



**CITY OF  
PRINCE RUPERT**

**INTERIM HOUSING NEEDS  
REPORT**

**2024**



# 1. INTRODUCTION

In 2023, the Province announced amendments to the *Local Government Act* requiring municipalities to prepare Interim Housing Needs Reports (HNR), which must include the following:

- The number of housing units required to meet current and anticipated need for the next five and 20 years, as calculated using the HNR Method provided in the [Regulation](#);
- A statement about the need for housing near transportation infrastructure that supports walking, bicycling, public transit, or other alternative forms of transportation; and
- A description of the actions taken by the local government since receiving the most recent HNR to reduce housing needs.

This report fulfills the provincial requirements for an Interim HNR. By the end of 2025, the City is also required to review and update its Official Community Plan (OCP) and Zoning Bylaw to ensure there is enough capacity to accommodate the housing need identified in this Interim HNR. The next full HNR will be completed by December 31, 2028, and every five years thereafter.

This report is divided into three sections:

- **Summary of Housing Action:** This section provides an overview of the actions Prince Rupert has taken to reduce housing needs and its plans to continue this work.
- **Housing Needs: 2021-2024:** This section outlines the City's five and 20-year housing need, as calculated using the HNR method.
- **Key Areas of Local Need:** This section outlines the City's updated statements of need, including a new statement of need related to housing near transit and active transportation infrastructure.

For a more complete understanding of the City's housing needs, including a more in-depth look at core housing need and extreme core housing need, readers should refer to the previous 2022 HNR. This interim report updates the estimated number of housing units required and revises statements of need where more recent data is available.



## 2. SUMMARY OF HOUSING ACTION

### City Action to Address Housing Needs

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Following the adoption of the Housing Strategy in 2021, the City has carried out a number of recommendations - including the adoption of a Revitalization Tax Exemption Bylaw for the downtown, the removal of permitting and development fees for construction resulting in the creation of new units, and the adoption of a Rental Licensing and Maintenance Standards Bylaw intended to reduce potential future loss of rental housing.

In 2022, Council adopted its 2022-2026 Strategic Plan, which identified housing as a priority goal, along with several specific housing-related actions.

In 2023, a Housing Acceleration Action Plan was developed to support the City of Prince Rupert's Federal Housing Accelerator Fund application. An update to the Plan was adopted in October 2024 to accompany the City's second application to the Housing Accelerator Fund.

Overall, the City has undertaken the following actions to support housing development in Prince Rupert:

- Reduction of parking requirements in the downtown core, including for mixed-use properties;
- Approved zoning amendment permitting up to 4 units in flexible formations in the former R-1 and R-2 zones, removing any zones that previously limited density to fewer than four units and opening up the possibility of detached and attached accessory dwelling units;
- Adoption of a Revitalization Tax Exemption Bylaw for downtown development;
- Temporary removal of permitting and development fees for construction, resulting in the creation of new residential units;
- Placement of a number of City held lots for sale and disposal of multi-family lots to our Development Corporation for residential development;
- Approved changes to the City's Zoning Bylaw to allow housing to be built from modular units on permanent foundations;
- Direction to staff to pursue potential short-term market housing investments for Council's consideration;
- Encouraged BC Housing to invest in additional and existing affordable rental stock in Prince Rupert;

- Enabled mixed-use neighbourhoods and infill development in its OCP and zoning bylaw;
- Adopted a Master Transportation Plan that includes active transportation to reduce reliance on cars to leave more income and space for housing;
- Legalizing Secondary Suites;
- Reducing parking requirements for small-scale housing developments; and,
- Adoption of a Rental Licensing and Maintenance Standards Bylaw.

**Next Steps For the City:**

- Streamlining the development approval processes;
- Adoption of a Complete Communities lens to support evidence-based housing decisions;
- Carrying out of actions within the Housing Acceleration Plan as resources permit; and,
- Continuing to partner and support housing development opportunities within the community.



### 3. HOUSING NEEDS: 2021-2041

In June 2024, the Province released a standardized methodology, HNR Method, that outlines how local governments must calculate their total housing need (outlined in Table 1 below). Using this methodology, the Province estimates Prince Rupert will need 1,289 new housing units to address its current and future housing needs.

The HNR Method estimates the City's housing needs by combining six components:

#### **Component A**

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Refers to the number of housing units needed to address extreme core housing need, defined as households spending 50% or more of their total pre-tax income on housing.

#### **Component B**

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Represents the supply of permanent housing units needed to accommodate individuals currently experiencing homelessness.

#### **Component C**

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Captures households that were not able to form due to the constrained housing environment; for example, young people may have difficulty moving out of their parents' homes to form households of their own.

#### **Component D**

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Reflects the additional households needed to accommodate for the projected population growth over the twenty years.

#### **Component E**

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Refers to surplus rental units needed to restore local vacancy rates to levels representing a healthy and well-functioning rental housing market (3% - 5%).

#### **Component F**

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Represents the additional housing demand within a community that exceeds the minimum units needed to adequately house current and projected residents. It includes the number of units required to maintain a "healthy" market demand in Prince Rupert.

**Table 1. Total 5-Year and 20-Year Housing Need, City of Prince Rupert, 2021-2041**

	<b>5-Year Need</b>	<b>20-Year Need</b>
	<b>2021-2026</b>	<b>2021-2041</b>
Component A: Supply of Units to Reduce Extreme Core Housing Need	43	171
Component B: Supply of Units to Reduce Homelessness	67	135
Component C: Supply of Units to Reduce Suppressed Household Formation	62	246
Component D: Supply of Units to Meet Household Growth Over the Next 5 and 20 Years	293	467
Component E: Supply of Units Needed to Meet at Least a 3% Vacancy Rate	0	0
Component F: Supply of Units Needed to Meet Local Demand (Demand Buffer)	67	269
<b>Total Units Needed</b>	<b>532</b>	<b>1,289</b>

*Source: Housing Assessment Resource Tools, 2024*

## Potential Data Gaps

The HNR Method developed by the Province likely underrepresents the total housing need in Prince Rupert. Given changes to homelessness counts and vacancy data since 2021, as well as the lack of consideration for any anticipated changes to population growth patterns despite major investment and expansion of the Port industries, the Provincial methodology for estimating housing need over the next five and 20 years could underestimate actual housing need by over 200 units with existing data, and likely another several hundred with anticipated growth from the Prince Rupert Port.

### RELIANCE ON CMHC RENTAL VACANCY DATA

The rental data used to generate Component E represents less than 45% of the City's total rental stock. This data is based on Canada Mortgage Housing Corporation's (CMHC) Rental Market Survey, which only includes privately developed buildings with at least three rental units that have been on the market for at least three months. The latest estimates from 2021 suggest that the secondary rental market may include as many as 1,048 units<sup>1</sup>. This

<sup>1</sup> This estimate is based on comparing the number of renter households recorded in the 2021 Census with the primary rental housing stock estimate recorded in the 2021 Rental Market Survey.

would mean that the vacancy rate may be even lower than 1.7% given local input from housing service providers and rental resources.

The most recent data on the primary rental market in Prince Rupert (October 2023), based on 967 units, found a vacancy rate of 1.7%. This is much lower than the 5.5% vacancy rate used by the HNR methodology. Using HNR provincial methodology and the 1.7% vacancy rate as an input to predict the number of units needed to raise the vacancy rate to 3%, there is a projected need for an additional 26 dedicated rental units.

### **Undercounting Extreme Core Housing Need:**

The data for Component A is based on the 2021 Census, which likely underestimates the current number of households experiencing extreme core housing need. The 2021 Census figures for core and extreme core housing need were temporarily lowered due to the Canada Emergency Response Benefit (CERB), which provided short-term financial relief to households during the COVID-19 pandemic.

### **Underestimating Household Growth:**

The HNR Method does not incorporate the growth projections from the Prince Rupert Port Authority, which anticipates 1,910 new full-time jobs by 2030<sup>23</sup>. This increase in demand is expected to intensify existing housing needs and potentially raise the demand for more market-rate housing.

### **Undercounting People Experiencing Homelessness:**

The data for Component B is based on British Columbia's Integrated Data Project from 2021. The most recent data available through this initiative is from 2022, which shows a jump in the number of people counted from 199 (in 2021) for the Skeena-Queen Charlotte census Division to 256, putting the anticipated needed units for Prince Rupert for 2041 at 173 using Provincial methodology. A more recent report from the Province's 2023 Point-in-Time count shows that the number of people counted as experiencing homelessness doubled since 2020. The rapid increase in homelessness in Prince Rupert since the last census count indicates a likely undercounting of anticipated need for housing units within the Province's methodology.

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<sup>2</sup> Redesign Rupert. (2019). Labour Market Study. [Labour Market Study – Redesign Rupert](#)

<sup>3</sup> Anecdotal reports show that these projections may be lower than originally established in 2019, but no new formal projections have been released.

## Current Progress

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Since 2021, the City has seen a steady increase in development interest, with a notable rise in the number of permitted and planned units in the development pipeline. These projects include a mix of affordable, median-income, and market-rate housing. The City is undertaking actions to increase the speed and supply of new housing construction through its Housing Acceleration Action Plan. There are currently 239 new units in the development pipeline, with approximately 100 of these receiving preliminary funding from BC Housing, ensuring that much of this new stock will be affordable.

Despite this progress, several barriers continue to limit new housing construction. Key challenges include the City's infrastructure deficit and the local building environment's complexities (see Section 4 for further details). Since 2021, Prince Rupert has lost 134 housing units due to demolition, disrepair, or fire. Over the same period, only 161 new units have been developed, resulting in a net gain of just 27 units—well below the five-year target of 532 units. Addressing this gap will require further efforts to address the barriers to creating new housing supply.





## 4. KEY AREAS OF LOCAL NEED

This section highlights the key areas of local housing need in Prince Rupert based on the statements drafted for the 2022 HNR. These statements have been updated when new information was available, including updated data and more recent engagement with community partners. This section also includes a new statement of need related to housing near transit and active transportation infrastructure.

### Housing Need Summary Statements

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#### 1 Affordable Housing

- **The cost of housing has continued to increase in Prince Rupert since the 2022 HNR.** The average sales price in the last five years increased by 34%, from \$296,685 in 2019 to \$447,867 in 2023. Feedback from the 2022 HNR engagement included concern that middle-income households can no longer afford homeownership, and with limited rental housing availability, there are not many housing options for those earning median wages. Historically, Prince Rupert was a more affordable community than other cities in the northwest, yet that dynamic has begun to shift with rising housing prices.
- **Interviews for the 2022 HNR with neighbouring First Nations highlighted the impacts of affordability challenges in communities close to Prince Rupert.** Members are moving back to reserve because of the rising cost of housing in Prince Rupert, yet there is limited availability on reserve. As the central hub for business and employment in the northwest, growing affordability concerns in Prince Rupert have cascading impacts beyond the city.
- **Housing was highlighted as a critical community need in the 2024 Social Development Assessment.** Engagement for this assessment highlighted how the City's housing crisis is affecting everyone in the community, including families struggling to find affordable homes, the lack of affordable housing pushing many people into homelessness, and how international students are living in unsuitable housing due to the lack of housing options. This engagement also highlighted how the City's housing issues were making it difficult for local social service agencies to hire and retain staff.
- Census data illustrates the proportion of households experiencing core housing need declined from 2016 to 2021, from 12.2% to 7.3%. This trend was evident across Canada and indicative of the impact of government income supports in reducing poverty. Core housing need expressed in the 2021 Census was temporarily reduced due to the impact of the temporary Canada Emergency Response Benefit (CERB) supports which provided temporary financial relief to households during the Covid-

19 pandemic. Given most pandemic benefit programs have since ended, it will be important to assess how core housing need changes over the coming years, as recent improvements were principally driven by a reduction in the proportion of households spending 30% or more of their after-tax income on rent.

- **Action is being taken to build more affordable housing in Prince Rupert.** The Lax Kw'alaams Band recently broke ground on a 70-unit housing development. An additional two housing projects received approval under the most recent round of the Indigenous Housing Fund, totalling 62 units and 38 units, respectively.

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### Rental Housing

- **The cost and availability of rental housing is a source of concern.** During engagement for the 2022 HNR, housing providers, First Nations, social service agencies, and other interested and affected groups referenced the challenges residents were experiencing trying to find safe and affordable rental housing.
- Many participants during the 2022 HNR engagement process highlighted that the rising cost of rental housing is a barrier to finding new housing that meets their needs, and others focused on the limited supply and concerns related to the condition and quality of the housing available.
- **Reliable and comprehensive data on rental housing is lacking in many small to mid-sized Canadian communities.** CMHC data excludes secondary market rentals, which form a significant component of Prince Rupert's rental housing supply. The lack of rental housing has impacted recruitment for the Health Authority, local businesses, and social service agencies.
  - Data from CMHC indicates that over the last five years, the median rent of secured rental units in the City increased by 53%, from \$850 in October 2018 to \$1,300 in October 2023.
  - Engagement for the 2022 HNR indicates prices in the secondary rental market increased substantially, from \$800 in 2018 to \$2,000 in 2022, with this trend likely continuing in the future.
- **During engagement for the 2022 HNR, participants noted that new rental housing projects are out of reach for moderate-income households.** Participants referenced "industry people" as the target market for new construction but also acknowledged that people moving to Prince Rupert for employment are not exclusively working in high-paying positions. There was a need for more rental housing options for moderate-income households and non-market housing for low-income households.

### 3 Housing for People with Disabilities

- **Housing for persons with disabilities and mental health needs continues to be in demand.** In 2021, 74% of households in core housing need (270 households) had at least one person with an activity limitation<sup>4</sup>. Needs for this population could be accommodated through new units that meet accessible/adaptable guidelines, through a variety of in-home services, and dedicated special needs housing.
- In 2023, Prince Rupert was home to 46 non-market special needs housing units. In 2022, there were ten or less people<sup>5</sup> with disabilities on the non-market housing waitlist. Engagement for the 2022 HNR indicated there is a need for additional housing with support services to accommodate the needs of different population groups. Currently, adults with acquired brain injuries have limited housing options and can only access housing with support through long-term care. This is not an appropriate option, and greater diversity is needed to provide dignified support and care for people living with brain injuries.
- **The connection between health care and housing is important to highlight,** as many people requiring housing with support services also need regular access to medical professionals. During engagement for the 2022 HNR, Health Authority staff indicated the need to explore a variety of “levels” of housing with support services, as people recovering from illness or trauma unable to live alone require light support, distinct from the higher levels of care currently offered in supportive housing facilities. This form of housing is not currently available in Prince Rupert, and there was a desire to explore alternate models of care to ensure people can access the assistance required.
- The Province has taken several steps to improve accessibility, including updating the 2024 BC Building Code, that includes new accessibility requirements that help make new buildings more accessible for all people. The City, as required by the Province, has also established an Accessibility Committee working on an Accessibility Plan for the City that was adopted in October of 2024.

### 4 Housing for Seniors

- Throughout engagement for the 2022 HN, numerous participants emphasized the need for additional seniors housing, including accessible housing, independent seniors housing, and assisted living facilities. **Approximately 33% of households**

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<sup>4</sup> Activity limitations refer to difficulties that people have in carrying out daily activities such as hearing, seeing, communicating, or walking. Difficulties could arise from physical or mental conditions or health problem

<sup>5</sup> BC Housing suppresses values of less than 10 for privacy.

**in core housing need (120 households) had at least one senior (65 or older) in 2021.**

- In 2021, 56% of Prince Rupert's housing comprised of single-detached dwellings. There are limited options for seniors looking to downsize and stay in the community. Engagement for the 2022 HNR highlighted the challenges seniors experience in maintaining larger detached dwellings and older units in need of major repair. For these households, smaller accessible units are needed, such as one- or two-bedroom units in single-storey buildings or apartment buildings with elevators.
- During the 2022 HNR engagement, Cedar Village, a seniors housing project built by BC Housing in partnership with Metlakatla First Nation, was referenced by many as an important new addition to the city's housing stock. Participants during engagement indicated "more Cedar Villages" are needed, as there are 31 seniors remaining on BC Housing's waitlist for non-market seniors housing. As of 2023, there were 51 supportive seniors housing units in Prince Rupert. The Lax Kw'alaams Band recently broke ground on a new housing development, which will include 12 units dedicated to seniors housing.
- **The prevalence of seniors among people experiencing homelessness and accessing the Unemployment Action Centre is increasing**, which suggests there is a need for more affordable seniors' housing that could be facilitated through BC Housing's SAFER rent subsidy.
- Engagement for the 2022 HNR highlighted the **housing meant to accommodate seniors should be within close walking distance to transit and services, single-level or include an elevator in a multi-unit development, and adaptable to ensure it meets the needs of seniors as they continue to age-in-place.**

## 5 Housing for Families

- From 2016 to 2021, Prince Rupert's demographic profile remained relatively static, with many people of working age comprising most of the city's population. Given the port expansion and associated economic opportunities, it is anticipated Prince Rupert will continue to attract young families relocating for employment. **With the median price of a single-detached home reaching \$533,378 in 2023, it is difficult for moderate-income families to afford housing in Prince Rupert.** Engagement for the 2022 HNR highlighted most new builds are for the top third of income earners unless subsidies or other incentives are provided by senior government.
- Engagement for the 2022 HNR highlighted that many felt the existing housing options may not be adequate given the extent of repairs required on most units. Participants highlighted that there has been very little new construction in the last 30 years. Given the challenging construction context, it is increasingly difficult to

make new projects work in Prince Rupert. With cost escalations, supply chain issues, and rising interest rates, the current market conditions are not conducive to new development.

- Participants during the 2022 HNR engagement highlighted the need for housing with multiple bedrooms to accommodate large families. Feedback received also indicated young adults cannot afford to live on their own, and, as a result, it is becoming increasingly common for several generations to live together. Intergenerational living arrangements are also common among Indigenous families. To ensure culturally safe housing options are available, it may be beneficial to explore a family-friendly housing policy that encourages larger units in new multi-unit development.

## 6 Housing For Singles

- Single people living in Rupert do not have many housing options as there are few multi-unit apartment buildings with affordable one-bedroom units. With very little new construction over the past few decades, available housing options are often limited to older post-war bungalows in inadequate condition. Renovation requirements can be substantial, which can be costly and usually out-of-reach for single people earning median income.

## 7 Housing For People Experiencing Or At-Risk Of Experiencing Homelessness

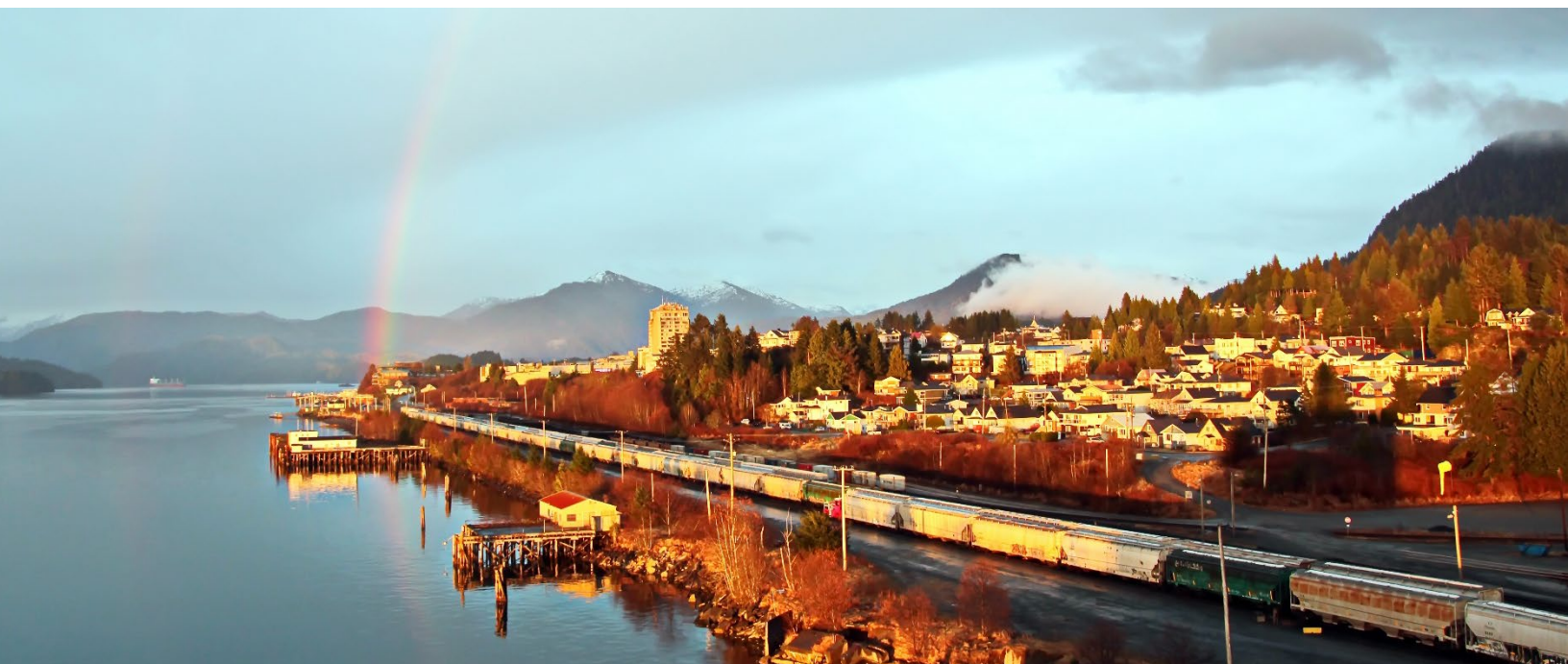
- **The number of people counted during the City's Point-in-Time (PiT) Counts has been growing since 2018.** From 2018 to 2023, the number of people counted grew by 106%, from 71 to 146 individuals. During this time, several trends have occurred, including an increasing number and share of seniors, youth, and people who have experienced homelessness for more than one year.
- There has been recent investment in the non-market housing sector, as older buildings have been replaced and new projects have come forward with the support of BC Housing. Feedback during the 2022 HNR and the 2024 Social Development Assessment demonstrates the **need for additional non-market housing remains as recently opened projects already have waitlists.**
- As housing solutions are explored, it will be important to employ an equity lens to understand how to address structural barriers like racism and ableism that result in an over-representation of Indigenous people and people with disabilities among people experiencing homelessness. Indigenous-led housing options, such as Git Lach M'oon, are key examples of culturally safe housing options. There is an opportunity for the City to continue to explore partnerships with senior levels of

government and First Nations to provide additional non-market housing options in Prince Rupert.

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## Housing Near Transit and Active Transportation Infrastructure

- Transportation is essential to our everyday lives and directly impacts how safe, affordable, and equitable our communities are. The mobility choices our built environments enable affect the physical, mental, and financial health of individuals and the broader community. It is important that the City approaches transportation through a people-first lens that prioritizes active transportation and sustainability to address broader social, environmental, and economic objectives.
- Engagement for the 2022 HNR highlighted the **need for housing meant to accommodate seniors and people with mobility issues to be located within walking distance to transit and services.**
- The City should review its Complete Communities Assessment and Transportation Plan when identifying future areas for housing development. These documents can highlight areas with existing or planned access to transit and active transportation infrastructure.
  - The City's Complete Community Assessment highlighted areas within the City that are easy, safe, and comfortable for someone to use the existing street and pedestrian network to move around.
  - The City's Transportation Plan establishes a strategic vision that will guide the City's transportation and land use decisions and public investments over the next 5-10 years and beyond.



## Additional Housing Challenges

In addition to housing needs and gaps, other related factors must be considered to understand the current Prince Rupert housing context:

### Infrastructure Deficit

For many years, there was limited private and public investment in Prince Rupert, meaning critical infrastructure was not updated and is now in need of major repair. Feedback from engagement during the 2022 HNR indicated that the City's infrastructure (e.g., water mains, sewer pipes) is reaching a point of critical failure and may limit the extent to which the City can accommodate projected growth. The City does not have sufficient resources to tackle this challenge and has required some support from senior levels of government, explicitly for water and sewer infrastructure, but a substantial deficit remains. The urgency and extent of the infrastructure deficit also means it is difficult for the City to invest in housing-related initiatives.



### Remote Location

For many communities in the northwest, Prince Rupert is a hub and service centre, yet its remote location at the end of Highway 16 makes it hard to access from major urban areas. Engagement participants for the 2022 HNR indicated the challenges of securing tradespeople and materials in such a remote location. Contractors driving on Highway 16 from Prince George would have little reason to continue to Rupert when other construction projects in Terrace and Smithers need tradespeople. It is difficult to attract skilled workers to Prince Rupert to build new housing, and the lack of new development in recent years reflects this reality.



## Challenging Building Context

In addition to being at “the end of the road,” Prince Rupert is a challenging place to build new housing due to distinctly high costs. These costs include the northern factor of higher costs of shipping materials and lack of local skilled labour, as well as the geotechnical conditions (e.g., muskeg, rock) of the land. With natural urban boundaries, not much easily developable land is available for new construction. With cost escalations, supply chain issues, and rising interest rates, the current market conditions are not conducive to new development. One participant expressed, “Prince Rupert has to be by far one of the most expensive places to build.”

Compounding these costs, the lack of development in the last 30 years has resulted in a lack of local building industry and no financing precedence for market housing. This means that developers in Prince Rupert struggle to get financing in place, as there are limited new developments that can serve as comparisons to satisfy bank conditions.



Given the limited number of units that have come online in recent years, the City is hesitant to impose affordability requirements at risk of disincentivizing new construction. The City is undertaking actions to increase the speed and supply of new housing construction through its Housing Acceleration Action Plan. The Plan outlines several bold steps, including providing City-owned land for new affordable housing projects, removing development barriers, and partnering with First Nations and Indigenous organizations to develop housing.