

DATE OF MEETING June 12, 2023

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**SUBJECT HOUSING NEEDS REPORT**

## **OVERVIEW**

### **Purpose of Report**

To provide the Governance and Priorities Committee with Nanaimo’s 2023 Housing Needs Report.

### **Recommendation**

That the Governance and Priorities Committee recommend that Council receive the City of Nanaimo’s 2023 Housing Needs Report in accordance with Part 14 Division 22 of the *Local Government Act*.

## **BACKGROUND**

In April 2019, the Province of British Columbia’s Ministry of Municipal Affairs introduced a requirement that local governments complete a Housing Needs Report at least once every five years. A Housing Needs Report identifies the current and future gaps in housing supply, type, and affordability, including analyzing quantitative and qualitative data about local demographics and incomes.

In 2020, the Regional District of Nanaimo (RDN) completed a “Regional Housing Needs Report”, which fulfilled the City of Nanaimo’s requirement to submit a housing needs report until 2025. In 2021, the City received a grant of \$50,000 from the Union of British Columbia Municipalities (UBCM) Housing Needs Report program to update the City’s report with 2021 Census information.

## **DISCUSSION**

In March 2022, the City retained consultants to prepare a Housing Needs Report for Nanaimo. The Housing Needs Report will be used to inform affordable housing initiatives, policies, and development decisions. The scope of work for the project included a background review, research, data collection, consultations, and analysis. The 2023 Housing Needs Report (Attachment B) is complete and is being presented to Council, and will be submitted to the Province of British Columbia and the UBCM in accordance with the *Local Government Act* requirement and the funding agreement. The Engagement Summary Report (Attachment C) provides an overview of the engagement approaches and activities that took place throughout the fall of 2022 to inform the Housing Needs Report.

City Plan anticipates that Nanaimo will reach a population of 140,000 by 2046, and the Housing Needs Report estimates that 1,155 new housing units are needed each year (for the next 10

years) to accommodate this growth. At the 2023-MAR-06 Council meeting, it was reported that 1,370 residential units were constructed in the City in 2022 (Attachment A), with the following unit mix: 1,065 multi-family units, 144 single-family dwellings, and 152 secondary suites. Thus, Nanaimo is on track to construct the required number of units each year.

The Housing Needs Report also identifies that a range of unit types and affordability are needed, particularly rental units. The report estimates an annual need for 185 of the new homes to be 3+ bedrooms to accommodate families, and 525 non-market units for households earning less than \$40,000 per year. Other housing needs identified are for seniors, families, persons with disabilities and special needs, housing for indigenous people, and housing for youth.

The affordable housing initiatives that Staff are working on in 2023 will help to address some of the housing gaps including:

- Expanding secondary suite and coach house regulations to allow for more these units;
- Finding ways to encourage infill and intensification in existing neighbourhoods;
- Developing a family friendly housing policy and adaptable housing policy;
- Expanding the City's rent bank and rent supplement programs;
- Completing an analysis of Urban Centre and Corridor land use designations with the objective of pre-zoning appropriate parcels for affordable housing;
- Working towards a Memorandum of Understanding Addendum with BC Housing.

In addition to the above initiatives, Staff will continue to provide an annual affordable housing update to Council to ensure the City is reaching the targets in the 2023 Housing Needs Report, and that affordable housing policy objectives in *City Plan – Nanaimo ReImagined* and the *Nanaimo Affordable Housing Strategy* are being implemented successfully. |

## **OPTIONS**

1. That the Governance and Priorities Committee recommend that Council receive the City of Nanaimo's 2023 Housing Needs Report in accordance with Part 14 Division 22 of the *Local Government Act*.
  - The advantages of this option: Receiving the report will ensure that the City is meeting its legislative and funding obligations to the Province of British Columbia and UBCM.
  - The disadvantages of this option: None identified.
  - Financial Implications: Receiving the report would ensure the City is meeting all its funding commitments to UBCM.
2. That Council provide alternative direction.  
|

### **SUMMARY POINTS**

- A City of Nanaimo Housing Needs Report has been completed utilizing grant funds from the Union of British Columbia Municipalities Housing Needs Report program.
- The 2023 Housing Needs Report is being presented to Council, and will be submitted to the Province in accordance with the Local Government Act, and to the Union of British Columbia Municipalities in accordance with the grant requirements.
- The Housing Needs Report estimates that 1,155 new housing units are needed each year to accommodate the City's growth, and the City is on track to meet this need with 1,370 residential units constructed in 2022.
- The affordable housing initiatives underway for 2023 will help fulfill some of the identified housing needs, and an annual affordable housing update will be provided to Council to ensure the City is reaching the targets in the 2023 Housing Needs Report.

### **ATTACHMENTS:**

ATTACHMENT A: Housing Needs Report Infographic

ATTACHMENT B: Link to the City of Nanaimo Housing Needs Report - May 2023

ATTACHMENT C: Link to the City of Nanaimo Engagement Summary Report |

#### **Submitted by:**

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Manager, Community Planning |

#### **Concurrence by:**

Lisa Bhopalsingh  
Director, Community Development

Dale Lindsay  
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Deputy CAO |



# WHAT IS A HOUSING NEEDS REPORT?

Housing Needs Reports use quantitative and qualitative data to provide an understanding of current and anticipated housing needs and gaps. In April 2019, the provincial government passed legislation requiring all local governments to develop a Housing Needs Report and update these reports every five years.

## Housing Needs Report Summary



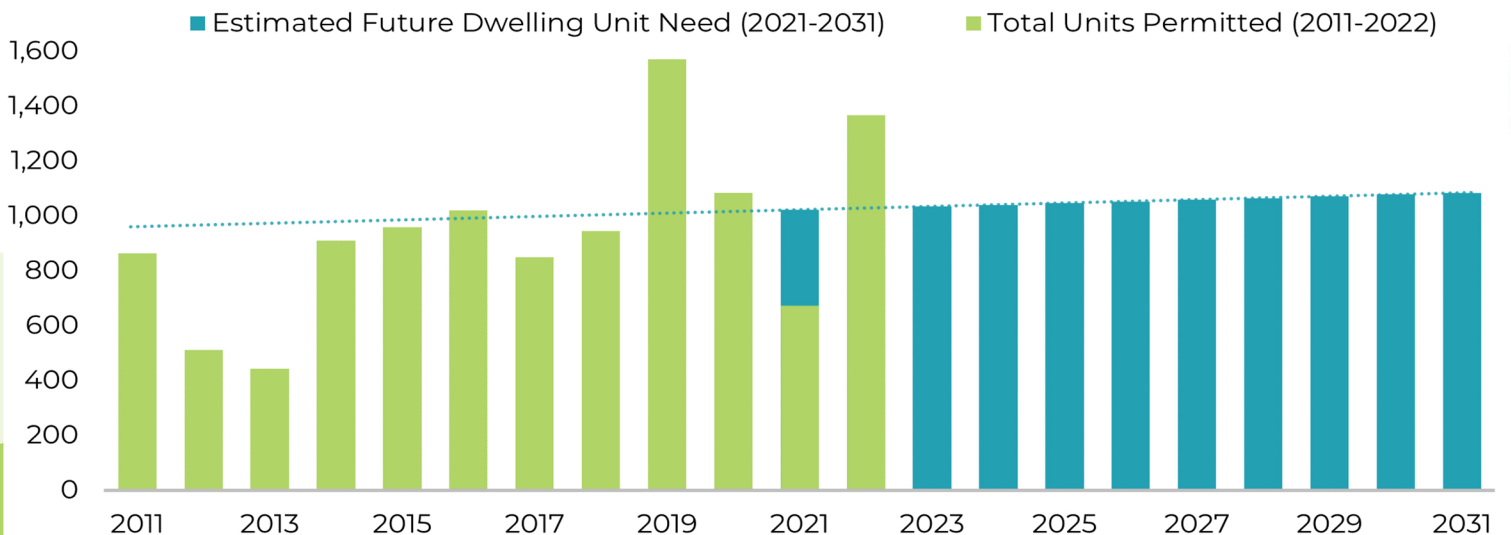
City Plan anticipates Nanaimo will reach a population of **140,000 people** by **2046**.



To accommodate this growth and address existing need, housing targets estimate the number of **new homes needed** between **2021 and 2031**.



Based on a **1.43%** growth rate, it is estimated **11,580 new housing units** will be needed by 2031 or an average of **1,155 units annually**.



## ATTACHMENT B

Link to the "City of Nanaimo Housing Needs Report - May 2023":

<https://www.nanaimo.ca/docs/social-culture-environment/housing-needs-report-may-2023.pdf/>

## ATTACHMENT C

Link to the “City of Nanaimo Engagement Summary Report”:

[https://www.nanaimo.ca/docs/your-government/projects/attb\\_engagementsummaryreport\\_housingneedsreport\\_rpt\\_c23032\\_0.pdf](https://www.nanaimo.ca/docs/your-government/projects/attb_engagementsummaryreport_housingneedsreport_rpt_c23032_0.pdf)

# Housing Needs Report

Governance and Priorities Committee

2023-JUN-12



1

## What is a Housing Needs Report?

A housing needs report **identifies populations challenged to afford** housing in the local market, the **housing supply gaps**, and other housing issues.

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## Purpose

- Fulfills Provincial legislation
- Assesses current and future housing needs
- Informs plans and initiatives
- Guides municipal actions and evaluates impact over time

3

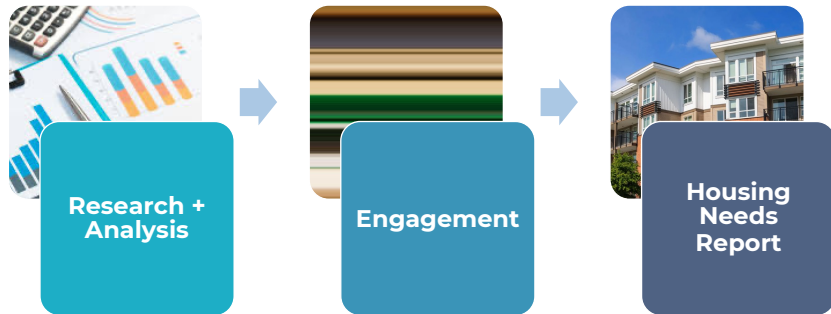
## Housing Network



4



## Timeline



5

## Community Engagement

- **77** individuals and **30** local organizations
- **Groups Engaged:** Non-profit sector, local builders/developers, people with lived experience, local groups + networks, and Snuneymuxw First Nation members
- **Engagement Activities:** Workshop, Questionnaires, Focus Group, Meetings with local groups, Key-informant interviews

6

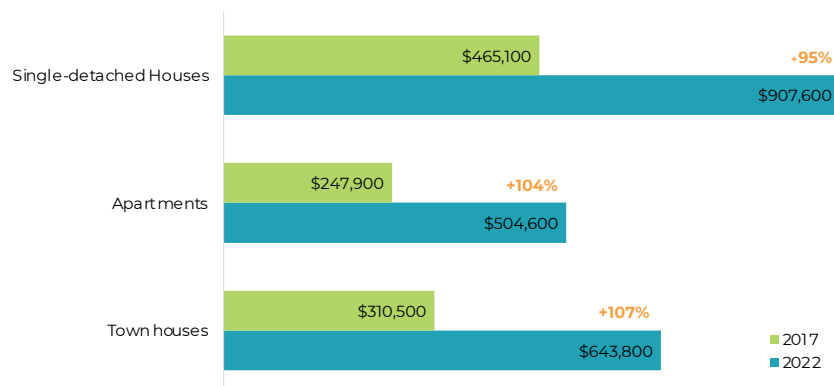
## Nanaimo Housing Context

- Important **economic centre** and growing population
- Rapid housing **price escalation**
- **Historically affordable** relative to other regions
- **Strong policy foundation**
- Significant **progress** to improve housing conditions
- Continued **collaboration** and commitment required

7

## Rising Purchase Prices

**Benchmark Sale Prices By Type, City Of Nanaimo, 2017 to 2022:**

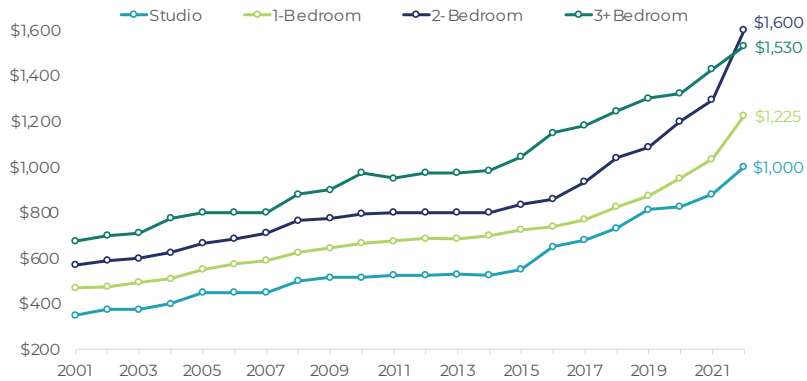


Source: Vancouver Island Real Estate Board, April 2022

8

## Rising Rental Rates

Median Rents, Primary Rental Market, City of Nanaimo, 2012-2022

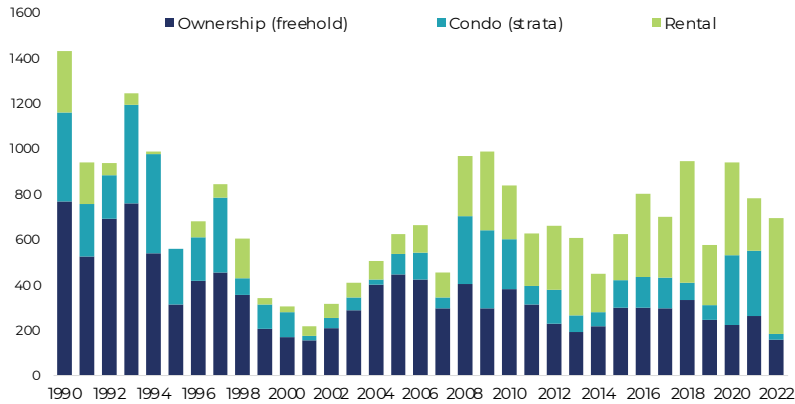


Source: Canada Mortgage and Housing Corporation

9

## Uptick in Rental Development

Rental and Ownership Completions, City Of Nanaimo, 1990-2022

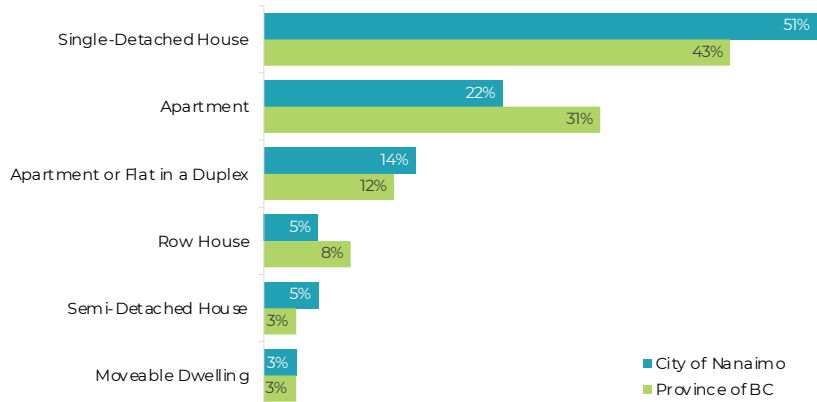


Source: Canada Mortgage and Housing Corporation

10

# Housing Mix

## Housing Inventory by Type, City Of Nanaimo and Province of BC, 2021



Source: 2021 Census

11

# What is Core Housing Need?

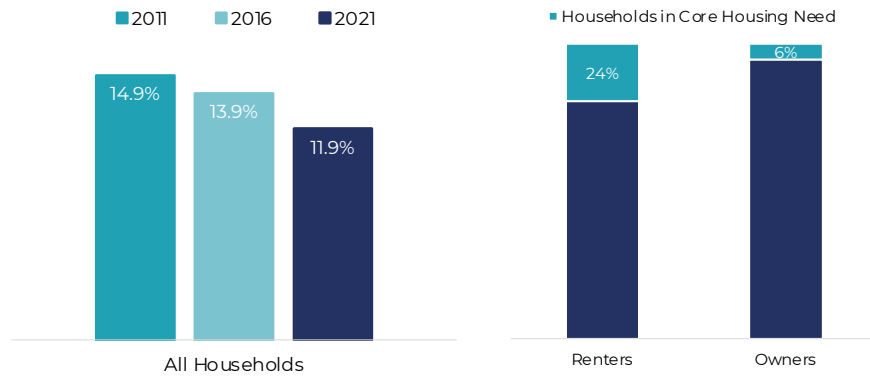
When a household is living in housing that is **unaffordable, unsuitable, and/or inadequate.**

It also means a household cannot afford to find alternative suitable and/or adequate housing in the area.

12

## Core Housing Need

### Households in Core Housing Need, City Of Nanaimo, 2021

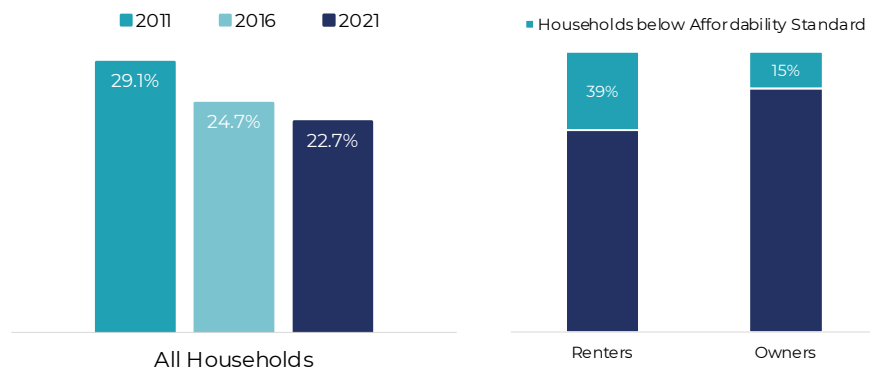


Source: 2021 Census

13

## Core Housing Need - Affordability

### Affordability Indicator, City Of Nanaimo, 2011-2021

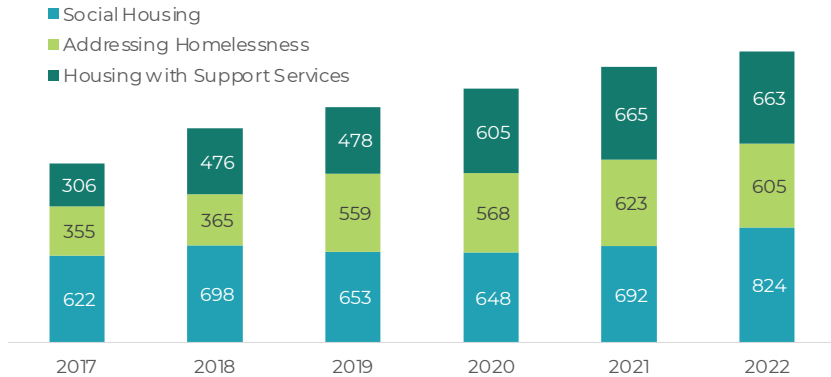


Source: Census, 2021

14

# Non-Market Housing Units

BC Housing Funded Non-Market Housing, City Of Nanaimo, 2017-2022

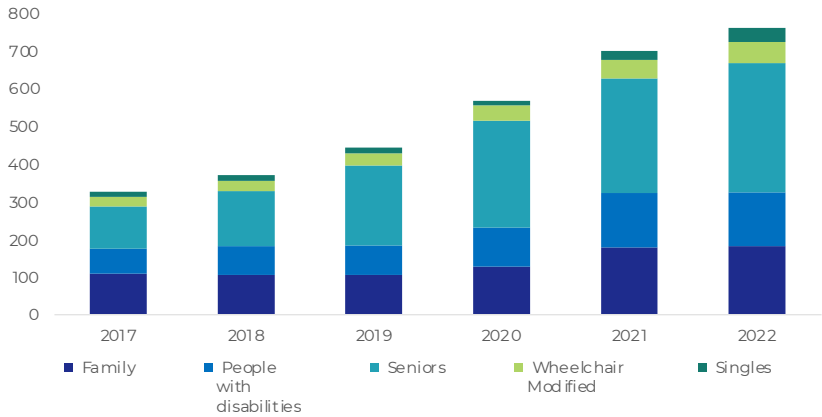


Source: BC Housing

15

# BC Housing Waitlist

BC Housing Housing Registry, City Of Nanaimo, 2017-2022



Source: BC Housing

16

## Housing Needs + Supply Gaps



17

## Projected Housing Need, 2021-2031

- *City Plan* anticipates a population of **140,000** by 2046
- **11,580** new housing units needed by 2031
- Range of **affordability** and **unit sizes**
- Adapted the Housing Assessment Resource Tools (HART) methodology to calculate estimates

18

## Housing Need Estimates, 2021-2031

Household Income	<\$15,000	\$15,000-\$40,000	\$40,000-\$60,000	\$60,000-\$90,000	>\$90,000		
Monthly Affordable Housing Cost	\$375	\$1,000	\$1,500	\$2,250	>\$2,250	TOTAL	%
1-Person	405	3,615	595	305	180	<b>5,100</b>	<b>44%</b>
2-Persons	55	940	880	695	1,035	<b>3,605</b>	<b>31%</b>
3-Persons	5	200	490	205	535	<b>1,435</b>	<b>12%</b>
4+ Persons	0	65	340	180	855	<b>1,440</b>	<b>12%</b>
<b>TOTAL</b>	<b>465</b>	<b>4,820</b>	<b>2,305</b>	<b>1,385</b>	<b>2,605</b>	<b>11,580</b>	<b>100%</b>
% of New Dwellings	4%	42%	20%	12%	22%	100%	
Annual Units Required	45	480	230	140	260	1,155	

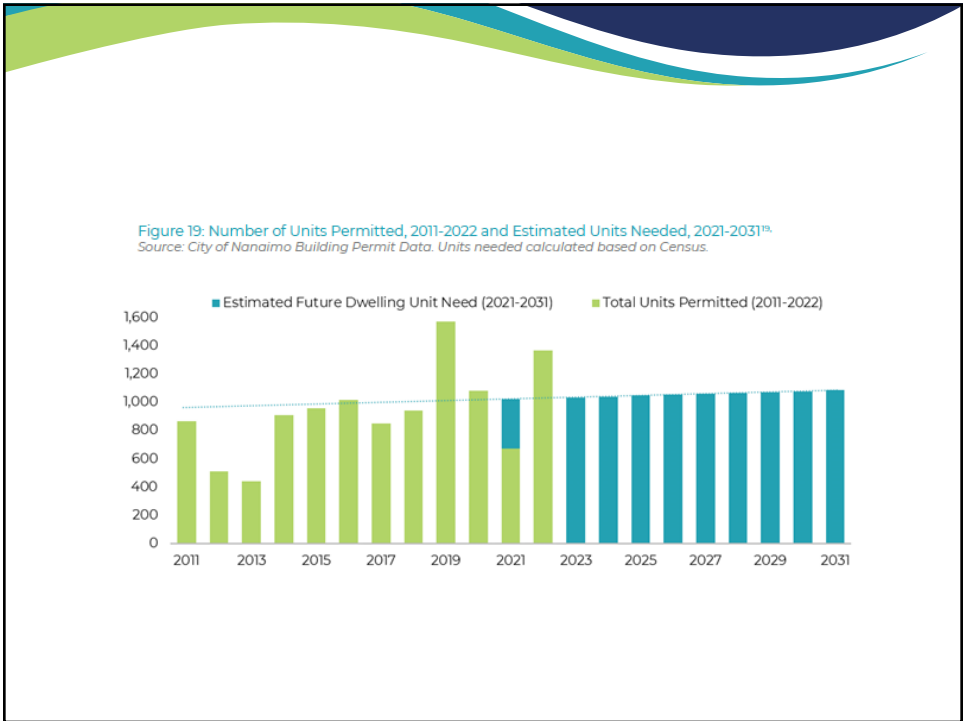
19

## Projected Annual Need, 2021-2031

- **HOUSING SUPPLY:**
  - **1,155** new homes per year
  - *Between 2017 and 2021, Nanaimo approved an average of ~1,000/year*
- **FAMILY-FRIENDLY:**
  - **380** 2+bedroom homes per year, including **185** 3+ bedrooms
  - *Between 2018 and 2022, Nanaimo approved an average of **200** 2 bedroom units per year, and an average of **235** 3+ bedrooms per year (includes SFDs)*
- **AFFORDABILITY:**
  - **525** homes per year for lower-income households (less than \$40,000 per year)
  - *Since 2017, **761** non-market units built, and **600+** underway*

20





21

## Closing Comments

- Cost of housing is challenging for **low- and moderate-income households**
- Significant **recent progress** delivering new housing supply, rental, and non-market housing
- **Aging population** and growing need for seniors housing
- Long-term commitment and housing sector **collaboration** required

22

