

FOR: GOVERNANCE AND PRIORITIES COMMITTEE
MEETING DATE: June 15, 2026
DEPARTMENT: PLANNING AND DEVELOPMENT
SUBJECT: RENTAL TENANT RELOCATION ASSISTANCE PROJECT

OVERVIEW

Purpose of Report

To provide an update on the Rental Tenant Protection Assistance project and seek direction from Council to prepare a Tenant Protection Bylaw; add related enforcement provisions to the City’s Bylaw Notice Enforcement Bylaw; and update the City’s Strata Conversion Policy.

Recommendation

That the Governance and Priorities Committee recommend that Council direct Staff to:

1. Prepare a Tenant Protection Bylaw that applies to the redevelopment of a building with four or more rental units and contains requirements related to: Communication & Reporting, Financial Compensation, Exemption from Financial Compensation, and Enforcement Mechanisms as outlined in the Staff Report dated 2026-JUN-15;
2. Prepare a bylaw to amend the “Bylaw Notice Enforcement Bylaw 2012 No. 7159” as outlined in the Staff Report dated 2026-JUN-15;
3. Replace Council Policy COU-018 (Strata Conversion Applications) with a new policy that contains updated requirements for tenants facing eviction; and,
4. Present the Tenant Protection Bylaw recommendations to the engagement interest groups for their review and comment in June 2026.

BACKGROUND

The objective of the [Rental Tenant Relocation Assistance](#) project is to support tenants at risk of displacement due to the redevelopment of purpose-built rental buildings. Redevelopment of existing rental buildings can displace tenants, with potential impacts including increased housing costs, lower quality housing, and community displacement. The City of Nanaimo has business licences for 108 purpose-built rental apartment buildings with an estimated 4,200 rental units. A significant number of these buildings were built between the 1960s and 1980s. As these buildings reach the end of their life cycle, the City may begin to see redevelopment of existing rental stock, supported by “City Plan Bylaw 2022 No. 6600” ([City Plan](#) – Official Community Plan [OCP]) policies and zoning regulations that encourage higher density on many of these sites. Since 2020, six sites with existing rental buildings comprising of 140 units are anticipated or are in the process of being redeveloped. While the demand for redevelopment of existing older rental buildings is currently low, it is recommended to provide clear guidance for owners considering redevelopment of older apartment buildings so that they can prepare for any future potential costs in their development pro-formas.

The project aims to address the following:

- City Plan (OCP) Policy C3.2.15: Require tenant relocation plans as a condition of rezoning or redevelopment of existing mobile home parks and purpose-built rental buildings of four or more units.
- [Integrated Action Plan](#) (IAP) Priority Action 73: Create a tenant relocation policy to support tenants impacted by redevelopment and displacement.

In April 2024, the Province passed “Bill 16 – Housing Statutes Amendment Act, 2024” (Bill 16) which amended the *Community Charter* and the *Local Government Act* to provide municipalities with the authority to develop

Tenant Protection Bylaws (TPBs) that can require rental building owners to provide support beyond the *Rental Tenancy Act* to tenants whose tenancy agreement is terminated in relation to redevelopment when a building is proposed to be demolished or partially demolished. A TPB cannot be applied to evictions relating to renovation and repair of a building, in accordance with Provincial legislation. Where a rental unit is renovated or repaired, the *Residential Tenancy Act* provisions would apply. In March 2025, the Province released the [Provincial Policy Manual: Tenant Protection Bylaws](#) (the Policy Manual), which provides guidance for municipalities implementing TPBs.

The new provincial tools for tenant protections do not apply to rental buildings that are proposed to be stratified (rental units that are converted to ownership units). The City's Council Policy COU-18 ([Strata Conversion Applications](#)) is dated, and as part of this project it is also recommended to update and replace this policy to improve protections for tenants facing displacement from the strata conversion of rental apartment buildings.

The following steps have been completed for the project:

- i. [2025-JAN-20](#): Council received a report and presentation introducing the Tenant Protection Project which included an overview of provincial legislation, summarized rental protection policies from other municipalities, and outlined next steps. On 2025-NOV-17 Council endorsed the "[Manufactured Home Community Relocation Assistance Policy](#)", and Staff proceeded with Phase 2 of the project (Rental Tenant Relocation Assistance).
- ii. 2025-OCT & 2026-FEB: Planning and land economist consultants were retained to support the project.
- iii. 2025-NOV-12: The project was presented to the Advisory Committee on Accessibility and Inclusiveness (ACAI).
- iv. 2026-JAN to 2026-MAR: Engagement with interest groups and a renter's survey was completed. The planning consultant's [Engagement Summary Report](#) summarizes input from 300 interest-holders.
- v. 2026-FEB: A [Best Practices Report](#) was completed by the planning consultants outlining key background information and research including a jurisdictional review of tenant protections in the Province.
- vi. 2025-DEC & 2026-MAY: A [Financial Feasibility Analysis](#) (2025-DEC) and, Financial Analysis (2026-MAY, Attachment A), were completed by the land economist consultants.
- vii. 2026-MAY: A Recommendations Report (Attachment B) was completed by the planning consultants.

DISCUSSION

The *Rental Tenancy Act* states that when an owner proposes to end a tenancy under a landlord's use of property to demolish a unit (once all permits are in place), the tenant protections include:

- Four months notice to end tenancy; and,
- Compensation equivalent to one month's rent (either as free rent or paid out).

This report presents a recommended approach for a TPB that provides tenant compensation beyond the requirements of the *Residential Tenancy Act*, as well as listing additional enhanced measures that could be included at the Committee's direction. These approaches are based on the consultant recommendations, engagement results, best practices review, and two financial feasibility analysis. The review included an analysis of six adopted TPBs (City of Victoria, District of Saanich, District of North Vancouver, City of Surrey, City of Kelowna, and City of Penticton), and two bylaws that have been introduced (City of Burnaby and Township of Langley). The framework of a typical TPB consists of clarity as to the applicability of the bylaw, and requirements that an owner would need to follow related to information reports to the City, communication to tenants, compensation and relocation assistance for tenants.

Recommended Approach

It is recommended that at a minimum, the TPB contain the following sections: applicability, communications and reporting, financial compensation, exemption from financial compensation, and enforcement mechanisms.

Applicability:

Description: City Plan (OCP) and the IAP encourage the provision of tenant protections in the form of a policy that is applied to purpose-built rental buildings with four or more units.

Staff Recommendation: It is recommended that the TPB apply to redevelopment of a building with four or more rental units. This means that at the time of a development application (zoning bylaw amendment, development permit application, demolition permit, and/or building permit), a property owner would be required to follow the TPB requirements. For certain, prior to termination of the tenancy agreements, the owner would be required to provide compensation for the demolition of a building, or the partial demolition of a building where the rental units are completely or irreversibly destroyed. It is also recommended that the TPB requirements for non-profit housing providers be more flexible to not discourage the development of new non-market housing.

Rationale: It is recommended that a proposed new TPB apply to properties with rental buildings that have four or more rental units to be consistent with City Plan (OCP) policy. The best practice review showed that several municipalities include flexible requirements for non-market housing providers as they often incorporate their own tenant relocation practices. For example, the Saanich TPB does not apply to redevelopment for non-market housing, and the Surrey TPB excludes property owned and/or operated by a public housing body, non-profit housing cooperatives and governments. Other municipalities apply only the communication requirements to support non-market tenants facing displacement.

Alternative Option for Consideration: Apply a threshold such that the TPB applies to:

- a) Secondary rentals (lots with fewer than five rental units that, when combined for the purposes of redevelopment, total four or more rental units);
- b) Any loss of rental building (as is the practice in Victoria); or
- c) A building with five or more units as is the practice in North Vancouver, Kelowna, Saanich and Penticton (as recommended in the Policy Manual, and to align with as-of-right development for up to four dwellings for small-scale multi-unit housing).

Communication & Reporting:

Description: A TPB can require early and ongoing communication between the property owner and tenants for development applications to ensure tenants understand redevelopment timelines, as well as the financial compensation and relocation assistance being offered. A TPB can also require the owner to provide reports (e.g., a Tenant Assistance Plan) to the City.

Staff Recommendation: It is recommended that the TPB require that the owner provide an information letter to tenants for all development applications, while also hosting a mandatory information meeting and providing regular updates to tenants about the status of zoning bylaw amendment and development permit applications. It is also recommended that the owner provide reports to the City regarding the composition of the units to be demolished, summarizing the communications to the tenants, and outlining how the requirements of the TPB have been met.

Rationale: Incorporating communication requirements in a TPB provides greater clarity and guidance for rental building owners while ensuring tenants are aware of what to expect through the redevelopment process, and so that tenants understand their compensation options. All TPBs in the province include communication requirements. Communication requirements in a TPB do not impact the financial viability of a development pro-forma.

Alternative Option for Consideration: Since the early and ongoing communication with tenants is the least costly requirement for a rental building owner, was highly supported in the engagement process, and is essential to support tenants facing displacement, no alternative option is provided.

Financial Compensation:

Description: A TPB can require rental building owners to provide financial compensation to tenants above the required one month's rent per the *Residential Tenancy Act*. Financial compensation can be calculated as a flat rate or scaled based on length of tenancy and can include provisions for moving costs to ensure tenants have the financial assistance to move their belongings. A TPB can also specify how and when the financial compensation is dispersed to the tenant.

Staff Recommendation: It is recommended that the TPB require the owner to provide tenants (whose tenancy is terminated) with a minimum of four months' rent in financial compensation (inclusive of the one month required under the RTA). The rent rate to be compensated should be based on the current rent rate in the tenancy agreement, or the Canada Mortgage and Housing Corporation's (CMHC) average rent for a comparable unit, whichever is greater. Additionally, it is recommended that tenants should receive financial compensation for moving costs based on unit size as follows: \$1,000 for studio and one-bedroom units; \$1,250 for two-bedroom units; and \$1,400 for units with three or more bedrooms. It is recommended that compensation be provided to each tenant either as a lump sum, applied as free rent to the existing or replacement rental unit, or a combination of the two. This means where tenants are issued a tenancy termination notice, a property owner would be required to provide additional compensation per the TPB requirements.

Rationale: In the renter survey, additional financial compensation was identified as the most helpful type of support for tenants facing displacement. Providing compensation on the greater of the existing rent or average CMHC rent ensures long term renters who have lower rent receive similar compensation to newer tenants. The Financial Analysis indicates that compensation of 3 to 4 months rent for each tenant is not expected to impact the viability of redevelopment, however, compensation of 6 or more months rent may impact redevelopment viability. Additionally, all TPBs in British Columbia require compensation for moving expenses ranging from \$800 to \$1,500 either as a flat rate or based on unit type.

Alternative Option for Consideration: Add to the TPB that longer term tenants (e.g., that have lived in the building for 5 to 10 years, or 15 or more years) may receive six months compensation. This could impact the viability of redevelopment and may add complexity for the owner (and Staff) to determine and administer.

Exemption from Financial Compensation:

Description: A TPB could include an incentive option to rental building owners, such that less compensation would need to be provided if the owner provides a replacement unit to the tenant at a lower rental rate.

Staff Recommendation: It is recommended that the TPB include an option such that the owner may provide less financial compensation (e.g., only the one month's rent per the *Residential Tenancy Act*) when they provide a replacement unit with a rental rate that does not exceed 10% of the tenant's existing rent.

Rationale: Including a TBP option that offers reduced compensation in exchange for a provision of a comparable replacement unit at a similar rent encourages rental building owners to use their existing rental portfolio to accommodate displaced tenants. This option can reduce costs and administrative burden for rental building owners while supporting more stable housing outcomes for tenants.

Alternative Option for Consideration: To not include this option in the TPB.

Enforcement Mechanisms:

Description: Compliance with a TPB can be enforced through bylaw enforcement tools such as bylaw notices, municipal ticketing bylaws, and prosecution under the *Offence Act*.

Staff Recommendation: It is recommended to incorporate a violation and penalty section in the TPB that is supported by associated bylaw amendments to the “Bylaw Notice Enforcement Bylaw 2012 No. 7159” (Bylaw Notice Enforcement Bylaw).

Rationale: Withholding of permits through existing provisions in the “Building Bylaw 2016 No. 7224” and issuing fines through the Bylaw Notice Enforcement Bylaw provides an incentive for rental building owners to adhere to the requirements of a TPB. For example, some municipalities (Victoria, Saanich and Penticton) include penalties up to \$50,000 (per offense, per day) under the *Offence Act*, while others (Saanich, Langley and Burnaby) are exploring amendments to their Bylaw Notice Enforcement Bylaws that propose fines between \$400 to \$3,000 for offences including failure to update tenants or the municipality or provide compensation.

Alternative Option for Consideration: Adopt a TPB that does not include enforcement mechanisms at this time and consider enforcement mechanisms in the future. This option means that the City would have no recourse to ensure an owner complied with the TPB.

Enhanced Approach

The following three sections, relocation assistance, additional supports for vulnerable tenants, and Right of First Refusal (ROFR), are additional considerations that are provided for the Committee’s consideration but are not recommended by Staff for inclusion in a TPB at this time.

Relocation Assistance:

Description: A TPB can require an owner to provide tenant relocation assistance, such as finding a comparable replacement unit for each tenant being displaced.

Enhanced Approach: The TPB could include relocation assistance that the owner provides to tenants as follows:

- a) Find a minimum of three comparable units within one month of receiving a tenancy termination notice.
- b) Require that the units be located in the City; have the same number of bedrooms as the existing unit; have a maximum rental rate threshold; be near a transit route, or the same school catchment area; and be pet friendly if needed.

Key Challenges Identified: The engagement results indicated that all interest groups considered relocation assistance important, while also recognizing the administrative challenges associated with its implementation. Several municipalities including Victoria, Saanich, North Vancouver, Surrey, Penticton, Burnaby, and Langley have TPBs that require rental building owners to provide a list of comparable replacement units for displaced tenants. Implementing similar relocation assistance requirements could demand significant Staff resources, particularly to support rental building owners, manage compliance, and respond to tenant expectations and concerns.

Alternative Option for Consideration: The TPB could also require the owner to retain a Tenant Relocation Coordinator to serve as an intermediary between the owner and affected tenants, for larger rental buildings. At this time, requiring a Tenant Relocation Coordinator is not recommended, as a key challenge identified through the engagement process was the limited availability of professionals to fulfill this role. Also, requiring an owner to retain a Tenant Relocation Coordinator could impact the financial viability of redevelopments in the current market.

Additional Supports for Vulnerable Tenants:

Description: A TPB can include additional supports for vulnerable tenants (e.g. seniors on fixed incomes, other low-income renters, and persons living with disabilities).

Enhanced Approach: To minimize the impact of redevelopment on vulnerable tenants, the TPB could require rental building owners to provide tailored support to identified vulnerable tenants such as providing communications in a tenant’s preferred language, connecting tenants with housing service providers, and

providing additional moving support (e.g., help with packing, arranging and attending viewings, and accessibility modifications in a replacement rental unit). A maximum monetary value of \$5,000 for additional supports could be incorporated in the TPB to address the expectations of both the rental building owners and tenants.

Key Challenges Identified: Through the engagement process as well as a review of best practices, opportunities for the provision of additional supports for vulnerable tenants were identified as important. Identifying vulnerable tenants can be challenging due to difficulties verifying eligibility and privacy concerns related to collecting information on age, disability, or income, which can create barriers for those in need of support and may require Staff resources to administer. If considering additional supports for vulnerable tenants, these should be clearly outlined and non-monetary in nature (but capped to a maximum monetary value) to ensure clarity for both rental building owners and tenants.

Alternative Option for Consideration: Increase the maximum monetary support per eligible unit.

Right of First Refusal (ROFR):

Description: ROFR is a mechanism that can be included in a TPB to allow displaced tenants priority to return to a unit in the redeveloped building or to another unit owned by the same property owner.

Enhanced Approach: Staff recommend that the TPB not include ROFR, such that ROFR is offered to a tenant at the owner's discretion. This is consistent with the approach in Kelowna and Penticton.

Key Challenges Identified: Although 96% of renter survey respondents were in support of providing tenants the option to return to a housing unit in the new development, the Financial Analysis found that the ROFR requirement would have a significant impact on the economic viability of redevelopment, and would require significant Staff resources to administer. Additionally, ROFR can be disruptive and create uncertainty due to the significant time lag between eviction, demolition, construction, and occupancy.

Alternative Option for Consideration: That the TPB require that an owner offer a ROFR with no rent discount (as is the practice in Saanich, North Vancouver and Burnaby). Alternatively, the TPB could require that the ROFR housing unit be offered at 10% below CMHC average rents (as is the practice in Surrey and Langley). If implementing ROFR, the TPB can also include a provision for moving expenses for returning tenants.

Tenants Facing Displacement Due to Strata Conversions of Rental Buildings

The *Strata Property Act* provides Council with the authority to consider strata conversion applications, where existing multi-unit building(s) on a single parcel can be converted from a single real estate entity into individually owned strata lots. Since 2003, this authority has been delegated to the Approving Officer. The *Strata Property Act* also sets out specific criteria that must be considered when determining whether to approve a strata conversion including rental accommodations in the area, tenant relocation proposals, life expectancy and maintenance of the building, and any other matters deemed appropriate.

Council Policy COU-18 (Strata Conversion Applications) currently restricts consideration of strata conversions involving four or more units unless the vacancy rate is at least 3%, which aligns with City Plan (OCP) Policy C3.2.14. Staff recommend that Council consider updating Policy COU-18 to modernize its provisions and ensure alignment with current statutory considerations. This includes explicitly integrating tenant protection measures into the strata conversion framework to protect tenants being evicted. In addition, the updated policy should address forthcoming clarification from the Province on how the BC Building Code (BCBC) is to be applied to conversion applications, which may make converting older buildings to strata tenure more achievable. In light of anticipated BCBC changes, recent vacancy rates (2.9% in 2024 and 2.2% in 2025), and forthcoming TPB requirements, Staff recommend updating Policy COU-18 to clearly articulate approval criteria and better align strata conversion decisions with expectations for tenant relocation and protection. |

COMMUNICATION AND COMMUNITY ENGAGEMENT

Input from the community was sought during the engagement phase of the project (2026-JAN to 2026-MAR), which involved outreach with interest groups, including workshops with ACAI, non-profit housing providers and tenant advocates, the development community, rental building owners, and to the public. Also, a survey was open between 2026-JAN-29 and 2026-FEB-18. Results are summarized in the [Engagement Summary Report](#). In total, the project directly engaged with over 300 residents, utilizing workshops and the [City website](#), [Get Involved](#), and social media platforms.

Key feedback received which informs the recommended approach for the TPB include:

- Incorporating accessible plain language and clear requirements in the TPB (all interest groups);
- Requiring an owner to provide ongoing communication (non-profits and survey respondents); and,
- Reducing onerous requirements for redevelopment such ROFR or Tenant Relocation Coordinators (developers and rental building owners).

Key feedback received that could be incorporated in an enhanced approach for the TPB include:

- Providing equitable compensation based on need (ACAI and non-profits);
- Requiring an owner to assist with relocating tenants (ACAI, non-profits and survey respondents); and,
- Providing additional supports for vulnerable tenants (ACAI, non-profits, and survey respondents).

It is recommended to direct Staff to present the TPB recommendations at an online workshop with interest groups for their review and comment in June 2026 (e.g., ACAI, non-profit housing providers and tenant advocates, development community, and rental building owners).

ALIGNMENT WITH CITY PLAN

The report is aligned with the following [City Plan \(OCP\)](#) goals:

- A Green Nanaimo: Resilient and Regenerative Ecosystems
- A Connected Nanaimo: Equitable Access and Mobility
- A Healthy Nanaimo: Community Wellbeing and Livability
 - City Plan Policy C3.2.15 supports requiring tenant relocation plans as a condition of rezoning or redevelopment of purpose-built rental buildings of four or more units.
 - City Plan Policy C3.2.14 supports restricting strata conversion of existing residential rental buildings of four or more units when the rental vacancy rate falls below 3% in the city.
- An Empowered Nanaimo: Reconciliation, Representation and Inclusion
- A Prosperous Nanaimo: Thriving and Resilient Economy

ALIGNMENT WITH COUNCIL'S STRATEGIC PRIORITIES

The report is aligned with the following [Council's Strategic Framework](#) priorities:

- Implementing City Plan Action Plans and Key City Management Plans
 - [Integrated Action Plan](#) Priority 73 (Policy C3.2.19) supports the creation of a tenant relocation policy to support tenants impacted by redevelopment and displacement.
 - [Integrated Action Plan](#) Policy C3.2.27 supports research into good practices in legislation or other policies that support pets in rental housing.
- Social, Health and Public Safety Challenges
- Maintaining and Growing Current Services
- Capital Projects
- Communicating with the Community
- Governance and Corporate Excellence

NEXT STEPS

The next steps for this project are for Council to direct Staff to proceed with preparing a TPB; add related enforcement tools to the City's Bylaw Notice Enforcement Bylaw; and update and replace Policy COU-18. Concurrent with Council's consideration of the bylaws, Staff will establish procedures to administer the TPB, and ensure the new requirements are clearly communicated to both rental building owners and tenants.

OPTIONS

1. Prepare a TPB with the recommended approach with associated bylaw and policy updates:

That the Governance and Priorities Committee recommend that Council direct Staff to:

- (1) Prepare a Tenant Protection Bylaw that applies to the redevelopment of a building with four or more rental units and contains requirements related to: Communication & Reporting, Financial Compensation, Exemption from Financial Compensation, and Enforcement Mechanisms as outlined in the Staff Report dated 2026-JUN-15;
 - (2) Prepare a bylaw to amend the "Bylaw Notice Enforcement Bylaw 2012 No. 7159" as outlined in the Staff Report dated 2026-JUN-15;
 - (3) Replace Council Policy COU-018 (Strata Conversion Applications) with a new policy that contains updated requirements for tenants facing eviction; and,
 - (4) Present the Tenant Protection Bylaw recommendations to the engagement interest groups for their review and comment in June 2026.
- The advantages of this option: A TPB is an effective tool to implement IAP Priority Action 73 and City Plan (OCP) policies, offers protections to tenants facing displacement, and will set out clear expectations for the development community when existing rental buildings are subject to redevelopment.
 - The disadvantages of this option: Meeting the expectations of the TPB will require time and resources for rental building owners. Staff time and resources will be required to implement a TPB should the City receive an application to redevelop an existing rental building and may delay approvals depending on an owners' responsiveness.
 - Financial Implications: None identified.

2. Prepare a City Plan (OCP) amendment to create a Tenant Protection Development Permit Area (DPA):

That the Governance and Priorities Committee recommend that Council direct Staff to prepare a bylaw to amend "City Plan Bylaw 2022 No. 6600" to create a Tenant Protection Development Permit Area.

- The advantages of this option: In addition to TPBs, Bill 16 grants the authority to designate a DPA under the *Local Government Act* to mitigate the effects of displacement on tenants who will be or have been displaced from their rental units in relation to a redevelopment or proposed redevelopment. Implementing a DPA allows a TPB to be included as a condition of a development permit and can be applied to the whole City or areas of special consideration.
- The disadvantages of this option: At this time, Staff are not recommending establishing a DPA as this would not enhance the tenant protections measures beyond what can be provided through a TPB and instead, trigger tenant compensation requirements at time of redevelopment (concurrently with the four-month *Residential Tenancy Act* notice requirement). A DPA may add to development approval timelines.
- Financial Implications: Staff time and resources will be required to implement a DPA.

3. That Council provide alternate direction to Staff, considering the "Enhanced Approach" options as noted in the Staff Report.

- The advantages of this option: Adding enhanced approach options addresses key feedback received in the engagement process and are recommended by the planning consultants.
- The disadvantages of this option: Meeting the expectations of a TPB with enhanced approaches will require additional time and resources for rental building owners and could impact project viability and impact development application timelines.
- Financial Implications: Additional Staff resources will be required to implement enhanced approaches in the TPB.

CONCLUSION

The land economist consultant’s Financial Analysis indicates redevelopment of older rental apartment buildings (for rental or strata conversion) remains economically challenging in the City of Nanaimo under current market conditions. As a result, redevelopment proposals affecting existing rental buildings are expected to be limited at this time. Accordingly, this report outlines a recommended approach for a more streamlined TPB with basic requirements for rental building owners to support tenants facing displacement. Following adoption, the TPB can be monitored to assess its effectiveness, and Council may consider introducing additional enhanced measures into the TPB in the future. It is also recommended to update the City’s Strata Conversion Policy to include protections for tenants facing eviction from a strata conversion proposal.

KEY MESSAGES

- The objective of the Rental Tenant Protection Assistance project is to support tenants at risk of displacement due to the redevelopment of purpose-built rental buildings.
- Staff have reviewed best practices from other municipalities, completed community engagement and financial feasibility testing, and identified opportunities to draft a Tenant Protection Bylaw and related amendments to associated bylaws and policy as provided for in new provincial legislation.
- The next steps for this project are for Council to direct Staff to proceed with preparing a Tenant Protection Bylaw and related amendments to the Bylaw Notice Enforcement Bylaw as well as updating the City’s Strata Conversion Policy.

ATTACHMENTS

- ATTACHMENT A: Financial Analysis for Rental Tenant Relocation Assistance Project (May 2026)
 ATTACHMENT B: Nanaimo Tenant Protections Project Recommendations Report (May 2026)

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ATTACHMENT A FINANCIAL ANALYSIS FOR RENTAL TENANT RELOCATION ASSISTANCE PROJECT



MEMORANDUM

DATE: May 28, 2026

TO: Kristine Mayes, Planner, Community Planning

CC: Lisa Brinkman, Manager, Community Planning

FROM: Samantha Lahey, Leah Kenney, Justin Barer

FILE: 1296.0115.01

SUBJECT: **Financial Analysis for Rental Tenant Relocation Assistance Project**

1.0 INTRODUCTION

1.1 BACKGROUND AND CONTEXT

In 2024, the Province of BC passed *Bill 16 – Housing Statutes Amendment Act, 2024*, which provides municipalities with the authority to develop tenant protection bylaws that require owners to provide additional support over the Residential Tenancy Act (RTA) for tenants facing displacement due to redevelopment. In response to this, the City of Nanaimo (the City) has retained Urban Systems Ltd. (USL) to present an economic and policy-based assessment of potential new tenant protection requirements. This work is intended to support Council's consideration of how tenant compensation or support measures would interact with redevelopment economics where older purpose-built rental stock may be redeveloped.

This analysis is built around a series of representative case study pro forma financial analyses, reflecting different rental redevelopment contexts. For each case study site, detailed financial pro forma modelling was undertaken to reflect current obligations under the RTA, followed by testing of enhanced protection scenarios layered atop the existing Provincial framework.

The purpose of this work is not to evaluate individual development proposals, or to set prescriptive policy outcomes. Rather, its purpose is to provide City staff and Council with an understanding of trade-offs between tenant protections and redevelopment feasibility, and to identify whether tenant protections may be practical. The analysis work was completed largely in the second quarter of 2026. Results summarized in this report are all based on market conditions (rents, condo pricing, construction costs, financing rates) current as of Q2 2026.

1.2 ASSUMPTIONS AND LIMITING CONDITIONS

This report is based on high-level, case-study financial modelling rather than site-specific analysis for any individual property or landowner. As with other policy-level financial analyses, the results should not be interpreted as a definitive assessment of financial feasibility for any one site. Rather, the modelling is intended to provide a general understanding of the relative feasibility of conceptual redevelopment forms, the key drivers of project performance, and the extent to which different tenant protection measures may affect redevelopment economics under current City land use assumptions.

This analysis is concerned solely with tenants of residential rental buildings.

More detail on key assumptions that must be understood as limitations to this analysis are provided in **Appendix A**.

SUBJECT: Financial Analysis for Rental Tenant Relocation Assistance Project

In the event that material changes occur that could influence the assumptions identified, the analysis, research findings and conclusions contained in this report should be reviewed or updated accordingly.

1.3 MARKET CONTEXT

1.3.1 Macro-Economic Conditions

Development on Vancouver Island, and across much of British Columbia, is facing challenging conditions at the time of this analysis and report preparation. As a result, relatively few development opportunities in some markets are currently being underwritten as feasible. This challenging dynamic can be attributed to a number of factors:

- **Economic slowdown and uncertainty:** Canada is experiencing modest GDP growth, with forecasts pointing to mild recession later this year. This has dampened consumer and business confidence.
- **Risk-averse lending environment:** banks have tightened underwriting standards, requiring higher pre-sales and stronger borrower covenants. Developers face higher equity requirements, which reduces leverage and constrains project feasibility.
- **Labour market pressures:** while unemployment has ticked up nationally, skilled construction labour remains scarce, keeping wage pressures elevated.
- **Population growth moderation:** immigration targets have been reduced, slowing household formation and moderating long-term demand growth. This affects both rental and ownership demand projections, and achievable pricing.

While the number of variables and specific input assumptions included in most development pro forma models are extensive, here we highlight a few of the key factors that are affecting the viability of new developments most significantly. It is important to understand this full range of external factors that are influencing the viability of development projects, and within them, be able to identify which variables are within or beyond the immediate control of the City.

1.3.2 Pricing

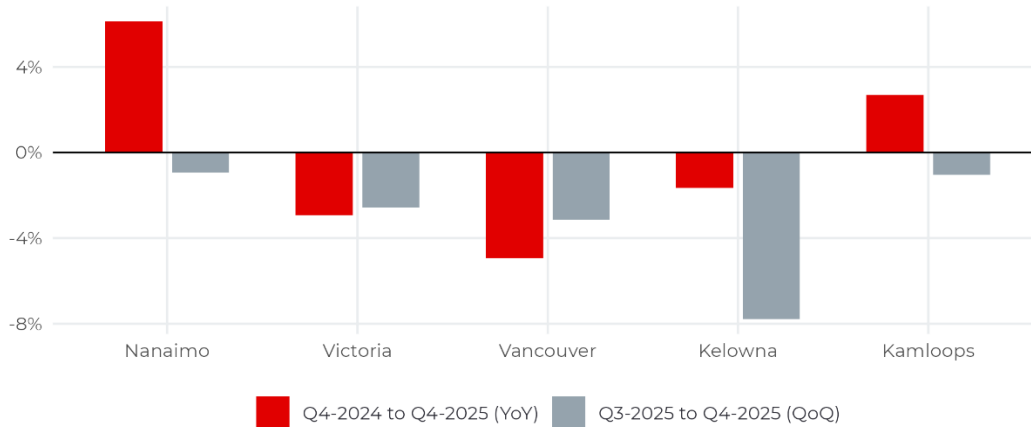
Since falling from pandemic highs in 2022, home prices in the Nanaimo region have seen little growth, with modest declines more recently.

High mortgage costs have dampened buyer demand, while the number of homes available for sale has increased. This has given buyers more choice and negotiating power, shifting the market away from the highly competitive conditions seen during the pandemic period.

In Nanaimo, this has resulted in a more balanced market: homes are still selling, but with less urgency and fewer bidding pressures. As a result, prices have flattened, and so too has revenue potential for developers.

Rental trends have diverged somewhat from the ownership markets. While rent growth has slowed overall, Nanaimo is one of the few communities where rents have continued to rise in recent months, even as many other markets across BC have experienced declining rents. Persistently high rents may help support project revenues, but ongoing cost pressures continue to constrain overall project viability.

Figure 1: Percent Change in Average Asking Rent (2-Bedroom)



Source: Statistics Canada Table 46-10-0092

Table 1: Average Asking Rents (2-Bedroom)

	Nanaimo	Victoria	Vancouver	Kelowna	Kamloops
Q4 2024	1,960	2,730	3,250	2,410	1,860
Q1 2025	2,020	2,680	3,170	2,200	1,840
Q2 2025	2,030	2,710	3,160	**	1,940
Q3 2025	2,100	2,720	3,190	2,570	1,930
Q4 2025	2,080	2,650	3,090	2,370	1,910

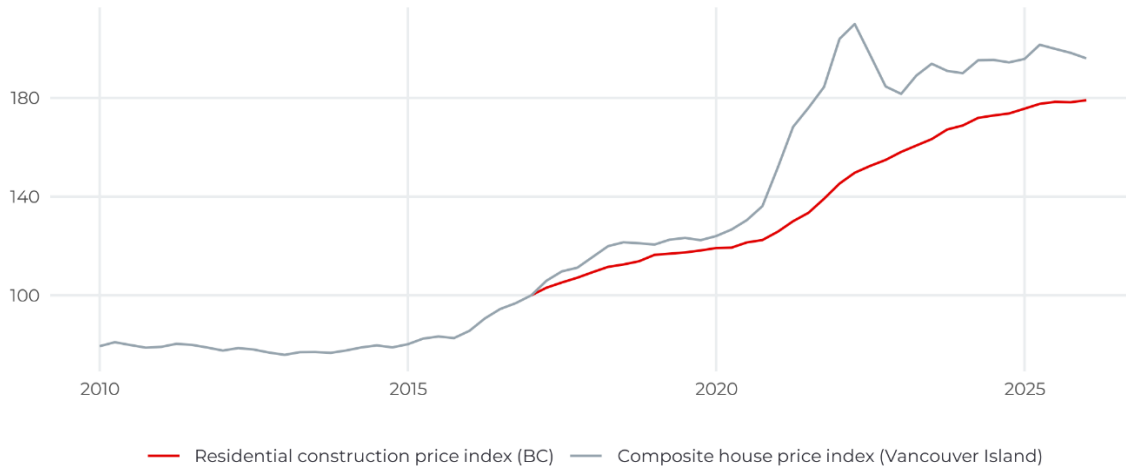
**Data suppressed

Source: [Statistics Canada](#)

1.3.3 Costs

Construction costs have increased substantially in recent years, more rapidly than home prices. Many factors have likely led to rising construction costs: high cost of materials (most notably concrete), higher labour costs, supply chain challenges and uncertain trade relationships, and changing building standards (e.g. through the building code), to name a few.

Figure 2: House Prices and Construction Costs



Sources: CREA MLS and Statistics Canada

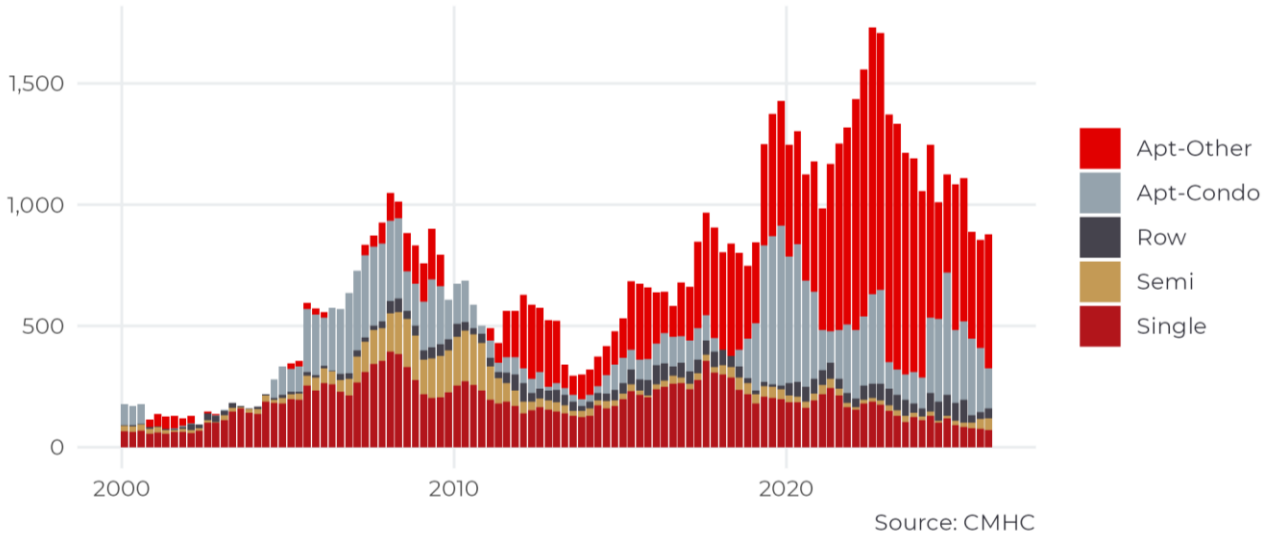
1.3.4 Inventory

New construction activity slowed in Nanaimo in 2025 after a particularly strong year in 2024. The pullback was mainly due to fewer purpose-built rental apartment units being started. At the same time, the inventory of units under construction has been declining steadily, though it remains higher than levels Nanaimo has typically seen in the past. Most homes currently under construction are rental and condominium apartments that began when market conditions were more favourable for development. These projects will continue to add to housing supply in the short term.¹

¹ As per data from CMHC Starts & Completions Survey

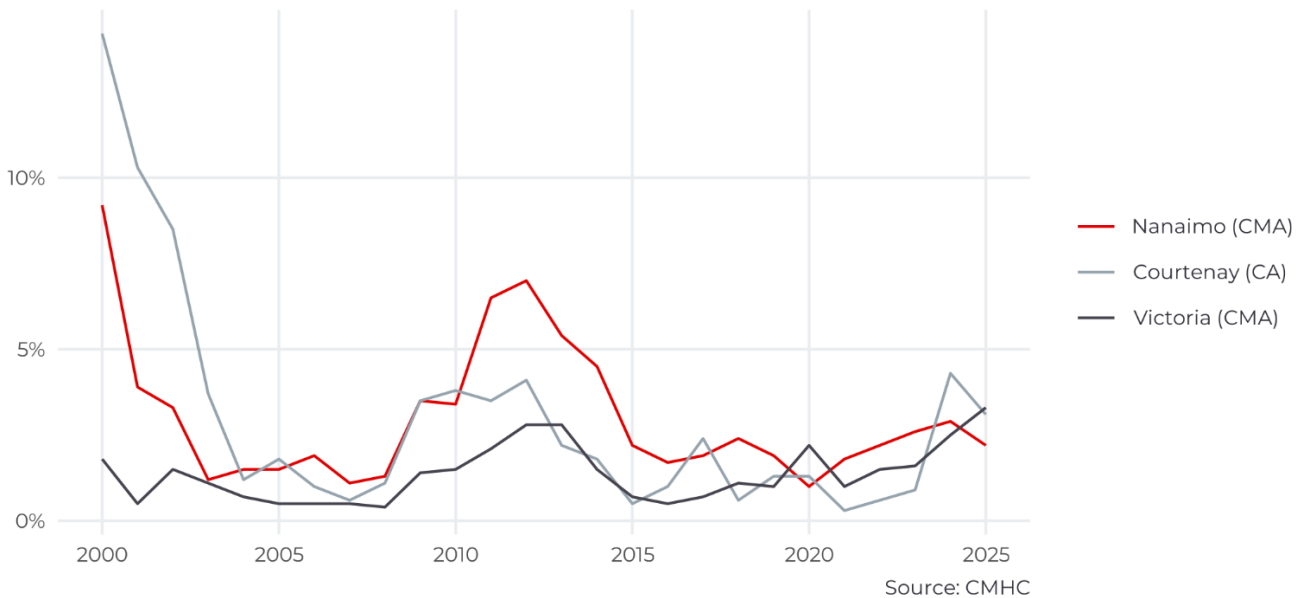
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Figure 3: Units Under Construction by Type for Nanaimo (CY)



New additions to the purpose-built rental housing stock have contributed to a rise in vacancies in recent years, but less so than in other markets. With vacancy rates consistently below 3%, average rents have increased significantly over the past few years, underscoring ongoing supply constraints in the market. The slower pace of new construction in the rental market segment in 2025 signals limited new rental supply coming to market, potentially reinforcing pressure on existing rental stock.

Figure 4: Purpose-Built Rental Vacancy Rates



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1.4 IMPLICATIONS

- **Current market outlook is hurting developer incentive to build.** Slowing economic and population growth, combined with high mortgage costs and an increase in available housing supply, is contributing to weakened demand among buyers and renters. This puts downward pressure on revenue growth potential for new projects, in turn affecting developer incentive to take on new projects.
- **Projects are increasingly unable to carry additional costs.** In previous, more favourable market environments, developments had more capacity to carry additional costs (i.e., enhanced tenant protection policies, ACCs, etc.). However, with construction cost escalation outpacing revenue growth potential, this is becoming increasingly challenging.

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2.0 CURRENT TENANT PROTECTION POLICY FRAMEWORK

Presently, protections for tenants of rental buildings facing evictions in the City are provided through the *Residential Tenancy Act (RTA)*. Under the RTA, when an owner proposes to end a tenancy the tenant protections the owner must provide include:

- Four months notice to end tenancy for renovation or demolition
- Two months notice to end tenancy for landlord use of property
- One month's rent

3.0 EVALUATION DESIGN: CASE STUDIES, ASSUMPTIONS, AND SCENARIOS

3.1 APPROACH

To test the financial capacity of development projects to offer enhanced tenant protection measures, USL conducted a series of pro forma financial analyses to model redevelopment, as follows:

1. **Case study sites:** working with City staff, four (4) case study sites were selected that represent possible candidate sites for redevelopment. The sites were selected from different neighbourhoods in the City and are representative of a range of site conditions that would likely be considered relatively attractive for redevelopment of older purpose-built rental stock (under appropriate market conditions). These include sites designated in City Plan (Official Community Plan [OCP]) for low-rise redevelopment (up to 6-storeys) and townhouse redevelopment. The selected test sites include those with older existing lower density rental buildings (built prior to 1980).
2. **Development scenarios:** USL confirmed with City staff what the base case redevelopment scenarios would likely be for each site, including confirmation of building heights, densities, unit mix and parking. This step assumes that the current RTA tenant protection policies are enacted, no development incentives are accessed (e.g. revitalization tax exemptions, fee waivers etc.), and no enhanced protections are required.
3. **Land values:** we estimated market value of each site under present land use policies and current use, to determine the likely minimum cost to a developer to acquire each site for the purposes of redevelopment. The analysis assumes that a developer would acquire development sites based on market values as established by the most recent BC Assessment roll (2026).
4. **Market research:** our team then conducted market research to establish the likely input costs for pro forma development, looking at 6-storey wood frame construction (condo and rental development) and townhouse development. Where possible, data collected for the recently completed *Financial Feasibility Analysis for Density Bonusing, Inclusionary Zoning and Tenant Protection* (Urban Matters, 2025) report was used. To reflect ever-changing market conditions, developers who provided information for previous rounds of financial testing were contacted to update previously established assumptions.
5. **Base pro forma:** using all of the above input information, we developed baseline pro formas to test the financial performance of redevelopment at each site, assuming current RTA tenant protection requirements. This establishes a "base case" to gauge baseline financial performance, from which we may then evaluate the relative impact of new enhanced requirements. Each pro forma financial model focuses on developer **profit-**

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on-cost as the primary 'screening' metric for viability.² This is measured as the completed value of the project, less the total project costs, divided by the total project costs (including land). We then evaluated baseline financial performance, to test whether there is any basis for considering enhancing tenant protections under prevailing market conditions.

6. **Enhanced Compensation Testing:** using the baseline pro formas as our starting point, we re-ran each pro forma to assess the impact on project returns of potential (hypothetical) new tenant protection requirements, focusing on: (a) Enhanced rental compensation and moving costs support, (b) Right of first refusal (ROFR) and moving cost support (for rental projects), and (c) vulnerable tenant and early move-out compensations.

3.2 CASE STUDY SITES AND DEVELOPMENT ASSUMPTIONS

Four case study sites were used as the basis for the financial analysis. These sites were selected by City staff, in consultation with USL, to represent portions of the City's older rental stock that may be candidates for future redevelopment. Redevelopment assumptions and associated density parameters were provided by the City to reflect current City Plan (OCP) policy direction.

- **Site 1** represents the redevelopment of a medium-density apartment building within a Secondary Urban Centre, into either a 6-storey rental or condo multi-family building at a density of 1.25 FSR.
- **Site 2** represents a smaller, medium-density apartment building on a small lot within the City Centre, an area of higher value, into either a 6-storey rental or condo multi-family building at a density of 1.25 FSR.
- **Site 3** represents the redevelopment of a large site with multiple, medium-density apartment buildings into a 3- to 6-storey mixed development of rental or strata multi-family building(s) and strata townhouses at 0.45 FSR.
- **Site 4** represents the redevelopment of three, multi-family residential buildings within a low density and lower-valued area of the City into a 4-storey rental or condo multi-family building at 0.45 FSR.

Table 2 details the nature of each site and the development typology assumptions.

² Profit on cost is a common developer / lender screening metric. We adopt industry-standard profit-on-cost thresholds as reported by developers for the purposes of determining viability. Profit-on-cost of at least 15% would typically be considered "likely viable" by most developers. Profit on cost under 15% but above 10% is "potentially viable", depending on the developer and their specific financing / underwriting conditions. Below 10% is "not likely viable" for most developers, although we do hear of circumstances where developers move projects forward with single-digit returns in some cases.

Table 2: Financial Testing Site Parameters

Site	OCP Designation	Number of Existing Rental Units	Site Area (Acres)	Land Values per BC Assessment	Tested FSR and Building Typology	Buildable Gross Floor Area
1	Secondary Urban Centre	75 Units	2.68	\$11.6M (\$4.3M/acre)	1.25 FSR Wood Frame Apartment	280,178 sq. ft.
2	Primary Urban Centre	15 Units	0.36	\$3.5 M (\$9.7M/acre)	1.25 FSR Wood Frame Apartment	37,752 sq. ft.
3	Residential Corridor	75 Units	3.98	\$15.1 M (\$3.8M/acre)	0.45 FSR Wood Frame Apartment and Townhome	416,085 sq. ft.
4	Neighbourhood	19 Units	2.25	\$4.3 M (\$1.9M/acre)	0.45 FSR Wood Frame Apartment	156,776 sq. ft.

4.0 TENANT PROTECTION POLICY PARAMETERS

Specific parameters for the financial testing of tenant protection policies were provided to USL by the City, based on various tenant protection option packages prepared by CitySpaces. Urban Systems met with City staff and CitySpaces on two occasions to discuss the packages and determine how best to reflect each in the pro forma modelling. Details of each tenant protection package, and how it is captured in the modelling exercise, are outlined below.

4.1 RESIDENTIAL TENANCY ACT (PACKAGE 1)

Package 1 estimates the developer’s tenant protection contributions under current RTA requirements, requiring provision of one month’s rent to each displaced tenant household. Average rent is estimated at \$1,398 per month per unit for all test sites, based on the 2025 Average Rent by Year of Construction data for Nanaimo from CMHC, filtered for buildings built before 1980. This is thought to be broadly representative of the types of buildings that would most likely be targets for redevelopment, and is consistent with building age on selected test sites.

Based on the estimated rents and the Package 1 scenario parameters, we have captured the following costs in the Package 1 pro forma:

- **Sites 1 and 3** assume 75 displaced households for a total of **\$104,813 per site**
- **Site 2** assumes 15 displaced households for a total of **\$20,963.**
- **Site 4** assumes 19 displaced households for a total of **\$26,553.**

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4.2 COMPENSATION BASED ON TENANCY AND MOVING EXPENSES (PACKAGE 2)

Package 2, as established by CitySpaces, is intended to provide displaced tenants with compensation based on length of tenancy and reasonably expected moving costs.

4.2.1 Compensation Based on Tenancy Length

Compensation based on length of tenancy was tested at 3-, 6-, and 8-months of rent provided to the displaced tenant. Average rents are estimated using the same methodology as outlined previously (based on older rental stock rents as tracked by CMHC), resulting in the following compensation amounts:

- 3-months: \$4,193 per displaced unit
- 6-months: \$8,385 per displaced unit
- 8-months: \$11,180 per displaced unit

4.2.2 Moving Expense and Assistance

The assumed costs for moving expenses and assistance are estimates provided by CitySpaces, which are based on the size of the rental unit they are leaving, as follows:

- \$875 for bachelor and one bedroom rental units
- \$1,125 for two-bedroom rental units, or
- \$1,375 for three-bedroom or larger rental units

A blend of typical unit size distributions is used in the modelling, based on the older rental stock universe as covered by CMHC. On this basis, the estimated average moving expense assistance requirement is \$1,010 per unit.

4.2.3 Total Package 2 Compensation

Using the assumptions above, Package 2 provides a total average per unit compensation of:

- 3-month: \$5,201 per unit
- 6-month: \$9,393 per unit
- 8-month: \$12,188 per unit

Table 3 on the following page shows the total Package 2 costs as captured in the pro forma.

Table 3: Total Package 2 Compensation

			3-Months Compensation		6-Months Compensation		8-Months Compensation	
Site	# of Households Displaced	Total Moving Costs (A)	Total Comp Costs (B)	Total Package 2 Costs (A + B)	Total Comp Costs (C)	Total Package 2 Costs (A + C)	Total Comp Costs (D)	Total Package 2 Costs (A+D)
1	75	\$75,625	\$314,438	\$390,165	\$628,875	\$704,603	\$838,500	\$914,228
2	15	\$15,125	\$62,888	\$78,033	\$125,775	\$140,921	\$167,700	\$182,846
3	75	\$75,625	\$314,438	\$390,165	\$628,875	\$704,603	\$838,500	\$914,228
4	19	\$19,125	\$79,658	\$98,842	\$159,315	\$178,499	\$212,420	\$231,604

4.3 RIGHT OF FIRST REFUSAL AND MOVING COSTS (PACKAGE 3A)

Package 3A tests the impact of right of first refusal (ROFR) and returning moving costs for tenants who elect to take up the ROFR. The ROFR would be offered in any instance where tenants are displaced for a redevelopment that includes new rental homes and therefore would not apply to strata or other non-rental redevelopment scenarios. For Site 3, which includes strata townhouses, only the multi-family units under the rental scenario are eligible for ROFR.

Unlike other enhanced tenant protection measures, which are straightforward, one-time commitments that can be anticipated and budgeted for in advance, the ROFR obligation introduces a significant degree of uncertainty for the developer. The actual uptake of ROFR is unknown, and its overall impact depends on how many displaced tenants choose to exercise this option relative to the total number of new units available. This means that both the amount and timing of any revenue impacts are highly variable and cannot be predicted at the outset. As a result, the financial implications of ROFR on project revenue projections are inherently uncertain. Further discussion on these considerations can be found in Section 7.3.1.

To evaluate ROFR in the Nanaimo context, two pricing frameworks were tested, assuming either 25% or 50% uptake (i.e., 25%-50% of existing tenants taking up the option):

- ROFR units offered at 10% below CMHC average rents in Nanaimo, for an average rent of **\$1,519 per unit**
- ROFR units offered 10% below new market rental rates of \$2,100 (see Appendix A) at **\$1,890 per unit**

The 10% discount on rents is within the range offered by other BC municipalities for ROFR. Some municipalities offer deeper rent discounts, of between 20% (City of Langley, District of Saanich, City of Maple Ridge) and 25% (City of Coquitlam). Due to the relatively challenging economics of development today, a 10% discount was chosen to demonstrate the minimum expected impact to project performance as a result of ROFR policies, as project performances decreases with increased discounts.

For this analysis, rents discounted to CMHC average and to new market rents were both tested, to reflect variations in different BC municipality ROFR policies. Because CMHC rents consider average rents across all apartments in the City, regardless of building age and quality, rents at the average represent significant discounts to new units and therefore have stronger negative impact for projects that adopt a ROFR based on discounted CMHC average rents.

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Return moving costs are based on the same structure outlined in Section 4.2.2. For Package 3A, that results in the total moving costs set out below:

Table 4: Total Package 3A Return Moving Assistance Costs

Site	25% Uptake	50% Uptake
1	\$19,125	\$38,250
2	\$4,000	\$6,875
3	\$19,125	\$38,250
4	\$4,875	\$10,250

4.4 VULNERABLE TENANT AND EARLY MOVE-OUT COMPENSATION (PACKAGE 3B)

Package 3B tests the impact of vulnerable tenant and early move-out compensations. Package 3B adopts the maximum combined compensation components, as developed with CitySpaces, in order to stress test a potential ‘maximum’ policy set, excluding Package 3A (ROFR).

4.4.1 Compensation for Vulnerable Tenants

Compensation for vulnerable tenants provides:

- Further moving cost and rent compensation based on tenancy to that offered in Package 2, **for 55% of tenants**, which reflects the estimated proportion of renters categorized as ‘vulnerable’ within the City.³ Four months rent are provided, equating to an additional \$5,590 per unit, along with enhanced moving costs of \$1,625 per unit, for a combined total of \$7,215 per eligible unit. This is in addition to the \$12,190 per unit provided under Package 2, resulting in total compensation of \$18,810 per eligible unit.
- An allowance of \$1,000 per unit for minor modifications provided to those with disability status, which CitySpaces estimates to be **22% of tenants**.

The potential effect of early eviction notice on project feasibility, as proposed by CitySpaces, was not explicitly modelled in the financial analysis. This reflects the expectation that construction would not typically begin immediately following eviction, such that the timing effect on project performance is likely to be negligible.

³ This estimate was developed by CitySpaces and represents the proportion of vulnerable tenants across the Nanaimo market. This figure is applied to individual case study sites.

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Table 5: Total Compensation for Vulnerable Tenants

Site	Package 2 Compensation Based on Tenancy Length for Vulnerable Tenants (8-Months) (A)	Additional 4-Months Rent Compensation for Vulnerable Tenants (B)	Enhanced Moving Costs (C)	Total Rent Compensation and Moving Costs (A+B+C)	Minor Modifications for Disability Status Tenants (D)	Total Compensation for Vulnerable Tenants (A+B+C+D)
1	\$458,380	\$229,190	\$66,625	\$754,195	\$17,000	\$771,196
2	\$89,440	\$44,720	\$13,000	\$147,160	\$3,000	\$150,160
3	\$458,380	\$229,190	\$66,625	\$754,195	\$17,000	\$771,196
4	\$111,800	\$55,900	\$16,250	\$183,950	\$4,000	\$187,950

4.4.2 Early Move-Out Scaled Compensation

Tenants who elect to move out after a development application has been submitted (i.e., rezoning or development permit), but before an official eviction notice is issued, are assumed to receive a portion of the compensation that would otherwise be available under Package 2 (Section 4.2). Because the timing of these decisions is inherently variable and difficult to quantify, the analysis assumes compensation equal to 50% of total Package 2 compensation for 25% of tenants. This equates to **\$1,902 per unit**.

Table 6: Total Early Move-Out Compensation

Site Number	Total Early Move Out Compensation
1	\$142,676
2	\$28,535
3	\$142,676
4	\$36,145

4.4.3 Total Package 3B Compensation

For the remaining tenants that are not eligible for either vulnerable tenant or early-move out scaled compensation, it is assumed that they are provided Package 2 compensation.

Table 7 on the following page presents an estimate of the total Package 3B compensation for each scenario.

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Table 7: Total Package 3B Compensation

Site Number	Package 2 (Non-Vulnerable Tenants) (A)	Total Vulnerable Tenant Rent Compensation and Moving Costs (B)	Minor Modifications for Disability Status Tenants (C)	Early Move Out Compensation (D)	Total Package 3B Compensation (A+B+C+D)
% of Tenants Compensated	20%	55%	22%	25%	
1	\$167,700	\$771,196	\$17,000	\$106,210	\$1,079,355
2	\$33,540	\$150,160	\$3,000	\$22,360	\$212,935
3	\$167,700	\$771,196	\$17,000	\$106,210	\$1,079,355
4	\$44,720	\$187,950	\$4,000	\$27,950	\$268,620

5.0 FINANCIAL ANALYSIS OVERVIEW

5.1 STRUCTURE OF FINANCIAL ANALYSIS

For the analysis presented in this report, we have prepared static (point-in-time) pro forma models for each of the typologies identified by the City for testing.

Revenues

- In condo tenure projects, we consider the likely achievable prices that units could be sold for, and how achievable pricing may vary by area.
- In rental projects, we consider the stabilized rental revenue a project is expected to achieve once it has been fully leased up, and the estimated sale price that a project could achieve on the basis of these rent levels. The latter is calculated by applying a capitalization (cap) rate to the projected net operating income at stabilized occupancy.

Costs

- Land costs – we consider the current fair market values for case study development sites, based on their most recent BC Assessment value. Where land assembly is modelled, we assume that a developer will need to offer a premium over the assessed value, to incentivize current owners to vend land into an assembly.
- Hard costs – this is the total on-site costs for development, including costs to prepare a site, costs to excavate and build sub-terranean space (where applicable), and the cost to build and finish all of the above-grade space.

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- Soft costs – this is everything that is not a direct on-site cost of construction, including all professional service inputs (e.g., architects, engineers etc.), municipal and regional fees and charges, and financing.

Profit

- We consider profit before tax.

Detailed cost assumptions and pro forma inputs can be found in **Appendix A**.

5.2 ASSESSMENT APPROACH

The profit-on-total project costs return metric serves as the key indicator for this analysis. Although developers consider a range of financial metrics in evaluating project finances, the profit-on-cost ratio is frequently employed as a key screening tool to quickly assess whether a project is broadly viable, and worth consideration. The metric is not only a key consideration for developers, but also for lenders who use it to gauge project risk and determine financing terms.

For the purposes of this analysis, the primary consideration is not whether or to what degree a project may be 'viable'; rather, the focus is on the **relative impact** to profit-on-total-cost of each proposed package, compared against a baseline. Under prevailing market conditions and tested redevelopment parameters, case study pro formas indicate that most projects are either marginal or not viable today. We therefore treat this analysis as an **evaluation of the magnitude of change to project returns**, independent of whether the project is already viable or non-viable in absolute terms. The key question therefore is: ***how much does a given tenant compensation package move the profit-on-cost outcome, relative to the base case, and is that move likely to be material or immaterial to a project?***

For the purposes of this analysis, "materiality" is assessed based on the incremental change in profit-on-cost attributable to the tenant compensation package, rather than on whether a given project is viable in absolute terms. This approach allows relative policy impact to be distinguished from broader market feasibility conditions.

The following scale is used:

- Immaterial impact: 0 to 0.25 percentage point change in profit-on-cost.
- Low/modest impact: >0.25 to 0.5 percentage point change in profit-on-cost
- Material impact: >0.5 to 1.0 percentage point change in profit-on-cost
- Highly material impact: >1.0 percentage point change in profit-on-cost

In the current market context, it may be argued that any incremental cost is material because redevelopment economics are already under pressure. While that perspective is understandable, this analysis requires a different lens. The relevant question is not whether an already marginal or non-viable project becomes more challenged, but whether a given tenant compensation measure is large enough to meaningfully influence redevelopment economics in relative terms across typical site and project conditions. Assessing materiality on this basis helps differentiate between minor additional costs and measures that have a more substantive effect on profit margins, thereby supporting a more analytically useful policy framework.

6.0 SUMMARY OF FINANCIAL TESTING RESULTS

Financial testing results are presented as the percentage point difference in profit-on-cost for each package in comparison to a hypothetical baseline where no tenant protection policies are applied (including provincially mandated minimums). As noted above, the purpose is to show the magnitude of difference and its materiality.

6.1 COMPENSATION BASED ON RTA POLICIES (PACKAGE 1)

Results in Table 8 show that provincially required RTA policies have an immaterial impact on project performance for all scenarios, as one month’s rent represents only a marginal cost relative to the total cost of each project scenario.

Table 8: Change in Profit-on-Cost: Baseline vs. Package 1

Site Number	Rental	Strata
1	-0.1	-0.1
2	-0.1	-0.1
3	-0.1	-0.1
4	0.0	-0.1

6.2 COMPENSATION BASED ON TENANCY AND MOVING EXPENSES (PACKAGE 2)

The degree to which Package 2 impacts are material depends on the number of months of compensation being assumed.

- At 3-months of compensation, there is a 0.1 to 0.4 profit-on-cost percentage point impact, meaning that these impacts can be classified as immaterial (on the low end) to low/modest (on the high end). Site 1 shows the greatest impact, owing to the relatively larger tenant displacement in proportion to the expected number of new units being created.
- At 6-months of compensation, degree of impact ranges from low/modest to material (0.3 to 0.8).
- At 8-months of compensation, the degree of impact is material to highly material at three of the four test sites (0.6-1.0 on 3 sites).

Case study sites 1 and 3 demonstrate similar degrees of (relatively higher) impact from Package 2, owing to their having the most existing tenants to compensate (75 units).

While site 2 has the fewest tenants of the four, impacts are relatively more pronounced owing to its relatively small size and consequently less net new units to absorb the impact.

Site 4 consistently shows much lower impact (low/modest impact even at 8-months compensation). This is due to a combination of the site having relatively few existing tenants to compensate (19 units) and relatively large gross floor area of new build to absorb the cost.

Table 9: Package 2 Change to Baseline Scenario Profit-on-Cost

Site Number	3-Month Compensation + Moving Costs		6-Month Compensation + Moving Costs		8-Month Compensation + Moving Costs	
	Rental	Strata	Rental	Strata	Rental	Strata
1	-0.4	-0.4	-0.7	-0.8	-1.0	-1.0
2	-0.3	-0.3	-0.5	-0.6	-0.7	-0.8
3	-0.3	-0.3	-0.5	-0.5	-0.7	-0.7
4	-0.2	-0.2	-0.3	-0.3	-0.4	-0.4

6.3 RIGHT OF FIRST REFUSAL AND MOVING COSTS (PACKAGE 3A)

Across the four case studies, introducing ROFR policies has a material to highly material effect on project performance (see Table 10). This magnitude of impact would be sufficient to influence project decisions, particularly under conditions where projects are already economically challenged. Return moving costs (Table 4), which are also included in this package, are not considered to materially change performance on their own; the impacts shown in Table 10 are driven primarily by the introduction of ROFR policies.

Key variables that influence how the different ROFR policy scenarios shape each case study are: (a) the number of tenants living on the site previously and (b) the revenue-generating area of the new development. Site 4 is the least impacted by ROFR policies (consistent with findings for other packages), as it has relatively fewer displaced tenants (19 units) and significant gross floor area for the new build. Even so, the impacts are significant. In contrast, although Site 2 also has few displaced tenants (15 units), it also has the smallest gross floor area for the new build of the case studies, and consequently is the second worst performing case study under this policy.

ROFR scenarios using a discount to new market rents performed consistently better than those based on the more deeply discounted CMHC average rents. At 25% uptake, projects with CMHC-based discounts still experienced significant impacts on returns, while those using market-rent discounts saw only a modest effect. However, at 50% uptake, even the market-rent scenario resulted in a substantial decline in project performance, highlighting the significant risks ROFR policies can pose for developers.

Overall, ROFR impact calculations indicate that this package option should be treated with caution.

Table 10: Package 3A Change to Baseline Scenario Profit-on-Cost

	Discounted from CMHC Average Market Rents		Discounted from Market Rents	
	25% Uptake	50% Uptake	25% Uptake	50% Uptake
1	-3.4	-6.9	-2.1	-4.1
2	-2.6	-5.2	-1.3	-2.6
3	-2.1	-4.0	-1.3	-2.3
4	-1.0	-2.1	-0.6	-1.2

6.3.1 Right of First Refusal Feasibility and Underwriting Considerations

The discussion below outlines why ROFR behaves differently than one-time compensation costs in feasibility and lender underwriting. These are important considerations to keep in mind, when discussing potential introduction of a ROFR policy.

- The ROFR represents a sizeable feasibility risk, because it can reduce project revenues in a way that is uncertain in magnitude.** From a pro forma perspective, this is not the same as delivering a defined number of below-market units for a fixed term (i.e., an inclusionary housing policy). Instead, it is an unknown and highly variable possible revenue impairment, in which if a tenant exercises the ROFR, the project experiences a potentially material rent reduction for an indeterminate period, but the same unit may later revert to full market rent upon turnover.
- The ROFR risk is also structurally difficult to offset using standard local government tools.** Development Cost Charges (DCCs) and Amenity Cost Charges (ACCs) for example are not designed to be recalculated or discounted / rebated based on whether a unit is temporarily rented below market due to the ROFR outcome (unlike a true inclusionary housing unit). As a result, there is no automatic mechanism (like a waiver) within the framework to refund or adjust charges where a market unit is temporarily converted to a discounted unit through tenant uptake. While a local government could, in some circumstances, implement DCC / ACC waivers or reductions for defined categories (such as affordable rental housing within for-profit buildings), those tools are best suited to affordability outcomes that are clearly defined and secured, rather than a unit-by-unit tenant-only discount that may or may not occur.
- For redevelopment proposals, especially in a challenging market climate, the uncertainty described above can affect feasibility in two ways: direct revenue impacts and an underwriting risk premium. First, if ROFR occurs, it lowers expected revenues in early years, reducing project returns (as shown in the analysis presented in Section 6.3 above). Second, the uncertainty itself can increase the risk premium applied by lenders and equity partners, which can be as consequential as the revenue reduction (and is not explicitly modelled in this exercise). Canadian guidance for commercial real estate lending emphasizes that underwriting should be forward-looking and consider both normal and stressed scenarios. In practice, lenders would rarely rely on a single uptake assumption; they will

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instead test a base-case uptake assumption alongside downside scenarios, including very high uptake, because ROFR creates a contingent obligation that can affect stabilized income and the path to stabilization. This can translate into more conservative underwriting (e.g., higher required debt service coverage and more robust reserves), which may create barriers for some developers in proceeding.

- If Council’s objective is partly to influence redevelopment rates, that objective should be made explicit and evaluated transparently.** The envisioned ROFR policy applies broadly to land use applications that result in loss of rental units and establishes ROFR obligation for affected tenants. Because lenders typically test stressed scenarios for contingent policy risk when assessing financeability of a project, any ROFR policy could operate as an implicit development constraint (i.e. a ‘soft cap’ on redevelopment) even without an explicit cap on redevelopment, particularly for more tenant-intensive situations like the replacement of larger-scale purpose-built rental buildings, where the exposure is larger.
- Context on likelihood of uptake in Nanaimo:** As there is no existing ROFR policy in effect in Nanaimo today, the likelihood and degree of potential uptake is unknown. The City of Victoria has an existing ROFR policy framework, which has seen negligible uptake.

6.4 VULNERABLE TENANT AND EARLY MOVE-OUT COMPENSATION (PACKAGE 3B)

When layered on top of Package 2, vulnerable tenant and early move-out compensations deepen the financial impact of these policies. As shown below, the incremental effect generally falls within the material to highly material range depending on development composition, site size, and the number of tenants displaced.

Results in Table 11 indicate an additional reduction in profit-on-cost of approximately 0.5 to 1.2 percentage points relative to the baseline, with the greatest impacts occurring on Sites 1 and 2. This suggests that the incremental burden of Package 3B is meaningful in relative terms, though not necessarily determinative on its own in every instance. However, given already constrained market conditions and the range of other headwinds affecting project margins, even these incremental impacts can still be consequential in practice.

Table 11: Package 3B Change versus Baseline Scenario Profit-on-Cost

Site Number	Rental	Strata
1	-1.1	-1.2
2	-0.8	-0.9
3	-0.8	-0.8
4	-0.5	-0.5

7.0 IMPLICATIONS AND POSSIBLE FUTURE POLICY DIRECTIONS

The results in Section 7 suggest a distinction between tenant protection measures that are likely to have lower materiality impacts on redevelopment economics, those that may still be considered but require careful calibration, and those that are more likely to introduce material or highly material impacts under current conditions. In particular, the testing shows that fixed, one-time compensation measures generally produce more limited and predictable impacts than ROFR, while the degree of impact within fixed-compensation packages varies meaningfully depending on the level of compensation and the extent to which additional supports are layered in.

The policy directions below are organized to identify: (i) a 'preferred' near-term policy direction, (ii) additional options that may still be considered with careful calibration, and (iii) options that are generally not recommended on the basis of the current findings.

7.1 PREFERRED NEAR-TERM POLICY DIRECTION

- On the basis of the materiality findings in Section 7, the most supportable starting point is a package that relies on defined and predictable obligations rather than contingent revenue impacts (i.e., ROFR). This approach would limit the degree to which the policy itself becomes a major additional feasibility risk.
- **Within that framework, Package 2 at the 3-month level appears to be the strongest enhanced option for near-term consideration.** Relative to the other measures tested, this package generally remains within an immaterial to low/modest range of impact and therefore represents the clearest opportunity to improve tenant support beyond provincial minimums while maintaining a comparatively lower degree of financial impact on project returns. Package 1 is of course the lowest-impact benchmark, but among policy options that go meaningfully beyond the RTA, Package 2 at 3-months presents the most balanced near-term position.
- A middle-ground pathway could centre on Package 2, with some Package 3B components added on (such as additional compensation for vulnerable tenants). This would remain manageable financially. This could be built around Package 2 as the core component (most supportable at 3-months, but potentially at 6-months if Council is prepared to accept somewhat greater materiality), combined with limited Package 3B-type supports.

7.2 ADDITIONAL OPTIONS REQUIRING CAREFUL CALIBRATION

- If the City wishes to move beyond the preferred near-term pathway, the most supportable next step would be an expansion of fixed compensation rather than a shift toward open-ended obligations. In materiality terms, Package 2 at 6-months begins to move into low/modest-to-material territory and may still be considered if Council is prepared to accept somewhat greater feasibility sensitivity. Similarly, selected Package 3B-type supports may be appropriate.
- If some form of ROFR is considered, it should be approached as a distinct and more consequential policy tool rather than as part of the preferred middle-ground package. Section 7 shows that ROFR is the dominant financial sensitivity in the analysis, with impacts that are material to highly material

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under the scenarios tested. This does not necessarily mean ROFR should be ruled out in all circumstances, but it does suggest that it should be considered cautiously, with limited rent discounts, careful attention to likely uptake, and a clear understanding that even a relatively modest ROFR design can move impacts well beyond the range associated with Package 2.

7.3 OPTIONS GENERALLY NOT RECOMMENDED UNDER CURRENT CONDITIONS

- ROFR tied to CMHC average rents, or other similarly deep-discount rent frameworks, is generally not recommended under current conditions. Based on the findings in Section 7.3, this type of approach is among the most material policy options tested and increases the likelihood that ROFR moves from a contingent obligation to a more significant and recurring revenue impairment. Relative to the City's other options, it sits at the high end of the materiality spectrum and is difficult to characterize as a balanced near-term measure if the objective is to enhance tenant support without materially shifting redevelopment economics.

APPENDIX A: PRO FORMA ASSUMPTIONS

Revenue and cost assumptions are informed primarily by information collected through developer interviews conducted in 2025. Where interview information was insufficient, alternate data sources were used and informed estimates were prepared by USL.

UNIT SIZE AND REVENUE ASSUMPTIONS

Table 12 shows the revenue and average unit size assumptions that underpin the rental pro forma used in this testing.

Table 12: Unit Size and Revenue Assumptions

	Wood Frame Strata	Townhouse Strata	Wood Frame Market Rental	Source
Unit Size	770 sq. ft.	1,300 sq. ft.	700 sq. ft.	Per developer interviews Zonda Urban NHS Data
Revenue	\$600/sq. ft.	\$450/sq. ft.	\$3.00/sq. ft. per month (\$2,100 per unit per month) Assumes average rental revenue escalation of 1.0% from now to development completion	Per developer interviews Zonda Urban NHS Data
			Cap Rates • Market Rental: 5.00%	Per Colliers 2024 Year in Review Report

TIMELINE AND BUILDING EFFICIENCY ASSUMPTIONS

Table 13: Timeline and Building Efficiency Assumptions

	Assumptions	Source
Development Timeline	Site 1: 24-month approval (includes rezoning), 12-month construction Site 2: 12-month approval (no rezoning required), 18-month construction	Per Developer Interviews USL Estimate

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	Site 3: 12-month approval (no rezoning), 36-month construction Site 4: 12-month approval (no rezoning required), 18-month construction	
Building Efficiency	82% (Wood Frame) 100% (Townhouse)	Per Developer Interviews

COST ASSUMPTIONS

Hard Cost Assumptions

Table 14: Hard Cost Assumptions

	Assumptions	Source
Demolition Costs	\$20/sq. ft. of existing structure	USL estimate
On-Site Servicing	\$3,500 per linear metre of frontage	USL estimate
Hard Costs (above grade, below grade, landscaping, demolition, site works, servicing, contingency)	Wood Frame/Townhouse Blended: \$246-\$332 Including underground parking: \$160/sq. ft., assuming 380 sq. ft. per parking space	Per Developer Interviews

Soft Cost Assumptions

Table 15: Soft Cost Assumptions

	Assumptions	Source
Development Permit Fees	Per City Schedule	City of Nanaimo
Soft Costs Related to Rezoning	\$300,000	USL Estimate
Development management, professional fees and other soft costs (engineering, design, legal, survey, appraisal, accounting, warranties, insurance, permits, other professional fees + contingency)	17% of hard costs plus soft cost contingency of 5% of soft costs	USL estimate with development industry input

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Development Cost Charge(s) (DCCs)	<p>Municipal DCCs: Apartment: \$14,444.83 per unit Townhouse: \$19,887.37 per unit</p> <p>Regionals DCCs For apartment and townhouse: \$25.74 per square meter of building gross floor area (maximum of \$4,622.37 per unit)</p>	<p>Per City of Nanaimo Bylaw No. 7348</p> <p>Per Regional District of Nanaimo Bylaw No. 1547</p>
Amenity Contribution Charges (ACCs)	<p>Apartment: \$2,186.33 per unit Townhouse: \$3,591.83 per unit</p>	Per City of Nanaimo Amenity Cost Charge Bylaw 2026, No. 7440 via April 20, 2026 Council Report
Tenant Protection Cost	As outlined in Section 5.0	
Property Tax	Per City Schedule. Applicable for time throughout development process from land holding to construction completion.	City of Nanaimo
Sales Commissions	Sale of Strata Residential: 2%	USL estimate with development industry input

Table 16: Financing Cost Assumptions

	Assumptions	Source
Financing (75% on construction 50% on land)	<p>Land and Construction Loan Interest Rates: 5.95%</p> <p>Plus financing fees at 1.50% of construction costs</p>	USL estimate with development industry input

Table 17: Land Cost Assumptions

	Assumptions	Source
Property Transfer Tax	Based on existing BC Assessment site value and tax rate	City of Nanaimo
	Varies by case study site as listed in site parameters section based on 2026 Assessment.	BC Assessment USL Research

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	15% Premium included for Land Assembly Assumed closing costs of 2%	
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Nanaimo Tenant Protections Project Recommendations Report

Prepared by: CitySpaces Consulting
May 2026



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Introduction

The City of Nanaimo initiated the Rental Tenant Relocation Assistance project to support tenants at risk of eviction due to the redevelopment of older apartment buildings. The project aims to establish a policy and/or regulatory framework that protects tenants facing displacement as a result of redevelopment.

Rental apartment buildings are an important source of affordable housing in Nanaimo. People living in older purpose-built rental buildings are often at greater risk of displacement and may have few housing options if their building is slated for redevelopment. The project looks at tenant protections that go beyond what the Province currently requires when a tenancy is ended due to redevelopment.

This work is grounded in “City Plan Bylaw 2022 No. 6600” (City Plan – Official Community Plan) which encourages “requiring tenant relocation plans as a condition of rezoning or redevelopment of existing mobile home parks and purpose-built rental buildings of four or more units” (C3.2.15). In addition, the *Integrated Action Plan* identifies a priority action to “create a tenant relocation policy to support tenants impacted by redevelopment and displacement.”

The recommendations in this report are intended to guide decision-makers as they consider approaches suited to Nanaimo's local context. This report builds on previous work, including a Best Practices Report with a jurisdictional scan of other municipalities, a What We Heard report summarizing feedback from engagement sessions with local interest-holders, and a renter's survey.

Tenant Protection Measures

The tenant protection measures in this section were informed by a review of best practices and community engagement. The selected measures reflect those most commonly included in tenant protection bylaws and policies across the province, with the aim of supporting tenant relocation during redevelopment and establishing a baseline of essential supports for displaced tenants.

Eligibility

Municipalities may determine the scope of their tenant protection bylaws that best reflects their local context. They have the authority to outline eligibility criteria that governs how the bylaw applies. This includes specifying a minimum number of rental units per building and determining the categories of housing to which the bylaw applies. These categories may include primary rental units, secondary rental units, non-market housing, or a combination.

PRIMARY VERSUS SECONDARY RENTAL MARKETS

Tenant Protection policies and bylaws typically apply to primary rental markets, meaning purpose-built rental apartments specifically developed for rental housing. Often thresholds are set at buildings comprising five or more units, which aligns with the *Residential Tenancy Act* threshold for right of first refusal in renovation-related evictions. Some municipalities apply lower thresholds, such as three or more units in White Rock or rental buildings of any size in Victoria.

The secondary rental market refers to housing that was not originally built as purpose-built rental but is rented out by owners. This includes units such as rented condominiums, single-detached homes, townhouses, accessory suites (e.g., basement suites or garden suites). Several municipalities including Burnaby, Victoria, North Vancouver, and Saanich, extend tenant protections to secondary rentals. Considerations for inclusion include the role of secondary rentals in overall housing supply and equity across renter households, while reasons for exclusion include lower perceived displacement risk, greater complexity in policy application and enforcement, and administrative and feasibility constraints.

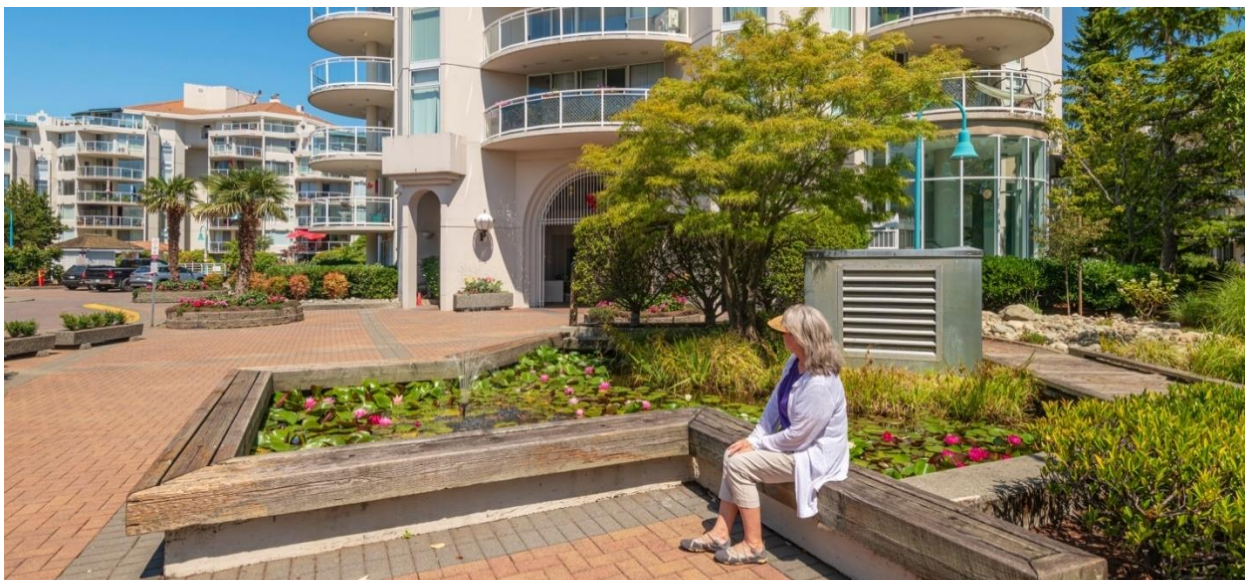
Nanaimo's City Plan provides direction to include purpose-built rental buildings of four or more units. Expanding protections to secondary rental units and lot consolidations could be considered if development patterns indicate increased risk of tenant displacement in these housing forms.

NON-MARKET HOUSING

Non-market housing providers, including non-profit housing operators, social housing providers, and housing co-operatives, are treated differently across tenant protection policies due to their unique funding structures, governance models, and existing tenant relocation practices. For example, Burnaby excludes non-market housing providers, cooperatives, Provincial, city or regional government authorities, and Indigenous housing organizations. Whereas the City of Vancouver provides unique requirements for non-profits housing providers including a greater focus on communication, compensation tailored to match specific income support programs, emphasis on continuity of housing and minimizing disruption, and right of first refusal contingent on funding in the new development. Victoria takes a similar approach, including non-market housing but exempting specific rent discount requirements in right of first refusal to recognize eligibility requirements and legal agreements associate with nonmarket redevelopment.

Nanaimo non-profit housing providers and tenant advocates shared mixed perspectives on exempting non-market housing providers, noting differences across providers in established relationships, local networks, and prior experience supporting tenants. Between 2020 and 2025, the City saw four redevelopment projects with four or more units; three were non-profit housing, each likely managing tenant relocation independently.

It is recommended that instead of exempting non-market housing, the City establish guidelines or shared baseline requirements for all housing providers with flexibility for non-market providers specifically for right of first refusal.



The following sections outlines each tenant protection measure, including how it works, what was heard through engagement, examples from other municipalities, and recommendations based on engagement findings and key considerations. In addition to the core recommendations, implementation considerations are provided under each tenant protection measure, outlining potential mechanisms, timing, and delivery formats to support practical and effective implementation.

The measures covered include:

- initial notice,
- financial compensation,
- tenant relocation assistance,
- right of first refusal, and
- additional supports.

The selected examples from other municipalities were chosen for their relevance to the Nanaimo context, as well as for illustrating unique and noteworthy approaches.

An implementation scale is used to assess tenant benefits, developer financial costs, and City time and resource requirements for each measure. These components are defined below in Table 1.

Table 1: Implementation Scale

Scale	Tenant Benefit	Developer Financial Costs	City Time & Resources
Low	Informational/No financial benefits	Less than \$5,000	Less than 10 hours
Medium	Some support benefit/Some financial benefits	\$5,000 - \$10,000	10 - 25 hours
High	Significant support benefit/Significant financial benefits	More than \$10,000	More than 25 hours

Enforcement of Tenant Protections

Compliance with the tenant protection bylaw can also be enforced through standard bylaw enforcement tools, including municipal ticketing, bylaw notices, and the *Offence Act*. Table 2 outlines available enforcement options, associated mechanisms, and examples from other municipalities.

It is recommended the City establish enforcement measures to provide clear tools for addressing and responding to non-compliance.

Table 2: Municipal Enforcement Measures

Enforcement Measure	Mechanism	Examples from Other Municipalities
Bylaw Notice	<ul style="list-style-type: none"> • Authority under <i>Local Government Bylaw Notice Act</i> • Fines up to \$500 via local government adjudication system 	<ul style="list-style-type: none"> • Failure to notify eligible tenants • Seeking permits (development, building, occupancy) without compliance with Tenant Assistance Plan • Termination of tenancy without Tenant Assistance Plan compliance
Municipal Ticketing Bylaw	<ul style="list-style-type: none"> • Authority under <i>Community Charter</i> • Fines up to \$3,000 disputed via Courts 	<ul style="list-style-type: none"> • Failure to provide updates every four months • Failure to provide financial compensation • Failure to provide relocation assistance • Failure to provide additional assistance • Failure to provide Right of First Refusal
Prosecution under the <i>Offense Act</i>	<ul style="list-style-type: none"> • Authority under <i>Community Charter</i> • Fines up to \$50,000 or imprisonment (not more than six months) sentenced by Courts 	<ul style="list-style-type: none"> • Fines of not less than \$100 and not exceeding \$10,000 • Fines of not less than \$100 and not exceeding \$50,000

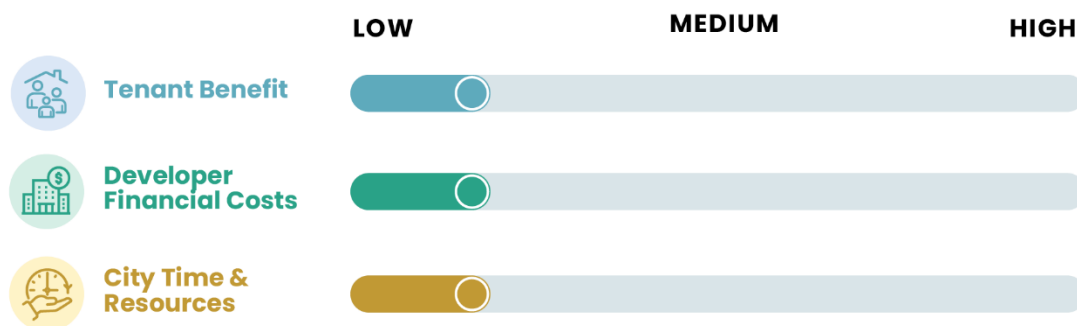
Initial Notice

Early and ongoing communication with tenants is a key element of the redevelopment process. A municipality can support clarity by establishing requirements for the format, frequency, and standardization of communications.

Mandatory meetings are a tool that can help enforce applicants' obligations under a tenant protection bylaw. These meetings require applicants to meet with affected tenants to ensure they receive clear, consistent, and timely information about the redevelopment and relocation process.

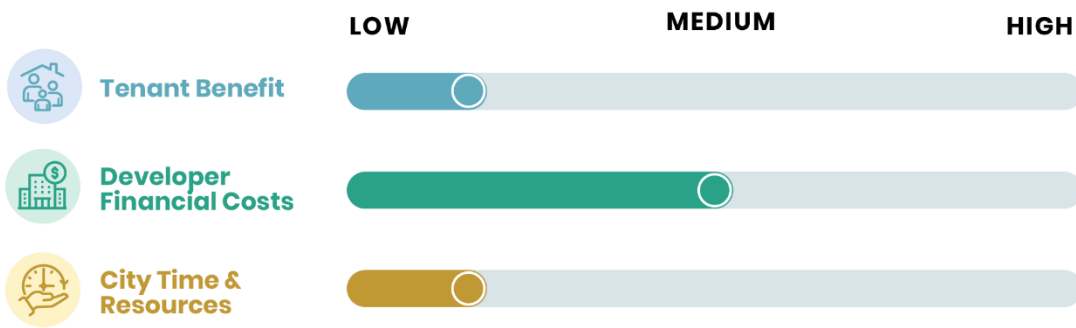
Meetings may take place at multiple stages of the redevelopment process and are often required at the inquiry phase or at the time of a redevelopment application. This initial meeting ensures tenants are informed early of their rights, the applicant's responsibilities, and the supports available to them. Meetings held at later stages may serve as milestone updates or regularly scheduled check-ins to communicate changes to redevelopment timelines or relocation plans. The presence of City staff can help ensure that meetings take place as required and that sufficient information is shared with tenants.

Figure 1: Mandatory Meetings Implementation Scale



A **required informational letter** is another tool that can support consistent and standardized communication between applicants and tenants. Issued as part of the initial notice, the letter may include information about the proposed redevelopment, a copy of the tenant protection bylaw, an overview of tenants' rights, and a summary of the applicant's responsibilities.

Figure 2: Informational Letter Implementation Scale



WHAT WE HEARD

Common Sentiment: Clear communication was a recurring theme throughout the engagement sessions. There was broad agreement that communication is an essential measure for promoting accountability and transparency among applicants, tenants, and the City.

Non-Profit Housing Providers and Tenant Advocates: Participants indicated that voluntary meetings often result in inconsistent communication and inadequate relocation outcomes. While optional meetings can be encouraged to support tenant engagement, they were not considered sufficient as a standalone measure. Requiring City staff attendance at meetings was seen to strengthen applicant compliance and help address potential gaps in tenant communication.

EXAMPLES FROM OTHER MUNICIPALITIES

- **City of Burnaby** requires mandatory tenant group meetings to be attended by City staff.
- **City of Vancouver** requires a mandatory meeting attended by City staff prior to application submission.
- **City of Langley** requires a covering letter detailing the applicant's intent to redevelop the property, along with a copy of the applicant's Tenant Relocation Plan and relevant attachments.
- **City of Kelowna** requires written notice that includes details of available financial compensation and financial assistance, to be provided a minimum of 120 days prior to the last day of tenancy. The City also suggests voluntary additional notice options, including one-on-one meetings with tenants, regular office hours to answer questions, and the option for tenants to subscribe to an email newsletter for regular updates.

RECOMMENDATIONS + IMPLEMENTATION CONSIDERATIONS

Mandatory Meetings



Require a mandatory meeting hosted by the applicant and attended by City staff.



Clearly define the roles of each party (the City, applicants, and tenants) and establish meeting protocols to ensure meetings are effective and productive.



Consider at what stages of the redevelopment process mandatory meetings should be required.

Required Informational Letter



Establish a standardized informational letter to be provided as part of the initial notice to tenants, outlining all required information.



Define mandatory delivery methods for notices, such as hard copy letters sent by mail.



Consider developing a standardized letter template and requiring proof of delivery to tenants.

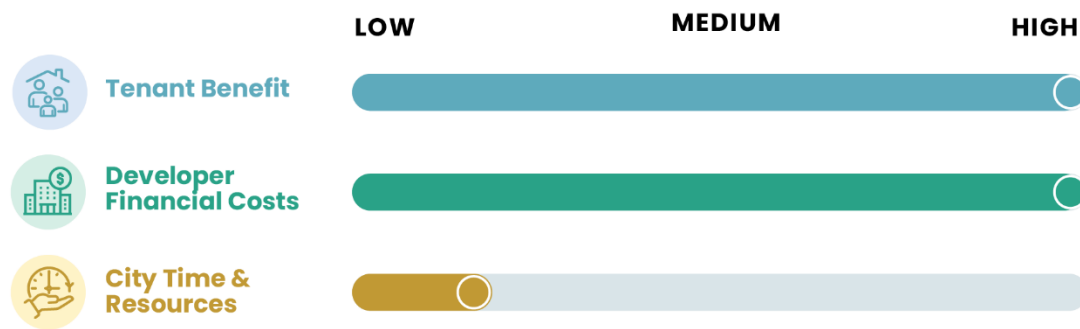


Consider offering translation services upon request.

Financial Compensation

Financial compensation above the *Rental Tenancy Act's* one month rent requirement is a common benefit provided to tenants affected by redevelopment and is the responsibility of the applicant. The City may establish the compensation threshold and method of payment, such as a lump sum payment, a rent-free period, or a combination of both. Typical compensation frameworks apply a sliding scale based on length of tenancy, which may be implemented through predefined tenure categories or a formula that calculates each tenant's eligible compensation. The City may also require partial financial compensation for tenants who vacate early, in order to support those who secure alternative accommodations ahead of schedule.

Figure 3: Financial Compensation Implementation Scale



WHAT WE HEARD

Common Sentiment: Financial compensation was widely regarded as an essential measure, with emphasis on the importance of clear, scalable, and equitable compensation based on need.

Non-Profit Housing Providers and Tenant Advocates: Participants raised concerns about inequities that can arise when greater financial compensation is tied to longer tenancy lengths. Tenants with longer tenures often benefit from lower rental rates, whereas those with shorter tenures are more likely to pay higher rents while potentially receiving less compensation. Participants also emphasized the need to consider alternative payment methods, such as phased payments or rental subsidies, rather than relying solely on lump sum payments.

Developers and Rental Building Owners: Participants generally expressed the view that existing requirements under the *Residential Tenancy Act* provide adequate tenant protections. Rental building owners emphasized the need for income testing or other assessments to identify tenant needs and determine appropriate financial compensation on a case-by-case basis.

Renter Survey: When asked to rank tenant protection measures from most to least helpful, 39% of renter survey respondents identified financial compensation as the most effective measure.

EXAMPLES FROM OTHER MUNICIPALITIES

- **City of Surrey** requires three months' current rent paid to all tenants as a lump sum, rent-free period, or a combination of both.
- **City of White Rock** requires a minimum of four months' rent and up to 44 months' rent based on length of tenancy, paid as a lump sum, rent-free period, or a combination of

both. Where a lump sum payment would exceed \$15,000, it may be made in the form of a financial instrument such as an annuity or Guaranteed Investment Certificate.

- **City of North Vancouver** requires a minimum of four months' current rent, plus an additional \$35 for each month the tenant has resided in the unit beyond five years, calculated using a set formula. This may be paid as a lump sum, rent-free period, or a combination of both.
- **District of Saanich** requires a minimum of three months' and up to six months' rent based on length of tenancy. Rent is calculated using the tenant's current rent or the CMHC average rent, whichever is higher.

RECOMMENDATIONS + IMPLEMENTATION CONSIDERATIONS



Provide eligible tenants with a minimum of four months' rent in financial compensation (inclusive of the one month required under the RTA), consistent with the RTA's four-month notice of eviction requirement.



Base rent levels on the current rent set out in the tenancy agreement or the CMHC average rent, whichever is higher.



Allow tenants to choose their preferred method of receiving financial compensation. Consider payment options beyond lump sum or rent-free arrangements, such as exploring a partnership with non-profits for monthly disbursements.



Establish clear timeframes for payment, such as requiring that compensation be paid no later than the termination of tenancy, unless ongoing monthly payments have been arranged.



Consider providing a portion of financial compensation to tenants who choose to vacate earlier than required after receiving notice of eviction.



Consider requiring applicants to inform new tenants moving in after a redevelopment application has been submitted that redevelopment is planned and that they may not be eligible for tenant supports.

Tenant Relocation

Tenant displacement is one of the most significant challenges in redevelopment projects. To address this, applicants are typically responsible for providing tenant relocation assistance, which helps affected tenants secure both temporary and permanent housing during the transition. This assistance commonly takes the form of identifying comparable replacement units and covering moving expenses. In some cases, municipalities may also require the applicant to hire a tenant relocation coordinator to oversee and manage the relocation process.

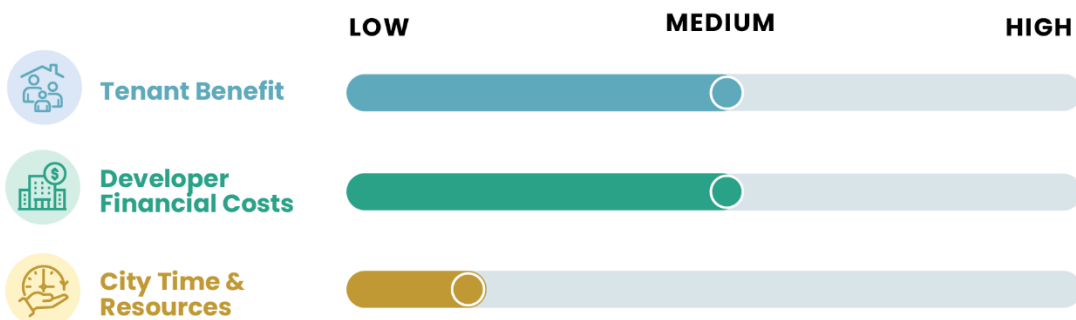
To formalize and monitor these efforts, relocation details are typically compiled into a tenant assistance plan (TAP). A TAP serves as both a planning tool and an accountability mechanism, tracking the progress of tenant relocations throughout the development process. Applicants may be required to submit an initial TAP along with subsequent progress reports at key milestones, such as specific permitting stages, to demonstrate compliance and ensure tenants are being appropriately supported.

COMPARABLE UNITS

The City may establish specific criteria governing what qualifies as a comparable unit, as well as minimum standards for the number of units that must be secured on a tenant's behalf. In practice, applicants and/or tenant relocation coordinators are commonly required to identify three comparable units for each tenant. Comparable units are typically defined as those that:

- are located within the same city or neighbourhood as the original unit;
- match the original unit in the number of bedrooms;
- have a maximum rent that does not exceed the CMHC average rent for the area; and
- are tailored to the individual tenant's needs, such as proximity to public transit, parking availability, and accessibility features.

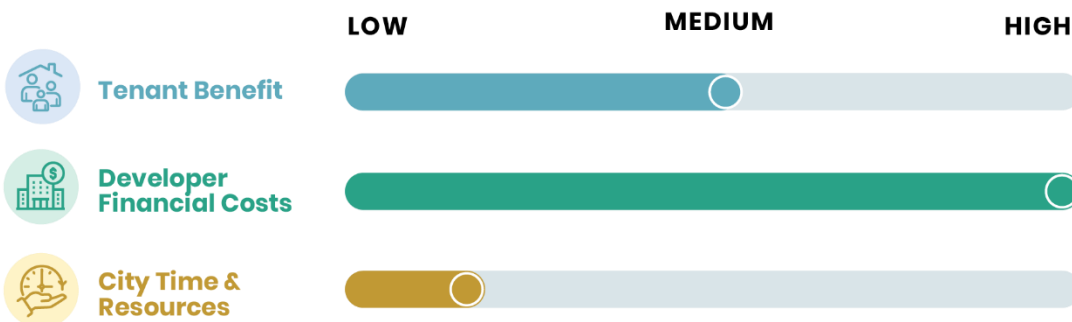
Figure 4: Comparable Units Implementation Scale



MOVING COSTS

Tenants are often entitled to additional financial compensation to help offset the costs associated with relocating. The amount provided is commonly determined by the number of bedrooms in the tenant's unit, with some cities opting for a flat lump-sum payment that applies universally regardless of unit size, while others may instead require the applicant to arrange and cover the cost of professional movers directly, without providing additional monetary compensation to tenants.

Figure 5: Moving Costs Implementation Scale



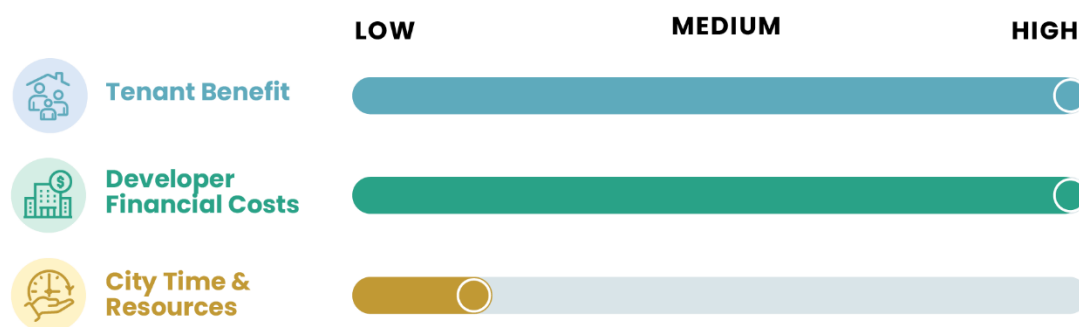
TENANT RELOCATION COORDINATOR

A tenant relocation coordinator (TRC) plays a key role in supporting tenants throughout the relocation process, with responsibilities spanning both the identification of comparable units and the coordination of moving logistics. At its core, the TRC's purpose is to ensure tenants are well-supported and kept fully informed of all available assistance.

TRCs may be employed directly by the applicant or engaged as a third-party contractor. Hiring an independent TRC can help mitigate potential conflicts of interest that may arise when the coordinator is acting on behalf of the applicant. TRC responsibilities may include, but are not limited to:

- coordinating and facilitating meetings and ongoing communication with tenants;
- identifying and addressing tenants' unique needs;
- sourcing and securing comparable replacement units;
- maintaining continuous relationships with affected tenants throughout the process; and
- carrying out any additional duties outlined in the tenant assistance plan.

Figure 6: Requirement for a TRC Implementation Scale



WHAT WE HEARD

Common Sentiment: Limited housing availability was identified as a significant barrier to successful tenant relocation, especially for seniors on fixed incomes and other low-income renters, who have few viable housing options and face the added pressure of rising rents in Nanaimo.

Non-Profit Housing Providers and Tenant Advocates: Securing comparable units remains a significant challenge, particularly where individual circumstances such as pet ownership, children, parking, and accessibility needs complicate the process and increase costs. While tenant relocation coordinators were recognized as a critical component of tenant relocation, concerns were raised about their effectiveness in practice, including infrequent contact, limited follow-up, and units that only minimally met tenant needs. Conflicts of interest were also flagged, as TRCs are typically hired by the applicant, which may undermine accountability. Lump-sum payments were viewed unfavourably, with tenants reportedly pressured to accept them, and alternatives such as phased payments, rental subsidies, or third-party administered funds were suggested.

Developers and Rental Building Owners: Developers expressed general support for helping tenants find alternative accommodations, while also noting the administrative burden that tenant relocation requirements can place on applicants. Incentives such as additional density were identified as useful tools to help offset associated costs. Developers also suggested that supports be directed toward priority tenants rather than applied broadly to all tenants.

Renters Survey: Among tenants who had previously experienced eviction, only 14% were able to relocate within the same neighbourhood. Survey respondents ranked financial or moving expense assistance and help finding a comparable unit as the second and third

most helpful forms of support, respectively. By contrast, support from a tenant relocation coordinator was rated as the least helpful measure relative to other options.

EXAMPLES FROM OTHER MUNICIPALITIES

- **City of Kelowna** provides a \$1,000 lump sum payment to cover moving expenses, to be paid at least 90 days before the last day of tenancy. Additional voluntary assistance may include actual moving costs and the option to hire an external TRC.
- **City of White Rock** defines a comparable unit as one located within 5 kilometres of the city boundary with rents not exceeding the CMHC average. Applicants must arrange and pay for an insured moving company and assist in identifying three comparable units, of which two must be within 5 kilometres of city boundaries and one must be a purpose-built rental. A TRC, funded by the applicant, is required.
- **District of Saanich** defines a comparable unit as one matching the existing unit in number of bedrooms and degree of accessibility. Tenants may choose between having the applicant arrange and pay for a moving company or receiving a lump-sum payment equal to one month's rent at the Saanich primary rental market average for the same unit size. A TRC must be hired or appointed by the applicant.
- **City of Victoria** defines a comparable unit as one located within Greater Victoria, with rents equal to the CMHC average or reasonably comparable to existing rents and tailored to tenant needs. Applicants must provide one of two moving assistance options: arranging and covering all costs of an insured moving company or providing compensation based on unit size, as follows: \$800 for bachelor and one-bedroom units, \$1,100 for two-bedroom units, and \$1,500 for three-bedroom or larger units. A TRC is required for all redevelopments and an independent third-party TRC is mandated where 20 or more rental units are lost.

RECOMMENDATIONS + IMPLEMENTATION CONSIDERATIONS

Comparable Units



Require applicants search and secure a minimum of three comparable units within 90 days before the last day of tenancy.



A comparable unit should be clearly defined as one that is located within the City of Nanaimo with at least one option situated in the same general area as the existing unit, matches the existing unit in number of bedrooms, and has a

maximum rent not exceeding the greater of 10% above the tenant's current rent or the CMHC average rent for units of the same size within the City.



Applicants should be encouraged to consider additional criteria when securing comparable units, such as proximity to public transit, maintaining the same school catchment area, and placement within a pet-friendly building.



Where applicable, bylaw language should allow for sufficient flexibility to support realistic and achievable outcomes in the securement of comparable units.

Moving Costs



Tenants should receive financial compensation for moving costs based on unit size, as follows: \$1,000 for bachelor and one-bedroom units, \$1,250 for two-bedroom units, and \$1,400 for units with three or more bedrooms.



Consider tenant selected options for payment of moving related costs such as lump-sum or securing and paying the moving company directly (may be helpful for vulnerable tenants).

Tenant Relocation Coordinator



Require applicants hire an independent third-party TRC to support tenant relocation in redevelopment projects exceeding 20 units.



Consider developing a list of trusted TRC operators and/or organizations to ensure accountability and reduce administrative costs required in sourcing and vetting TRCs for applicants.

Right of First Refusal

The right of first refusal (ROFR) gives displaced tenants priority access to return to a unit in the redeveloped building or to another unit owned by the same property owner. ROFR provisions may include discounted rents or purchase prices, typically benchmarked against CMHC average rents, with discounts commonly ranging from 10 to 25%. Some municipalities require ROFR without financial discounts or leave the terms to the discretion of the applicant.

Figure 7: Right of First Refusal without Discounts Implementation Scale

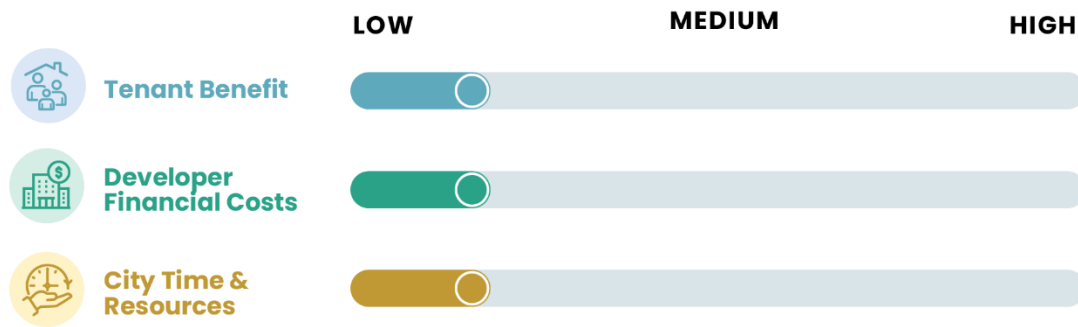
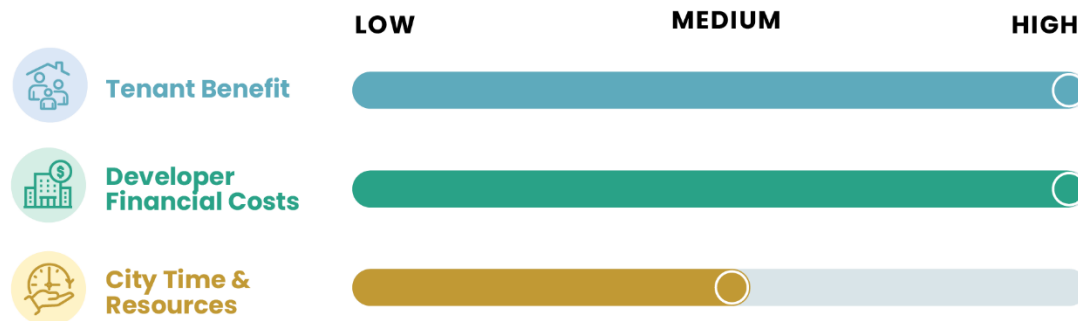


Figure 8: Right of First Refusal with Discounts Implementation Scale



WHAT WE HEARD

Common Sentiment: There was broad recognition that right of first refusal is fair in principle and particularly important in a tight rental market, though concerns were raised about the practicality of implementation given current economic conditions and rising development costs.

Non-Profit Housing Providers and Tenant Advocates: Strongly supportive of right of first refusal with rent discounts, with a preference for allowing tenants to return at their current rent or at a minimum discount of 10 to 25% below CMHC average rents.

Developers and Rental Building Owners: Identified right of first refusal without financial discounts as a feasible requirement, while noting that discounted rents pose a significant barrier to financing and overall project viability. The uncertainty around tenant uptake was also flagged as a particular challenge when securing financing from lenders.

Renters Survey: 95% of renting respondents indicated they wanted right of first refusal to be an available protection measure. However, some respondents questioned its effectiveness if rents are not discounted, noting that market-rate rents in new units would likely remain unaffordable for displaced tenants.

EXAMPLES FROM OTHER MUNICIPALITIES

- **City of Coquitlam** requires right of first refusal with a rent discount of 25% below CMHC average rent.
- **City of Langley** requires applicants to provide right of first refusal with a rent discount of 20% below CMHC average rent or a 15% discount off the strata unit purchase price for tenants returning as purchasers.
- **District of Saanich** requires right of first refusal for a comparable unit in the new or renovated building, matching the existing unit in number of bedrooms and degree of accessibility. The rent must be set at 20% below starting market rent, unless market rent is less than 30% of the household's before-tax income or the tenant's current rent exceeds the proposed discounted rate. Income testing may be used to verify eligibility.
- **City of Kelowna** treats right of first refusal as a voluntary measure at the applicant's discretion. If offered, the rental rate must not exceed 10% above the tenant's current rent. The City also encourages voluntary additional support, such as a rent top-up that bridges the gap between the tenant's current rent and the rent in their new unit for a defined period of time.

RECOMMENDATIONS



Eligible tenants should be offered the right of first refusal to enter into a tenancy agreement for a comparable rental unit in the new building or another unit within the applicant's portfolio.



Comparable units should match the existing unit in number of bedrooms, with any rent discounts left to the discretion of the applicant.¹



Reporting requirements should be considered as a mechanism to confirm that right of first refusal has been offered and to track tenant uptake, with reporting potentially aligned with the occupancy permit stage to support compliance.

1. Rent discounts should be explored in future iterations of the tenant protection bylaw, subject to demonstrated project feasibility. Considerations may include need-based discounts determined through income testing.

Additional Supports

Tenants facing additional housing barriers may experience heightened challenges related to housing security and often require extra support to adequately meet their needs. These tenants are commonly referred to as vulnerable tenants. Defining vulnerability is inherently difficult given its subjective nature, but common criteria include seniors aged 65 or older and/or those on a fixed income, tenants with a recognized mental or physical disability, and low-income tenants.

Additional supports may take the form of unique measures tailored to specific housing barriers, or enhanced versions of existing supports. These may include:

- early and ongoing communication;
- additional compensation for moving expenses;
- additional financial assistance;
- extra time and in-kind support during relocation such as help with packing, arranging and attending viewings, connecting tenants to service or health providers, and assistance obtaining social housing or rent supplements; and
- minor accessibility modifications to the replacement unit, such as installing grab bars, lever-style door handles, or braille and tactile signage. Significant unit modifications, such as new roll-under countertops, would not be included.

To support this approach, the City may develop an intake form to confirm tenant eligibility and determine the appropriate level of additional payments or supports.

Figure 9: Additional Moving Costs and In-Kind Support Implementation Scale

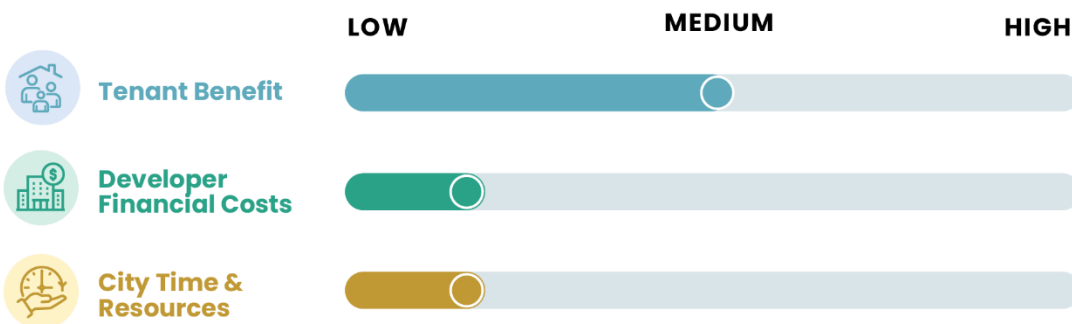
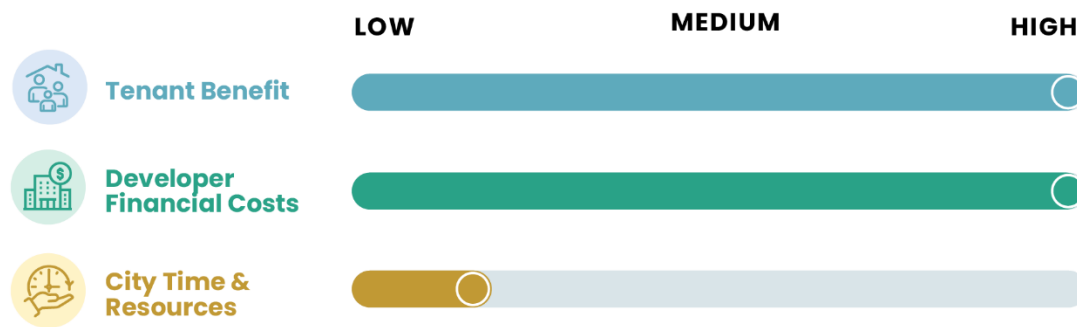


Figure 10: Additional Financial Compensation Implementation Scale



WHAT WE HEARD

Advisory Committee on Accessibility and Inclusiveness: Tenants facing additional housing barriers require clear, plain-language communication delivered directly to them. Enhanced assistance was strongly supported, particularly additional financial compensation and extra moving time or moving support. The City of Toronto's policy was cited as a highly desirable model, which provides additional financial compensation equal to four times the average market rent.

Non-Market Housing Providers and Tenant Advocates: Emphasized the importance of securing affordable and suitable comparable units tailored to individual tenant needs, such as replicated accessibility features and pet-friendly buildings. Concerns were raised about the disproportionate risks faced by tenants with additional housing barriers during displacement, including low-income tenants, single individuals, seniors, newcomers, and those in transitional stages of life. Households with pets, roommates, or subleasing arrangements may also face compounded barriers. Feedback underscored the need for supports that meaningfully reduce the emotional and logistical burden of relocating.

EXAMPLES FROM OTHER MUNICIPALITIES

- **District of Saanich** defines vulnerable tenants as those who may include, but are not limited to, elderly tenants, tenants on low or fixed incomes, and tenants living with a disability. Additional assistance available to these tenants may include connecting with health organizations or non-profit services, help obtaining social housing or rent supplements, additional support with packing or moving, arranging travel to and assistance at apartment viewings, additional or alternative means of communication regarding the relocation process, and language support.
- **City of Langley** defines a vulnerable tenant as one who meets one or more of the following criteria: is a senior aged 55 or older, receives a recognized disability pension or

is considered disabled for income tax purposes, qualifies for deep subsidy or rent-geared-to-income (RGI) units according to BC Housing eligibility criteria, or is currently paying monthly rent equivalent to or less than the average monthly rent for RGI units in the City.

TRCs are required to provide vulnerable tenants with the following additional relocation assistance: identifying non-market and subsidized unit options, including accessible units; working with non-profit and non-market housing providers to find suitable accommodations; assisting vulnerable tenants in applying for these units and communicating with property managers on their behalf; supporting tenants in visiting and viewing units, including reimbursement of transportation costs separate from any other required compensation, with receipts required for travel reimbursement; assisting with packing, including manual packing assistance by movers working on behalf of the applicant and packing supplies at no additional cost to the tenant up to a value of \$500, in addition to a vulnerable tenant moving assistance amount of \$1,500; and assisting vulnerable tenants in applying for rent supplements as required.

- **City of North Vancouver** considers a household to be low income if its income falls below 50% of the median household income for that household size. Specific thresholds include a gross annual income of less than \$35,000 for households without dependents, and less than \$60,000 for households with dependents. Examples of additional assistance that may be provided to these tenants include early communication and notifications, delivered in person if requested; additional support with arranging and attending viewings; assistance accessing social housing or rent supplements; connections to health organizations and non-profit services; and free support with activities such as packing.
- **City of Toronto** defines tenants with special needs² as 65 years of age or older and/or with existing mental or physical health conditions. Additional assistance includes providing information on demonstrating eligibility through the Notice to Eligible Tenants, as well as a virtual information session held within two weeks of receiving the notice and at the tenant meeting. Eligible tenants also receive additional financial compensation

2. Proposed changes to Toronto's policy include definitional change to 'Tenants Facing Additional Housing Barriers' which includes eligibility by support offered.

equal to four times the average market rent in Toronto, as published in Canada's Rental Market Survey.³

RECOMMENDATIONS + IMPLEMENTATION CONSIDERATIONS

Additional Financial Compensation



Provide additional financial compensation equivalent to four months' rent, with consideration given to providing this support through phased payments or rent subsidies rather than a lump-sum payment.



Establish an Additional Assistance Form provided by the City, made available both online and in hard copy. Indicate compliance with the Freedom of Information and Protection of Privacy Act is the responsibility of the applicant and require signature accordingly.



Consider how tenants will demonstrate eligibility under the vulnerable tenant definition, with acceptable documentation potentially including government-issued identification for age verification, medical forms, and proof of income assistance eligibility.

Additional Moving Costs and In-Kind Supports



Provide additional compensation for moving expenses at a suggested flat rate of \$1,625.



Eligible in-kind moving-related tasks should be established with an upper limit, such as \$500, provided in addition to the vulnerable tenant moving assistance amount.



Eligible tenants should also receive essential accessibility modifications to their comparable unit upon request.⁴



A reporting mechanism for in-kind supports should be considered, such as records of viewings attended, purchased packing supplies, and transportation passes.

3. Proposed changes would replace additional financial compensation with in-kind supports, such as translation services, moving and packing assistance, transportation to viewings or support setting up virtual tours, specialized hoarding services, and accessibility modifications to replacement rental units.

4. The duty to accommodate requires landlords to consider reasonable accommodations in units to avoid discrimination upon tenant request. Landlords are not required to make changes that cause undue hardship. Modifications are intended to support tenants and may include grab bars or ramps. Protection covers tenants with disabilities, families with children, and other characteristics under the *BC Human Rights Code*.

Recommendations for City Consideration

Nanaimo is at an early but important point in building a tenant protection framework that balances the pressures of redevelopment with what is realistic and workable in a local context. While large-scale rental redevelopment is not yet common in the city, recent provincial legislative changes give the City the tools to get ahead of the issue.

The recommended approach is built around three key principles:

- 1** **Clarity + Enforceability:** a consistent regulatory framework that can be applied across eligible redevelopment projects;
- 2** **Proportionality + Feasibility:** requirements that reflect local market conditions without discouraging housing supply; and
- 3** **Flexibility Over Time:** a baseline framework that can be adjusted and strengthened as redevelopment activity and market conditions evolve.

INTEGRATE ENFORCEMENT

Clear enforcement mechanisms should be established, including bylaw notices, municipal ticketing, and *Offence Act* prosecution where warranted. The effectiveness of these measures should be monitored over time and adjusted as needed.

ALIGN TENANT PROTECTIONS WITH EXISTING LEGISLATIVE TOOLS

- Tenant protection measures should be designed to supplement, not replace, provincial protections under the *Residential Tenancy Act*, with compensation requirements structured to avoid duplication.

DEFINE CLEAR ELIGIBILITY CRITERIA

- The tenant protection bylaw should clearly define eligibility thresholds and applicable housing types. Consistent with Nanaimo's *City Plan*, it is recommended that tenant protections apply to **purpose-built rental buildings with four or more units**. Expanding protections to secondary rental units and lot consolidations could be considered if development patterns indicate increased risk of tenant displacement in these housing forms.

- Given the diversity of non-market housing providers, a blanket exemption is not recommended. Instead, the City should establish specific flexibilities for non-market operators, **particularly with respect to right of first refusal**, with additional flexibilities available at the City's discretion, such as recognition of existing tenant relocation practices, funding constraints, and provider capacity.

Recommended Tenant Protection Measures

The recommended tenant protection measures are summarized in Table 3 (next page). These measures draw from best practices in other municipalities, community engagement feedback, and Nanaimo's current rental and redevelopment context. Together, they form the core components of a tenant protection bylaw. As local conditions evolve, there may be opportunities to explore additional or enhanced measures. For example, right of first refusal requirements could be strengthened by incorporating rent discounts, or the definition of a comparable unit could be expanded to better support tenants, particularly those facing additional housing barriers.

The recommendations in this report give the City of Nanaimo a clear, flexible, and defensible framework for supporting tenants facing displacement due to redevelopment. The proposed approach balances tenant protection with development feasibility, aligns with provincial legislation and *City Plan* (Official Community Plan) direction, and can be refined over time as Nanaimo's rental and redevelopment context continues to evolve.


Table 3: Tenant Protection Measure Recommendations At-A-Glance

Tenant Protection Measure		Recommendation(s)
Initial Notice	Mandatory Meetings	<ul style="list-style-type: none"> Require a mandatory meeting hosted by the applicant and attended by City staff. Clearly define the roles of each party (the City, applicants, and tenants) and establish meeting protocols to ensure meetings are effective and productive.
	Required Informational Letter	<ul style="list-style-type: none"> Establish a standardized informational letter to be provided as part of the initial notice to tenants, outlining all required information. Define mandatory delivery methods for notices, such as hard copy letters sent by mail.
Financial Compensation		<ul style="list-style-type: none"> Provide eligible tenants with a minimum of four months' rent in financial compensation (inclusive of one month required under the <i>Residential Tenancy Act</i>), consistency with the RTA's four-month notice of eviction requirement. Base compensation levels on the current rent set out in the tenancy agreement of the CMHC average rent, whichever greater. Allow tenants to choose their preferred method of receiving financial compensation. Consider payment options beyond lump sum or rent-free arrangements, such as exploring a partnership with the non-profits for monthly disbursements. Establish clear timeframes for payment, such as requiring that compensation be paid no later than the termination of tenancy, unless ongoing monthly payments have been arranged.

Tenant Protection Measure		Recommendation(s)
Tenant Relocation	Comparable Units	<ul style="list-style-type: none"> • Require applicants to provide a minimum of three comparable units within 90 days before end of tenancy. • Define a comparable unit as one that is located within the City of Nanaimo with at least one option situated in the same general area as the existing unit, matches the existing unit in number of bedrooms, and has a maximum rent not exceeding the greater of 10% above the tenant's current rent or the CMHC average rent for units of the same size within the City. • Encourage applicants to provide a selection of comparable units with additional criteria such as proximity to transit, maintain school catchment areas as existing units, or within a pet-friendly building.
	Moving Costs	<ul style="list-style-type: none"> • Tenants should receive financial compensation for moving costs based on unit size, as follows: \$1,000 for bachelor and one-bedroom units, \$1,250 for two-bedroom units, and \$1,400 for units with three or more bedrooms.
	Tenant Relocation Coordinator	<ul style="list-style-type: none"> • Require applicants hire an independent third-party tenant relocation coordinator to support tenant relocation in redevelopment projects exceeding 20 units.
Right of First Refusal		<ul style="list-style-type: none"> • Offer eligible tenants the right of first refusal to enter into a tenancy agreement to rent a comparable rental unit in the new building or another unit in the applicant's portfolio. • Follow criteria for comparable replacement units be the same number of bedrooms as the existing unit, with discounted rents at the discretion of the applicant.

Tenant Protection Measure		Recommendation(s)
Additional Supports	Additional Financial Compensation	<ul style="list-style-type: none"> • Provide additional financial compensation of an additional four months' rent. Consider providing vulnerable tenants with phased payments or rent subsidies instead of lump-sum payments.
	Additional Moving Costs and In-Kind Supports	<ul style="list-style-type: none"> • Provide additional compensation for moving expenses at a suggested flat rate of \$1,625. • Establish eligible in-kind moving related tasks and set an upper limit, such as \$500, in addition to the vulnerable tenant moving assistance amount. • Provide eligible tenants essential accessibility modifications in comparable units if requested.




Rental Tenant Relocation Assistance Project

Governance and Priorities Committee
June 15th, 2026

1



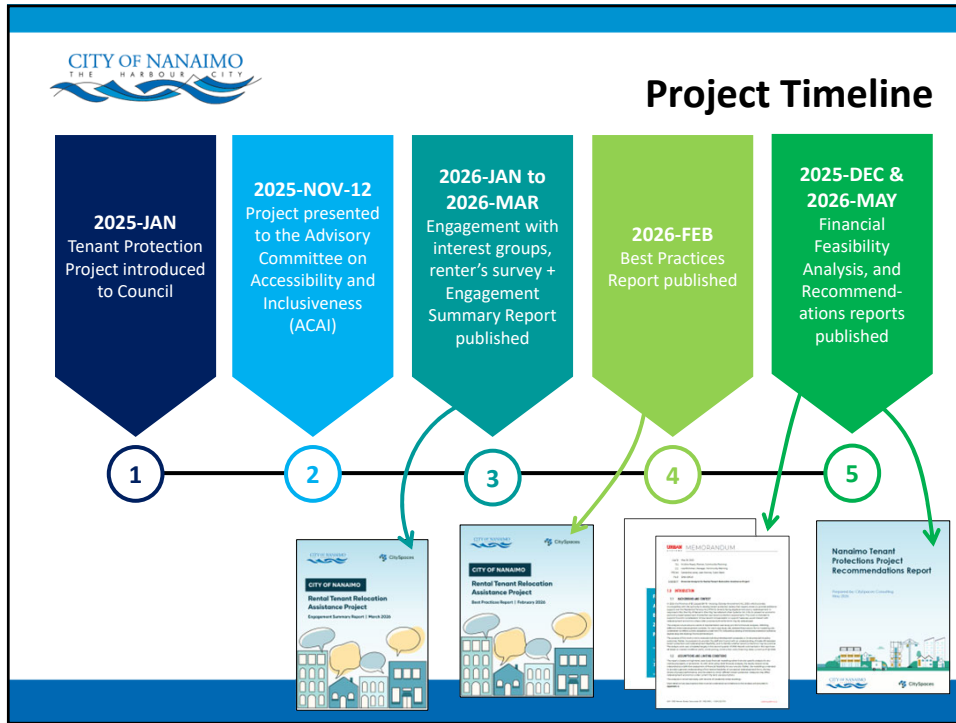
Rental Tenant Relocation Assistance Project

OBJECTIVE: To support tenants at risk of displacement due to the redevelopment of purpose-built rental buildings.

The project aims to address the following:

- City Plan (Official Community Plan) Policy C3.2.15: Require tenant relocation plans as a condition of rezoning or redevelopment of existing mobile home parks and purpose-built rental buildings of four or more units.
- Integrated Action Plan Priority Action 73: Create a tenant relocation policy to support tenants impacted by redevelopment and displacement.

2



3

CITY OF NANAIMO
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ARE YOU A RENTER IN NANAIMO?
The City of Nanaimo wants to hear from you!
Help shape how support is provided for tenants facing eviction when rental buildings with four or more units are redeveloped. Learn more about this project and complete the survey by visiting:
getinvolvednanaimo.ca/tenant-assistance
Or pick up and submit a hard copy of the survey at the Service and Resource Centre (411 Dunsmuir Street) or a Community Centre (Oliver Woods, Belban Park Social Centre & Bowen Park Complex).

SCAN THE QR CODE to complete the survey by February 18th

kristine.mayes@nanaimo.ca 250-755-4472

Engagement – Renter Survey

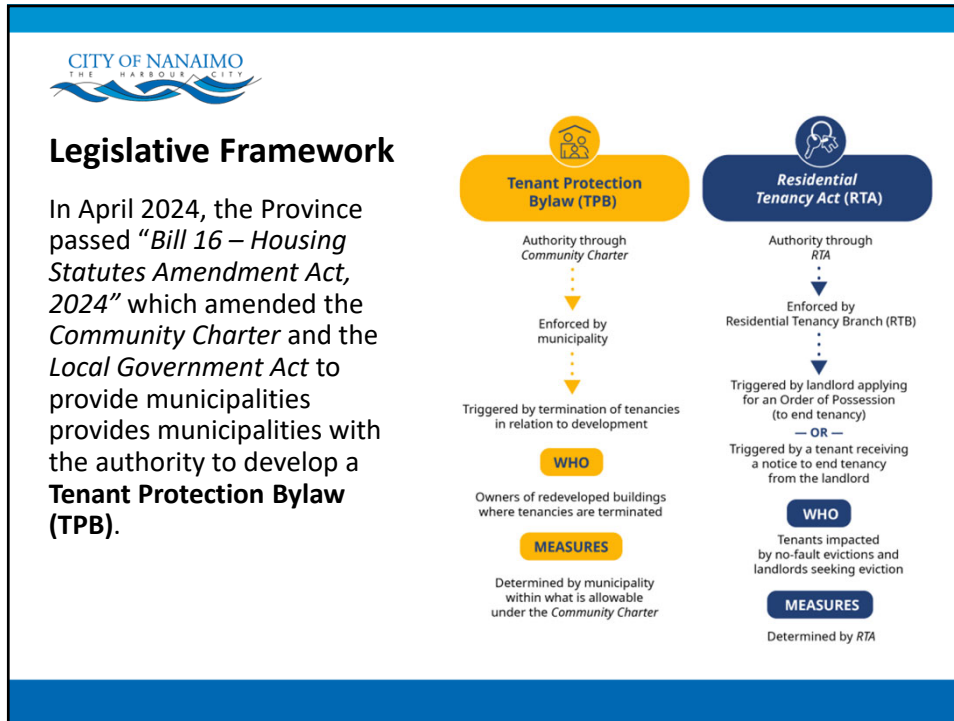
ARE YOU A RENTER IN NANAIMO?
The City of Nanaimo Local Government
Do YOU live and work in Nanaimo? We want to hear from you!
We are seeking your input to develop tenant relocation and compensation requirements for tenants facing eviction when rental buildings with four or more units are redeveloped.
Your feedback is important! Take the survey and help shape policies that work for our community.
The Survey opens January 26th to February 18, 2026.
If you have any questions, please contact Kristine Mayes.
Remind us that we have your best interests at heart. Thank you!

ARE YOU A RENTER IN NANAIMO?
HAVE YOUR SAY!
Survey closes Wednesday, February 18th
getinvolvednanaimo.ca/tenant-assistance

Get Involved Nanaimo
Help us shape our future.

Quick Links
News and Announcements

4



5

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Residential Tenancy Act Requirements

When an owner proposes to end a tenancy under a landlord’s use of property to demolish a unit (once all permits are in place), the tenant protections include:

- Four months notice to end tenancy; and,
- Compensation equivalent to one month’s rent (either as free rent or paid out).

NOTE: the amount of financial compensation required under the *Residential Tenant Act* (one month's rent) must be deducted from the amount of required by a TPB.


6



7

A white rectangular slide with a blue header and footer. The City of Nanaimo logo is in the top left. The section title "Applicability" is in bold. Below it is a thumbs-up icon followed by the text "Staff Recommendation:". A bulleted list follows, detailing the scope of the TPB and requirements for non-profit housing providers.

Applicability

 **Staff Recommendation:**

- Draft a TPB that applies to redevelopment (demolition or partial demolition) of a building with four or more rental units.
- Include flexible requirements for non-profit housing providers.

8



Communications & Reporting



Staff Recommendation:

- Require the owner provide Tenant Assistance Plan reports to the City.
- Require the owner provide information letters to tenants.
- Require the owner undertake ongoing communications to tenants for zoning bylaw amendments and development permit applications.

9



Financial Compensation



Staff Recommendation:

- Require compensation of 4 months rent (deducting one month required under the *Residential Tenancy Act*) based on the current rent rate in the tenancy agreement, or the Canada Mortgage and Housing Corporation's (CMHC) average rent for a comparable unit, whichever is greater.
- Require compensation for moving costs (\$1,000 for studio and one-bedroom units; \$1,250 for two-bedroom units; or \$1,400 for units with three or more bedrooms).
- Allow compensation to be provided as a lump sum, applied as free rent to the existing or replacement rental unit, or a combination of the two.

10



Enforcement



Staff Recommendation:

- Draft amendments for fines for non-compliance to the “Bylaw Notice Enforcement Bylaw 2012 No. 7159”.
- Include penalties under the *Offence Act* in the TPB.

11



ENHANCED APPROACH

Considerations for an enhanced Tenant Protection Bylaw

12



Relocation Assistance



Enhanced Approach:

- Require that the owner provides to tenants a list with a minimum of three comparable units.
- Require that the units be in the City; have the same number of bedrooms as the existing unit; have a maximum rental rate threshold; be near a transit route, or the same school catchment area; and be pet friendly if needed.

13



Additional Supports for Vulnerable Tenants



Enhanced Approach:

Require owners to provide tailored support to vulnerable tenants such communications in a tenant's preferred language, connecting tenants with housing service providers, and providing additional moving support, and accessibility modifications in the replacement unit to a maximum monetary value of \$5,000.

14



Right of First Refusal (ROFR)



Enhanced Approach:

ROFR is a mechanism that can be included in a TPB to allow displaced tenants priority to return to a unit in the redeveloped building or to another unit owned by the same property owner. Staff recommend that ROFR is offered to a tenant at the owner's discretion.

- Rationale: the Financial Analysis found that the ROFR requirement would have a significant impact on the economic viability of redevelopment.

15



STRATA CONVERSIONS

Updating the City's Strata Conversion Policy to support tenants facing displacement

16



Strata Conversions

The *Strata Property Act* provides Council with the authority to consider strata conversion applications, (conversion of existing rental buildings into individually owned strata lots). The current policy restricts consideration of strata conversions involving four or more units unless the vacancy rate is at least 3%.



Staff Recommendation:

Update the Strata Conversion Policy (COU-18) to:

- Modernize its provisions and ensure alignment with current statutory considerations;
- Integrate tenant protection measures; and
- Address forthcoming BC Building Code clarification from the Province.

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RECOMMENDATIONS & NEXT STEPS

18

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Recommendation

That the Governance and Priorities Committee recommend that Council direct Staff to:

1. Prepare a Tenant Protection Bylaw that applies to the redevelopment of a building with four or more rental units and contains requirements related to: Communication & Reporting, Financial Compensation, Exemption from Financial Compensation, and Enforcement Mechanisms as outlined in the Staff Report dated 2026-JUN-15;
2. Prepare a bylaw to amend the “Bylaw Notice Enforcement Bylaw 2012 No. 7159” as outlined in the Staff Report dated 2026-JUN-15;
3. Replace Council Policy COU-018 (Strata Conversion Applications) with a new policy that contains updated requirements for tenants facing eviction; and,
4. Present the Tenant Protection Bylaw recommendations to the engagement interest groups for their review and comment in June 2026.

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Next Steps

Step	Date	Activity
6	2026-JUN-15	GPC Report & Council direction
7	2026-JUN	Presentation to Focus Groups
8	2026-JUL-20	TPB & bylaw amendment presented for Council consideration
9	2026-JUL-27	Consider TPB & bylaw amendment adoption
10	Post-Adoption	Communications & developing materials

20