

## FOR INFORMATION ONLY

REPORT TO: TED SWABEY, GENERAL MANAGER, DEVELOPMENT SERVICES

FROM ANDREW TUCKER DIRECTOR, PLANNING AND DEVELOPMENT

RE: CITY OF NANAIMO LAND INVENTORY & RESIDENTIAL CAPACITY ANALYSIS

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### RECOMMENDATION:

That Council receive this report for information.

### EXECUTIVE SUMMARY:

The purpose of this report is to summarize the results of the land capacity study recently completed in relation to the 10 year OCP review.

### BACKGROUND:

The City of Nanaimo is currently conducting a review of its Official Community Plan (OCP), which was adopted in 1996 (also known as Plan Nanaimo). To assist in the review a land inventory and capacity analysis of residential, commercial and industrial lands has been completed. This information will form an important building block for the OCP review process and will help the City better understand its current land supply, including the location of vacant and underdeveloped land, remaining capacity, and the ability to meet future demands.

The study was conducted by the Sheltair Group and Eric Vance and Associates and is based on existing zoning.

The picture it paints is that there is residential capacity for an additional 23,500 dwelling units. However, much of that capacity is on already developed lots that the study determined were under utilized. There are only 348 ha of developable vacant residentially zoned land inside the UCB with a further 289 ha of land that is "effectively vacant" (over 2 ac in size but occupied by only one single family dwelling). In other words, 17.5% of the residentially zoned land inside the UCB is vacant or effectively vacant. The choices become one of expanding the UCB to increase the supply of vacant land but contribute to "sprawl" or encouraging infill development and higher densities in existing neighbourhoods.

Either option carries cost implications. The expansion of the UCB and subsequent servicing to urban standards will require investment in infrastructure and may advance the need for certain system upgrades. Infill will add to the complexity, time and cost of residential projects that may yield only a modest increase in the number of dwelling units and may, if recent public hearings are any guide, face vocal neighbourhood opposition.

### Residential Capacity Assessment

There are currently 4,880 ha of land that is zoned residential, including rural residential uses, but excluding parks, roads, and road right-of-ways in the City. Of this, 2,876 ha are zoned for single-family uses, and 589 ha for multi-family residential. Over 99% of the urban residential

land is located within the UCB. There are 1,415 ha of rural residential land with 87% of that land located outside the UCB.

Taking into account wetlands, riparian (watercourse) setbacks and slopes of 30% or greater, the amount of developable residentially zoned land drops to 4,036 ha. Of the land zoned for urban residential uses (single-family or multi-family residential) only 348 ha is currently vacant and an additional 289 ha is effectively vacant (greater than 2 ac in size but occupied by only one dwelling unit). The neighbourhoods with the most vacant residential zoned land are Chase River, Diver Lake, Harewood, Hammond Bay, Long Lake, North Slope, and Rutherford. These neighbourhoods represent 70% of the vacant residential zoned land.

In 2005, there were 32,400 dwelling units in the City (excluding secondary suites) and B.C. Stats estimates that the population was 79,600.

If all lands in the City were developed to the maximum density permitted under zoning the practical capacity is 55,900 dwelling units (excluding secondary suites) and an estimated 124,500 people at build-out.

That means we have zoned land for an additional 23,500 dwelling units (in addition to the 32,400 dwelling units that currently exist). Sounds like a more than enough. Look again and the picture becomes more complex.

Of the remaining capacity of 23,500 units, almost half of the capacity (11,000 units) is for apartment units (4 storey or higher), 9300 units are single family units and 3200 units of other ground oriented units (townhouse or mobile home). This represents a major shift from the way Nanaimo has developed in the past. Apart from the early 1980s (1981-83) and early 1990s (1989 – 1990) apartment construction has typically represented only a small fraction of new home construction in Nanaimo (well behind single family and row housing).

A further complicating factor is that much of this multi-family zoned land is located in town centres on land that is currently used for commercial retail uses (i.e. shopping centres). In order to achieve the number of dwelling units identified in the capacity analysis, single use commercial centres will have to be redeveloped as mixed use commercial-residential areas. It should be noted that none of the high rise towers approved for Brooks Landing, Longwood or Woodgrove Town Centres have yet started construction.

As another way of looking at remaining capacity, only 8100 units or approximately 35% of the remaining capacity will be located on the 348 ha of land that is currently vacant. At current rates of development, approximately 500 units per year, this represents a 16 year supply. A further 22% or 5100 units of remaining capacity are located on the 292 ha of land that is effectively vacant; 28% or 6600 units are to be located on land that is currently developed but under utilized; and 14% or 3400 units are on lands zoned mixed use/commercial. In other words, fully 64% of the remaining capacity will require lot consolidation, subdivisions using panhandle lots, possible demolition of existing structures and redevelopment. This requires a significant departure from the greenfield development of large tracts of land which has been the norm in Nanaimo.

The residential capacity analysis also considered housing demand projected by Urban Futures Incorporated (November 2006). Urban Futures predicts a housing demand of 53,300 dwelling units by 2031, which would accommodate a population of 118,000. While the capacity analysis identified practical capacity of 55,900 dwelling units, the mix of housing types that residents are looking for does not match existing capacity.

Urban Futures estimates a demand for 31,600 single family dwellings while the total capacity is 30,000; a shortfall of 1600 units. Similarly, the projected demand for other forms of ground oriented housing is 10,500 units by 2031 while the capacity is only 8,700 units; a shortfall of 1800 units. For apartment units, demand is projected at 11,200 units by 2031 whereas total capacity would accommodate 17,200 units. This indicates the need to adjust growth management policies away from directing such a large portion of our growth to high-rise development in town centres and instead direct it towards ground oriented or lower rise forms of apartment or condominium development throughout the community.

### Commercial Land Inventory

There are 241 ha of commercial zoned or designated lands in the City that are not constrained by water bodies, wetlands, riparian setbacks or steep slopes.

The vast majority of the commercial areas are located in the north and central portions of Nanaimo. This includes Downtown Town Centre and Woodgrove Regional Shopping Town Centre, which are the two dominant commercial areas in the City. Only 11 ha of zoned and designated commercial land is located in the southern portion of the city (south of 7<sup>th</sup> St.). However, as the population increases in the southern portion of the city, demand for commercial services will very likely warrant additional commercial land being made available in this area.

The commercial land inventory found that approximately 215 ha, or 90%, of the realistic supply of land available for commercial uses is already developed. Only 34 ha of the commercially zoned land is vacant and, once constraints are taken into account, there are only 26 ha of developable vacant commercial land.

A retail / service and office floor space forecast was conducted by Urbanics as part of the Growth Centre Concept Assessment (February 2005) undertaken for the City of Nanaimo. The study forecasts the need for:

- between 1.3 million and 1.8 million additional square feet of department-store type merchandise by 2031,
- between 2.0 million and 2.8 million additional square feet of retail / restaurant / service by 2031, and
- between 0.9 million and 1.7 million additional square feet of office space by 2031.

If the additional floor space demand were to be solely accommodated on vacant commercial land, there would be a shortfall of vacant commercial land in the next 10 to 15 years.

### Industrial Land Inventory

In 2005, there were 776 ha of land in the City of Nanaimo's industrial land inventory, net of parks and roads. Of this, there are 224 ha of vacant industrial land. Approximately 50 ha is located in lands that are believed to be unavailable in the short-term. Of the remaining 175 ha of vacant industrial land available in the short to medium-term inventory, approximately 147 ha are zoned for industrial uses. Approximately 100 ha are zoned I4 (Heavy Industrial) and are primarily located in Duke Point. The remaining 47 ha are zoned for lighter industrial uses, with most of that land being located in the Parkway and East Wellington Industrial areas.

It is believed that there is sufficient land that is zoned heavy industrial to meet demand for the next 10 to 20 years. However, the supply of light industrial land may be insufficient to meet demand in the next 5 to 15 years. This potential shortage of light industrial land will be exacerbated if demand for non-industrial uses, such as large-format retail, is met by using light industrial land.

Respectfully submitted,

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