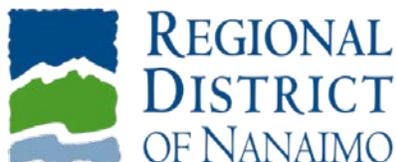




REGIONAL HOUSING NEEDS REPORT

Regional District of Nanaimo

June 2020



Executive Summary

This report is a descriptive analysis of the current housing needs and conditions across the region that will inform the update of the Regional District of Nanaimo's (RDN) Regional Growth Strategy, *Shaping Our Future to 2041*. The majority of the statistical data is presented, up to the year 2018, for the region along with community housing highlights for the seven unincorporated Electoral Areas (Areas A, B, C, E, F, G, H) and four partner municipalities (Nanaimo, Lantzville, Parksville, Qualicum Beach).

Purpose

Housing needs reports are a way for communities to better understand their current and future housing needs. These reports can help identify existing and projected gaps in housing supply by collecting and analyzing quantitative and qualitative information about local demographics, economics, housing stock, and other factors. A housing needs report is critical to developing a housing strategy or action plan.

Data Collection

The Province requires local governments to collect approximately 50 distinct kinds of data through a Housing Needs Report, including current and projected population, household income, significant economic sectors, and currently available and anticipated units. These findings align with the requirements and are a product of regional consultation, analysis of relevant housing information, and ongoing input from the RDN and regional partners.

Data Reporting

Housing Needs Reports are required to report on the following data:

- housing units required currently and over the next five years,
- number of households in core housing need, and
- statements about key areas of local need.

The Housing Needs Report includes a Summary Form, as required by the provincial government, figures and tables of the collected data as well as identifies key consideration for policy development.

Engagement

While the regulations on Housing Needs Reports do not provide direction on the type of community and stakeholder engagement that must be completed, the RDN recognizes the importance of stakeholder input to validate data and to assist in providing additional context not captured by statistical data. To address this 3 stakeholder workshops with representatives from social service organizations, developers, non-profit housing providers and local government were held in 2019.

Regional Highlights

Since 2006¹, it has been documented that the RDN has experienced an increasing shortage of affordable rental and owned housing for those in low to moderate income brackets. The shortage of affordable housing has been attributed to the widening gap between the cost of housing relative to incomes and a shortage of adequate and suitable rental stock. This report's findings indicate that this trend generally persists today; except for the City of Nanaimo (Nanaimo) and the City of Parksville (Parksville), which show a recent positive shift in the number of purpose-built rental units. Despite this progress, the region like many areas of British Columbia (BC), continues to experience housing affordability challenges with the greatest impacts felt in households with low and moderate incomes, especially seniors, single parent families and youth.

Population

- i. The region is maintaining a slow, steady rate of growth. The number of people living in the region has increased by 6.2% since 2011, from 146,574 to 155,698 residents in 2016. The region is projected to maintain a steady rate of growth, 0.7%² annually, over the next 20 years. At this rate of growth it is estimated that there will be 179,283 persons by 2026 and 193,649 persons by 2041. This is an average annual change of 1,284 people.
- ii. The RDN has a significantly older age profile than the rest of BC. The 2016 Census recorded a median age of 51 years in the RDN compared to 43 years in BC. Of the total 2016 Census population in the RDN, 25% are 65 years and older. The portion of the ageing population, 65 years and older, is anticipated to increase to 33% of the total population in five years and 35% of the total population in the RDN by 2041.

Housing

- i. 2016 Census recorded 68,905 occupied dwellings in the region, which represents an increase of 6.9% since 2011, when there were 64,465 occupied dwellings. The projected housing unit demand is 83,599 units by 2041, with an average annual change of 600 units.
- ii. In 2016, the percentage of households in the region that rent their homes (26%) is less than the percentage of households that rent in British Columbia (32%).
- iii. Between 2012 and 2018, the number of purpose-built rental units increased by 524 units in Nanaimo, Parksville, and Town of Qualicum Beach (Qualicum Beach) areas. 2018, marked the most significant increase, notably Nanaimo (181 units), Parksville (52 units) and Qualicum Beach (1 unit) to bring the overall total of 4,665 purpose-built rental units in the urban centres.
- iv. A balanced rental market is considered to be one where the vacancy rate is at 3%. In 2009, the region's purpose-built rental market was healthy with an average of 3.1%. 2011 experienced an

¹ Regional District of Nanaimo, State of Sustainability Report, 2006

² Projects account for undercoverage in Statistics Canada Census data. Baseline Growth Scenario of 0.7% average annual growth rate (AAGR) is representative of the region and comparable to the provincial projections from 2019 to 2041 for the Vancouver Island/Coast Development Region.

increase to 4.3%, followed by a period of significant decline resulting in a low of 1% or less by 2017. In 2018, the rental vacancy rate returned to rate in two of the three urban centres; Nanaimo increased to a healthy 2.4%, and Parksville increased slightly to 0.2%. Qualicum Beach remains at 0%.

- v. Between 2009 and 2018, the average rent for all units in Nanaimo, Parksville and Qualicum Beach increased from \$651 to \$938³.
- vi. The number of non-market housing units in the region has increased by 267 units from 2013 to 2018 for a total of 1,860 units. It's worth noting, an additional 122 non-market units were added in 2019, bringing the total of units to 1,982 units. The majority (1,690) are located in Nanaimo.

Affordability

- i. Median household income levels in the RDN increased by 16.7%, from \$60,382 to \$70,483 from 2011 to 2015⁴.
- ii. The number of individuals and families receiving subsidies through BC Housing's Rental Assistance Program (RAP) and Shelter Aid for Elderly Renters (SAFER) has increased by 308 recipients from 2013 to 2018. A further 19 recipients were added between 2018 and 2019.
- iii. The number of people reported experiencing homelessness increased, particularly in Nanaimo, based on Point-in-Time (PiT) Count data. In 2018, 335 people were identified as experiencing absolute homelessness compared to 174 people in the last PiT Count in 2016.
- iv. The average resale price for single-detached homes in Nanaimo has risen by 69% between 2013 and 2018, from \$325,600 to \$550,200, and by 64% in Parksville/Qualicum Beach, from \$349,200 to \$571,500.
- v. The average resale price for townhouses in Nanaimo has risen by 65% between 2013 and 2018, from \$209,900 to \$347,200, and by 67% in Parksville/Qualicum Beach, from \$302,200 to \$505,800.
- vi. The average resale price for apartments in Nanaimo has risen by 73% between 2013 and 2018, from \$187,300 to \$323,500; and by 71% in Parksville/Qualicum Beach, from \$203,400 to \$347,300.
- vii. Generally, single person households earning the median income (\$28,699), and below median income, cannot afford the average rental price (\$938) in their communities at 30% of their gross incomes. This is particularly the case in Coombs and Errington, where households would be required to spend more than 50% of their respective incomes on rent.
- viii. Couple households earning the median income (\$76,780), can purchase a home for \$312, 277, with 10% down payment. However, the benchmark sales price is \$335,400, means couples earning the median income cannot afford to purchase within 30% of their gross income.

³ The maximum allowable rent increase that landlords are permitted to apply is established by the Province annually. From 2005 to 2018 the allowable increase trended upwards, ranging between 2 to 4% annually.

⁴ Income data is prepared by Statistics Canada based on the year preceding a census year. The most recent release of Tax-filer data is for the year 2015, which has been incorporated into this report.

Housing Needs

According to the projected population and housing projections (on pages 31 and 32 of this report), the number of units needed to address projected population over the next 5-years, between 2021 and 2026, under the Base Growth Scenario, is summarized in the below:

Estimated Number of Housing Units Needed Over Next 5-years, RDN

	Current (2021)	2026
Single-Detached	50,161	51,921
Other Ground-Oriented	9,988	10,964
Apartment < 5 storeys	9,602	9,933
Apartment > 5 storeys	1,538	1,634
Movable	2,947	3,273
Total Housing Unit Demand	74,236	77,725

Core Housing Needs is a key indicator in understanding gaps/issues in the community housing system. It is defined as household whose housing does not meet the minimum requirements of at least one of the adequacy, affordability, or suitability indicators, and is spending 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (meets all three housing standards).

As shown in the Tables below, there is a higher proportion of renters in core and extreme core housing need than owners and that the proportion of households in core housing need has increased since 2006.

Households in Core Housing Need, RDN

	2006		2011		2016	
	Households	%	Households	%	Households	%
All households	59,875	100	64,465	100	68,900	100
Of which are in core housing need	3,220	5.4	3,485	5.4	2,545	5.6
Of which are owner households	1,335	2.2	1,380	2.1	1,320	1.9
Of which are renter households	1,885	3.1	2,110	3.3	2,550	3.7

Source: Statistics Canada, Census 2016, 2011, 2006–Custom Information for BC Ministry of Municipal Affairs and Housing

Those in Extreme Core Housing Need meet the definition of Core Housing Need and spend 50% or more of their income on housing.

Households in Extreme Core Housing Needs, RDN

	2006		2011		2016	
	Households	%	Households	%	Households	%
All households	59,875	100	64,465	100	68,900	100
Of which are in <i>extreme</i> core housing need	3,220	5.4	3,485	5.4	3,865	5.6
Of which are owner households	1,335	2.2	1,380	2.1	1,320	1.9
Of which are renter households	1,885	3.1	2,110	3.3	2,550	3.7

Source: Statistics Canada, Census 2016, 2011, 2006–Custom Information for BC Ministry of Municipal Affairs and Housing

The following groups have been identified through the analysis and verified with stakeholders as the priority groups representing those experiencing the greatest challenges in the region’s housing markets:

- Low-income households, including low-income families, single parents, single people and seniors,
- Moderate-income households, or workforce housing, including households trying to enter the homeownership market,
- Persons with physical and mental disabilities,
- Persons at risk of becoming homeless or experiencing homelessness, and
- Youth and young adults.

Housing Gaps

The housing continuum (on page 19 of this report) represents the full spectrum of market and non-market housing. Using this framework, the following housing gaps have been identified for the region:

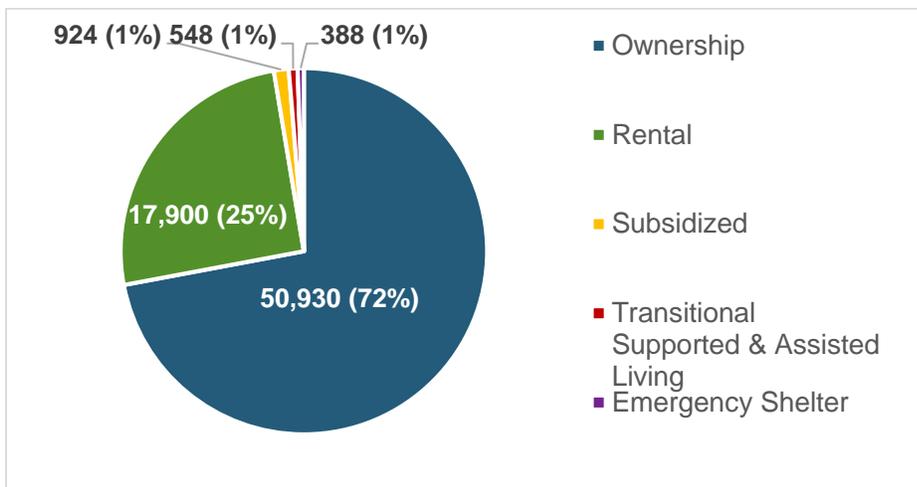
- Accessible and adaptable housing
- Non-market rental housing
- Market rental housing
- Affordable home ownership options
- Transitional and low-barrier rental housing

- ix. The median income earnings for lone-parent (\$37,864) and single-persons (\$28,699) are lower than a couple household (\$76,780), placing homeownership out of reach for most lone-parent and single-parent households. Consequently, these households may remain in rental housing, contributing to the demand for a range of rental market units to accommodate different household sizes and life stages.

Housing Supply

The region’s estimated current housing supply is a total of 70,690 units. The majority comprised of market housing, with ownership housing representing 72% (50,930 units), and rental housing representing 25% (17,900 units). The remaining 3% (1,860 units) is a mix form of non-market housing. The predominant market housing typology is single-detached homes and other ground oriented units, which compose 82% of the current housing mix. The 2016 Census indicates the majority (94%) of the housing stock only requires minor repairs and regular maintenance. While the housing stock is generally in good condition, units may need to be modified to accommodate changes in life stages to better support ageing- in-place and inter-generational living.

Percentage of Market and Non-Market Housing Supply, RDN, 2016, 2018



Source: Statistics Canada, Census (2016), BC Housing (2018)

The ageing demographic profile and persistent housing affordability challenges support further efforts to diversify the housing stock. Currently, 82% of the housing stock is single-detached (69%) and ground-oriented (13%) units. Over the next 20 years, it is anticipated that the population will grow to 193,649 people, 34% of which will be 65 years and older. To accommodate this growth, an estimated additional 9,363 housing units is needed. Single-detached and ground-orientated units are still anticipated to compose 80% of the housing mix, with an expected slight increase in ground-orientated (16%) and a decrease in single-detached (64%) units. The number of apartment buildings more than five storeys, are also anticipated to increase from 0.2 % to 2.3% of the housing mix (Table 5). The majority of future growth is intended to be accommodated inside the Urban and Rural Growth Containment Boundaries.

Next Steps

By developing strategic directions and considering housing needs in comprehensive planning processes, the region can create an environment that works to address its housing challenges. Some next steps could include:

- Sharing the findings of this Housing Needs Report with the regional partners and the general public;
- Formulating regional policy options to address current and future housing needs, and incorporate these policies into the Regional Growth Strategy and through future updates of Official Community Plans;
- Consider the preparation of a Regional Housing Strategy that outlines policies, housing targets and tools to address housing needs and gaps in the region;
- Facilitating community housing needs discussions within the broader context of future planning, including transportation planning, and other relevant planning documents and bylaws;
- When development applications present themselves, implementing policies that facilitate development of affordable housing to address the growing needs of the community over time.