

Staff Report for Decision

DATE OF MEETING JULY 14, 2025

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SUBJECT DEMOLITION AND DECONSTRUCTION WASTE REGULATION

OVERVIEW

Purpose of Report

To inform the Governance and Priorities Committee of demolition and deconstruction bylaw best practices and key elements as well as challenges and opportunities for regulating deconstruction in Nanaimo, including options to consider for proceeding with a draft bylaw.

Recommendation

That the Governance and Priorities Committee make recommendations to Council on the options presented for a demolition & deconstruction bylaw and/or Building Bylaw amendment.

BACKGROUND

At its meeting of 2024-DEC-09, the Governance and Priorities Committee recommended that Council direct Staff to bring a report forward before the end of the second quarter of 2025 regarding the following:

- Report on existing deconstruction bylaws, key elements of a draft bylaw and the challenges and opportunities for regulating deconstruction in Nanaimo
- Report to include options for Council to consider prior to proceeding with drafting a bylaw
- Presentation by industry representatives

This direction is consistent with the priority action within the Integrated Action Plan below:

“Develop and implement a construction recycling, deconstruction, and demolition bylaw. The bylaw will include measures to reduce the amount of waste that goes to landfill from construction and demolition activities and promote the re-use of construction materials in Nanaimo.” (C1.6.12)

The direction and the priority action support the following City Plan policies:

- C1.6.8 Support waste diversion through improved reuse and recycling services for a diversity of materials.
- C1.6.12 Encourage the adaptive reuse of buildings to help reduce construction waste.
- C1.6.14 Encourage the use of natural and reused materials to support circular businesses

Demolition Waste in Nanaimo

Currently, the City of Nanaimo is responsible for curbside compost, garbage, and recycling pickup. The Regional District of Nanaimo (RDN) is responsible for solid waste management and disposal. Private sector waste management services provide recycling drop-off depots and other related services. The RDN Solid Waste Management Plan targets a 90% reduction of landfill waste by 2030. Building materials account for 7% of all commercial waste in the RDN.

Current measures regarding construction and demolition waste within the RDN include tipping fees, disposal bans, waste hauler licensing, and educational tools for the construction industry. The RDN produced a "Construction Waste Best Practices Guide". The City and RDN also participated in the Circular Economy Accelerator Program and sponsored the Building Materials Exchange program.

Since 2020, 168 demolition permits have been issued in the City of Nanaimo. Of those permits, 82% were for single-family homes, while 12% were for commercial buildings. Of those single-family dwelling permits issued within the last year (April 2024 to Jun 2025), 90% were for homes built before 1975, with 52% of those built before 1960. More information regarding demolition permits statistics for the City of Nanaimo can be found in Attachment A and the PowerPoint presentation.

The primary reason for the demolition of these homes was to allow for redevelopment of more units on the property (82%). While the City does not track how demolition materials are handled, based on stakeholder consultation, most buildings in Nanaimo are likely demolished on site by machines with materials diverted to private waste management facilities to be recycled, turned into hog fuel or disposed of.

Provincial Housing Legislation Implications

In June 2024, the Council adopted zoning bylaw amendments to allow small-scale multiple-unit housing on lots previously zoned for single and two-family residential dwellings as required by Provincial Bill 44. While it is too early to say definitively what impact the housing legislation will have on demolition permits in Nanaimo; it is reasonable to expect the number of demolition permits to increase as developers look to remove single-family dwellings and other lower-value units to make room for the higher density permitted on their property.

DISCUSSION

Building Removal Hierarchy

Waste management best practices support a hierarchical approach to demolition waste, prioritizing keeping or relocating the building. Where retention or relocation are not possible, deconstruction and salvage of materials (reuse) is the next best option, followed by recycling materials and energy recovery. Sending waste to the landfill is the last resort. This building removal hierarchy is shown on Attachment B- Building Removal Hierarchy.

Municipal Best Practices

City Staff reviewed local government best practices related to the regulation of waste from building demolition and reconstruction. Of the ten local governments researched, eight have a

bylaw regulating demolition waste, while the City of North Vancouver relies on a pre-application checklist, and the RDN on their best practices guide. All of the municipalities with a bylaw require that applications submit a security deposit and a compliance report. The amount of the security deposit and the conditions for its return vary significantly between municipalities. Some municipalities, such as the City of Victoria and the District of North Vancouver, focus on the reuse of wood from the building, with the refund conditions tied to the amount of wood salvaged. Other local governments, such as Surrey, Burnaby, Port Moody, and New Westminster, focus on the recycling of various materials from the building, with the deposit tied to the waste diversion rate. The cities of Vancouver and Squamish include refund requirements that focus on both wood salvage (for certain building types) and recycling. A summary of the municipal best practices research is included as "Attachment C- Demolition Waste Management Best Practices Other Local Governments". Links to bylaws are included in Attachment C for reference for those local governments with demolition and deconstruction bylaws.

Stakeholder Feedback

On 2025-MAY-01, City Staff hosted a stakeholder meeting regarding demolition and waste regulation that included representatives from the Nanaimo Development Group, demolition and waste management companies, Habitat for Humanity, Lighthouse, the RDN's waste management and sustainability departments.

During the meeting, the stakeholders discussed challenges related to the following:

- BC Building Code precluding the use of materials
- Lack of storage space for sorting materials
- Additional timing required for sorting, deconstruction, and salvage, and the impact on building costs
- Safety concerns regarding reclaimed wood and fire hazards if materials are left on site
- Illegal dumping

While the stakeholders recognized the economic opportunity in embracing circular economy principles, they generally favoured a phased approach with a focus on education before regulation.

In addition, Staff met separately with Nickel Brothers, Brod Demolition, and Light House. A summary of these meetings, including the May 1 stakeholder meeting, can be found in Attachment D- Stakeholder Summary.

Staff attended a Home Demolition Waste Prevention Forum held on 2025-JUN-02 that included presentations from building removal and deconstruction companies, waste reduction non-profits and other local governments.

The forum provided information on municipal demolition waste management best practices and opportunities that were used to inform this report. Some highlights include:

- Cost comparisons between deconstruction and conventional demolition and recycling, with deconstruction generally being equal or a lower cost to developers
- Municipal best practices and problems to avoid
- Current and projected building demolition rates in BC
- Barriers and challenges to scaling up relocation and deconstruction

Links to the forum recording and speaker presentations are included in Attachment E- Home Demolition and Waste Prevention Form on June 2 2025.

Options for Consideration

Based on municipal best practices and stakeholders' perspectives, Staff have identified key elements of a potential draft bylaw as well as other actions outside of a bylaw for the Committee's consideration.

It should be noted that the scope of a Demolition and Deconstruction Bylaw would be limited to projects that require a demolition permit. No regulatory tools have been identified for reducing waste from demolitions activities that do not require a demolition permit, such as small home renovations, or replacement of items such as cabinets, flooring, fittings and fixtures. The extent of those activities contribution to the demolition waste going to landfill is currently challenging to determine. Staff will continue to work with the RDN to explore educational resources and tools to reduce landfill waste from construction and demolition activities.

Key elements of a potential draft bylaw

	Key Element	Building Removal Hierarchy
1	Require homes slated for demo to be assessed for relocation.	Relocate
2	Establish a minimum wood salvage requirement	Reuse
3	Establish a minimum waste diversion rate requirement for building demolitions	Recycle
4	Require a waste management plan and salvage materials assessment before issuing the demolition permit	Reuse/Recycle
5	Consider a refundable deposit and a compliance report for salvaged and recycled materials	Reuse/Recycle

A demolition and deconstruction bylaw has the potential to encourage reuse and relocation of buildings and salvage and diversion of building materials from the landfill, but also has the potential to add time and cost to construction. Administering and enforcing the bylaw will require resources, including dedicated staff time and potentially temporary contractor support. Best practices indicate that a deposit and compliance report are effective tools to ensure bylaw adherence. Other local governments have demonstrated a high compliance rate with most of the applicants exceeding established salvage targets.

Adopting a phased approach to implementing a demolition and deconstruction bylaw with necessary educational resources and support would be critical to the success of implementation of a demolition and deconstruction bylaw in order to help mitigate potential negative impact on building permit timelines and the cost of demolition and redevelopment.

Opportunities Outside of a Demolition and Deconstruction Bylaw

During the review a number of additional opportunities, outside of a demolition and deconstruction bylaw, were identified with the potential to encourage reuse and relocation of buildings and salvage and diversion of building materials from the landfill. These opportunities include an amendment to the Building Bylaw to remove a potential barrier to building relocation, identification of options for building retention, reuse, relocation or deconstruction early in the development process and prioritizing relocation or deconstruction wherever possible when the

City needs to remove a building. The following summarizes the additional opportunities identified:

1. Remove Section 20.1.3 of the City of Nanaimo Building Bylaw which requires a building relocated to a new site in Nanaimo to have an assessed value not less than the average assessed value of all dwellings situated within 50 metres of the site or parcel of land to which the building is to be moved.

Staff Comment: The historic reason for the requirement of Section 20.1.3 of the Building Bylaw is perhaps to ensure that a building relocated to the City is of similar quality and value to the surrounding dwellings based on the assumption that relocated buildings of lesser value would be undesirable. No similar regulations apply to new construction.

Current land economics offer little incentive for single family buildings to be relocated to residential lots that have more development potential within the City. Few buildings have been relocated to the City over the last several years. Enforcing this section places an administrative burden on Building Inspection. The section is identified as a potential barrier to building relocation and likely redundant.

Building Removal Hierarchy: Relocate

2. Identify opportunities early in the development process (at Development Permit or Subdivision pre-application meetings) to encourage building retention, reuse, relocation or deconstruction where there is an existing structure on site and support building retention through variances where applicable.

Staff Comment: Some stakeholders noted that the amount of time it takes to remove a building from site is a significant issue, while others claimed that deconstruction could be done within similar timeline and budget with sufficient lead time. The City already allows the removal of a structure through a demolition permit, before a building permit is issued. This provides developers with the ability to initiate the removal process before a building permit is secured in the case that a building must be demolished or relocated to make way for new development.

Retaining or reusing existing buildings may not lead to the highest density and best use permitted on the property and is likely to face many feasibility constraints. However, adaptive reuse of existing buildings, where feasible, could potentially not only retain building materials thereby reduce demolition waste but also add character to the building and neighborhood.

Building Removal Hierarchy: Keep, Relocate, Reuse, Recycle

3. Prioritize relocation or deconstruction wherever possible when the City needs to remove a building.

Staff Comment: This action allows the City to lead by example and support demolition waste reduction directly. However, the impact would be very limited, as most if not all of the buildings demolished by the City are beyond end of their useful life.

Building Removal Hierarchy: Relocate, Reuse

OPTIONS

Demolition & Deconstruction Bylaw

1. That the Governance and Priorities Committee recommend that Council direct staff to bring forward a Demolition and Deconstruction Waste Regulation Bylaw for Council's consideration.

OR

2. That the Governance and Priorities Committee provide an alternate recommendation to Council.
 - The advantages of Option 1: Developing a demolition and waste regulation bylaw could potentially reduce waste that goes into the landfill from demolition activities. These actions collectively could support a circular economy, avoid GHG emissions, reduce demand on virgin resources and help the City meet multiple City Plan policy objectives.
 - The disadvantages of Option 1: Implementing an effective Demolition and Deconstruction Bylaw would require additional staff resources in Planning & Development and in Engineering & Public Works to carry out functions from administering deposits to reviewing compliance reports and verifying results. The regulations may affect building permit timelines and the cost of demolition and redevelopment.
 - Financial Implications of Option 1: Developing and implementing a Demolition and Waste Regulation Bylaw would require dedicated staff time, especially during the early stages of program development and implementation. It is estimated that 0.5-1.5 FTE would be required for ongoing administration.

Building Bylaw Amendment

1. That the Governance and Priorities Committee recommend that Council direct staff to bring forward an amendment to the City of Nanaimo Building Bylaw to remove the requirement for relocated buildings to have an assessed value not less than the average assessed value of all dwellings situated within 50 metres of the site or parcel of land to which the building is to be moved.

OR

2. That the Governance and Priorities Committee provide an alternate recommendation to Council.
 - The advantages of Option 1: Removes a potential barrier to building relocation that does not apply to new construction. Reduces the administrative burden on Building Inspection staff.
 - The disadvantages of Option 1: Does not ensure that buildings relocated to the City are of similar value/quality to surrounding dwellings.
 - Financial Implications of Option 1: Can be accomplished with existing resources.

SUMMARY POINTS

- Council directed Staff to report on existing deconstruction bylaws, key elements of a draft bylaw, the challenges and opportunities for regulating deconstruction in Nanaimo and options for proceeding with drafting a bylaw.
- A demolition and deconstruction bylaw has the potential to encourage reuse and relocation of buildings and salvage and diversion of building materials from the landfill, but also has the potential to add time and cost to construction.
- Developing and implementing a demolition and waste regulation bylaw would require additional dedicated staff time, especially during the early stages of program development and implementation. It is estimated that 0.5-1.5 FTE would be required for ongoing administration.
- Adopting a phased approach to implementing a demolition and deconstruction bylaw with necessary educational resources and support would be critical to the success of implementation of a demolition and deconstruction bylaw in order to help mitigate potential negative impact on building permit timelines and the cost of demolition and redevelopment.
- During the review a number of additional opportunities, outside of a demolition and deconstruction bylaw, were identified with the potential to encourage reuse and relocation of buildings and salvage and diversion of building materials from the landfill. These opportunities include an amendment to the Building Bylaw to remove a potential barrier to building relocation, identification of options for building retention, reuse, relocation or deconstruction early in the development process and prioritizing relocation or deconstruction where possible when the City needs to remove a building.

ATTACHMENTS

ATTACHMENT A: Demolition Permits in Nanaimo

ATTACHMENT B: Building Removal Hierarchy

ATTACHMENT C: Demolition Waste Management Best Practices Other Local Governments

ATTACHMENT D: Stakeholder summary

ATTACHMENT E: Home Demolition Waste Prevention Forum on June 2 2025 |

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