**2,292**	**2,251**	**3,703**	**10,548**	
%	3%	19%	22%	21%	35%		

Table 23: Estimated 10-Year Future Demand Share by Income Group and Household Size, All Households, Components D + F, City of Nanaimo

HOUSEHOLD SIZE	INCOME GROUP					%
	Very Low	Low	Moderate	Average	Above Average	
1-person	2.4%	14.5%	9.7%	4.8%	2.5%	**34%**
2-person	0.4%	3.8%	8.6%	10.4%	14.0%	**37%**
3-person	0%	0.7%	2.2%	3.3%	7.2%	**14%**
4+person	0%	0.1%	1.2%	2.8%	11.4%	**16%**
Total	**3%**	**19%**	**22%**	**21%**	**35%**	**100%**

Owner Households

Table 24: Estimated 10-Year Future Demand by Income Group and Household Size, Owner Households, Components D + F, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	>$2,250	TOTAL	%
1-person	62	498	420	232	165	1,377	26%
2-person	8	124	418	580	1,026	2,156	41%
3-person	0	22	58	139	534	753	14%
4+person	0	8	28	94	858	988	19%
TOTAL	70	652	924	1,045	2,583	5,274	100%
%	1%	12%	18%	20%	49%		

Table 25: Estimated 10-Year Future Demand Share by Income Group and Household Size, Owner Households, Components D + F, City of Nanaimo

HOUSEHOLD SIZE	INCOME GROUP					%
	Very Low	Low	Moderate	Average	Above Average	
1-person	1.2%	9.4%	8.0%	4.4%	3.1%	**26.1%**
2-person	0.2%	2.4%	7.9%	11.0%	19.5%	**40.9%**
3-person	0%	0.4%	1.1%	2.6%	10.1%	**14.3%**
4+person	0%	0.2%	0.5%	1.8%	16.3%	**18.7%**
Total	**1.3%**	**12.4%**	**17.5%**	**19.8%**	**49.0%**	100%

Renter Households

Table 26: Estimated 10-Year Future Demand by Income Group and Household Size, Renter Households, Components D + F, City of Nanaimo

INCOME GROUP	Very Low	Low	Moderate	Average	Above Average	TOTAL	%
HOUSEHOLD INCOME	< $15,000	$15,000 – $39,999	$40,000 – $59,999	$60,000 – $89,999	$90,000+		
MONTHLY AFFORDABLE HOUSING COST	< $375	$376 – $1,000	$1,001 – $1,500	$1,501 – $2,250	>$2,250	TOTAL	%
1-person	186	1,028	598	277	101	**2,190**	42%
2-person	33	277	490	512	448	**1,760**	33%
3-person	0	50	179	214	229	**672**	13%
4+person	0	6	101	203	342	**652**	12%
TOTAL	**219**	**1,361**	**1,368**	**1,206**	**1,120**	**5,274**	100%
%	4%	26%	26%	23%	21%		

Estimated 10-Year Future Demand Share by Income Group and Household Size, Renter Households, Components D + F, City of Nanaimo

HOUSEHOLD SIZE	INCOME GROUP					%
	Very Low	Low	Moderate	Average	Above Average	
1-person	3.5%	19.5%	11.3%	5.3%	1.9%	**41.5%**
2-person	0.6%	5.3%	9.3%	9.7%	8.5%	**33.4%**
3-person	0%	0.9%	3.4%	4.1%	4.3%	**12.7%**
4+person	0%	0.1%	1.9%	3.8%	6.5%	**12.4%**
Total	**4.2%**	**25.8%**	**25.9%**	**22.9%**	**21.2%**	100%

Bedroom Allocation

Table 27: Estimated 10-Year Future Demand by Minimum Bedrooms Required, Components D + F, Components D + F, City of Nanaimo

UNIT SIZE	INCOME GROUP					#
	Very Low	Low	Moderate	Average	Above Average	
1-bedroom	226	1,547	1,515	1,308	1,600	6,196
2-bedroom	19	171	398	500	1,284	2,372
3-bedroom	0	51	179	267	736	1,233
4+bedroom	0	9	54	120	564	747
Total	245	1,778	2,146	2,195	4,184	10,548

Table 28: Estimated 10-Year Future Demand Minimum Bedrooms Required Income Group Distribution, Share by Income Group, Components D + F, City of Nanaimo

UNIT SIZE	INCOME GROUP				
	Very Low	Low	Moderate	Average	Above Average
1-bedroom	92%	87.0%	71%	60%	38%
2-bedroom	8%	9.6%	19%	23%	31%
3-bedroom	0%	2.9%	8%	12%	18%
4+bedroom	0%	0.5%	2%	5%	13%
Total	100%	100%	100%	100%	100%

Table 29: Estimated 10-Year Future Demand Minimum Bedrooms Required Income Group Distribution, Share of Total by Income Group, Components D + F, City of Nanaimo

UNIT SIZE	INCOME GROUP					%
	Very Low	Low	Moderate	Average	Above Average	
1-bedroom	2.15%	14.7%	14.4%	12.4%	15.2%	59%
2-bedroom	0.17%	1.6%	3.8%	4.7%	12.2%	22%
3-bedroom	0%	0.5%	1.7%	2.5%	7.0%	12%
4+bedroom	0%	0.1%	0.5%	1.1%	5.3%	7%
Total	2.3%	16.8%	20.4%	20.8%	39.7%	100%

Table 30: Estimated 10-year Bedroom Needs, All HNR Method Components

UNIT SIZE	Units	Share
1-bedroom	7,935	61%
2-bedroom	2,787	22%
3-bedroom	1,414	11%
4+bedroom	826	6%
TOTAL	**12,962**	100%

Table 31: Estimated Bedroom Needs, Proportional Allocation to Bedroom Count by HNR Method Component

	1-bedroom	2-bedroom	3-bedroom	4+bedroom
Component A Extreme Core Housing Need	70%	17%	9%	4%
Component B Persons Experiencing Homelessness	90%	10%	0%	0%
Component C Suppressed Household Formation	65%	19%	11%	5%
Component D Anticipated Household Growth	59%	22%	12%	7%
Component E Rental Vacancy Adjustment	55%	41%	4%	0%
Component D Demand Buffer	59%	22%	12%	7%