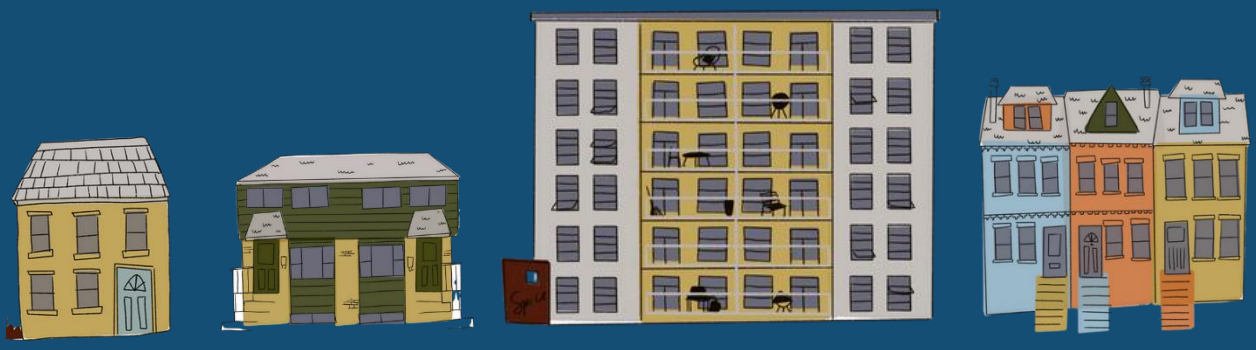
# Nova Scotia's Provincial Housing Needs Assessment Report



## Acknowledgment

We would like to thank the many people and organizations who contributed their time, expertise, and resources to putting together the entirety of this Provincial Housing Needs Assessment project.

Thank you to the 20,173 people who took time out of their day to answer questions about themselves, their households, and their needs. We are overwhelmed by your generosity and openness to share your lived experiences, especially given it is a subject matter that weighs heavily on many.

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Thank you to all the stakeholders/organizations who volunteered their time to speak to our engagement team.

Finally, thank you to the provincial staff who supported and guided the development of this report and several related documents.

Sincerely,

Turner Drake & Partners Ltd,
UPLAND Planning + Design Studio,
COLAB, and
MountainMath

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# 1 Executive Summary

Following the May 2021 release of the Nova Scotia Affordable Housing Commission's *Charting a New Course for Affordable Housing in Nova Scotia*, the provincial government sought to develop a long-term housing strategy. Through its quantitative and qualitative findings, this housing needs assessment lays the groundwork for the provincial government's long-term housing strategy in addressing the ongoing affordability crisis in Nova Scotia housing. Through the collection and collation of data for the entirety of the province and its 49 census municipalities, this report's purpose is to disseminate high-quality, high-level information to the province and its municipalities.

This report takes three primary approaches in the collection of data and communication of findings:

- Resident and Stakeholder engagement;
- Simple and complex descriptive data analysis, and;
- Econometric and demographic housing demand modelling.

Resident and stakeholder engagement occurred between June 2022 and January 2023, with 99 engagement sessions held with stakeholders and organizations, including government, non-profit organizations, private sector stakeholders, and public institutions. The sessions included focus groups and workshops where qualitative information was collected.

Further, a public survey was open to all residents of Nova Scotia from October to December 2022, with a total of 20,173 respondents, 12,906 of which were fully completed. Since the survey was open to all residents comfortable sharing their housing experiences, it is essential to note that it represents a non-probability sample.

Throughout the report, the input from participants in the engagement sessions and the surveys is reflected. While several themes were present in the engagement, there were four that were most prevalent:

1) Availability and affordability;
2) Social and economic impacts;
3) Appropriate supply; and
4) Transportation

These themes focus on housing insecurities faced in both rural and urban settings by those in marginalized groups and by those requiring complex accessibility needs.

The quantitative data collected and collated relate to the various demographic and economic factors that affected and that are affected by the housing market. The economic factors are divided into factors of demand – which have significant crossover with the demographic factors – and factors of supply which are inflation, interest rates, the cost of, the pace of, and investment in construction, and the labour force capacity.

The relationship between inflation and interest rates is explored thoroughly. During the height of the COVID-19 pandemic, to stimulate the economy, the Bank of Canada lowered interest rates to a historical low of 0.25%. This increased the attractiveness of borrowing funds, thus increasing the total supply of money within the market. Increasing the supply of money available to consumers increases demand and thus drives inflation, expressed here as the consumer price index (CPI) – i.e., the relative cost of goods. Between December 2021 and December 2022, the CPI increased 7.6% in Nova Scotia, about three times the average annual inflation from 2002-2020. To stem an inflation crisis, interest rates have risen steadily and, as of January 2023, sit at 4.5%, translating to a prime lending rate of 6.49%.

With the compounded increase in the cost of goods and interest rates, the attractiveness of significantly sized loans for large development projects has decreased. Regarding cost, between Q3 of 2021 and Q3 of 2022, the cost of overall residential construction increased by 15.3%. Fortunately, neither the pace nor investment in construction seems to be slowing down. Since 2019, permits per year across Nova Scotia increased 82%, and a 22% increase in completions per year. Both new constructions and renovations have also steadily increased since 2020.

The demographic factors in this report are historical and anticipated populations and the various aspects of household formation. From 2016-2021, Nova Scotia experienced a population increase of 5%, with a large increase in the age cohorts of 25-44, 65-84, and 85+. Mid-level projections anticipate a population increase of 14% from 2022-2032 and 3% from 2021-2022. This translates to approximately 169,870 new residents over the next decade (2021 to 2032).

As expected with an increase in population, the total number of households increased over the same period, with a rise of 8%. The most significant increases by household type were in single persons/people living with roommates at 14%, lone parents at 7%, and couples without child(ren) at 6%.

The overall increase in households translates to an increase in housing demand, and an increase in demand leads to changing prices that have an inextricable effect on affordability. An affordable dwelling in the context of this report follows the CMHC definition – a household spends 30% or less of its before-tax income on housing. Based

on this report's findings, using 2022 median sale prices by dwelling type, only the top 18% of earning households could afford the median sale price of a single- or semi-detached dwelling. The situation was direr for renters, where only the top 5% of households could afford to shift their tenure to ownership. The affordability of homeownership plummeted since 2019. Home sale prices have increased by 67% in HRM and 79% in the rest of Nova Scotia.

**What We Heard:**

To pay rent or mortgage:

- **57%** of survey respondents went without leisure or social activities.
- **48%** had to forego clothes and personal care items.
- **43%** could not pay other bills.
- **40%** had to forego groceries.
- **24%** had to forego medication or other healthcare expenses.

The rental market has seen a similar decrease in affordability. About 62% of renter households were estimated to be able to afford 2022 median rents for a studio apartment. This should not overshadow the fact that the median studio apartment rent in 2022 exceeds that of a 2-bedroom apartment in 2016.

Across Nova Scotia, median rents have increased by 24% from 2019-2022, compared to 13% from 2016-2019. These increases were exacerbated by a declining vacancy rate– to-date 1% province-wide – and have been stemmed partially by introducing a rent cap in November 2020[1]. Notwithstanding, CMHC reports that turned-over units (those rented to a new tenant once another contract is complete) in Nova Scotia saw a 28% increase between 2021 and 2022 versus 4% for non-turned-over spaces.

With the data available for the province, an econometric and demographic model was created to estimate the current shortage of dwelling units and project the total units required through 2032. The model plots the relationship between specific variables and housing prices. These variables are dwelling stock, number of households, real

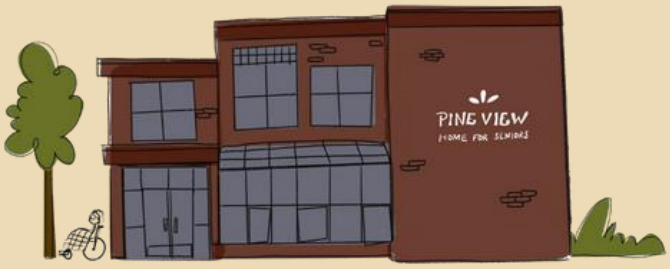
[1] Initially, the rent cap was introduced at a maximum increase of 2%-per-year. This has been amended to a 5%-per-year maximum and is in effect until December 2025.

income, user cost, and a lagged housing price index (HPI). In applying this model to Nova Scotia, the current dwelling shortage in the province has been estimated at between 25,000-30,000 units. The estimated number of units is a range due to the fluctuations in appreciation between those two targets, where 30,000 new units would have kept dwelling prices in line with 2016 levels, and 25,000 new units would have allowed for moderate price appreciation.

Due to a scarcity of data points, the econometric model could only be applied confidently to the HRM or the province. For the rest of Nova Scotia, a purely demographic model was used, focusing on two variables of the econometric model: the number of dwellings over time and the household demand over time. To further reinforce the accuracy of the econometric model, the demographic model was applied to both the province and HRM, finding a province-wide shortage of 27,300 units – in the middle of the estimated range. The demographic model estimated a shortage of 17,500 units in the HRM and 9,800 units across the rest of Nova Scotia.

In forecasting demand through 2032, the demographic model was used to maintain a consistent methodology and allow data to be presented for all Nova Scotian municipalities. Including the province-wide shortage of 27,300, the estimated total number of dwelling units required by 2032 is 104,800, with a more intense demand over the next 5 years. Nova Scotia should complete 10,500 new units annually to address the existing shortage and anticipated demand. Readers can find a more detailed information around the intricacies of the model in the **Appendices** section.

Many conditions that Nova Scotia is currently wrestling with are consequences brought on by the heights of the COVID-19 pandemic. These consequences will continue to be faced for years to come. The confluence of low interest rates and a shifting employment culture changed migratory patterns, moving more people into Nova Scotia than decades prior and by orders of magnitude. This has pushed the vacancy rate across the province to 1%. In turn, dwelling prices and rents have increased sharply. Nova Scotia's housing market is currently unsustainable and will only be exacerbated if immediate action to address the current shortage and future needs is not taken. There are numerous approaches to addressing housing crises. Still, whatever path is chosen, it must be swift, actionable, and far-sighted. Most of all, it requires knowledge of the situation and cooperation in addressing it at every level of government.




# 2 Why a Housing Needs Assessment

In May 2021, the Nova Scotia Affordable Housing Commission (the Commission) released ***Charting a New Course for Affordable Housing in Nova Scotia***.[2] The report contains 17 recommendations to government and 60 key actions to increase the supply of and improve access to affordable housing. In the Minister of the Department of Municipal Affairs and Housing's (DMAH) fall 2021 mandate letter, the Government has committed to working with the Commission to implement the recommendations.

Several recommendations call for governments at all levels and key stakeholders to improve their understanding of the dimensions of housing need and demand across the province. Recommendation #4 calls for the province to develop an evidence-informed, long-term provincial housing strategy. Recommendation #5 identifies the need for empowering municipalities to become key partners in affordable housing, which includes ensuring they have adequate support and resources to complete housing needs assessments.

> *"We have the second highest rental rates in the country and some of the lowest minimum wage rates in the country. We're never going to meet the needs of the most vulnerable without a massive structural change to how we think about housing."*
>
> - Municipal government representative

## 2.1 Purpose

Empowering municipalities and the province to become effective partners in housing provision requires reliable data to identify the stock necessary to meet current and future needs and how to drive related policy and investment. Data increases the awareness of housing options and provides planners, service providers, businesses, housing developers, and community members with accurate information to aid in future housing work across Nova Scotia. It can also help the province and federal government implement better policies to support community well-being and sustainable development goals.

Understanding the need to act quickly, the Province of Nova Scotia spearheaded a province-wide housing needs assessment project to accelerate collecting and disseminating reliable, quantitative and qualitative information to each municipality. The goal is to share all appropriate, available, and accurate data to municipal governments to understand better their current housing situations and what they can

[2] The Nova Scotia Affordable Housing Commission. (Spring 2021). Charting a new course for affordable housing in Nova Scotia. https://beta.novascotia.ca/sites/default/files/documents/1-2679/charting-new-course-affordable-housing-nova-scotia-en.pdf

anticipate as their housing context changes. Among the data shared are regional estimates of the housing supply needed to meet current and anticipated demand.

A thorough assessment of housing needs is also a useful resource to support future work, both locally and provincially. Assessments are often a precursor to policy documents like an Affordable Housing Strategy, which are action-oriented plans to identify and implement solutions. Report insights can help inform ongoing land use and social planning initiatives and provide hard evidence in support of advocacy and government policy development. Lastly, they are a valuable resource for those in or entering the housing sector.

**What We Heard:**

Municipal stakeholders expressed a need to support municipalities with collecting their data, which would help them qualify for funding programs.

## 2.2 Process

To offer insights on the current and anticipated housing needs of Nova Scotians, the assessment work pursued the project through three distinct products:

- resident and stakeholder engagement;
- simple and complex descriptive data analysis; and
- modelling of housing demand.

This report incorporates the results from each element to portray housing needs across the province, with specific reference to trends in the Halifax Regional Municipality (HRM) – as Nova Scotia's economic hub – and the rest of the province.

# 3 Housing Market Influences

The price or affordability of housing depends on the interactions of supply and demand, each element containing several factors that individually impact the number of housing units that can or should be built.

"Supply" and "demand" are economic terms referring to the available amount(s) of a commodity in the market (i.e., the supply) and the level of market buyers' interest in said commodity (i.e., the demand). For simplicity, the interaction between supply and demand dictates the price of a commodity. For instance, if there is an overwhelming supply and comparatively tiny demand, the price per unit of a commodity will be low. The price per unit will be high in the opposing instance (high demand with a small or waning supply).

While other forces exist within any given market, and the relationship between supply and demand is not necessarily linear; understanding this relationship locally can contribute to how we interpret and analyze market conditions.

Nova Scotia is a prime subject for analyzing supply and demand dynamics. The province has experienced significant population growth over the last 5- to 7-years, translating to increased housing demand. By contrast, Nova Scotia's housing supply market was not prepared for the magnitude of growth which increased strain on the current supply, pushing prices to levels higher than would typically have been seen.

## 3.1 Factors of Demand

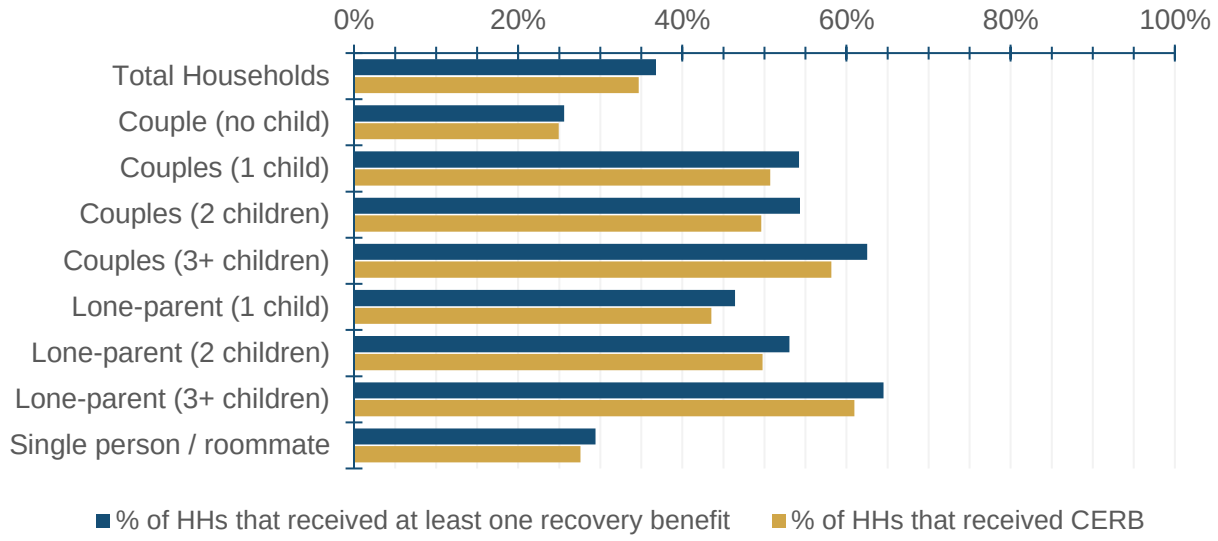
### 3.1.1 Employment & Income

The rate of employment, and more specifically, the income level, is inherently tied to demand. As income rises or becomes more widely available, the level of demand increases. For instance, when there is more disposable income, money is spent on needs and wants. The relationship between income and demand is not proportional in that a doubling of income will not necessarily double the demand of a given commodity. Still, it provides consumers access to a broader range of goods and services, like housing.

**COVID-19 Emergency & Recovery Benefits**

Given the relationship between income and demand, the Canada Emergency Response Benefit (CERB) was a way to keep Canadians experiencing un- or under-employment afloat during the COVID-19 pandemic and provide economic stimulus through direct payment. Eligible Canadians could receive up to $2,000 per month, depending on their employment and income levels. CERB was available from December 29, 2019, until October 23, 2021, providing supplementary income for almost two full years.

*Figure 3.1 - Estimated % of HHs that received an Emergency & Recovery Benefit, Nova Scotia*




*Source: Statistics Canada Table [3] & 2021 Census*

Figure 3.1 illustrates statistics about CERB and other recovery benefits. Statistics Canada reports that 37% of Nova Scotian households received some form of recovery benefit and that 35% – or 148,450 – of Nova Scotian households received at least one CERB payment during its availability. This represents a large share of the population with an influx of cash that could be used to improve the affordability of their rent or mortgage temporarily. The benefits of CERB are applied in a broad stroke – there are many situations where CERB could not adequately substitute for incomes lost.

### 3.1.2 Commute Patterns

Settlement and commute patterns are inextricably linked; as metropolitan areas such as the HRM intensify as employment centres or central business districts (CBDs), outlying areas (i.e., suburbs or exurbs) see increased housing demand and an increased density of commuters. While some of this growth was spurred on by the prevalence of work-from-home lifestyles during COVID-19, this was not the case for all workers – at least not permanently. The varying tolerance for commute length can determine where people choose to settle.

Per the 2021 Census, Statistics Canada reported that most Nova Scotians commuted within their Census Division (think: within county boundaries) at just over 72% (about 201,500 people). This means that Nova Scotians are generally employed locally relative to their residence; however, 28% travel from outside their county. For areas like the HRM, several communities within 30 minutes to an hour can house commuters

[3] Statistics Canada. Table 11-10-0100-01 COVID-19 - Government income support and benefits of census family units by census family type and number of children. **DOI:** https://doi.org/10.25318/1110010001-eng

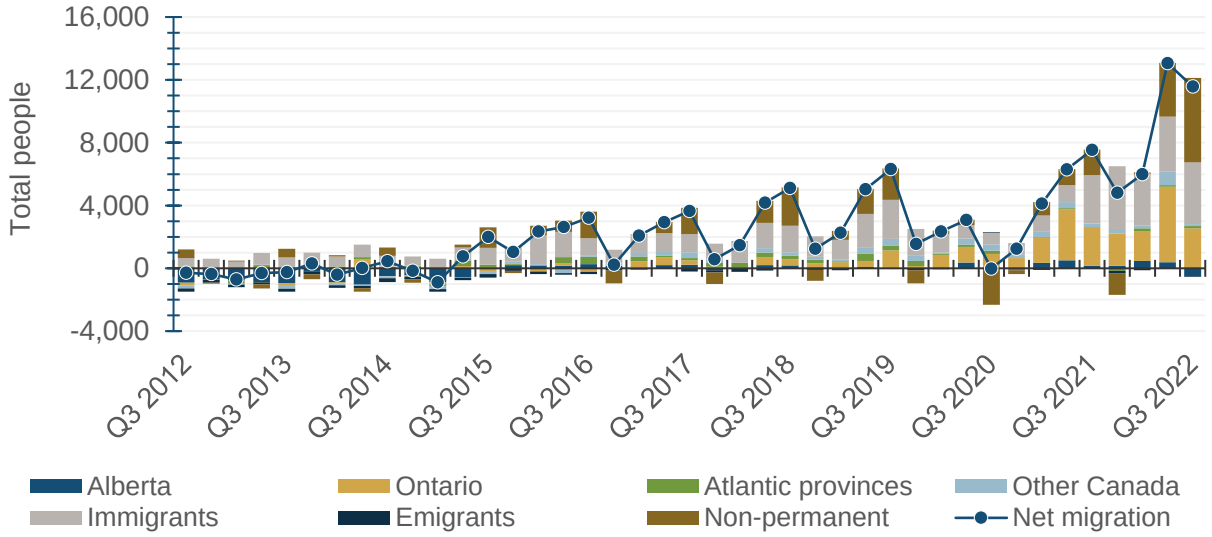
seeking housing elsewhere for various reasons, including price. The spillover of incoming residents seeking housing outside the HRM introduces more demand in those areas and can increase prices. Furthermore, the increased propensity to work from home might also increase the demand for larger residential spaces.

> *"You're kind of unlucky either way. You can find something affordable that lacks any access to it because of lack of transit. Or you can go to Halifax with lots of housing options, but there's nothing affordable there."*
>
> - Stakeholder

### 3.1.3 Migration

Nova Scotia's migration patterns have seen an unprecedented flow of in-migration since 2019, with early signs of increased flows since the beginning of 2015. Figure 3.2 illustrates these flow patterns.

*Figure 3.2 – Components of Migration (Interprovincial and International), Quarterly, Nova Scotia*




*Source: Statistics Canada* [4] [5]

[4] Statistics Canada. Table 17-10-0045-01 Estimates of interprovincial migrants by province or territory of origin and destination, quarterly. **DOI:** https://doi.org/10.25318/1710004501-eng

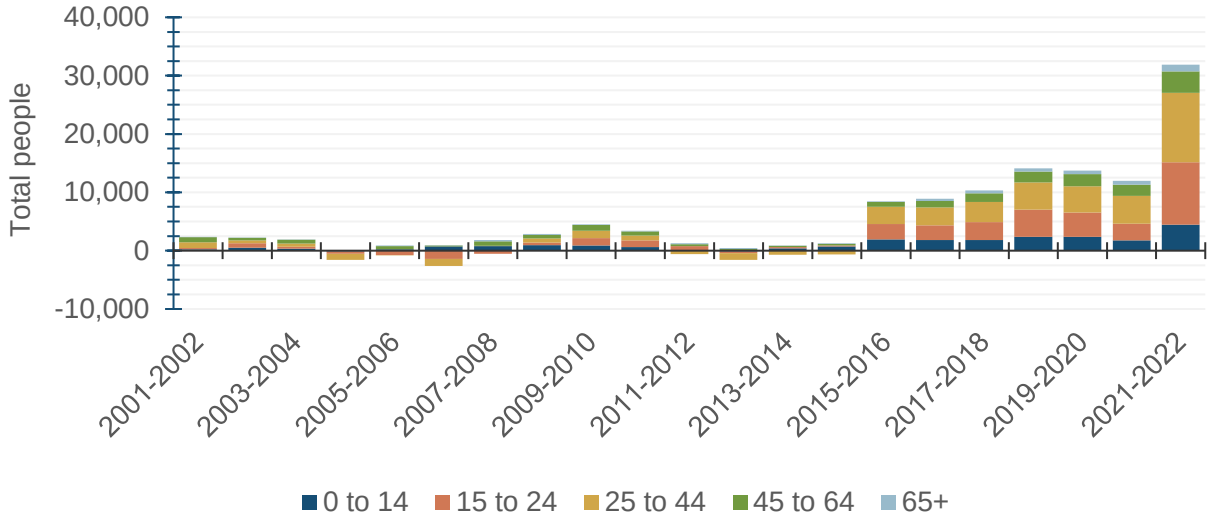
[5] Statistics Canada. Table 17-10-0040-01 Estimates of the components of international migration, quarterly. **DOI**: https://doi.org/10.25318/1710004001-eng

Early in-flows of people were mostly attributed to immigration. With the COVID-19-fuelled prevalence of remote work in Canada, paired with relatively lower costs of living compared to major urban centres outside of the Atlantic provinces, Nova Scotia attracted a significant number of interprovincial migrations. Since 2019, residents moving from elsewhere in Canada made up about half of the quarterly in-flow.

In addition to out-of-province migration seeing a significant increase since 2020, a similar influx among specific age-cohorts can be observed, an influx that is starkly in contrast with the decade-plus of data preceding it. Since 2015-2016, Nova Scotia has seen a significant increase in migrants aged 15-44, so much so that their respective cohorts (15-24 and 25-44) represent well over 50% of total newcomers.

The growth of these particular age cohorts is of note as they are the most likely to have children now or in the future. An increasing population requires not only preparing for the single- and two-bedroom units but also for the multi-bedroom dwellings that will be required. Be it a requirement for family units in apartment buildings or a push toward the various forms of "missing-middle" (i.e., transitional dwellings[6]), new housing that can meet the requirements of Nova Scotia's existing and future families is imperative.

*Figure 3.3 – Net Migration by Age Group, Annual, Nova Scotia*



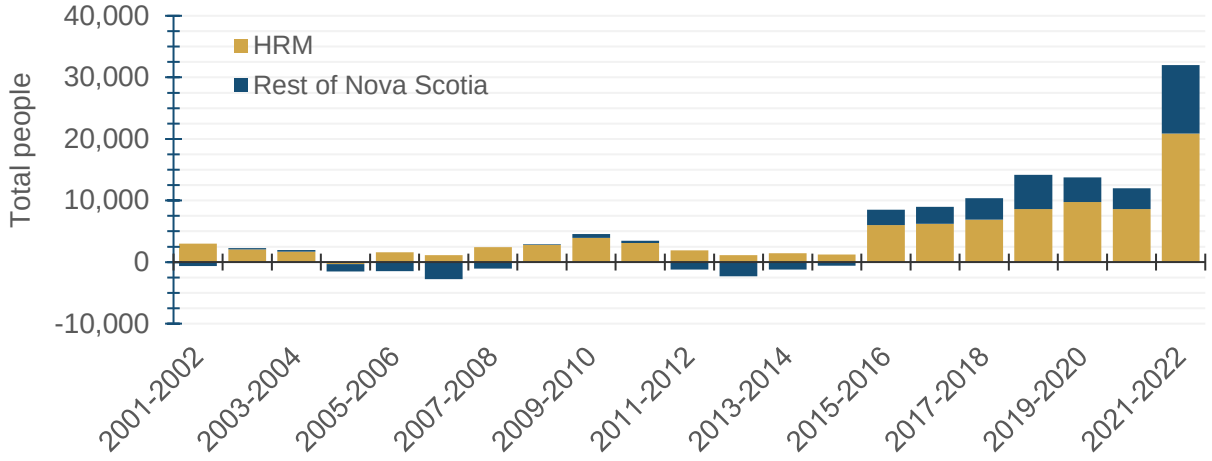

*Source: Statistics Canada [7]*

[6] "Missing-middle" housing refers to duplex and triplex homes, townhouses, and multiplexes, as well as smaller apartment complexes, that create a smooth transition between the low- and high-density housing.

[7] Statistics Canada. Table 17-10-0140 -01 Components of population change by census division, 2016 boundaries. DOI: https://doi.org-10.25318/1710014001-eng

This migratory flow and its concentration in the HRM (Figure 3.4), has put significant strain on a housing supply that was not prepared for this type of aggressive expansion.

*Figure 3.4 – Net Migration by Destination, Annual*

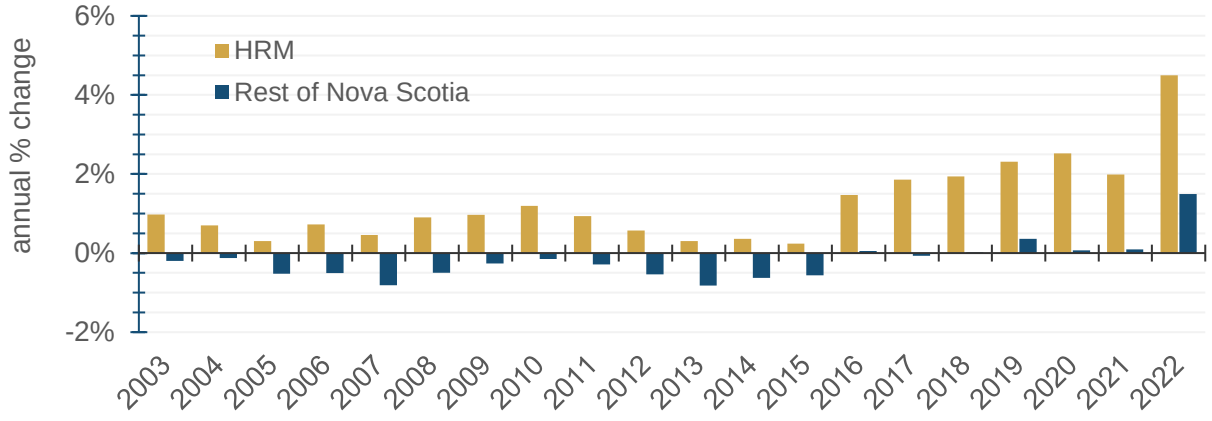



*Source: Statistics Canada* [8]

### 3.1.4 Overall Population Change

Nova Scotia's average growth rate between 2002 and 2021 was 1.1%, with no year above a 2.5% increase. Between 2021 and 2022, the population grew by 2.9% – primarily attributed to the notable interprovincial and international migrants moving to the province. The extent of this population increase is seen even more plainly when focused on the geography of the HRM.

*Figure 3.5 - Year over Year % Change to Population, Annual Estimates*



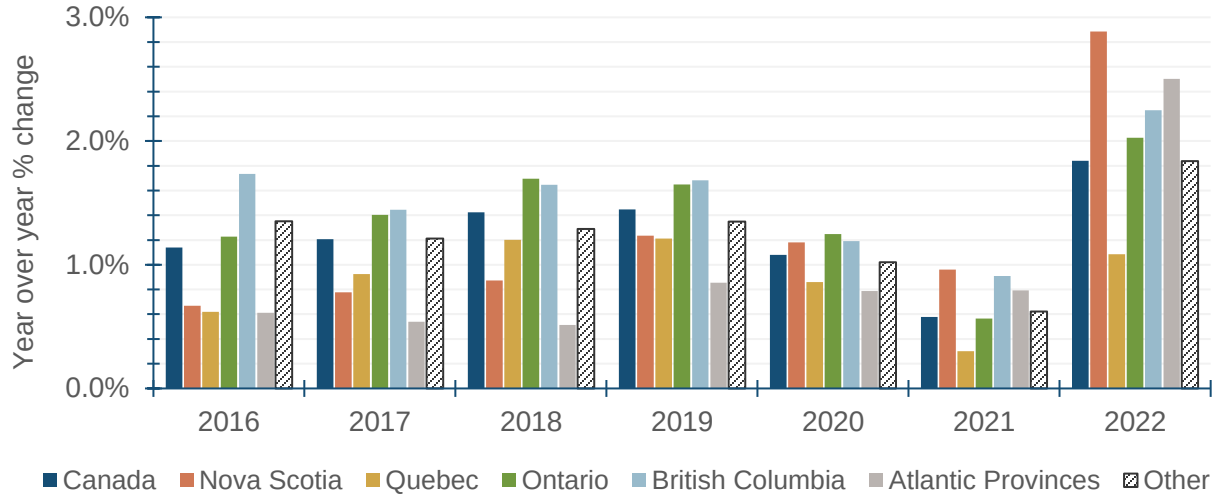

*Source: Statistics Canada* [9]

[8] Statistics Canada. Table 17-10-0140-01 Components of population change by census division, 2016 boundaries.
DOI: https://doi.org/10.25318/1710014001-eng

[9] Statistics Canada. Table 17-10-0139-01 Population estimates, July 1, by census division, 2016 boundaries.
DOI: https://doi.org/10.25318/1710013901

Compared to other provinces – Quebec, Ontario, British Columbia, and the combined remaining Atlantic provinces – Nova Scotia's percentage increase in population stands out. Figure 3.6 shows this relative percentage population increase by geography. Since 2016, Nova Scotia has seen population increases larger than the cumulative increases of the remaining Atlantic provinces. Since 2020, statistics show increases that rival or even surpass the rest of Canada.

*Figure 3.6 - Annual Percent Change in Population by Province*




*Source: Statistics Canada* [10]

### 3.1.5 Household Formation Patterns

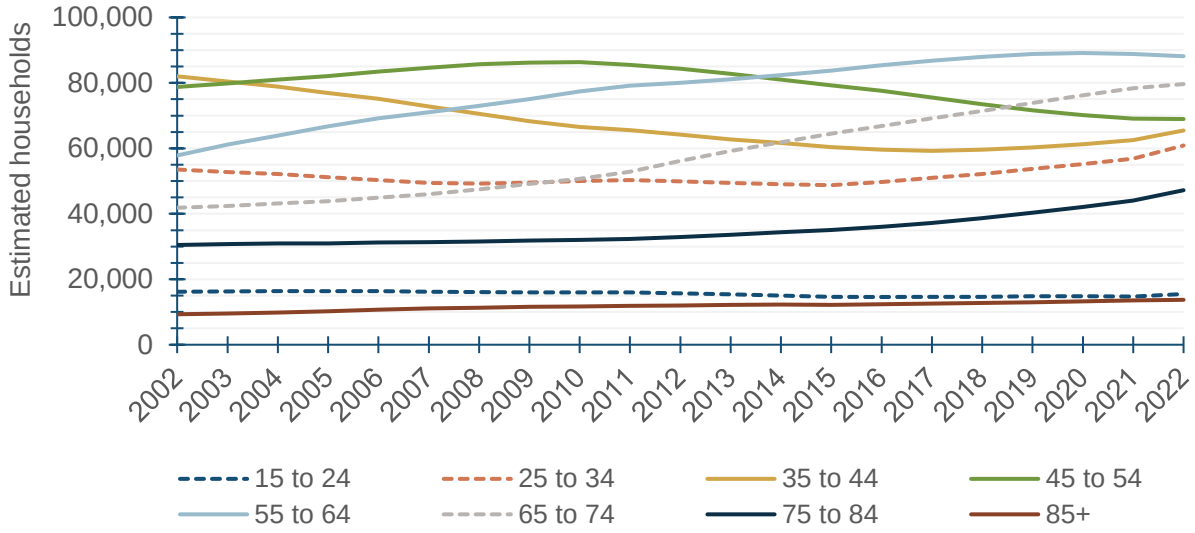
Household formation is the net change in the number of households in each geography. The topic is often applied to projection work to aid in establishing anticipated household demand using historical age-specific headship rates (meaning, the total households by maintainer age divided by the total population of that same cohort). Doing so provides insight into how households could form based on historical patterns. For this discussion, we apply Nova Scotia's 2016 headship rates to its annually estimated total cohort populations to examine how demand has changed under similar conditions. We use 2016 Census rates because they best reflect the "normal" market before housing conditions worsened.

Nova Scotia is no exception to the Canada-wide trend of an aging population. As seen in Figure 3.7, estimated household formation for households whose primary maintainer is 65-74 has steadily risen since 2009-2010 with a similar, but less dramatic upward trend in those aged 75-84 and steady numbers in the 85+ cohort.

[10] ibid.

Since 2019, though, and with a shift in a trend going back to 2015, Nova Scotia has seen increases in primary household maintainers aged 25-34 and 35-44. Not only does this denote an influx of younger persons to Nova Scotia, but those of age are most likely to have a child (or children). The potential for an increase in average household size is a crucial aspect for Nova Scotia's housing future and the units necessary to meet the demands of young or growing families.

*Figure 3.7 - Estimated Total Households by Age of Primary Maintainer, Nova Scotia*

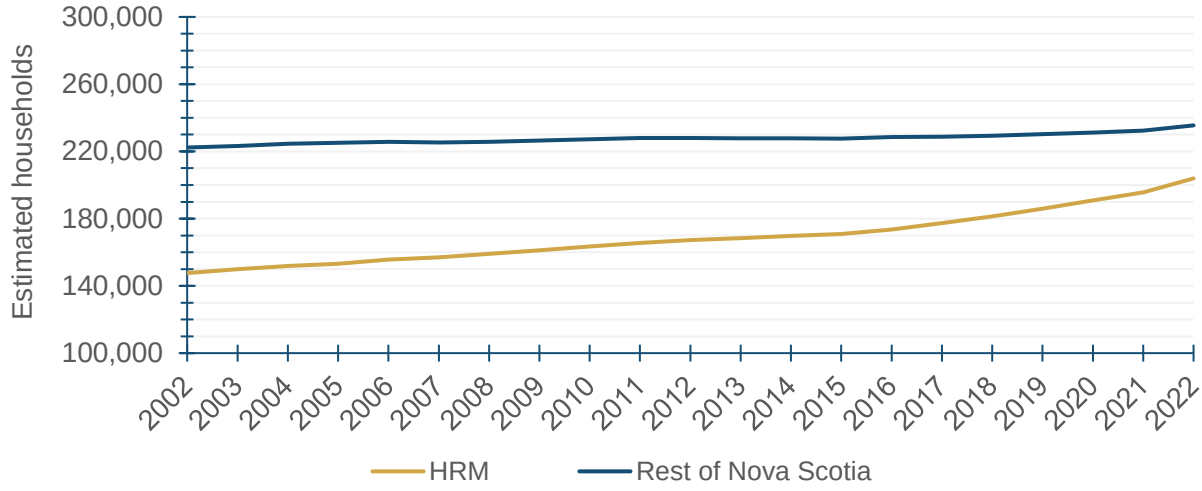



*Source: Derived from Statistics Canada [11] & 2016 Census*

While the whole of Nova Scotia has seen an increase in total households, the HRM has seen the most significant expansion compared to the rest of the province. Since 2015, the HRM has seen increases in total households of about 170,800 to 203,950 in 2022 – just over a 19% rise over 7 years. During the same timeframe, the rest of the province saw an increase of 227,650 to 235,745 households – about 3%.

[11] Statistics Canada. Table 17-10-0139-01 Population estimates, July 1, by census division, 2016 boundaries.
**DOI:** https://doi.org/10.25318/1710013901

*Figure 3.8 - Estimated Total Households by Geography*




*Source: Derived from Statistics Canada [12] & 2016 Census*

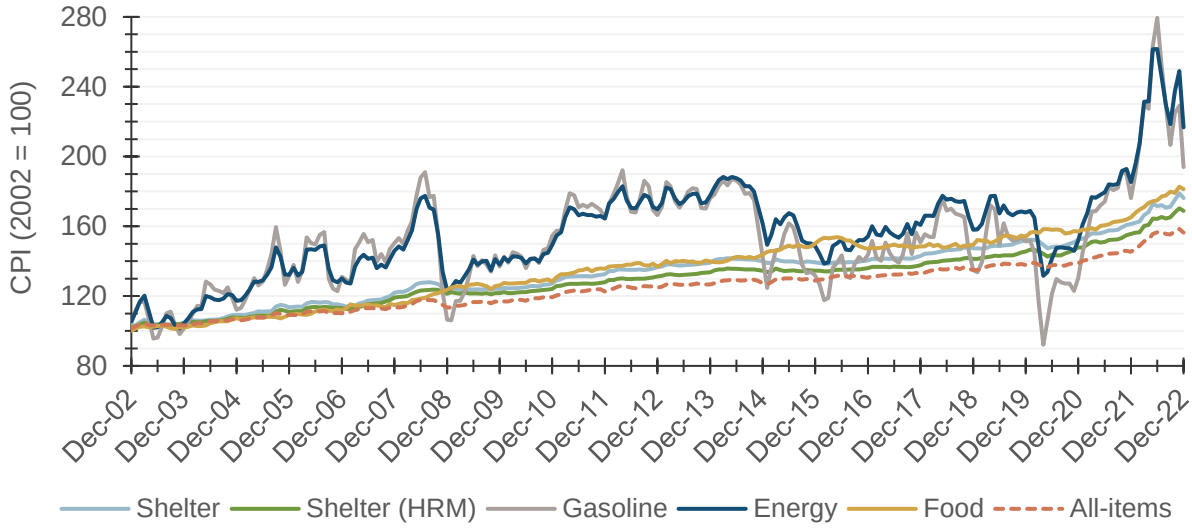
## 3.2 Factors of Supply

### 3.2.1 Inflation

Between December 2021 and December 2022, the consumer price index (CPI), or the relative cost of all goods, increased by 7.6% in Nova Scotia. The average hourly wage of all industries in Canada increased by 5.3%. This means that every dollar earned in 2022 has 2.3% less buying power than in 2021. While 2.3% does not seem like much, the gap between wage growth and commodity prices widens significantly when compounded over the years. With less buying power and unfavourable interest rates, Canadian consumers cannot afford as much on a dollar-for-dollar basis.

[12] ibid.

*Figure 3.9 – Historical Consumer Price Index (CPI) by Item, Monthly, Nova Scotia*




*Source: Statistics Canada* [13]

With housing shortages affecting many major Canadian cities, housing prices have increased due to overwhelming demand. If the trend continues unabated, there will be fewer and fewer people who can afford the housing they require.

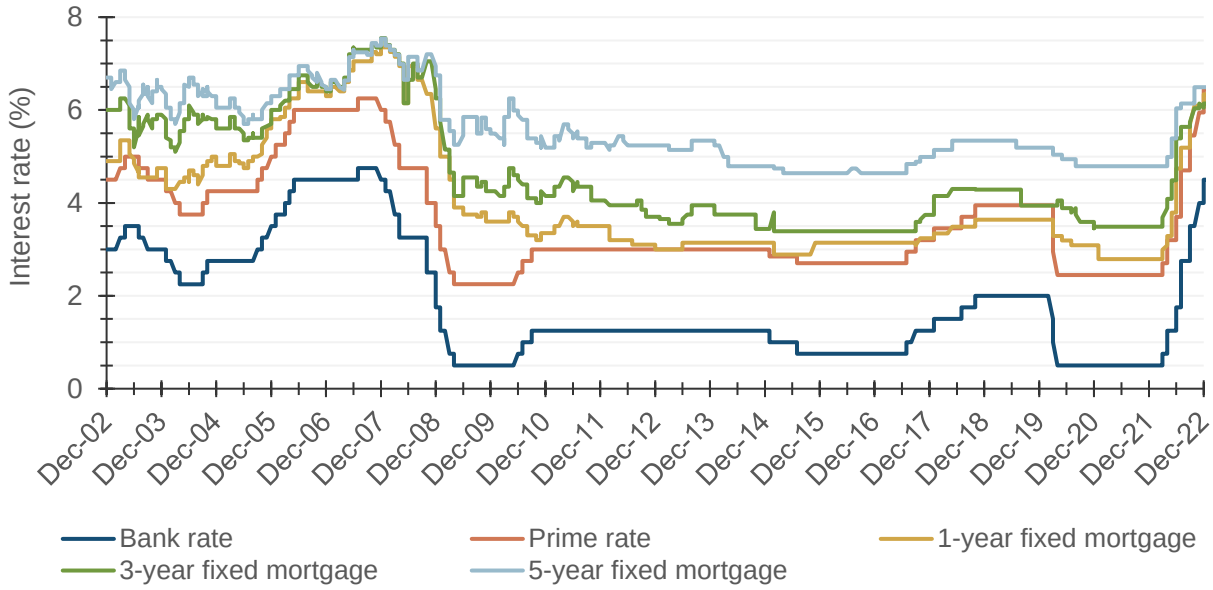
### 3.2.2 Interest Rates

The Bank of Canada increased interest rates to discourage borrowing and spending in response to rising inflation. A consequence is the reduced attractiveness of loans and the potential increase in servicing such loans across the board, especially those required for housing development. Where a developer is required to service the interest on a loan for a 2-to-3-year construction period, a ±6% increase in guaranteed expenditure will slow the rate at which developers choose to take on large housing projects.

Developers are not solely feeling the impact of climbing interest rates. Households seeking to purchase are faced with higher costs of debt, and those locked into variable mortgage rates are contributing less to their home equity, resulting in more accumulated debt payments down the line.

[13] Statistics Canada. Table 18-10-0004-13 Consumer Price Index by product group, monthly, percentage change, not seasonally adjusted, Canada, provinces, Whitehorse, Yellowknife and Iqaluit. **DOI:** https://doi.org/10.25318/1810000401-eng

*Figure 3.10 – Historical Interest Rates, Weekly, Canada*




*Source: Statistics Canada* [14]

Interest rates are among the many items in the overall "user cost" of housing, accompanied by other things like property taxes and cost of depreciation. Its variability, particularly in recent years, is a significant cost driver.

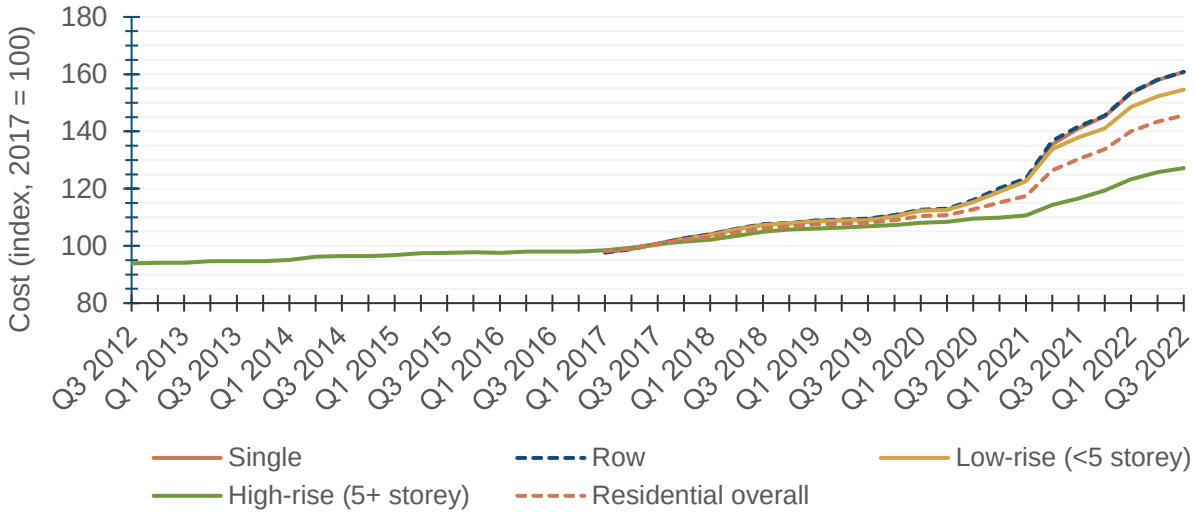
### 3.2.3 Cost of Construction

The cost of production intrinsically affects supply, regardless of the housing provider. The supply chains of myriad industries are still recovering from the effects of COVID-19, construction being among them. Not only has the construction cost risen, but timelines for construction have protracted as projects compete for labour and materials. Compounded with rising interest rates, the sizeable loans necessary for developments are becoming less attractive, even amidst a unilaterally acknowledged housing crisis.

> *"Incentives aren't good enough for developers to create affordable housing here. If it made sense financially, they would do it."*
>
> - Stakeholder

[14] Statistics Canada. Table 10-10-0145-01 Financial market statistics, as at Wednesday, Bank of Canada.
DOI: https://doi.org/10.25318/1010014501-eng

*Figure 3.11 - Indexed (2017 = 100) Residential Cost of Construction, Quarterly, Halifax CMA*

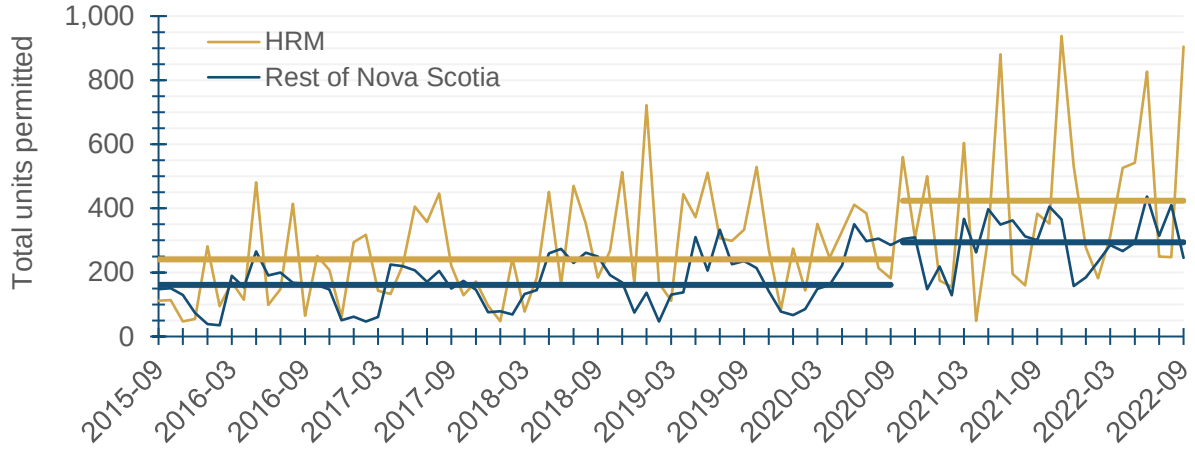



*Source: Statistics Canada* [15]

### 3.2.4 Pace of Construction

The foundation of addressing a housing crisis is increasing the available housing supply. Increasing the available supply to meet demand reduces the pressure on prices in both rental and ownership markets.

*Figure 3.12 – Total Units Permitted, Monthly*




*Source: Statistics Canada Tables 34-10-0001, 34-10-0066*

Figure 3.12 and Figure 3.13 present the various aspects of the pace of construction both within the HRM and the rest of Nova Scotia. The most critical aspect shared by both figures is the significant increase in their respective parameters between

[15] Statistics Canada. Table 18-10-0135-01 Building construction price indexes, by type of building.
DOI: https://doi.org/10.25318/1810013501-eng

September 2019 and September 2020. Figure 3.12 presents the rise in units permitted in both the HRM and the rest of the province, where Figure 3.13 illustrates units permitted along with units started and units completed.

While there is fluctuation in permit applications based on the time of year, there was a significant increase in the average number of units permitted. The average monthly units permitted for the HRM between 2010 and 2019 were 241, which has increased to 423/month since September 2019, a nearly 76% increase. Similarly, the rest of Nova Scotia, between 2010 and 2019, averaged 161 permits per month has increased to 293 permits per month, an 82% increase.

*Figure 3.13 – Volume of Unit Production by Activity Type, Monthly, HRM*


*Source: Statistics Canada Tables 34-10-0001, 31-10-0066, CMHC Starts & Completions Survey* [16]

While Figure 3.13 does not present as dramatic an increase as seen with permit applications, there have been increases in construction starts and completions. Note that a more fulsome discussion about how permits, starts, and completions relate to each other is in the **Housing Shortage** Section (**Section 5**). Readers can also refer to the **Appendices** for definitions.

Between 2015 and 2020, construction starts averaged 229 units per month. Starts increased to 317 units per month since 2020, which translates to an approximate increase of 38%. Completions during the same timeframes went from 195 to 238 per month, respectively, and this equals an approximate 22% increase in overall completions. With growth projected to continue, the pace of construction will need to increase to address Nova Scotia's demand.

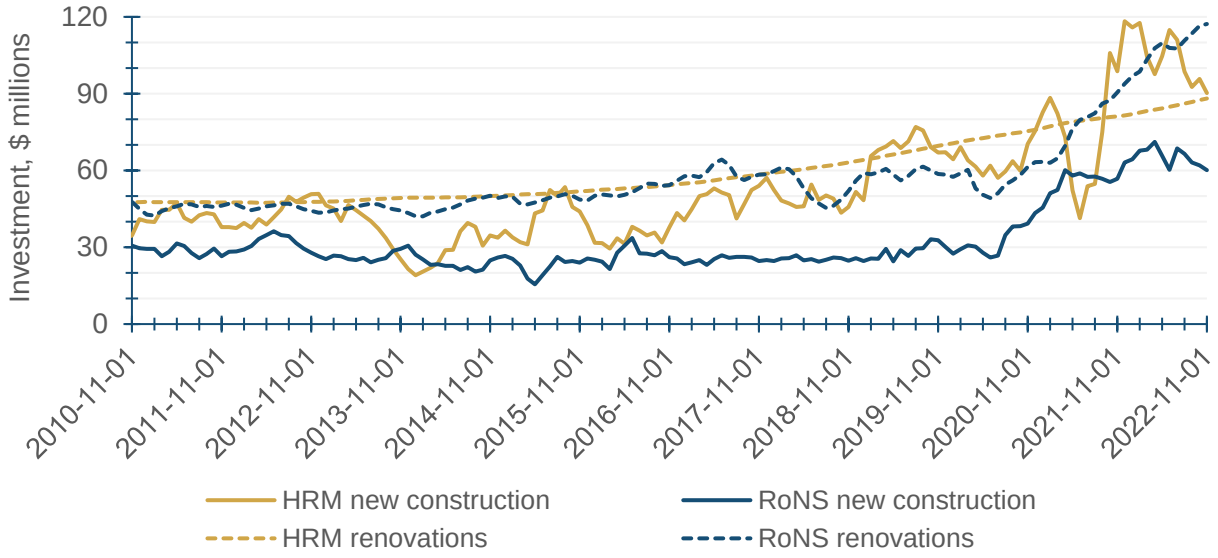
[16] CMHC Housing Market Information Portal. https://www.cmhc-schl.gc.ca/hmiportal

### 3.2.5 Investment in Construction

From theory, we expect that an increase in value, all else equal, should encourage an increase in the overall housing supply since development becomes more economically viable. This is particularly true for strained markets, like the HRM and areas within reasonable commute distance, but may not necessarily apply to the rest of Nova Scotia.

Renovations have always played a sizeable role in Nova Scotia, relative to adding to the building stock. Since 2010, the aggregate value of renovation work outside the HRM has always surpassed new construction, even during the recent rapid price appreciations. Residential activity for the HRM has also mainly focused on improving the current inventory, with historical fluctuations. Since mid-2021, new unit build-out has outvalued renovations in response to rising prices. Figure 3.14 illustrates the historical monthly residential investment totals (in millions of dollars) for new construction and renovation work. Note that "RoNS" means the Rest of Nova Scotia.

*Figure 3.14 – Residential Investment by Type & Geography, Monthly, Seasonally Adjusted*

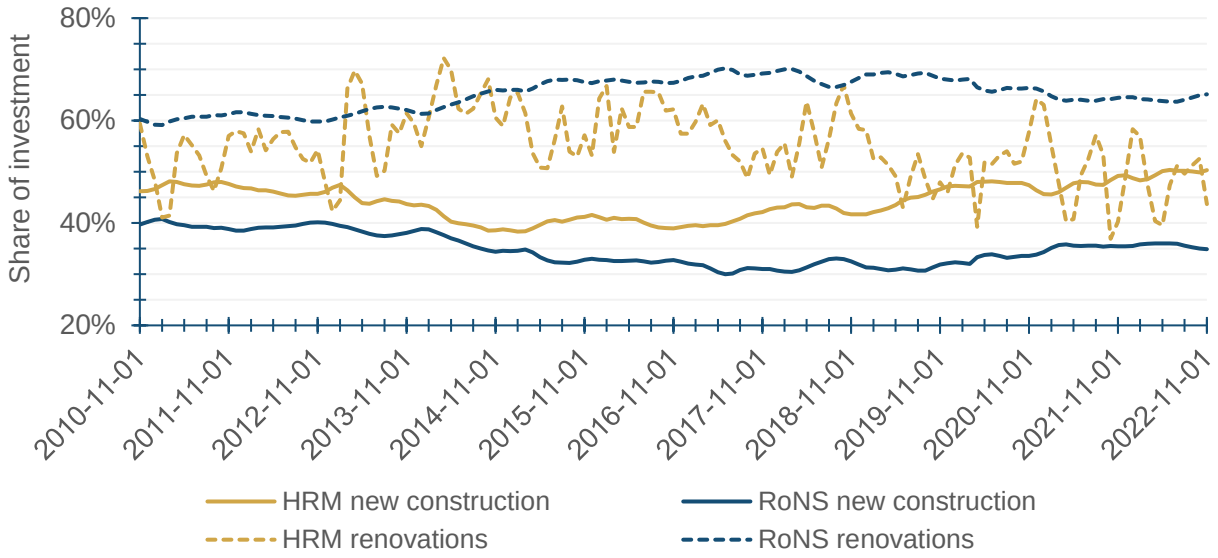



*Source: Statistics Canada [17], seasonally adjusted by MountainMath*

Figure 3.15 offers an alternative visualization of the relationship between residential construction type: the historical percent share for each investment type by geography. Renovation work has hovered above 60% of total residential construction investment outside the HRM. Within the HRM, the percentage of new construction to renovations has become about equal since mid-2018.

[17] Statistics Canada. Table 34-10-0175-01 Investment in Building Construction. **DOI:** https://doi.org/10.25318/3410017501-eng

*Figure 3.15 - Residential Investment Share by Type & Geography, Monthly, Seasonally Adjusted*




*Source: Statistics Canada [18], seasonally adjusted by MountainMath*

### 3.2.6 Labour Force Capacity

Even when financing is available, the ability to initiate housing development dramatically depends on the labour available to build said housing. When a labour shortage exists, housing developments take longer or do not happen at all. Anecdotal engagement evidence suggests contractors have 2- to 3-year waitlists for renovations, new builds, or significant repairs. This is exacerbated in communities outside the HRM, where many contractors seek work in the city with higher wages. There is also a lack of municipal building inspectors to verify the work performed by contractors, as noted through the engagement process.

**What We Heard:**

A shortage of skilled labourers and tradespeople was a very commonly voiced frustration. Throughout all sessions and from all perspectives, this was seen as a profound challenge towards providing more housing and maintaining existing housing stock.

A lack of general contractors was a common concern; most people cited contractors as having 2- to 3-year waitlists for renovations, new builds, or major repairs.

[18] ibid.

Apprenticeship trends and projections from the Canadian System for Tracking Apprenticeship Qualifications (CANTRAQ) offer an assessment of demand and supply for trade certification in Nova Scotia over the coming decade (2021 to 2030). Table 3-1 summarises the projected number of new registrations for housing-related trades. It compares these projections to the projected number of certificate completion requirements to fulfill employment and replacement demand by trade programs.

Overall, there are vital trades that CANTRAQ projects to be at risk by 2030, such as bricklaying and carpentry, due to low anticipated levels of educated tradespeople entering the workforce over the decade. A deficit of construction-related labour poses a considerable challenge for builders to complete projects.

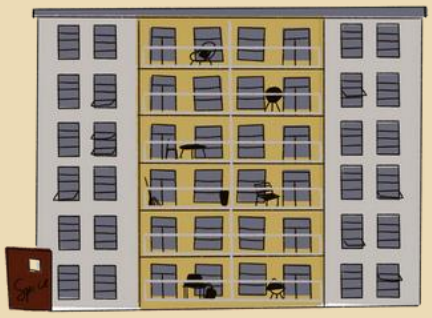
*Table 3-1 – Projected Construction Trade Certification Demand & Supply, '21-'30, Nova Scotia*

| | Anticipated Registrations | Anticipated Completions | Certifications Required | Projected Surplus / Shortage | Outlook |
|---|---|---|---|---|---|
| Boilermaker | 61 | 65 | 17 | 48 | **Ample supply** |
| Bricklayer | 151 | 39 | 124 | -85 | **At risk** |
| Carpenter | 1,388 | 296 | 2,094 | -1,798 | **At risk** |
| Construction electrician | 2,488 | 1,313 | 831 | 482 | **Balanced** |
| Gas fitter (A & B) | 503 | 187 | 182 | 5 | **Balanced** |
| Insulator (heat / frost) | 148 | 79 | 25 | 54 | **Ample supply** |
| Ironworker (reinforcing) | 95 | 34 | 23 | 11 | **Balanced** |
| Ironworker (structural / ornamental) | 66 | 39 | 67 | -28 | **At risk** |
| Mobile crane operator | 83 | 18 | 110 | -92 | **At risk** |
| Oil heat system technician | 196 | 74 | 69 | 5 | **Balanced** |
| Plumber | 1,266 | 465 | 458 | 7 | **Balanced** |
| Powerline technician | 163 | 70 | 118 | -48 | **At risk** |
| Refrigeration & air conditioning mechanic | 595 | 441 | 173 | 268 | **Ample supply** |
| Roofer | 70 | 19 | 177 | -158 | **At risk** |
| Sheet metal worker | 370 | 198 | 172 | 26 | **Balanced** |

| | Anticipated Registrations | Anticipated Completions | Certifications Required | Projected Surplus / Shortage | Outlook |
|---|---|---|---|---|---|
| Sprinkler fitter | 149 | 80 | 56 | 24 | **Balanced** |
| Steamfitter / pipefitter | 318 | 133 | 378 | -245 | **At risk** |

** Certifications required means how many certified tradespeople are needed to meet employment demand (new and to replace outgoing workers) by trade.*
*Source: Prism Economics and Analysis* [19]

[19] Prism Economics and Analysis. (2021, January). Nova Scotia Skilled Trades: Apprenticeship in the Time of COVID-19. https://www.nsapprenticeship.ca/sites/default/files/files/Prism2020-21.pdf



# 4 Housing Supply

## 4.1 Market Housing

As of the 2021 Census, there were 476,007 private dwellings across Nova Scotia, of which 428,228 were occupied by usual residents (those living permanently in Nova Scotia). The rest of the inventory may consist of those exclusively occupied by foreign residents, temporarily present persons, and unoccupied dwellings. Table 4-1 summarises the totals and distribution by structure type for those dwellings occupied by usual residents.

*Table 4-1 - Total & Share of Dwellings Occupied by a Usual Resident by Structure Type, Nova Scotia*

| Total | Single-detached | Semi-detached | Row house | Duplex apt | Apt (< 5 storeys) | Apt (5+ storeys) | Movable | Other |
|---|---|---|---|---|---|---|---|---|
| 428,230 | 272,980 | 21,605 | 11,220 | 13,165 | 64,575 | 28,650 | 15,345 | 700 |
| 100% | 64% | 5% | 3% | 3% | 15% | 7% | 4% | 0% |

*Source: 2021 Census*

Under their Canadian Housing Statistics Program, Statistics Canada offers a wide range of data related to housing stock. Notably, they report on residency ownership across the country. Table 4-2 summarises the percentage of dwellings that were not owner-occupied and were owned by non-residents in 2020. That year, 8.8% of non-owner-occupied dwellings were owned by a non-resident, with the most significant incidence in Halifax - a decrease from 9.6% provincially in 2019 (just before the pandemic).

*Table 4-2 – Percent of Non-Resident Owned & Not Owner-Occupied Dwellings by Structure Type, 2020*

| | Nova Scotia | Cape Breton, CA | Halifax, CMA | Kentville, CA | New Glasgow, CA | Truro, CA |
|---|---|---|---|---|---|---|
| Total | 8.8% | 7.7% | 9.5% | 4.6% | 4.4% | 5.1% |
| Single-detached | 10.1% | 9.0% | 12.3% | 6.0% | 5.0% | 6.2% |
| Semi-detached | 7.2% | 7.1% | 8.6% | 0.0% | 5.6% | 0.0% |
| Row house | 9.5% | 0.0% | 11.0% | 0.0% | 0.0% | 0.0% |
| Condo apartment | 11.0% | 0.0% | 11.1% | 0.0% | 100.0% | 0.0% |
| Mobile home | 5.7% | 9.5% | 7.1% | 6.7% | 3.1% | 7.0% |
| Multi-residential | 4.0% | 20.0% | 0.0% | 0.0% | 0.0% | 0.0% |

*Source: Statistics Canada* [20]

[20] Statistics Canada. Table 46-10-0054-01 Residency ownership and property use by residential property type and period of construction. **DOI:** https://doi.org/10.25318/4610005401-eng

This percentage of dwellings becomes an interesting consideration as it relates to the federal Underutilized Housing Tax (UHT) which took effect in January 2022. The UHT is a new federal tax that introduces an annual 1% tax on the ownership of vacant or underused housing across the country. The tax mainly applies to non-resident and non-owner-occupied dwellings with some exceptions,[21] meaning that up to 8.8% of dwellings in Nova Scotia could fall under the purview of this new tax.

Furthermore, in June 2022, the federal government passed the *Prohibition on the Purchase of Residential Property by Non-Canadians Act*,[22] which came into effect on January 1, 2023. The two-year ban on foreign purchases is part of the government's national effort to improve home affordability. The law exempts persons with temporary work permits, refugees, and international students (meeting specific criteria).

With almost 9% of non-occupied dwellings in Nova Scotia owned by a non-resident, the law may slightly soften immigration trends. However, the number of foreign purchasers makes up a small share of market transactions.

### 4.1.1 Historical Building Activity

Since the 1970s, there has been a shift in the types of dwellings constructed, mirroring the shift in housing density seen particularly in the urban areas of Nova Scotia. The biggest shift in percent share has been from single detached dwellings to apartments.

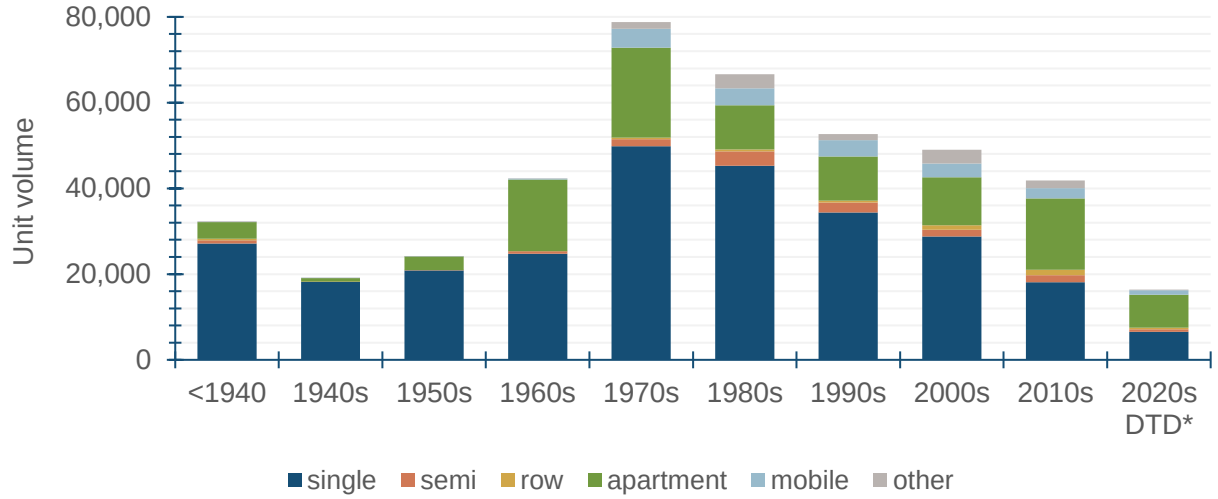
> *"One thing we hear from regional council a lot is a push back from constituents who don't want major development, but also complain about the lack of affordable housing."*
>
> - Municipal official

As seen in Figure 4.1, the 2010s (2010-2019) was the first decade since the 1960s where apartment construction rivalled or exceeded the construction of single-detached dwellings in Nova Scotia. This points to the observed trend of population increase and densification, as apartment buildings house more people on a smaller footprint than single-detached homes. This trend, observed through the 2010s, is continuing to the 2020s, per the most current data available.

[21] Complete information on the tax is available at: https://www.canada.ca/en/services/taxes/excise-taxes-duties-and-levies/underused-housing-tax.html

[22] Government of Canada. (Assented 2022, June 23). Prohibition on the Purchase of Residential Property by Non-Canadians Act. https://laws-lois.justice.gc.ca/eng/acts/P-25.2/page-1.html

*Figure 4.1 - Estimated Dwelling Build Out by Type and Decade, Nova Scotia*




*DTD = Decade to Date*
*Source: Derived from PVSC [23] [24]*

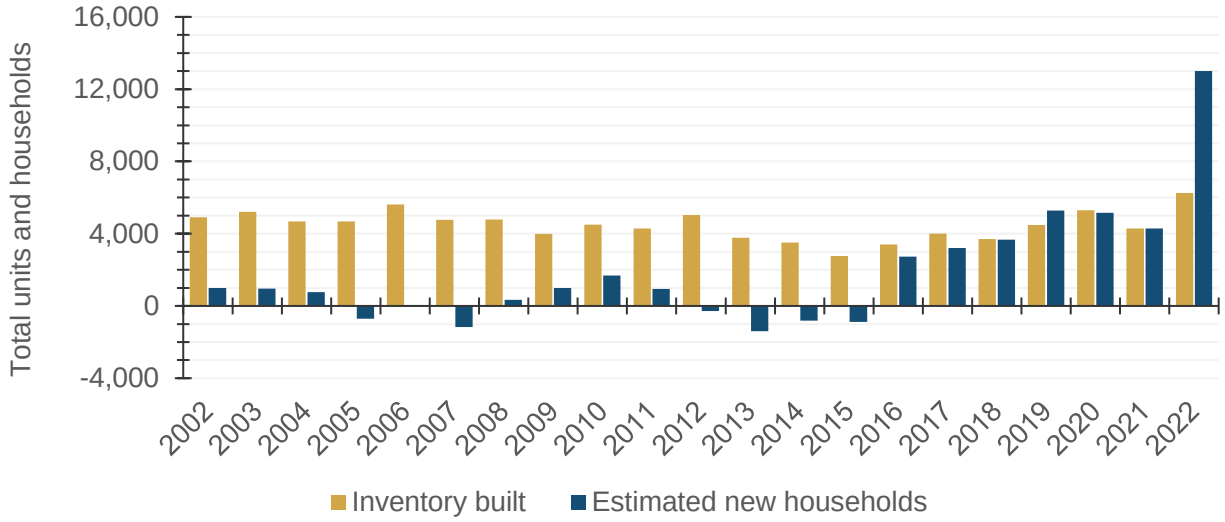
Figure 4.1 also demonstrates the gradual decrease in construction activity since the 1970s. This volume of production has historically not been of particular concern. For the entire time series shown in Figure 4.2, and well before it, Nova Scotia's estimated total new households never matched the level of housing construction. This indicates that housing construction has been predominantly intended to meet the demand of the existing population (e.g., residents moving to new homes / neighbourhoods or replacing their existing homes).

In 2016, the gap between new construction and new households suddenly no longer existed – shifts in new household totals meant the construction originally demanded by the existing population now faced increasing competition from newly formed households (i.e., more residents forming a household or more households arriving from elsewhere – interprovincially or internationally). This trend continued until 2022, where new household demand experienced a dramatic rise. The last five years of this unanswered growth is what has largely led to today's shortage.

[23] PVSC. (2023, January 10). Residential Dwelling Characteristics. https://www.thedatazone.ca/Assessment/Residential-Dwelling-Characteristics/a859-xvcs

[24] PVSC. (2023, January 10). Commercial Building Characteristics. https://www.thedatazone.ca/Assessment/Commercial-Building-Characteristics/9ac6-zg6i

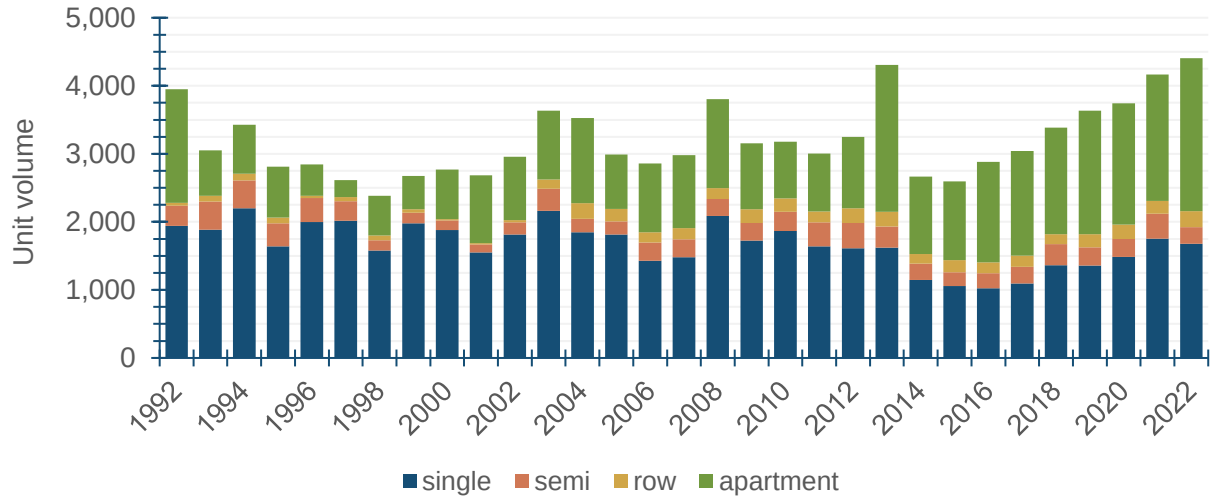
*Figure 4.2 - New Inventory versus Estimated New Households, Annual, Nova Scotia*




*Source: PVSC, Statistics Canada[25]*

While increases to the dwelling supply have not matched recent growth, there has been a noticeable trend of increased unit construction in response to demand. To complement Figure 4.1, Figure 4.3 shows the annual distribution of completions by dwelling type over the last three decades. The 2010s show the gradual shift towards intensification. In 2022, apartment units made up 51% of Nova Scotia's new inventory.

*Figure 4.3 - Historical Completions* by Dwelling Type, Annual, Nova Scotia*




** Completion shares reflect only the areas of Nova Scotia studied by CMHC's Starts and Completions Survey*

*Source: CMHC Starts and Completions Survey [26]*

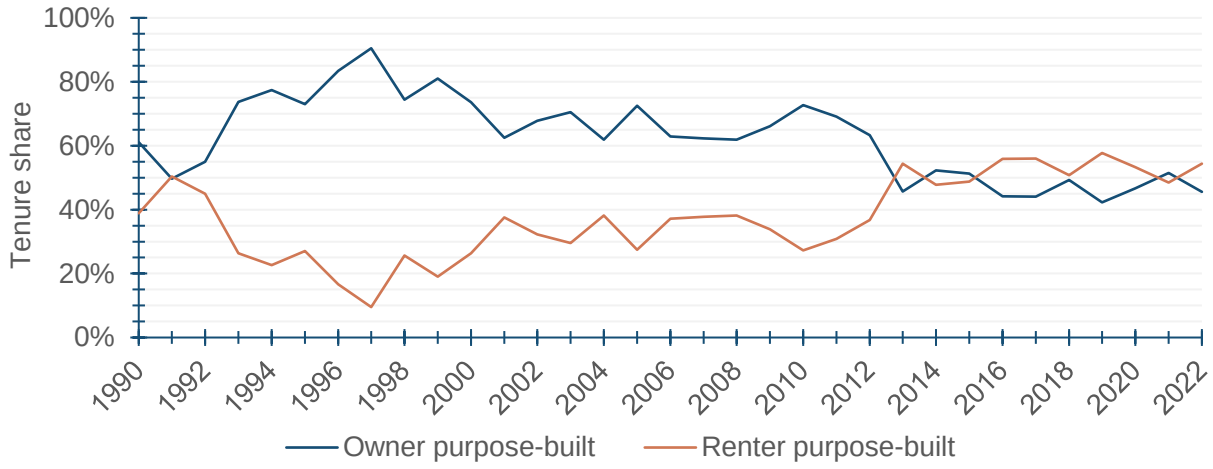
[25] Statistics Canada. Table 17-10-0139-01 Population estimates, July 1, by census division, 2016 boundaries.
**DOI:** https://doi.org/10.25318/1710013901

[26] CMHC. (2023). Housing Market Information Portal. https://www03.cmhc-schl.gc.ca/hmip-pimh/

### 4.1.2 Change in Tenure Priority

Rental construction is underway at a pace not seen since the early 1990s, with a fluctuating-near-50% share with ownership-tenure construction since 2013, as seen in Figure 4.4. This type of construction share is expected when considered along with the trends illustrated in Section 4.1.1, as apartments are typically purpose-built for renting.

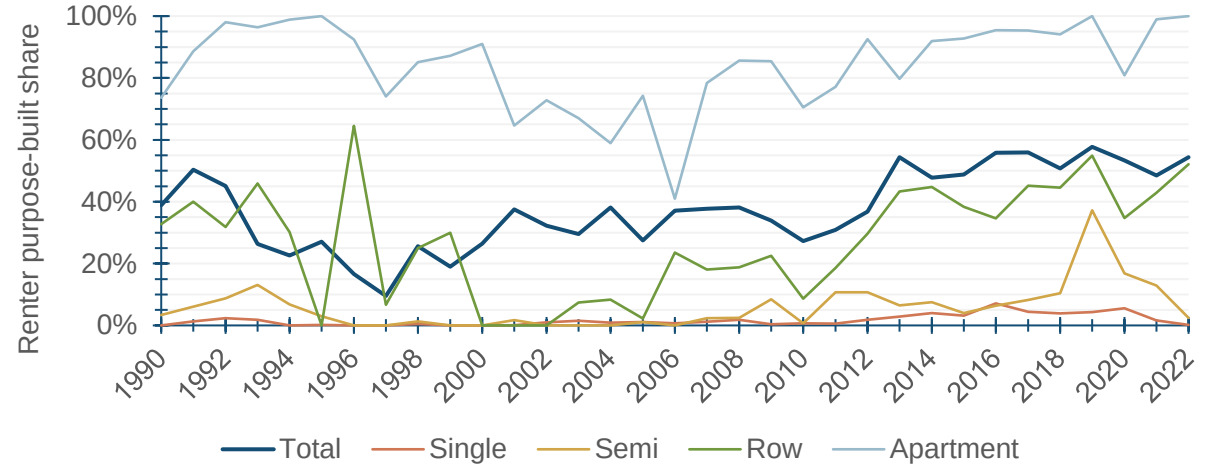
*Figure 4.4 – Share of Completions* by Purpose-Built Tenure, Annual, Nova Scotia*




** Completion shares reflect only the areas of Nova Scotia studied by CMHC's Starts and Completions Survey*
*Source: CMHC Starts and Completions Survey*

Further clarifying the intent of apartment construction is the data shown in Figure 4.5. Shown are the percentage of dwelling types purpose-built for the rental market. For example, 55% of rowhouses built in 2019 were to be rented. Most Nova Scotia-wide apartment building constructions are for the rental market. Since 2017, developers have built approximately 5% of apartments to be owned (i.e., condominiums).

*Figure 4.5 - Share of Purpose-Built Rental Completions by Dwelling Type, Nova Scotia*




*Source: CMHC Starts and Completions Survey*

Together, Figure 4.3 and Figure 4.5 demonstrate that developers have prioritized rental apartment construction over the last decade. Table 4-3 summarizes the unit size and tenure increase between the 2016 and 2021 Censuses. The distribution of new units shows what sizes are most built by rental and ownership market players.

Over the last half-decade, most new homes purpose-built to be owned were 3+ bedrooms large. Few (13%) were studios/1-bedroom dwellings, reflecting the lesser emphasis on condominium apartments versus rentals. Conversely, several 1-bedrooms or smaller units were added to the rental market over the same period. Not all additional units in the table necessarily reflect a new unit, and some may represent conversions from rental to ownership or vice versa.

*Table 4-3 - Change in Units by Size & Tenure between Census Periods, Nova Scotia*

| | Studio / 1-bedroom | 2-bedroom | 3+ bedroom | Total |
|---|---|---|---|---|
| Owner occupied dwellings | | | | |
| Owned (2016) | 8,115 | 52,615 | 215,375 | 276,105 |
| Owned (2021) | 9,430 | 56,135 | 220,430 | 285,995 |
| Change in units | 1,315 | 3,520 | 5,055 | 9,890 |
| Share of change | 13% | 36% | 51% | 100% |
| Renter occupied dwellings | | | | |
| Rented (2016) | 38,565 | 52,260 | 32,775 | 123,600 |
| Rented (2021) | 44,520 | 61,445 | 34,455 | 140,420 |
| Change in units | 5,955 | 9,185 | 1,680 | 16,820 |
| Share of change | 35% | 55% | 10% | 100% |

*Source: Statistics Canada Tables 98-400-X2016220 & 98-10-0240*

Based on estimated household demand, unit forecasts discussed in Section 5.3.3 suggest that 2-bedroom dwellings may be the most needed unit size. However, while there is a greater forecasted need for 2-bedrooms, there should be a balance in size – studio/1-bedroom units and 3+ bedroom dwellings should also remain a priority.

## 4.2 Non-Market Housing

### 4.2.1 Public Housing

#### *4.2.1.1 Inventory & Tenants*

Public housing is provincially owned and operated rental housing that provides rent-geared-to-income units. Through the Nova Scotia Provincial Housing Agency (NSPHA),

the province has a public housing inventory of roughly 11,200 units. About 68% of public housing units are intended for seniors. Approximately 3,750 of the 11,200 (33%) are in the HRM, with the other 7,450 distributed across the rest of the province.

Eligibility for public housing rent-geared-to-income units includes the following criteria:

- The total gross household income (income before deductions) for all household members is less than the Household Income Limits HILs.
- Households pay more than 30% of their income for shelter and adequate and suitable housing, where the cost of adequate and suitable housing in their area would cost more than 30% of their income.
- Each household member is either a permanent legal resident of Canada or has Permanent Resident status.

Table 4-4 arranges Nova Scotia's public housing inventory by unit type and size; household characteristics, including a couple- or single-led households, gender; and length of tenure in public housing. Most of the public housing stock is single-led with 77% of all units, followed by self-identified female-led households at 66%. The unit types are divided into single-family, row houses and apartments. There are 7,070 apartments reserved for seniors.

**Important note:** Public housing units are separated into "family" and "senior," which includes non-elderly households within them.

*Table 4-4 - Summary of Public Housing Inventory & Clients, January 31 2023*

| | | Total | Family | Senior |
|---|---|---|---|---|
| | Total unit inventory | 11,200 | 3,550 | 7,650 |
| Unit size | Studio | 45 | 25 | 20 |
| | 1-bedroom | 7,620 | 125 | 7,495 |
| | 2-bedroom | 595 | 480 | 115 |
| | 3+ bedroom | 2,915 | 2,915 | 0 |
| | Not reported | 25 | 5 | 20 |
| Dwelling type | Single family | 780 | 780 | 0 |
| | Row | 1,705 | 1,165 | 540 |
| | Apartment | 8,475 | 1,405 | 7,070 |
| | Not reported | 240 | 200 | 40 |

| | | Total | Family | Senior |
|---|---|---|---|---|
| HH size | Estimated total people | 16,910 | 9,335 | 7,575 |
| | Average HH size | 1.6 | 2.9 | 1.0 |
| | HHs w/ dependents | 22% | 68% | 0% |
| Gender | Female led | 66% | 79% | 60% |
| | Male led | 33% | 19% | 39% |
| | Not reported | 1% | 2% | 1% |
| Status | Single person led | 77% | 67% | 81% |
| | Couple led | 10% | 19% | 6% |
| | Not reported | 13% | 14% | 13% |
| Tenure length | Less than 1 year | 9% | 6% | 11% |
| | 1 to 5 years | 34% | 30% | 36% |
| | 5 to 10 years | 26% | 26% | 26% |
| | 10+ years | 30% | 38% | 26% |
| Income | Median income (mth) | $1,625 | $1,380 | $1,740 |
| | Median income (ann) | $19,500 | $16,560 | $20,880 |

*Source: Nova Scotia Provincial Housing Agency*

**What We Heard:**

*"Prior to having my own place, I was living with my parents. I have a young child and living with my parents was difficult. I have much more independence now and I feel it's strengthened my relationship with my parents."*

- Public Housing Tenant

We heard from some tenants that they feel that more focus is placed on external repairs (e.g., roofs and siding) than internal, leading them to feel that the attention is on the way that the units "look" (and are therefore perceived by the public) and not what it is like to live in them.

The desire for non-market housing was notable in the public survey – **12%** of respondents (about 2,000 people) said that government-owned public housing was in their top 3 preferring housing options.

Through our first voice engagement sessions with tenants living in public housing, we heard about the relief of receiving their units. Many participants had found themselves in challenging situations: with a debilitating injury, an unexpected pregnancy, the loss of a loved one, and the loss of a career, to name a few.

### 4.2.2 Rent Supplements

As of March 2023, 6,555 Nova Scotian households were receiving a rent supplement. This translates to almost 11,920 people being served by rent supplements province-wide. Of those households, 38% were seniors, 31% were families, and 31% were categorized as non-elderly.

Table 4-5 summarises the vulnerable groups that Nova Scotia's rent supplement program most served. A person (or household with a person) at risk of homelessness made up 17% of recipients; 15% lived with mental health or addiction-related issues, 18% had a disability, and 7% were young adults (most of which were families).

*Table 4-5 - Rent Supplement Demographics, Nova Scotia, March 2023*

| | Total | Family | Senior | Non-elderly |
|---|---|---|---|---|
| Total rent supplements | 6,555 | 2,035 | 2,480 | 2,040 |
| People benefitting | 11,915 | 6,865 | 2,730 | 2,320 |
| Average HH size | 1.8 | 3.4 | 1.1 | 1.1 |
| Average dependent | 0.6 | 2.0 | 0.0 | 0.0 |
| Share of units serving a vulnerable group: | | | | |
| Indigenous person(s) | 3% | 5% | 1% | 4% |
| Person(s) w/ a disability | 18% | 12% | 15% | 28% |
| At risk of homelessness | 17% | 16% | 9% | 28% |
| Homeless | 2% | 1% | 1% | 3% |
| Newcomer(s) | 5% | 14% | 1% | 3% |
| Mental health / addictions | 15% | 13% | 6% | 28% |
| Racialized person(s) | 6% | 12% | 2% | 6% |
| Veteran(s) | 0.4% | 0.2% | 0.6% | 0.1% |
| Fleeing domestic violence | 4% | 9% | 0.6% | 3% |
| Young adults | 7% | 16% | 1% | 6% |

*Source: NS Department of Municipal Affairs & Housing*

Table 4-6 summarises the unit sizes of rent supplement recipients. Approximately 91% of supplements were directed to households living in market rentals, most of which were either 1- or 2-bedrooms.

*Table 4-6 - Rent Supplements by Unit Type & Market Type, Nova Scotia, March 2023*

| | Total | Family | Senior | Non-elderly |
|---|---|---|---|---|
| Total rent supplements | 6,555 | 2,035 | 2,480 | 2,040 |
| Studio | 4% | 0% | 2% | 8% |
| 1-bedroom | 45% | 6% | 61% | 65% |
| 2-bedroom | 32% | 46% | 28% | 21% |
| 3+ Bedroom | 17% | 46% | 4% | 4% |
| Market rental | 92% | 93% | 89% | 93% |
| Co-operative housing | 3% | 3% | 5% | 1% |
| Non-profit housing | 2% | 1% | 2% | 1% |

*Source: NS Department of Municipal Affairs & Housing*

Of the 6,555 supplements, 72% were portable; these are supplements that go with the client if they decide to move. About 25% were non-portable supplements that are unit specific – they do not move with the client.

*Table 4-7 - Rent Supplements by Product Type, Nova Scotia, March 2023*

| | Total | Family | Senior | Non-elderly |
|---|---|---|---|---|
| Total rent supplements | 6,555 | 2,035 | 2,480 | 2,040 |
| Portable supplement | 72% | 82% | 60% | 75% |
| Non-portable supplement | 25% | 16% | 36% | 23% |
| Homeowner supplement | 3% | 2% | 4% | 2% |
| Median monthly income | $1,318 | $1,393 | $1,720 | $950 |
| Median annual income | $15,816 | $16,716 | $20,640 | $11,400 |
| Median rent | $836 | $1066 | $775 | $780 |
| Median supplement | $470 | $674 | $363 | $472 |

*Source: NS Department of Municipal Affairs & Housing*

The median recipient's monthly income was around $1,318, or $15,816 annually. The median monthly rent of a recipient was about $836, representing about 63% of

earnings (without consideration for other shelter expenses). The median supplement received was $470, decreasing that ratio to 28%.

**What We Heard:**

We heard that qualifying conditions for rental subsidies need to ensure that people in vulnerable positions, such as women fleeing domestic abuse and people living with mental health issues, can receive the support they need.

### 4.2.3 Non-profit Co-operative Housing

Formal datasets related to cooperative and non-profit housing organizations and their units are limited – data is only readily available for organizations with a funding relationship with the province.

**What We Heard:**

About **13%** of respondents (around 2,125 people) indicated that community or non-profit housing would be among their top 3 choices if no limitations influenced the choice.

As of the beginning of 2023, the province had a funding relationship with 110 Community Housing organizations through a variety of housing programs. This includes non-profit and co-operative housing providers, comprising 3,000 units.

*"We would like to see non-profit housing supplied with more financial support - not as an emergency stop-gap, but as regular, long-term funding."*

*"We need multi-level government support. A reduction of commercial property taxes for non-profit housing. Fast tracking of approvals. We need to be supported. This is absolutely critical."*

- Various stakeholders

### 4.2.4 Shelters

Nova Scotia has an estimated total of 36 shelters across the province covering various shelter needs such as emergency shelters (15), transition houses (9), and other transitional shelters (12). Table 4-8 shows each shelter category and the number of beds available across all shelter types as of 2021 by Economic Region. Note that data is the combination of several sources.

*Table 4-8 - Shelter Beds by Economic Region*

| | Emergency shelter[1] | | Transition houses (domestic violence)[2] | | Other transitional housing[3] | |
|---|---|---|---|---|---|---|
| | Shelters | Beds | Shelters | Beds | Shelters | Beds |
| Annapolis Valley | 1 | 20 | 1 | 15 | 2 | 18 |
| Cape Breton | 1 | 28 | 2 | 36 | 0 | 0 |
| Halifax | 8 | 209 | 1 | 24 | 8 | 119 |
| North Shore | 4 | 68 | 3 | 33 | 1 | 4 |
| South Shore | 1 | 7 | 2 | 30 | 1 | 7 |
| Total | 15 | 332 | 9 | 138 | 12 | 148 |

*Source: [1]NS Department of Community Services, [2]NS Status of Women, [3]National Service Provider List via Statistics Canada (2021)* [27]

For emergency shelters, 2 temporary winter shelters exist in Halifax and the North Shore, with 20 beds each (included in the table). Transition house data reflects those shelters funded by the Nova Scotia Status of Women. The Millbrook Family Healing Centre and the Waycobah Family Healing Centres are not funded by the province.

## 4.3 Post-secondary Student Housing

The post-secondary education sector in Nova Scotia is one of the main drivers for its economic and population growth. However, this sector has been heavily impacted by the province's housing crisis. To understand the student housing environment, we requested data from the eleven (11) public post-secondary institutions of Nova Scotia:

- Acadia University (Acadia)
- Atlantic School of Theology (AST)
- Cape Breton University (CBU)
- Dalhousie University (Dalhousie)
- Mount Saint Vincent University (MSVU)

[27] Statistics Canada. Table 14-10-0353-01 Homeless shelter capacity, bed and shelter counts for emergency shelters, transitional housing and domestic violence shelters for Canada and provinces, Infrastructure Canada.
**DOI:** https://doi.org/10.25318/1410035301-eng

- NSCAD University (NSCAD)
- Nova Scotia Community College (NSCC)
- Saint Mary's University (SMU)
- St. Francis Xavier University (St. FX)
- Université Sainte-Anne (Ste. Anne)
- University of King's College (King's College)

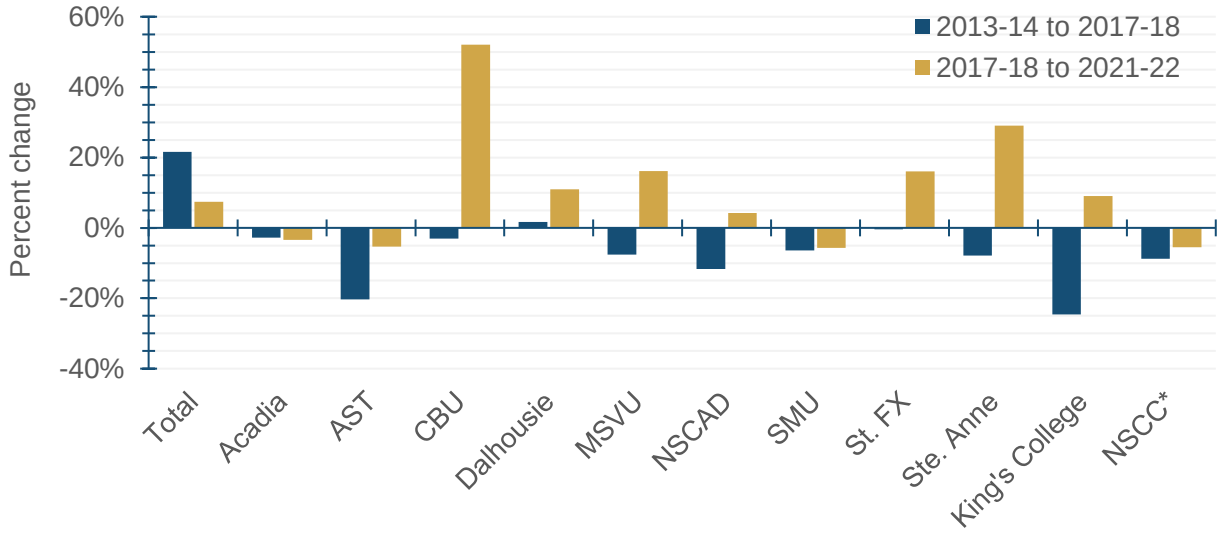
Questions included current and anticipated study body information (such as level of education, full- versus part-time enrolment, and international status), on-campus housing inventories, and waitlists. The following sections use the responses to estimate post-secondary housing needs.

### 4.3.1 Enrolment

According to the Maritime Provinces Higher Education Commission (MPHEC), Nova Scotia's universities served about 47,660 students (full- and part-time) during the 2021-22 academic year. That same year, NSCC reported that approximately 10,100 students had been enrolled. Thus, public post-secondary institutions in that year combined to serve 58,760 students. Enrolment data from MPHEC (not including NSCC) indicates that the student population increased by about 1% annually between 2013-14 and 2021-22.

Figure 4.6 illustrates the percent change in total enrolment for the defined periods for Nova Scotia's public post-secondary institutions. Note the universities use MPHEC data while NSCC uses Statistics Canada estimates.

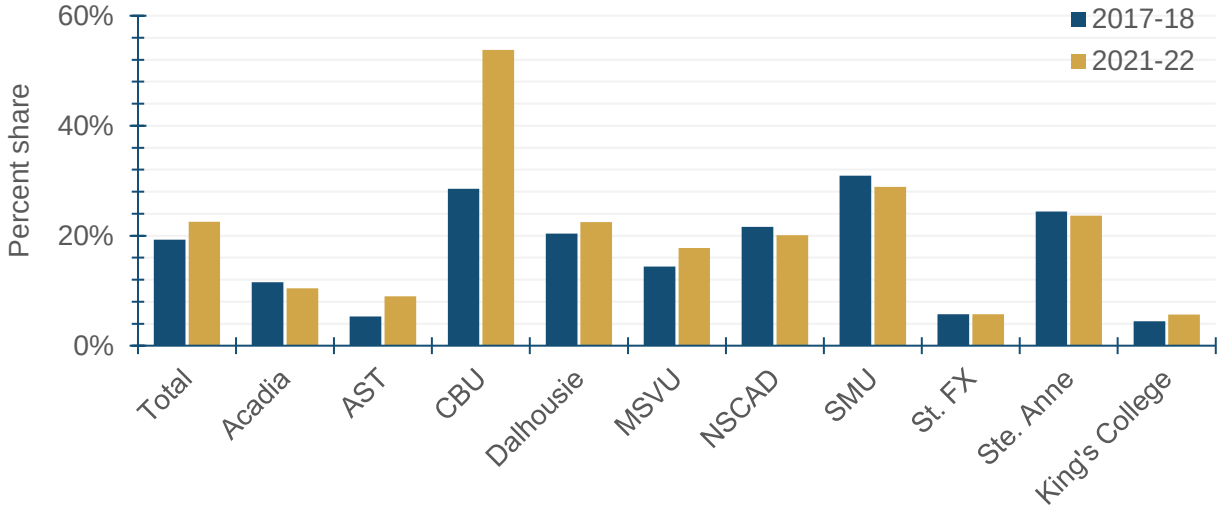
*Figure 4.6 – Percent Change in Post-Secondary Enrolment*




*Source: Maritime Provinces Higher Education Commission, *Statistics Canada* [28]

According to MPHEC, between the academic years of 2017-18 and 2021-22, Cape Breton University's (CBU's) student population grew by 52% (about 1,580 students). This expansion is predominantly due to an influx of international students.

*Figure 4.7 - Share of International Students by Academic Year & University*




*Source: Maritime Provinces Higher Education Commission*

International student populations relative to total enrolment increased across all Nova Scotia universities (historical NSCC data was unavailable). CBU significantly jumped

[28] Statistics Canada. Table 37-10-0018-01 Postsecondary enrolments, by registration status, institution type, status of student in Canada and gender. **DOI:** https://doi.org/10.25318/3710001801-eng

from 29% to 54% between 2017-18 and 2021-22. Figure 4.7 illustrates the shares in both periods for all 10 universities.

### 4.3.2 Projected Student Population

When asked to project their student populations over the next three years, the aggregate of responding institutions to our housing need questionnaire suggested that the student population could increase by 2.5% from 2022-23 to 2024-25.

Table 4-9 summarises estimates for the additional enrolment that was experienced and could be experienced in the short term. Between the 2022-23 and 2024-25 academic years, Nova Scotia could have about 1,430 more students.

*Table 4-9 - Estimated Change in Post-Secondary Total Student Population, Nova Scotia*

| | 2017/18 to 2021/22 | | 2021/22 to 2022/23 | | 2022/23 to 2024/25 | |
|---|---|---|---|---|---|---|
| | Total Δ | % Δ | Total Δ | % Δ | Total Δ | % Δ |
| Total | 3,995 | +7% | 1,115 | +2% | 1,430 | +2.5% |
| Canadian students | 1,575 | +3.5% | 405 | +1% | 835 | +2% |
| International students* | 2,420 | +29% | 710 | +7% | 595 | +5% |

** estimate derived from engagement results and secondary data*
*Source: derived from Statistics Canada, MPHEC, and administrator engagement results*

We cannot confidently project post-secondary enrolment mid- or long-term, given that enrolment numbers rely on institutional capacity, as determined by a post-secondary institution.

Notwithstanding, Statistics Canada trends suggest that enrolment totals do not increase dramatically annually, but rather maintain relatively consistent enrolment levels over long periods. The last 20 years of data indicate this holding period is about a decade. If that continues to be true, enrolments may remain steady (with fluctuations) over the mid-term. However, the share of international students should continue to increase.

### 4.3.3 Student Housing Inventory

Not all post-secondary institutions responded to the student and on-campus housing questionnaire, so specific numbers of units and beds are not available. However, estimates can be made based on those who did respond.

During the 2021-22 academic year, there were just over 9 on-campus housing units per 100 post-secondary students and over 11 beds per 100 students. If applied to 2021-22 enrolment data (MPHEC and NSCC), this translates to about 5,955 units or

6,465 beds. Table 4-10 summarises the distribution of unit types offered by participating institutions.

*Table 4-10 - Distribution of Post-Secondary On-Campus Unit Types, Nova Scotia*

| | Share of total units | Units per 100 students | Minimum cost / person | Maximum cost / person |
|---|---|---|---|---|
| Total units | | 9.2 | | |
| Single rooms | 68% | 6.3 | $750 | $1,686 |
| Double rooms | 16% | 1.5 | $1,055 | $1,492 |
| Dorm-style | 1.1% | 0.1 | $614 | $614 |
| Studio apartment | 0.1% | 0.0 | $1,330 | $1,330 |
| 1-bed apartment | 1.2% | 0.1 | $852 | $1,100 |
| 2-bed apartment | 1.2% | 0.1 | $974 | $1,841 |
| 3-bed apartment | 0.6% | 0.1 | $833 | $1,485 |
| 4-bed apartment | 1.5% | 0.1 | $833 | $1,841 |
| Accessible apartment | 0.6% | 0.1 | $833 | $1,841 |
| Other unit type | 9% | 0.8 | $1,009 | $1,798 |
| Total beds | | 11.4 | | |

*Source: Administrator engagement results*

### 4.3.4 Student Housing Expansion Plans

Of the participating post-secondary institutions, only NSCC identified that they had student housing under construction. In 2022, NSCC began building on three of their campuses: Pictou, Akerley, and Ivany. Once complete, 128 studio units and 54 4-bedroom suites will be added to their student housing stock for 350 beds.

Dalhousie and St. Mary's University noted that they are both exploring opportunities for additional student housing given the ongoing housing crisis but did not offer additional details about possible scale or timeline.

**What We Heard:**

Post-secondary administrators reported from their sessions that students were dropping out or missing classes due to complications around housing, despite increasing enrolment.

They also reported that although on-campus housing is seen as part of the solution, it proves to be a challenge since it is not seen as profitable for developers.

Students reported frustrations with accessing housing and perceived little to be done to address the issue.

## 4.4 Short-Term Rentals

Short-term rentals (STRs) have grown as a use of residential dwelling space for temporary accommodations that blurs the line between rental housing and commercial hospitality. Alongside this market growth is concern about the impact of STR units on the traditional residential market sector, specifically, whether STRs are removing homes from the market, reducing supply and increasing the difficulty for households to find suitable places to live.

**What We Heard:**

We heard mixed perspectives across the province on STRs and vacation homes. STRs were only seen as a serious issue in terms of limiting long-term rental availability in areas where tourism was a main economic driver. Perspectives of municipal staff and council were mixed: some felt STRs had an almost entirely negative presence and influence. In contrast, others saw it as a way to boost the tourism economy and an opportunity for community property owners to generate significant income. We heard anecdotes about landlords who felt forced to switch to a STR model due to rising living costs, property maintenance, and inflation.

Municipalities feel unable to properly assess the effect of STRs on their communities, citing skepticism about data (like AirDNA) and enforcement of the newly announced regulations. We heard a strong call from municipal and stakeholder groups for STRs to be taxed commercially to' level the playing field' for hotels and other more traditional forms of short-term accommodations.

Table 4-11 summarizes the recent changes in STR units that were active over the course of the calendar year, including an estimate of the maximum number of units potentially removed from Nova Scotia's housing market.

Between 2018-2022, there was an increase of 3,346 unique short-term rental listings (or 43%). Of those, 79% were entire homes or apartments in 2022, of which more than half (54%) were potentially "commercial" units – meaning they were available or reserved more than 50% of the year. For 2022, this reflects data up to the end of September 2022. If we compare the total estimated 2022 commercial units to the adjusted housing stock (2021 Census plus completions), upwards of 1% of Nova Scotia's inventory may be used as a short-term commercial rental.

*Table 4-11 – Short-Term Rental Activity and Inventory, Nova Scotia*

| | Data by year | | | | Percent change | | |
|---|---|---|---|---|---|---|---|
| | 2018 | 2020 | 2021 | 2022 | '18-'20 | '20-'22** | 18-'22** |
| Total unique STRs | 7,744 | 11,154 | 11,069 | 11,090 | +44% | -1% | +43% |
| Entire home/apt | 5,725 | 8,464 | 8,656 | 8,744 | +48% | +3% | +53% |
| Hotel room | 80 | 215 | 192 | 181 | +169% | -16% | +126% |
| Private room | 1,895 | 2,405 | 2,159 | 2,103 | +27% | -13% | +11% |
| Shared room | 44 | 70 | 62 | 62 | +59% | -11% | +41% |
| Avg annual revenue | $7,214 | $5,184 | $6,433 | $10,066 | -28% | +94% | +40% |
| Total market ('000s) | $55,864 | $57,821 | $71,205 | $111,630 | +4% | +93% | +100% |
| Commercial STRs* | 3,930 | 4,248 | 4,238 | 4,692 | +8% | +10% | +19% |

** A commercial STR is one that has been listed as available and/or has been reserved more than 50% of the days in a calendar year.*

*** 2022 data reflects as of September 2022. Commercial STRs use 9 months for their calculations versus a full year.*

*Source: derived from AirDNA data*

# 5 Housing Shortage

**What We Heard:**

Nova Scotia's current housing supply shortage is a crisis. The public, stakeholders, and municipal leaders identified that this crisis is impacting people across the province and across the spectrum, from temporary housing to affordable options to student accommodations, to middle and high-end housing.

We developed an econometric housing demand model to quantify Nova Scotia's current housing shortage. The model's primary purpose is to identify how prices react to changes in demand, interest rates, and other parameters. These reactions are used to understand how prices and housing affordability could have developed under alternative scenarios where varying magnitudes of new dwellings had been built. A brief model description can be found in the **Appendices** (Section 10).

## 5.1 Impact of Housing Demand Variables on Housing Price

The model relates five principal variables to housing prices: dwelling stock, total households, real incomes (adjusted for inflation), user costs, and past (lagged) dwelling prices. User costs is a variable containing several parameters, including inflation, interest rates, depreciation, and property taxes. Each variable had annual data points.

Table 5-1 summarises the relationships between each of these variables and price. **Coefficient** signifies the percent change in price for each percent change increase in a variable. The **standard error** represents the average distance that a variable coefficient might differ. While the coefficient highlights the most likely value, it may fall somewhere within a range.

*Table 5-1 - Relationship between Econometric Model Variables & Price*

| Relationship | Dwelling stock | Households | Real income | User Cost* | Lagged HPI |
|---|---|---|---|---|---|
| Coefficient | -4.66 | 4.92 | 1.33 | -2.47 | 0.75 |
| Standard error | 0.57 | 0.44 | 0.23 | 0.17 | 0.02 |

** The change in user cost is not a percentage change but a percentage point change.*

Variable relationships for Nova Scotia suggest that all else being equal:

- For every 1% increase in total dwellings will come a price decrease of 4.66%;
- For every 1% increase in total households, prices increase by 4.92%;

- For every 1% increase in real income, prices increase by 1.33%;
- For every 1 percentage point rise in user costs, prices decrease by 2.47%; and
- For every 1% increase over a previous year's price leads to a current-year price increase of 0.75%.

These results delineate the impacts of changes in housing environments on price and affordability. By understanding these relationships, governments can form policies or interventions that address certain elements. Of the considered variables, the number of households and the dwelling stock have the strongest relationship (by magnitude) to prices.

Nova Scotia's hourly minimum wage is slated to increase to $15.00 by October 2023. This wage increase is a 10.3% increase in income for minimum wage earners. While not required, firms paying above minimum wage may increase incomes to remain competitive.

The province and municipalities can have the most immediate and long-lasting impact by increasing the dwelling supply. From the province's perspective, subsidizing housing and the funding, acquisition, and intensification of the non-market housing supply would be most impactful. For municipalities, it is in planning policy taking the form of any number of tax incentives, development agreements, and permissive land-use regulations.

Similar modelling was performed for the HRM; the aggregate of the Colchester, Kings, Lunenburg, and Hants Census Division (the peripheral communities likely to be most impacted by Halifax trends); and the Cape Breton Regional Municipality. While the HRM results are robust, those of the other areas must be interpreted carefully.

For more information about modelling by geography and details related to significance levels of estimated coefficients and the diagnostic tests performed, please refer to the **Brief Description of Modelling** section of the **Appendices.**

## 5.2 Existing Housing Shortage

### 5.2.1 Econometric Model

The econometric model allows for the testing of scenarios to determine the effects on home prices and affordability had housing development been intensified over the past five years. Each scenario is labelled in the applicable figures by the number of units-built, surpassing those built by the end of 2022.

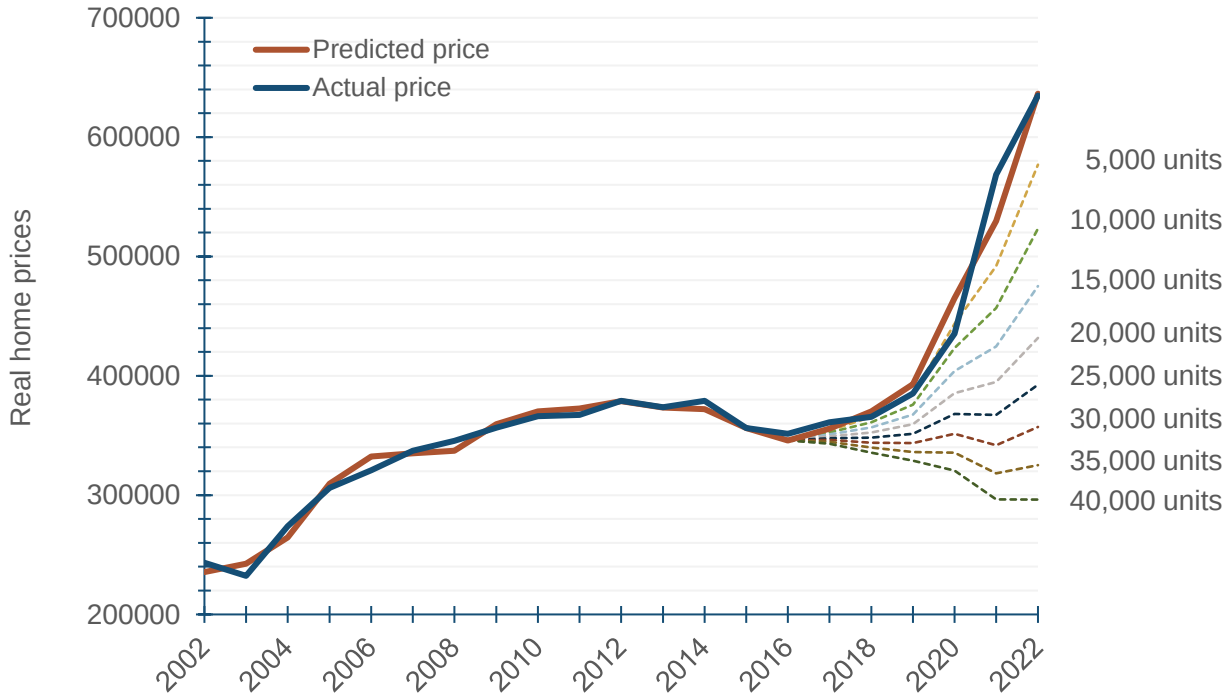
.

**What We Heard:**

Over **93%** of public survey respondents reported they did not feel confident that they could find suitable alternative housing if their housing situation changed unexpectedly.

Figure 5.1 illustrates the various price scenarios tested by the model for the entirety of the province. The thick dark blue line identifies actual price over the model's time horizon, while the thick red line is the model's price prediction. Both reinforce the model's reliability because actual and predicted prices closely resemble each other.

*Figure 5.1 - Supply Shortage Scenarios and their Impact on Price, Nova Scotia*



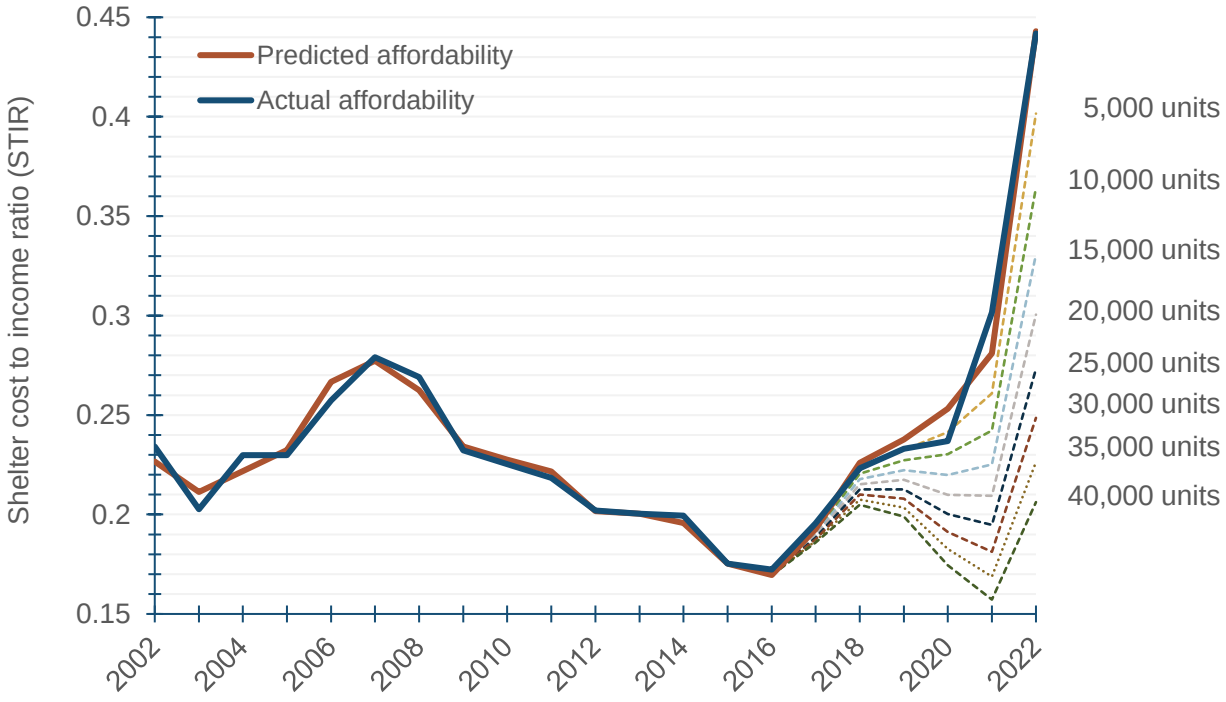

Extrapolating upon the accuracy of the model, an example of the figure's interpretation can continue as such: had Nova Scotia built 40,000 additional dwellings than were built since 2016, the overall residential market price would have been approaching $300,000 in 2022, rather than the nearly $635,000 actual price.

For real home prices (adjusted for inflation) to have remained at 2016 levels (around $350,000), about 30,000 more dwelling units would have been required. If we allow for some price appreciation between 2016 and 2022, the target decreases to about

25,000 units. Thus, we conclude that the provincial dwelling shortage sits between 25,000 and 30,000 units if we consider stable prices as the key metric.

Prices change not only due to variations in household demand or housing stock but also due to changes in income, interest rates, property taxes, or some combination thereof. For example, prices in Halifax have declined year-over-year from 2021 to 2022, but that does not mean affordability has improved. To model the impact on affordability, we take prices multiplied by user cost (accounting for interest rates and property taxes) and divide by family income. This measure broadly captures the ability of families to purchase housing. Figure 5.2 illustrates the impact of the respective supply shortage scenarios on affordability, measured by the user cost to family income ratio – calculated using outputs of the econometric model, not a distinct model.

*Figure 5.2 - Supply Shortage Scenarios and their Impact on Affordability, Nova Scotia*




Incomes have risen across Nova Scotia, showing overall increasing affordability between 2007 and 2016, which (together with a decreasing interest rate) counter-balanced the moderate price appreciation during that period. But the rapid price increases beginning in 2016 made the market less affordable.

Interest rate increases over the last year are visible as a dramatic upward shift in our scenarios. On the net, it has negatively impacted affordability despite slowing price growth and continued income growth.

Had 25,000 to 30,000 additional units been built since 2016, they would not have brought affordability back to 2016 levels – to do so would have required more than 40,000 additional units. However, this considers the current reality of rapidly rising interest rates, which tremendously impact household shelter payments. While inflation remains high, the Bank of Canada anticipates returning to its 2% target in 2024, which may help stabilize affordability.

Even if 25,000 to 30,000 additional units had not returned to affordability levels in 2016, having built that many units may have cut at least 17 percentage points off the overall family's allocation of income to shelter.

### 5.2.2 Demographic Model

To understand the demand for housing in those areas where the original model cannot be applied (see the **Brief Description of Modelling** in the **Appendices**). We used a purely demographic approach that focuses on two measures also used in the econometric model: the **number of dwelling units** over time and the **household demand** over time. This approach is similar to that used by CMHC in their housing forecasts.

We applied the demographic approach to Nova Scotia and the HRM to establish how closely aligned both model types are. Table 5-2 summarises the results.

*Table 5-2 - Econometric versus Demographic Model Results*

| Community | Econometric model | Demographic model |
|---|---|---|
| Nova Scotia | 25,000 to 30,000 | 27,300 |
| Halifax Regional Municipality | 15,000 to 20,000 | 17,500 |
| Rest of Nova Scotia | | 9,800 |

For both Nova Scotia and the HRM, demographic model outputs fall within the logical bands established by interpreting the econometric model. This relationship suggests that the demographic model is useful for estimating and projecting shortages and can be applied to regions outside of Halifax with some confidence. Regional housing shortages are found in the following section.

## 5.3 Forecasted Supply Shortages

To produce forecasts from models, assumptions must be made for each input variable. For the econometric model, this means anticipating future household demand, income levels, interest rates, and property taxes, among other things. For the demographic model, this means only anticipating household demand. The Nova Scotia Department

of Finance & Treasury Board (FTB) produces local low, base, and high growth population forecasts, which can then be adjusted to reflect households by applying historical household maintainer rates.

Thus, to simplify the forecasting approach and maintain a consistent methodology across all Nova Scotia communities, this report uses the demographic model to anticipate how many dwellings might be needed in 5- and 10 years. Results are then compared to a forecasted pace of housing unit production to understand how many more units could be required above status quo construction trends.

### 5.3.1 Unit Production Data

Only a handful of data points are available to describe the housing production process; notably, data for permits, starts, completions, and construction length. The following subsections describe how these elements relate to each other and introduce the logic behind our simplified pace of production forecasts.

**Units permitted**

Building permit data is widely used as the leading indicator for the construction industry. The issuance of a building permit is one of the first steps in the construction process and generally demarcates when development approvals (e.g., zoning amendments, variances, etc.) are complete. Many readers might be familiar with permitting, as a permit application is required for several types of work – most commonly, home renovations or new home construction.

Within the permit process, there are often several steps related to inspecting elements such as footings, plumbing, insulation, and framing. Furthermore, a permit often applies to an entire structure and may cover multiple residential units.

Permit data acquired for this report specifically enumerates the number of units permitted across all Canadian municipalities through September 2022, not the number of applications, as reported to Statistics Canada by the municipalities. Thus, permitted unit data demonstrates the future supply that can be expected. Permit data also contains information about unit conversions, deconversions, and demolitions.

Note that permit statistics are not corrected for cancelled or expired permits. Historically, municipal officers who respond to Statistics Canada's regular, mandatory permit survey reported that the rate of cancellation or expiry is below 5%.[29]

[29] Statistics Canada. (2018, February 8). Building Permits: Data Quality. https://www150.statcan.gc.ca/n1/pub/64-001-x/2017012/dq-qd-eng.htm

**Units started**
CMHC defines a start as the beginning of construction work on a building, usually when the concrete has been poured for the whole footing around the structure. In other words, the remaining work is specific to unit production, not the foundation on which the units will sit.

A unit starts formalizes the intention of the building permit – it indicates that construction has begun. Most permit cancellations or expiries would have occurred by this time. However, any permit alterations (e.g., the number of units in a building) would not be captured, meaning the total units permitted cannot perfectly equate to total starts, though their volumes remain closely linked.

**Units completed**
CMHC defines completion as the stage at which all proposed construction work on a dwelling unit has been performed. In some circumstances, a dwelling may be counted as completed where up to 10% of the proposed work remains.

Many jurisdictions treat completions as the central data point – it demonstrates the units being introduced now, which is particularly important during a housing crisis. CMHC's Starts and Completions Survey is not performed across most municipalities (only for Census Agglomerations or Census Metropolitan Areas).

While completion data is critical for understanding what is happening now, forecasts using completion data are not appropriate. For instance, units built in the last 3 years do not influence future completions. Instead, permits issued in the last 3 years do; particularly for multi-residential construction.

### 5.3.2 Forecasts
While we know how long it takes to build a unit based on dwelling type in Nova Scotia, there is a lack of data granularity. Data on construction length by building size (units and floor area) or the impact of labour and material costs and availability are unavailable.

This work uses a simplified approach to avoid applying a long list of assumptions (e.g., forecasting labour trends, interest rates, inflation, and other elements outside municipal or even provincial control). We use recent historical unit production to establish a "status-quo" scenario over the 5- and 10-year forecast horizon.

In short, we know the following:

- historical units permitted by new construction and conversion;

- historical units permitted to be removed by deconversion (the process of selling an entire condominium property to a third party who will turn the condominium units into rental apartments) and demolition;
- that fewer than 5% of permits are cancelled or expire before a start;
- that starts rarely do not translate into completions; and
- The average construction length is gradually increasing, reaching nearly 24 months (two years).

Simply put, an anticipated completion volume equates to at least 95% of the units permitted no more than three years prior. So, if we calculate the average number of units permitted since 2020 and assume that production carries forward over the forecast period (removing demolitions and deconversions), we can then forecast completions. Lastly, completions are compared to the modelled units required to stabilize prices.

**Important:** Forecasts are inherently imperfect, no matter how sophisticated, by their nature of not knowing what conditions will exist in the short- or long-term. For example, who could have foretold a pandemic would happen in 2020? Therefore, it is imperative to recognize forecasts as guiding posts. Any forecast should be re-evaluated regularly with updated inputs to correct course where required.

Figure 5.3 offers a high-level summary of the trajectory of the housing shortage over the next decade under a base growth scenario. In five years, Nova Scotia may have a total dwelling demand (existing shortfall plus anticipated demand) of about 71,600 units. At an estimated annual volume of 6,080 completed units, the province still needs to produce a further 41,200 – or an approximate 135% increase over anticipated completions.

*Figure 5.3 – Anticipated Unit Gap based on Total Units Required and Estimated Completions, Demographic Model (Base Scenario) Results*

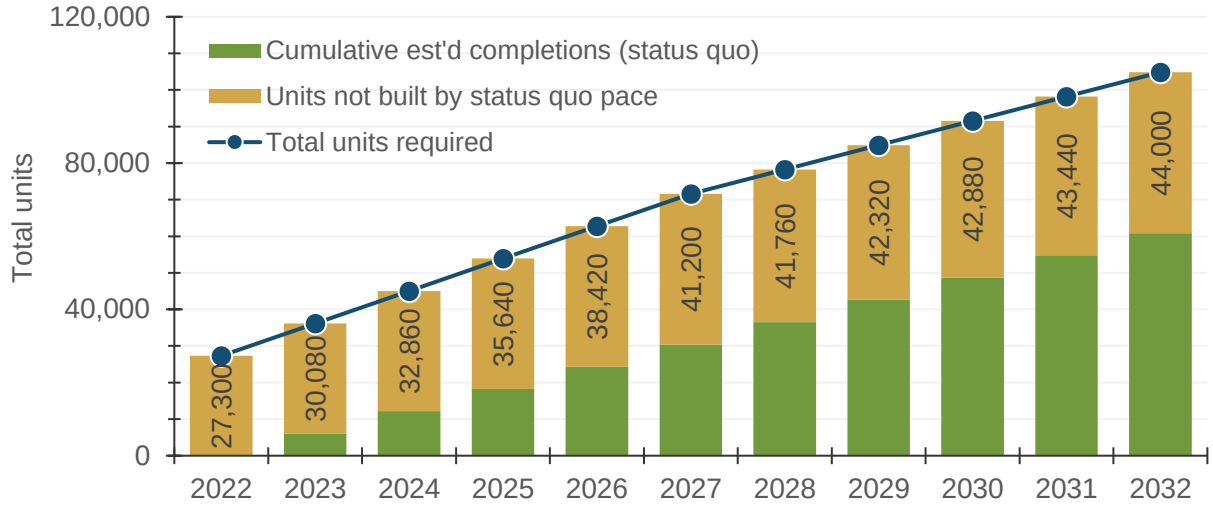



Table 5-3 summarises the estimated current and forecasted shortages for Nova Scotia and its five Economic Regions by 2027 and the anticipated additional units required above-estimated production (based on historical trends). Some important considerations to note:

- An Economic Region (ER) includes several municipalities. Individual municipal reports discuss results in greater detail.
- While the tables express specific numbers, any forecasts should be considered ballpark figures. The housing market is complex, and the required supply is necessarily a moving target.

*Table 5-3 – Current & Anticipated Unit Shortfall* by 2027 and Additional Units Required Above Status Quo Unit Production, Demographic Model (Base Scenario) Results*

| | Nova Scotia | Annapolis Valley | Cape Breton | Halifax | North Shore | South Shore |
|---|---|---|---|---|---|---|
| **A:** Current shortfall (end of 2022) | 27,300 | 1,650 | 2,550 | 17,500 | 2,550 | 3,050 |
| **B:** Total units required by **2027** (incl. current shortfall) | 71,600 | 6,300 | 2,950 | 52,050 | 5,175 | 5,125 |
| **C:** Estimated annual pace of construction (status quo) | 6,080 | 600 | 150 | 4,210 | 635 | 485 |

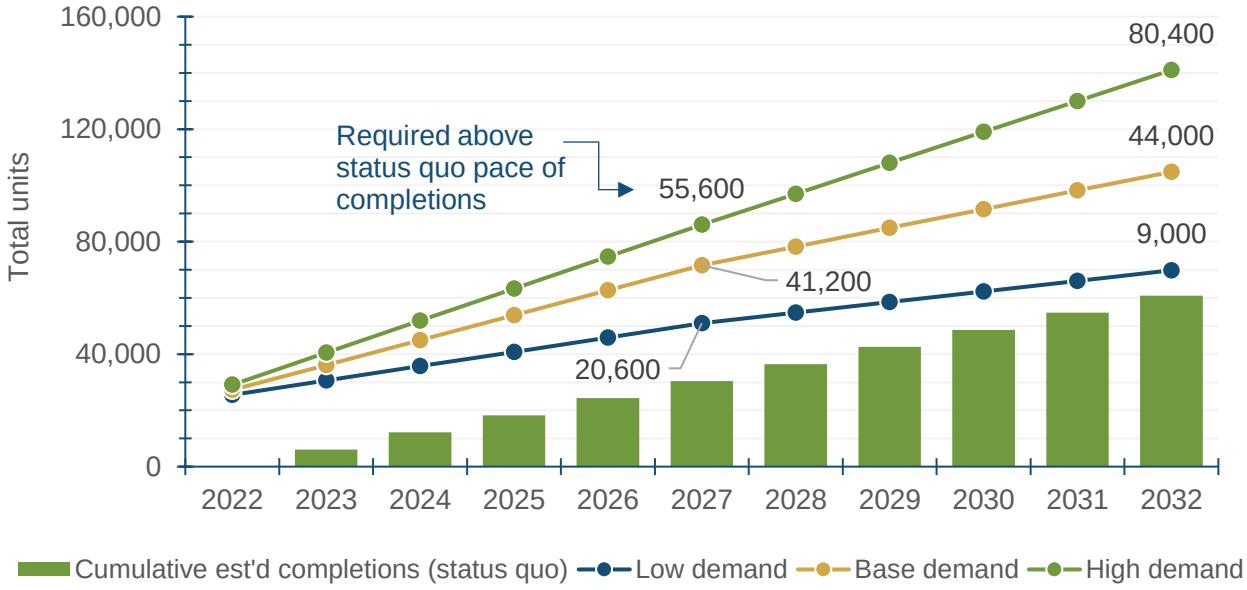
| | Nova Scotia | Annapolis Valley | Cape Breton | Halifax | North Shore | South Shore |
|---|---|---|---|---|---|---|
| **D:** Estimated total units to be built by **2027** at status quo pace (C x 5 years) | 30,400 | 3,000 | 750 | 21,050 | 3,175 | 2,425 |
| **E:** Remaining units not built based on status quo pace (B - D) | 41,200 | 3,300 | 2,200 | 31,000 | 2,000 | 2,700 |
| **F:** Estimated annual units needed to meet **2027** shortage (E / 5 years) | 8,240 | 660 | 440 | 6,200 | 400 | 540 |

**Shortage scenarios**

Figure 5.4 further illustrates the required units and related gaps, broken down by the low, base, and high population growth scenarios for Nova Scotia, as developed by the Department of Finance and Treasury Board (FTB). As shown in the previous table, Nova Scotia may have an unbuilt unit gap (projected shortage minus status quo completions) of 41,200 by 2027, potentially reaching 44,000 by 2032.

Under a low growth scenario, there may be an unbuilt unit gap of 20,600-unit by 2027, decreasing to 9,000 by 2032 due to lower demand from a slower growing population. Under a high growth scenario, the unbuilt unit gap would be 55,600 units by 2027, increasing to 80,400 by 2032, due to higher projected population growth putting more pressure on housing demand.

*Figure 5.4 - Anticipated Units Required and Gap by Population Growth Scenario, Demographic Model Results*



*Low growth scenario*

In five years, Nova Scotia may have a total dwelling demand (existing shortfall plus anticipated demand) of about 51,000 units. At an estimated annual volume of 6,080 completed units (30,400 units completed in 5 years), the province would still need to produce an additional 20,600 units (or 4,120 annually) to stabilize the market.

Nova Scotia may have a total dwelling demand of about 69,800 units in ten years. At the same pace of construction, Nova Scotia would have to build an extra estimated 9,000 units (or 900 annually) to stabilize the market by 2032.

*High growth scenario*

In five years, Nova Scotia may have a total dwelling demand (existing shortfall plus anticipated demand) of about 86,000 units. At an estimated annual volume of 6,080 completed units, the province still needs to produce an additional 55,600 units (or 11,120 annually) to stabilize the market.

The province may have a total dwelling demand of about 141,200 units in ten years. At the same pace of construction, Nova Scotia would have to build an extra estimated 80,400 units or 8,040 units per year to stabilize the market by 2032.

**Important:** Under no scenario would Nova Scotia meet anticipated demand by either 2027 or 2032.

### 5.3.3 Forecasted Unit Sizes

To best forecast needed units by size or type requires sophisticated datasets related to past, present, and future individual household demand and the economic feasibility of constructing said units by market players. This data is not available. Even if it was, the prediction would be imperfect. So, this report uses a simpler approach.

Knowing how household sizes distribute across household family types offers an idea of how many bedrooms a dwelling may need to accommodate certain circumstances. With 2021 data[30] for Nova Scotia, we estimate bedroom conversion rates (Table 5-4).

Generally, unit sizes needed follow the National Occupancy Standards (NOS), which anticipates the minimum bedroom sizes required (e.g., a one-bedroom unit is a minimum required to meet the needs of a couple without children). An adjustment is

[30] Statistics Canada. Table 98-10-0057-01 Household income statistics by household type: Canada, provinces and territories, census divisions and census subdivisions. **DOI:** https://doi.org/10.25318/9810005701-eng

made to the "minimum" that assumes half of the households would prefer one extra bedroom, whether as a guest room, office, recreational room, or other.

*Table 5-4 – Estimated Household Type to Unit Size Conversion*

| Household type | Total | Studio / 1-bed | 2-bed | 3-bed | 4+ bed |
|---|---|---|---|---|---|
| Couple w/o child(ren) | 125,945 | 50% | 50% | 0% | 0% |
| Couple w/ child(ren) | 88,665 | 0% | 23% | 42% | 35% |
| Lone parent | 38,415 | 0% | 31% | 45% | 25% |
| Non-relatives | 153,825 | 43% | 48% | 7% | 2% |
| Other families* | 21,370 | 0% | 18% | 33% | 49% |
| Total | 428,220 | 30% | 40% | 17% | 13% |

Table 5-5 summarizes possible guides for constructing unit sizes over the next half-decade. By 2027, Nova Scotia may need to build 71,600 units to meet demand, of which 30% could be studio/1-bedroom dwellings (21,550 units), 40% 2-bedroom dwellings (28,930), and 30% 3+ bedroom dwellings (21,120 units). This includes the existing unit shortfall.

If forecasting until 2032, Nova Scotia may need to build about 31,550 studio/1-bedroom, 41,350 2-bedroom, and 30,900 3+ bedroom dwellings.

*Table 5-5 – Estimated Current & Anticipated Unit Shortfall by Unit Size, 2022 to 2027, Nova Scotia*

| | Total | Studio + 1-bedroom | 2-bedroom | 3+ bedroom |
|---|---|---|---|---|
| **A:** Current shortfall (end of 2022) | 27,300 | 8,220 | 11,030 | 8,050 |
| **B:** Anticipated demand by **2027** | 44,300 | 13,330 | 17,900 | 13,070 |
| **C:** Total units required by **2027** (A + B) | 71,600 | 21,550 | 28,930 | 21,120 |
| **D:** Anticipated supply (status quo pace) | 30,400 | 9,150 | 12,280 | 8,970 |
| **E:** Total shortfall (C – D) | 41,200 | 12,400 | 16,650 | 12,150 |
| **F:** Total extra units required annually (E / 5 years) | 8,240 | 2,480 | 3,320 | 2,430 |

** The total units required and the total units by bedroom are rounded separately – Nova Scotia totals may not equal the sum of its parts.*

Table 5-6 demonstrates that we have roughly followed this unit size allocation based on unit size changes between the 2016 and 2021 Censuses. This suggests that the market (the combination of rented and owned homes) has responded to demand accordingly.

*Table 5-6 - Change in Units by Size between Census Periods, Nova Scotia*

| | Studio + 1-bedroom | 2-bedroom | 3+ bedroom | Total |
|---|---|---|---|---|
| 2016 Census | 46,815 | 105,410 | 249,760 | 401,985 |
| 2021 Census | 54,230 | 117,275 | 256,725 | 428,230 |
| Change in units | 7,415 | 11,865 | 6,965 | 26,245 |
| Share of change | 28% | 45% | 27% | 100% |

*Source: 2016 & 2021 Census*

Population projections suggest that there could be an influx of younger persons to Nova Scotia and those most likely to have a child or children. This is reflected in recent migration statistics indicating that 50% of newcomers since 2015-2016 are between 15 and 44 years old. The potential for an increase in average household size is an important aspect for Nova Scotia's housing future and the units necessary to meet the demands of young or growing families.

It is important to note a strong connection between available unit sizes and the distribution of family types in a community. For example, suppose there is a shortage of smaller unit sizes. In that case, it may be difficult for individuals to meet their housing needs, and they may choose non-optimal alternatives (like living with family or roommates). Also, families may live in overcrowded conditions if there is a shortage of family housing.

**What We Heard:**

- **13%** of public survey respondents reported not having enough bedrooms for the number of people in their household.
- **11%** of respondents were in housing that did not meet their household's accessibility needs.

In addition, the demand for unit sizes might also be met by efficiently redistributing the dwelling stock (e.g., over-housed seniors could move into smaller units, and families

move into the seniors' units). In practice, this is not feasible, and any natural redistribution takes time.

**Units by tenure and dwelling type**

Forecasting tenure and dwelling type (i.e., single-detached, semi-detached, row house, apartment, etc.) put substantial emphasis on past household demand for development that would have been responded to by builders and developers of the time. The result is our existing building inventory. However, our demands and needs change individually and as communities, which developers continue to adapt and respond to.

According to the public survey, **67%** of respondents indicated that they would live in a house if there were no limitations on housing options. However, limitations do exist. First, the cost of a house is prohibitively expensive for many. Second, having an affordable home often means taking on other financial burdens like commuting. Lastly, houses (single-detached homes specifically) are not an efficient use of land or infrastructure (an important consideration for municipal planning departments). Consequently, one of the most important contemplations in choosing a place to live is if it is large enough to meet the needs of your current and potential household size. This means that a semi-detached home, a townhouse, or even an apartment could be a reasonable compromise for the interior space required to live comfortably if its number of bedrooms or square footage is comparable.

Recent construction trends for Nova Scotia (see Figure 4.4) demonstrate that the build-out of rented and owned dwellings has been about even over the last decade, favouring purpose-built rentals. Relatedly, apartments have recently become significant of new construction totals across Nova Scotia. If we were to apply the ratio of rented to owned completions of 2022 (54:46) to forecasts, we would need to build about 38,650 rental units and 32,950 dwellings for purchase by 2027, or about 56,600 and 48,200, respectively, by 2032.

Similarly, if we use the share of apartments and single-detached home completions from the 2020s to date (see Figure 4.1), 40% of anticipated construction should be for single-detached homes. If true, Nova Scotia would need to build about 28,650 singles by 2027 to address the shortfall of 41,200.

Notwithstanding, it is again important to consider that how people are housed is ever-changing, as several housing styles can meet a household's spatial needs. Broad changes to shelter affordability dictate what dwelling type they occupy to meet that need and whether it makes more sense to rent or buy. Developers respond accordingly to this change in demand.

## 5.4 Non-Market Housing

Most of this report focuses on market housing and the amount needed to return Nova Scotia to pre-2016 prices. While new housing tends to be more expensive to buy or rent relative to older housing, adding housing has impacts throughout the housing spectrum.

Most moves are local, and those who move into new housing free up older, less expensive housing. At the same time, when there is no overall housing shortage, older housing filters down and becomes less expensive over time. When housing is scarce (as it is now), the opposite happens – older housing becomes more expensive.

However, these effects alone are insufficient to guarantee affordable housing for everyone in need. Even a well-functioning market will not be able to adequately address the needs of individuals or households earning lower incomes. This section reviews the inventory of non-market housing in Nova Scotia and estimates needs. These estimates are included in the overall dwelling units identified in the previous section, not counted separately.

**What We Heard:**

Many stakeholders and municipal governments alike vocalized the importance of non-profit housing to the provision of long-term affordable housing for Nova Scotians.

*Table 5-7 – Summary of Available Long-term Non-Market Units & Supports, Nova Scotia*

| | Public housing units | Rent supplements | Non-profit cooperatives (Estimated)* | Estimated total units/subsidies |
|---|---|---|---|---|
| Inventory | 11,200[31] | 6,555[32] | 3,000 | 20,755 |

*Note: * Number of units under community housing groups that DMAH has a funding relationship with. It does not represent the total universe of non-profit & co-op units in the province.*

Quantifying the exact number of units or supports that exist for non-market housing is a difficult task. The data that does exist (see Table 5-7) tells us that the current inventory is insufficient to address existing and anticipated needs. This is explored in more detail in the following section.

[31] Inventory as of January 2023
[32] Renter supplements as of March 2023

**Core Housing Need**

There are a variety of metrics to assess housing needs, and by extension, the need for non-market housing or housing assistance. Core Housing Need is a well-established metric in Canada that estimates the share of the population that does not have access to suitable, adequate, and affordable housing. Households with Core Housing Needs who are specifically not meeting affordability thresholds can be used as a rough guide for understanding the need for non-market housing. We can map out how Core Housing Need was distributed in 2021 across Nova Scotia Economic Regions.

Table 5-8 provides two counts. Firstly, those in Core Housing Need with a shelter-cost-to-income ratio at or above 30% provide a rough estimate of the upper bound of need for non-market housing and support in Nova Scotia—secondly, the same but at the 50% threshold. The latter provides an estimate of households that are far from realizing housing affordability and provides a guide to a bare minimum of deeply affordable units required to make affordable housing a reality for all Nova Scotians.

*Table 5-8 – Summary of Households in Core Housing Need spending more than 30% / 50% on shelter expenses*

| | Total households | | Spending 30% or more on shelter | | Spending 50% or more on shelter | |
|---|---|---|---|---|---|---|
| | In core need | Share of total HHs | In core need | Share of total HHs | In core need | Share of total HHs |
| Annapolis Valley | 4,275 | 8% | 3,605 | 7% | 1,530 | 3% |
| Cape Breton | 4,800 | 9% | 4,010 | 7% | 1,590 | 3% |
| Halifax | 22,540 | 12% | 20,055 | 11% | 8,145 | 4% |
| North Shore | 5,345 | 8% | 4,385 | 7% | 1,915 | 3% |
| South Shore | 4,505 | 9% | 3,505 | 7% | 1,250 | 2% |
| Nova Scotia | 41,465 | 10% | 35,565 | 9% | 14,425 | 3% |

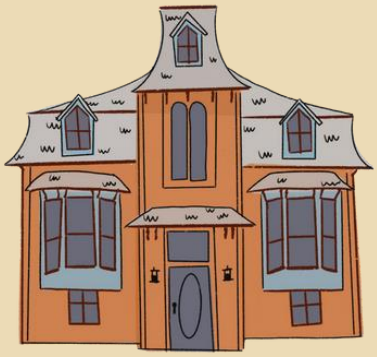
*Source: Statistics Canada Table 98-10-0247*

The data suggest that 14,400 to 35,600 households could benefit from access to housing supports (whether physical units or supplements). The current portfolio of public housing units, rent supplements, and Community Housing serves about 20,755 households.

It is important to note that 2021 Core Housing Need data understates how many households need housing. This is because:

1) Many households receiving support might not have been identified as living in Core Housing Need because their supports offer them housing stability. The number of households needing non-market supports may be higher to account for those already served by the system.
2) While Statistics Canada calculated their Core Housing Need statistics, pandemic relief payments (e.g., CERB) occurred. With payments no longer occurring, amidst rising living costs, the prevalence of housing vulnerability has likely risen. For context, total number of households living in Core Housing Need was about 49,450 in 2016, about 19% higher than in 2021.

With a substantial existing housing shortage and considerable anticipated demand over the next decade, the volume of people seeking housing supports will likely expand.



# 6 Summary of Engagement Work

Between June 2022 and January 2023, a housing needs assessment was conducted in Nova Scotia to understand residents' housing experiences, challenges, needs and opportunities across all 49 municipalities. A considerable component of this assessment was the province-wide engagement efforts.

About 99 engagement sessions were held with stakeholders (municipal employees, organizations, first voices, post-secondary institutions, and post-secondary student leaders). The sessions were conducted through focus groups and workshops, and information was collected through these sessions and surveys.

A public survey was open to all residents and was made available between October and December 2022, with 20,173 respondents and 12,906 fully completed responses. The survey was conducted to gather information on the housing experiences of residents and to provide an opportunity for residents to share their thoughts and experiences. The results were analyzed by municipality and stratified by demographic factors such as age, race, gender, and income, to understand the impact of housing on various groups. An analysis was conducted on a provincial level to understand the broad issues Nova Scotia's residents face.

Note that the survey was open to all Nova Scotians who felt comfortable sharing their housing realities. Consequently, the survey is a non-probability sample and thus did not follow a detailed statistical process. Therefore, readers should be aware that responses may skew more towards those in precarious housing situations since the impact of the housing market, whether healthy or unhealthy, weighs more heavily on those in precarious housing situations.

**What We Heard:**

The main challenges identified by public survey respondents when looking for affordable housing were finding a dwelling / unit that:

- was at a price they could afford (**58%**)
- was in good condition and not requiring repairs (**25%**)
- allowed their pet(s) (**20%**).
- was close to my place of work (**14%**)
- was close to essential services (**12%**)

- was suitable for their family situation (**11%**)
- was close to public transportation (**8%**)
- was close to my or my family's educational institution (**6%**)
- they lacked personal credit history (**5%**)
- meets their accessibility needs (**5%**)
- did not lead to tenant screening challenges (**3%**)
- did not lead to discrimination (**2%**)
- was close to childcare (**1.5%**)

## 6.1 Engagement Participants

**Municipal Governments**

Recognizing that the challenges that municipalities face with regards to housing are not the same across the province, we held a total of 50 workshops with all 49 municipalities, where both municipal staff and elected officials took part. Due to the population size of the Halifax Regional Municipality, two sessions were held: one with the Mayor's Office and one with municipal staff. These sessions gave us insights into their unique challenges and needs and the opportunities and solutions they saw in their communities.

**Post-secondary Institutions**

With 11 publicly funded post-secondary institutions in Nova Scotia, the post-secondary sector is important to consider when it comes to housing. All 11 institutions, both universities and community colleges, participated in the engagement through either an engagement session or questionnaire.

**Stakeholders**

With over 36 distinct sessions, we engaged more than 100 stakeholder groups from across the province. These stakeholders represented a variety of sectors.

**Public Housing Tenants**

To understand the unique situation of tenants in public housing, we sought to hear from them first-hand. The Nova Scotia Provincial Housing Agency (NSPHA) oversees

public housing in Nova Scotia. Whereas the public housing portfolio was previously administered through the Department of Municipal Affairs and Housing and five Regional Housing Authorities under Housing Nova Scotia, in December 2022, the NSPHA was established, creating a new governance structure for public housing in Nova Scotia. The Government's stated goal with this governance structure change is to improve oversight and management of public housing, including improved client service and greater accountability.

The NSPHA is divided into 4 District Offices: Cape Breton, Metropolitan (Halifax Regional Municipality), Northern, and Western. We received support from all NSPHA regions in connecting with their tenants.

## 6.2 Survey Demographics

We heard predominantly from women – who represented 71% of respondents, followed by men (22%) and non-binary Nova Scotians (3%). We also heard from an overrepresented sample of younger Nova Scotians, with most survey respondents falling between 20 and 49 (totaling two-thirds of survey respondents). Older Nova Scotians, especially those over 75, were underrepresented.

From the household income perspective, we heard from an overrepresented sample of low-income households, with 11% of respondents earning less than $20,000 per year (compared to just under 6% in the general population). Nova Scotian households earning over $100,000 per year are underrepresented in the survey.

Larger households, totaling 3 or more individuals, were slightly overrepresented in the survey, with households of 5 people or more making up over 8% of survey respondents and only about 5% of household makeup in the general population. Single-person households were underrepresented (24% of survey respondents compared to nearly 31% of residents).

## 6.3 Provincial Engagement Themes

The following subsection summarises the key themes of the engagement work, derived from direct consultation with stakeholders and responses to the public survey.

**Availability and affordability**

A housing crisis is impacting people across the province and socioeconomic spectrum, from temporary housing to affordable options, student accommodations, to middle and high-end housing. Over 93% of public survey respondents felt that they could not find a suitable alternative if their housing situation changed unexpectedly. The lack of affordable options for individuals and families, seniors, students, those with disabilities,

and seasonal workers is creating an increasing number of complex challenges for people to live healthy lives.

**Social and economic impacts**

We heard repeatedly that the current lack of housing enables and exacerbates systemic inequities, pressures, and forms of discrimination, resulting in vulnerable and marginalized communities being affected most significantly. Additionally, we heard many stories of individuals and families forced to live in substandard, unsafe, and unhealthy conditions.

> **What We Heard:**
>
> We heard from first-voice participants that the process for filing a complaint with the Human Rights Commission could be onerous. They noted it could take years for a case to be reviewed and there may be a limited intervention that can be undertaken.

One example came up repeatedly: Nova Scotians feel they are being forced to choose between paying rent and heating their home, filling their gas tank, paying for their medications, or putting food on the table. Beyond the issue of affordability, lack of safe and secure housing is understood as a major contributing factor to mental health, well-being, and education, as well as access to services and employment. Housing insecurity intersects and compounds with all other social determinants of health, emphasizing the urgent need for investment in affordable housing.

In terms of economic development, the lack of affordable housing impacts attracting new employees, retaining existing employees, and maintaining adequate staffing levels. Bringing people to our communities to work and study is a growing challenge impacting businesses, healthcare professionals, and universities.

**Suitable supply**

In many sessions, we heard that individuals with complex needs, such as those facing homelessness, addiction, domestic abuse, mental health issues, or physical disabilities, face a shortage of shelters and transitional housing in Nova Scotia. We heard directly from the non-profit organizations providing support services that these services are critical to ensuring people remain housed.

Seniors in Nova Scotia face a shortage of suitable housing, as most housing stock is not physically suitable for seniors, and purpose-built seniors housing is lacking. Financial

challenges, such as the inability to afford upkeep or being priced out of rental properties, is further reducing the availability of housing and many seniors are forced to leave their community to find adequate housing.

Municipal employees and public housing residents who participated in the engagement sessions shared their frustrations with the administration of social housing. Some of the tenant participants shared that they feel they face poor living conditions and a lack of diversity and integration of social housing within communities.

**Transportation**

The lack of public transit in many communities in Nova Scotia is a significant concern related to affordable housing. We heard that the issue disproportionately affects people with physical disabilities, who often have less access to services and a greater financial burden of owning a vehicle and paying for gas. Post-secondary administrators and students shared that access to transportation is a crucial consideration, and often a necessity, for students looking for affordable housing.

Students also face challenges, as access to transportation has become a necessity and a key consideration when looking for housing. A well-serviced public transit system is crucial for enabling access to affordable housing and employment at greater distances, particularly in areas where housing closer to campus is becoming more expensive.

Lack of access to affordable and efficient public transit is also seen as a major barrier to development in some regions, which requires collaboration across municipalities.

## 6.4 Regional Themes

Many of the hardships and obstacles faced by residents and local governments can be broadly applied across Nova Scotia communities. Still, there are nuances to the magnitude of hardship by theme. The following is a presentation of key themes from municipal engagement results, aggregated regionally, with support from secondary data sources. Municipal engagement results are found in their corresponding municipal housing needs reports.

### 6.4.1 Halifax Regional Municipality

**There is a housing supply shortage across the housing spectrum.**

Modelling outputs for the HRM suggest that the city's housing shortage sits at around 15,000 to 20,000 units (as of 2022 year-end). With a shortage comes increased competition for both owned and rented dwellings, higher prices, and increased prevalence of individuals and households being pushed into housing hardship – whether by being forced to pay more than they can afford for shelter or by simply not having a unit available to occupy.

While prices represent the housing shortage, so too are the record-low primary rental market vacancies. Sitting at 1%, the local vacancy is well below the healthy threshold of 3% to 5%, resulting in rent increases and a higher prevalence of predatory landlord practices.

According to the Department of Municipal Affairs and Housing, the HRM had nearly 3,750 public housing units that house about 6,300 people in January 2023. With tightening housing market conditions, partnership with the non-profit sector is critical to preserve and create more affordable housing.

**A rapidly growing population is exacerbating the housing situation.**
While Nova Scotia anticipates population growth in the coming years, most of this is projected to centre around the HRM as the province's economic hub. There is tremendous value in an expanding population for economic growth (e.g., more diverse people and experiences, an expanded labour force, increased innovation, potential tax revenues, etc.); however, there are challenges. The municipality (and province) must account for the increased need for public infrastructure (schools, hospitals, parks, among many things) and work with partners to address the increased demand for housing.

Based on the projections, the HRM may need another 31,000 units by 2027, in addition to the anticipated status quo completions for HRM of 4,210/year. This equates to almost 6,200 dwellings annually.

**Population demographics are changing, and so too are their needs.**
The wave of adults entering retirement is common across Canada, which is no different for the HRM. As the number and share of senior populations increase, so do their needs for adequate health services, appropriate living conditions, and social networks. For those who cannot comfortably age in place, this means a greater need for purpose-built senior housing.

Nova Scotia student demographics are changing. More and more are international students, many of whom already have a degree and do not want to live in campus accommodations. The average age of post-secondary students is increasing and, more than before, students have families that require appropriately sized housing.

Increased interprovincial and international in-migration has contributed to the rise in households with children or those households of age to have children. Consequently, there is a growing need for spatially appropriate units in both owner and rental tenures, often at prices below market rates.

**There is a need for a regional-level approach to transportation.**
As the demand for HRM housing continues to expand – and if unmatched by new construction levels – so too will the demand for housing in the rural areas of the HRM as well as the municipalities within reasonable commuting distance.

Existing transportation networks, specifically public transportation, do not suitably connect these distant communities to the employment centres of the HRM, forcing households to invest in a vehicle that contributes to climate change and financial burden.

**Single-family homes do not fully leverage available land.**
Addressing the housing shortage should consider various housing forms. Single-family homes generally do not efficiently use the land they sit, require increased infrastructure (roads, water, and sewer), promote vehicle use, and shoulder a lesser tax burden per unit of infrastructure than denser typologies, even if they cost more to serve. This does not mean that large multi-residential apartment buildings must be built instead.

Introducing hidden density (basement or backyard apartments) or missing middle housing in well-established neighbourhoods can help reduce the reliance on large developers as the sole contributor to building out of a crisis. It gives power to existing homeowners or small builders to gently add density to established neighbourhoods, increasing the efficiency of public infrastructure.

**The HRM is too expensive for many workers to find adequate housing.**
The greater the housing shortage, the more people are incentivized to move away from the HRM due to availability and affordability issues. These may be people with skills greatly needed, like tradespeople or healthcare staff.

CANTRAQ projects that several trades will be at risk by 2030 provincially. Such as bricklaying and carpentry, due to low anticipated levels of educated tradespeople entering the workforce over the next decade. A deficit of construction-related labour poses a considerable challenge for builders to complete projects. Although the deficit references low education levels as the primary contributor, housing availability directly influences the capacity for persons to enter those trade programs.

### 6.4.2 Communities Influenced by the HRM
Testing the econometric model across different geographies identified that the aggregate of the Census Divisions neighbouring the HRM (Colchester, Hants, Kings, and Lunenburg) had similar market dynamics and price responses. Engagement efforts also identified similar themes across these communities.

**The housing supply shortage is not only in the HRM.**
Demographic modelling outputs for the combined area of Colchester, Hants, Kings, and Lunenburg suggest a regional shortage of about 1,500 units. Like in the HRM, a shortage increases competition for both owned and rented dwellings, leads to higher prices, and increases the prevalence of individuals and households being pushed into housing hardship. Including the existing shortage, these areas may need to build more than 16,500 homes over the next decade.

About 1,220 public housing units exist in this combined area, housing about 1,580 people.

**There is a lack of affordable housing options.**
The housing conditions in the HRM directly influence those of the surrounding communities. As prices increase near the city, demand pushes outwards and eventually into municipalities within reasonable commuting distance.

According to the econometric model, the spillover from the HRM is the primary driver of local price, meaning that addressing supply in Halifax will help market conditions for its neighbours. With a current HRM shortage of about 17,500 units, an adjacent community shortage of about 1,480 units, a noticeable public housing waiting list, rising prices in both the ownership and rental markets and a small non-profit inventory relative to government housing, the opportunity to achieve affordable housing is increasingly out of reach.

**Population demographics are changing, but not as rapidly as the HRM.**
Although the population of adjacent areas is not increasing as rapidly as within the HRM, the demographic shifts mirror the metropolitan area. Specifically, senior age cohorts are increasing in total and as a share of the population. Although there is the desire to age-in-place by seniors, there is a need to adapt the housing inventory (whether new or old) to accommodate senior-specific needs, like accessibility.

Accommodating aging-in-place becomes increasingly difficult the further you are from a major urban centre, as the capacity to offer services and amenities is limited (particularly for rural areas). Engagement work found that many seniors moving into seniors' housing are afraid of losing their social networks since the provision of appropriate senior housing may not be local.

**There is an increasing need for infrastructure upgrades to support development.**
Smaller urban areas and their rural neighbours must consistently review their infrastructural capacity to facilitate growth. Focusing on larger, denser developments

in smaller contexts is a push forward in optimizing the use of local infrastructure. However, doing so sometimes requires an infrastructure capacity that does not yet exist or would be strained by new development.

With spillover from unmet demand in the HRM, the burden on its adjacent municipalities becomes ever greater – especially since it is difficult to quantify the local impact in dollars.

**The lack of housing is having an impact on economic development.**
Labour markets are strained and may remain so over the next decade. This is specifically projected for trade industries due to limited enrolment in certification programs. Furthermore, existing tradespeople might be unable to live in the HRM due to availability and affordability, but they will often seek work in the city, where pay is higher.

The lack of local housing options is a deterrent for any industry. The health sector, devastated already by the burdens of COVID-19, shared that finding housing for employees is increasingly difficult and prevents qualified professionals from taking jobs that are sorely needed to meet increasing workloads.

> *"No housing, no workers. No workers, no business."*
>
> - Local employer

The inability to hire qualified workers restricts a community's ability to grow. The growth of a local labour force is cyclical with that of the total population. As the population grows, so does the demand for services and amenities (e.g., schools, recreational facilities, hospitals, professional services, and retail). Said amenities require a qualified workforce, which can further attract people to the municipality.

**What We Heard:**

- **38%** of employer survey respondents said that available housing units were far from their business location.
- **68%** of employers reported struggling with their business due to housing challenges for employees.

- Of those employers who reported plans to expand their business operations in the next 5 years, **over 64%** said housing issues would impact those plans.
- **38%** of employers reported either offering housing support or plans to do so.

**There are inadequate transportation systems.**
Urban municipalities outside the HRM aim to offer alternative transportation options to their residents, understanding that public transit use can reduce climate impacts, provide options to those who do not have access to a vehicle, and generally offer a cheaper alternative to driving.

While local alternatives might exist, they are often marred by narrow breadths of service (i.e., bus frequency and distance). These limitations disproportionately impact lower-income households reliant on these services.

Limited public transportation access to and from the HRM also hinders an individual's opportunity to seek employment opportunities in the metropolitan area while remaining in the community without investing in a car to do so.

### 6.4.3 Cape Breton Regional Municipality

**A housing supply shortage exists for the CBRM, with concentrations in Sydney.**
Demographic modelling for the island of Cape Breton indicates that there is an existing shortage of 2,550 units. The CBRM has historically been in population decline. However, local housing dynamics have changed in recent years, due to significant in-migration of international students. In a market with minimal annual unit completions, there has been an increased strain on rental housing – specifically, in Sydney, where the vacancy hit 1.8%, the first time it fell below 3% since 2010.

In the CBRM, about 2,685 public housing units exist, housing about 4,175 people.

**Population demographics are changing, mostly due to increased post-secondary student enrolments.**
Between 2017-18 and 2021-22, Cape Breton University experienced an increase in its international student share of enrolment from 29% to 54%, supported by a 52% increase in international enrolment during that time. Some newcomers may choose to remain in the CBRM, but many may live in the region until they finish their studies.

Immigration processes and rental requirements can impact international students in their search for housing. Student visas may not be approved until July or August, when much of the housing stock is already occupied. Rental applications could also have requirements that newcomers might not be able to meet, such as having a Canadian bank account and a guarantor who is physically in Canada.

Furthermore, we heard that international students commonly face racial discrimination in the off-campus housing market. Post-secondary administrators reported an increasing number of international students experiencing landlords not wanting to rent to them because of their cultural differences, especially in more rural areas.

Like the province, the CBRM will need to accommodate more seniors' housing or opportunities to age in place. Although CBRM is the second most populous municipality of Nova Scotia, many major health services are centred in the HRM, causing residents to want to move away from their community to receive long-term assistance/care.

**Infrastructure is aging and insufficient to support development.**
The CBRM's population has historically declined, leading to less demand for housing and, consequently, less construction activity. Given the relative consistency of that trend, there has not been an urgent need to build a lot quickly. With a sudden surge centred around Sydney rentals, the municipality must consider introducing new housing to infrastructure that might have been upgraded as regularly as it would have been under a growth scenario.

Due to low demand, CBRM house prices did not grow as rapidly as the HRM and those municipalities within its influence. Increased demand and price lead to construction activity – the higher the price a good can sell for, the more economically viable it becomes. While there has been some notable local price appreciation in recent years, the combination of high material and labour costs has eliminated the incentive for many developers to contribute to the housing stock.

### 6.4.4 Rural & Smaller Urban Areas

**Housing shortages across the housing spectrum are not unique to urban areas.**
Housing supply is strained across the spectrum, not only in the urban core of the HRM but across the province. In rural areas, it was remarked that there were fewer options to downsize, and the concentration of public housing in more urban areas left them at a disadvantage. Further, rural areas cannot address the requirements of vulnerable populations, specifically those seeking emergency shelters or transitional housing.

**Affordability problems are not unique to urban areas.**
Considering this complemented the housing supply, rural areas also stressed the need for affordable housing options. Housing prices have increased incredibly over the last decade, and these increases are not unique to urban areas. Rural areas may see a fraction of the increase but considering that rural areas are consistently lower-income on average, they are affected just as heavily. During engagement sessions, participants from rural areas said that there is a need for more non-market or social housing options in these areas, which would alleviate some of the effects of rising housing prices on these communities.

**Populations are aging and generally over-housed.**
While Nova Scotia saw an influx of population aged 15-44, this influx was particularly concentrated in the urban area of the HRM. The smaller urban and rural areas of Nova Scotia follow the trend of the whole province much more closely in that their populations are aging into retirement age and beyond. Aging populations have various needs to age in place, allowing them to remain in their communities, surrounded by the environments, amenities, and people they know. Not only is this an issue in addressing housing needs, but allowing aging populations to age in place has the additional benefit of addressing the potential mental health impacts of upending one's life to move somewhere new, especially in advanced age.

The inability to address evolving shelter needs for seniors has rippling impacts on other households seeking appropriate housing. Many seniors choose to age-in-place in there long-standing homes, which may have more bedrooms than they need (e.g., children have moved out). These dwellings would be ideal for current families.

**There is a greater share of homes falling into disrepair, and local infrastructure is aging and insufficient to support development.**
As communities age, not only in population but in infrastructure, their state of repair has as much to do with attracting new opportunities for development as anything else. Investment toward updating and repairing existing infrastructure allows economic renewal, attracting new employment opportunities, an influx of population, and sustained and sustainable economic development. While the rural areas of Nova Scotia are not seeing the overwhelming growth of the urban cores, there are key investments that can be made to spread growth throughout the province.

**There is a need for adequate student housing options in university towns.**
For the communities in which post-secondary students reside, numerous concerns surround their access to housing. With an increase in overall enrolment numbers and international students at nearly all Nova Scotian post-secondary institutions, there has never been a greater need for adequate student housing. However, this does not

necessarily mean an increase in institutionally run dorms, as the average age of post-secondary students is rising, and the demand for the 'dorm experience' is decreasing. This means there is an opportunity for low-to-mid-density developments to increase the overall housing supply and keep prices within affordable ranges.

**There is a lack of municipal capacity to navigate housing programs or make planning changes to facilitate development.**

Access to and accessibility of services was an oft-quoted concern throughout the engagement process. Many would-be accessors are unable to navigate available programs, many are unsure whether the programs available apply to them, and many are unsure that programs even exist for them to access. The accessibility of these programs is paramount to both their use and their success.

# 7 Housing Affordability

Affordable housing is an important part of every community across Canada, but affordability can be different for different people. Finding a suitable home for a reasonable price can be challenging, but it is often more difficult for single-income households, seniors, young adults, and other vulnerable populations.

"Affordable housing" is often misconstrued as referring only to the government subsidizing rental housing. In actuality, it is a broad term that consists of housing provided by the private, public, and non-profit sectors. It also includes all forms of housing tenure: rental, ownership, and co-operative ownership, as well as temporary and permanent housing.

Housing affordability is often based on a combination of factors, and every situation is different. Examples include:

- The **type, age, and condition of a dwelling** influence costs like heating, electricity, water, sewage, insurance, maintenance, property taxes, and condominium fees (if applicable).
- The **location of a dwelling** determines transportation expenses like taking public transit or driving a vehicle.
- A **person's financial status and stage of life** affect affordability for them. Everyone's monthly budget is different and personal preferences, priorities, and family needs must all be considered.

## 7.1 Affordability Measures

In Canada, housing is considered "affordable" if it costs less than 30% of a household's before-tax income, as defined by the Canadian Mortgage & Housing Corporation (CMHC). Many organizations and programs rely on this metric to describe local affordability issues, and people use it as a benchmark when finding a place to live.

While the 30% approach is simple and easy to implement, the threshold is imperfect. Its use evolved after its introduction in the 1930s[33] and fluctuated over the proceeding decades, but by the 1980s, it finally became the standard for most Canadian and American housing programs. Since the 30% benchmark was deemed the standard for the share of income that a family could spend and still have enough left over for other non-discretionary spending, it also made its way to owner-occupied housing. Given the diverse affordability challenges recently becoming the new reality, many question its validity across time, markets, and household types.

[33] Schwartz, M and Wilson, E. (2006). Who Can Afford to Live in a Home? A look at data from the 2006 American Community Survey. US Census Bureau. https://cdn2.hubspot.net/hubfs/4408380/PDF/General-Housing-Homelessness/who-can-afford.pdf

In 2018, the Joint Center for Housing Studies of Harvard University (JCHS) released its report **Measuring Housing Affordability: Assessing the 30-Percent of Income Standard**.[34] It concluded that the 30% rule will overstate housing affordability challenges for high-cost markets, higher-income earners, and smaller households. Even so, it remains among the better affordability indicators over time and across markets. However, like any tool, there are limitations, and it ought not to be considered a one-size-fits-all approach since affordability varies by individual and household.

**What We Heard:**

From municipalities, the recent changes to allow inclusionary zoning were mostly welcome or seen as a necessary step toward providing more housing. However, there remains much skepticism about how affordability is defined and who will be responsible for ensuring affordable housing is built. Further, if affordable housing is built, there is concern that there are not enough mechanisms to ensure that said housing remains 'affordable' in the long term.

It is important to clarify that the 30% threshold includes both the direct and ancillary costs related to shelter – not only rents and mortgages but also the cost of taxes, condominium fees, electricity, heat, water, and other municipal services. Ancillary costs are more difficult to estimate than rents or mortgages, given that they depend highly on the characteristics of the dwelling itself but are nevertheless important to consider as part of any affordability calculations.

CMHC's **Defining the Affordability of Housing in Canada**[35] study offers an alternative to the conventional 30% threshold (also discussed in the JCHS report), the "basic needs" approach (or the residual income approach). In brief, this approach subtracts the cost of non-shelter necessities (based on the size and composition of the household type) from a household's disposable income. The remainder constitutes available income for shelter.

[34] Herbert, C; Hermann, A; McCue, D. (2018, September). Measuring Housing Affordability: Assessing the 30 Percent of Income Standard. Joint Center for Housing Studies of Harvard University. https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Herbert_Hermann_McCue_measuring_housing_affordability.pdf

[35] CMHC. (2019, February 1). Defining the Affordability of Housing in Canada. https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/housing-research/research-reports/housing-needs/research-insight-defining-affordability-housing-canada

CMHC finds that the basic needs method can be more efficient in identifying the types of households more susceptible to affordability pressures and the nature of those pressures. Furthermore, it may be more relevant for analyzing affordability pressures arising in the bottom half of the income distribution and for renters. The principal challenge of the approach is determining the basket of goods and services that make up a household's "necessities," as this can vary significantly.

Organizations studying housing have also adopted another metric to determine affordability, one to understand the number and prevalence of households facing significant financial hardship. "Deep unaffordability" applies a 50% shelter-cost-to-income ratio instead of the standard 30%. Some have also called this threshold "Extreme" or "Severe" Core Housing Need.

One can also use ratios applied by mortgage professionals to assess a household's ability to cover shelter expenses. Specifically, CMHC's Gross Debt Service ratio – the percentage of one's monthly household income covering housing costs – uses a threshold of 39%. Although a technical approach meant for homeownership, it can be applied to rents with an understanding of its limitations.

Notwithstanding, this report elects to apply the conventional method as part of its affordability analysis. Most importantly, it is comparatively straightforward to calculate and easy to understand, data sources required are generally readily available, and other jurisdictions and statistical authorities widely use it. Again, it must be acknowledged that shelter cost is not solely the cost of rent or mortgage payment but the combination of direct and ancillary costs. As such, the following affordability analysis applies an estimated 15% of shelter costs as ancillary rental costs and 35% for ownership. Both are derived from household spending estimates produced by Environics Analytics for 2022, based on Statistics Canada data.

**What We Heard:**

- **54%** of respondents said they spend more than 30% of their before-tax income on their housing, with **66%** of renter households not meeting the definition of affordability.
- **48%** of respondents saw their rent or mortgage increase over the last year.
- **46%** / **36%** of respondents said they could not find a place to rent / buy in their price range.

- **78%** / **24%** experienced challenges finding housing at a price they can afford to rent / own.
- **15%** can afford a different option, but suitable alternatives are unavailable.
- **13%** cannot find suitable housing close to school / work.
- **5%** I can't find suitable housing that meets my accessible needs.
- **4%** I've been "renovicted" and am having a hard time finding a new place.
- The average reported rent/mortgage per month was $1,388

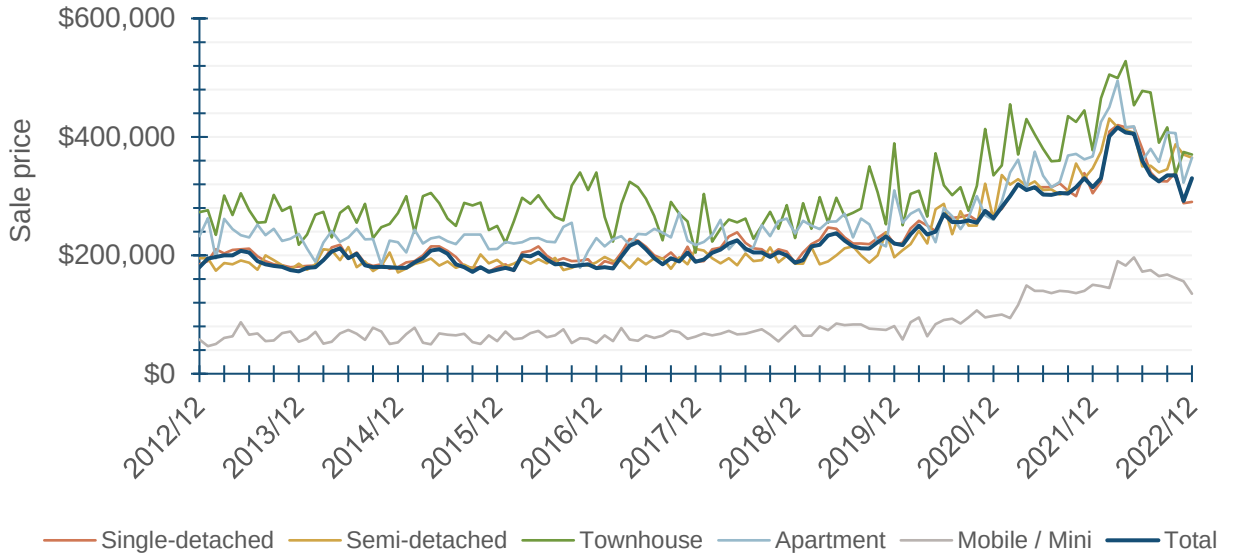
## 7.2 Homeownership Market

Housing is becoming more expensive. This is not simply a claim observing the appreciation of property as a commodity but as an increase relative to other periods, levels of income, and availability. Perhaps the greatest indicator of housing need is these considerable increases in housing prices, regardless of dwelling type.

### 7.2.1 Historical Market Prices

Shown in Figure 7.1 are the median sale prices for dwellings by type, with an overall median shown by the wider line in the graph. Noteworthy is the steep incline the overall median takes in late-2020/early-2021, with a highpoint at the end of 2021 – a highpoint over double the overall median at the beginning of the graph. The magnitude of this increase is further illustrated by Table 7-1.

*Figure 7.1 - Median Sale Price by Dwelling Type, Monthly, Nova Scotia*




*Source: NSAR MLS®*

The overall increase in dwelling prices between 2019 and 2022 was 67% for HRM and 79% for the rest of Nova Scotia. Comparatively, these increases between 2016 and 2019 were 12% and 17%.

*Table 7-1 - Median Sale Price by Dwelling Type, Year, and Percent Change*

| | | Price | | Share of Sales '22* | Percent Change | |
|---|---|---|---|---|---|---|
| | | 2019 | 2022 | | '16-'19 | '19-'22 |
| Total | Nova Scotia | $221,500 | $361,000 | 100% | +17% | +63% |
| | HRM | $289,500 | $484,900 | 100% | +12% | +67% |
| | Rest of Nova Scotia | $148,000 | $265,000 | 100% | +17% | +79% |
| Single-detached | Nova Scotia | $227,000 | $370,000 | 81% | +16% | +63% |
| | HRM | $317,500 | $528,388 | 68% | +15% | +66% |
| | Rest of Nova Scotia | $154,000 | $278,000 | 91% | +14% | +81% |
| Semi-detached | Nova Scotia | $199,900 | $380,000 | 6% | +7% | +90% |
| | HRM | $206,550 | $405,000 | 11% | +10% | +96% |
| | Rest of Nova Scotia | $171,000 | $297,000 | 2% | 0% | +74% |
| Townhouse | Nova Scotia | $289,950 | $465,000 | 2% | +3% | +60% |
| | HRM | $296,950 | $490,000 | 5% | -1% | +65% |
| | Rest of Nova Scotia | $174,000 | $305,000 | 1% | +67% | +75% |

| | | Price | | Share of Sales '22* | Percent Change | |
|---|---|---|---|---|---|---|
| | | 2019 | 2022 | | '16-'19 | '19-'22 |
| Condo Apartment | Nova Scotia | $249,250 | $405,000 | 5% | +11% | +62% |
| | HRM | $252,000 | $407,500 | 11% | +12% | +62% |
| | Rest of Nova Scotia | $177,000 | $324,000 | 0% | -21% | +83% |

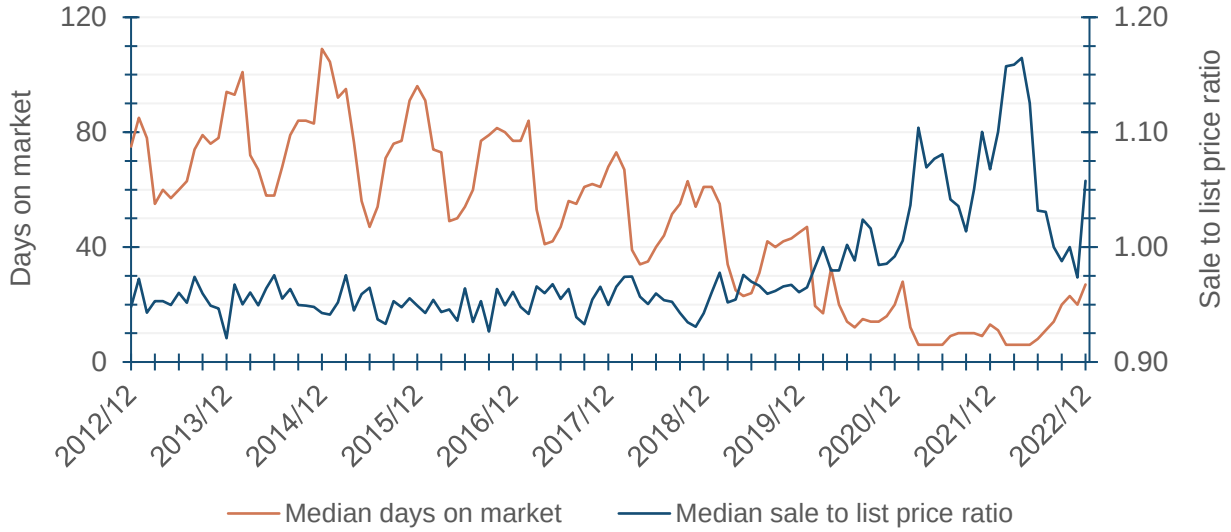
** The sum of sale share volumes by type does not equal 100% due to "other" dwellings existing in the dataset used.*

*Source: NSAR MLS®*

### 7.2.2 Historical Market Activity

The sales-to-list-price ratio shown in Figure 7.2 describes a property's asking price (also known as list price) versus the price it was sold (the sale price). For example, if a property was listed for $250,000 and sells for $300,000, the ratio is 1:1.2, or 120% of list price. Comparing this ratio to the median days on the market, presents an informative picture of the demand levels for dwellings in Nova Scotia. In periods where the ratio is higher and the days on the market is lower, demand is very high, the opposite being true for when demand is low (ratios are lower as property remains on the market longer).

*Figure 7.2 - Median Days on Market versus Median Sales to List Price Ratio, Monthly, Nova Scotia*




*Source: NSAR MLS®*

While the relationship between the two data points saw its largest gap during 2021, an aspect of significance is the relative levelling out of the sale-to-list ratio at the end of 2022. While there is a tail denoting another rise in the ratio, 2022 saw sale prices level out with list prices. While this does not show the increase in overall prices, it does show that demand levels have subsided to the level of market rate, rather than significant

demand causing inflated pricing – the probable culprit being hikes to interest rates by the Bank of Canada.

### 7.2.3 What is Affordable?

To better illustrate a concrete example of home affordability, specifically in terms of homeownership, Table 7-2 takes various data points to create an affordability matrix. The table compares various dwelling types' 2022 median sale price to 2021 Census income bracket levels. The income levels reflect the median before-tax household income and the price at which it is estimated homeownership would be affordable (i.e., the combination of monthly mortgage payments and ancillary costs being below 30% of their before-tax income). They are joined by household family type categories: couples, lone parents, and single persons. Each corresponding column provides the percentage of respective households that earn less than the identified income level. Note that the percentage reflects all households, combining owners and renters. Furthermore, the table applies the average 2022 interest rate of a conventional 5-year fixed mortgage, a 25-year amortization period, a 10% down payment, and CMHC loan insurance.

Based on the above, a household needs more than $130,000 annually to afford the median single- or semi-detached home. This is achievable by household family types below: at most:

- 30% of couples;
- 6% of lone parents; and
- 2% of single persons.

It is important to consider that comparing the median sale price to a given income means that at least half of the dwellings sold in 2022 would require a higher income to be affordable. Conversely, half of the sales would be lower than the medium but are likely subject to increased demand based on the share of households who could not afford higher-priced homes.

*Table 7-2 - Estimate of Sales Affordability by Income Level (All Households), Nova Scotia*

| | | | | | 2022 median sale price: | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | $370,000 | $380,000 | $465,000 | $405,000 |
| | | % of HHs below income level: | | | Single | Semi | Row | Condo Apt |
| Income level | Attainable sale price | Couples | Lone parents | Single persons | | | | |
| $90,000 | $253,000 | 44% | 78% | 92% | no | no | no | no |
| $95,000 | $267,500 | 48% | 82% | 94% | no | no | no | no |
| $100,000 | $281,500 | 52% | 84% | 95% | no | no | no | no |
| $105,000 | $295,500 | 55% | 87% | 96% | no | no | no | no |
| $110,000 | $309,500 | 58% | 88% | 96% | no | no | no | no |
| $115,000 | $323,500 | 61% | 90% | 97% | no | no | no | no |
| $120,000 | $337,500 | 64% | 92% | 97% | no | no | no | no |
| $125,000 | $351,500 | 67% | 93% | 98% | no | no | no | no |
| $130,000 | $365,500 | 70% | 94% | 98% | no | no | no | no |
| $135,000 | $380,000 | 72% | 95% | 98% | yes | yes | no | no |
| $140,000 | $394,000 | 74% | 95% | 98% | yes | yes | no | no |
| $145,000 | $408,000 | 76% | 96% | 98% | yes | yes | no | yes |
| $150,000 | $422,000 | 79% | 97% | 99% | yes | yes | no | yes |
| Income required to afford median sale price: | | | | | $131,500 | $135,100 | $165,300 | $144,000 |

*Source: derived from Statistics Canada [36], Statistics Canada Custom Census 2021 Tables, NSAR MLS®*

The movement in interest rates largely impacts the affordability of home purchases. If rates had not escalated over 2022, the minimum income to afford the median home would have been $115,000.

Readers may wonder why the median price of a single-detached home is less than other dwellings in the table. Single-detached homes are common across Nova Scotia and are more likely older. Semi-detached, row, and especially apartment dwellings are usually newer and located in urban areas with higher prices.

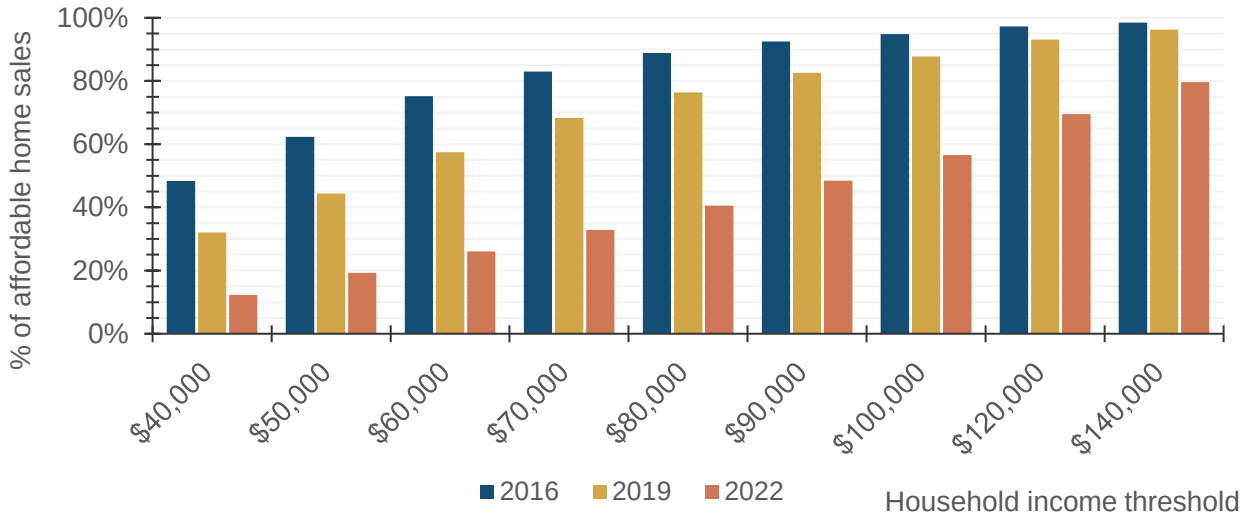
Table 7-2 considers all households – 81% of which earned less than $130,000. However, some households may own their homes and not pay a mortgage. If only renter households are considered – i.e., a reasonable estimate of the pool of

[36] Statistics Canada. Table 10-10-0145-01 Financial market statistics, as at Wednesday, Bank of Canada.
DOI: https://doi.org/10.25318/1010014501-eng

prospective first-time home buyers – 94% of renter households earned less than $130,000 or could not afford the median single- or semi-detached home.

Where Table 7-2 shows the level of income required to afford various dwelling types based on 2022 median prices, Figure 7.3 shows an alternative approach to showing affordability over time. Illustrated below are the percentage of home sales in given years (2016, 2019, and 2022) that would have been affordable for the income groups shown along the x-axis. For example, a household with $40,000 in 2016 could afford 48% of home sales in 2016 versus 12% in 2022 at that same income level. Note that the analysis applies the prevailing interest rate at the time of sale, which is then compared to an affordable shelter cost related to an income.

*Figure 7.3 – Share of Affordable Home Sales by Upper Limit of Income Bracket, Nova Scotia*




*Source: derived from Statistics Canada [37], NSAR MLS®*

As can be seen, even at the highest level of income shown ($140,000 annually), the affordability of homeownership has decreased dramatically. In 2016, these households could afford 98% of all home sales recorded in Nova Scotia, but they could only afford 80% in 2022. This does not account for the impacts of increasing incomes (how individuals and households transition to higher income brackets). Consequentially, the trends shown are likely overstated. Nevertheless, the magnitude of change is significant enough to suggest swings in affordability.

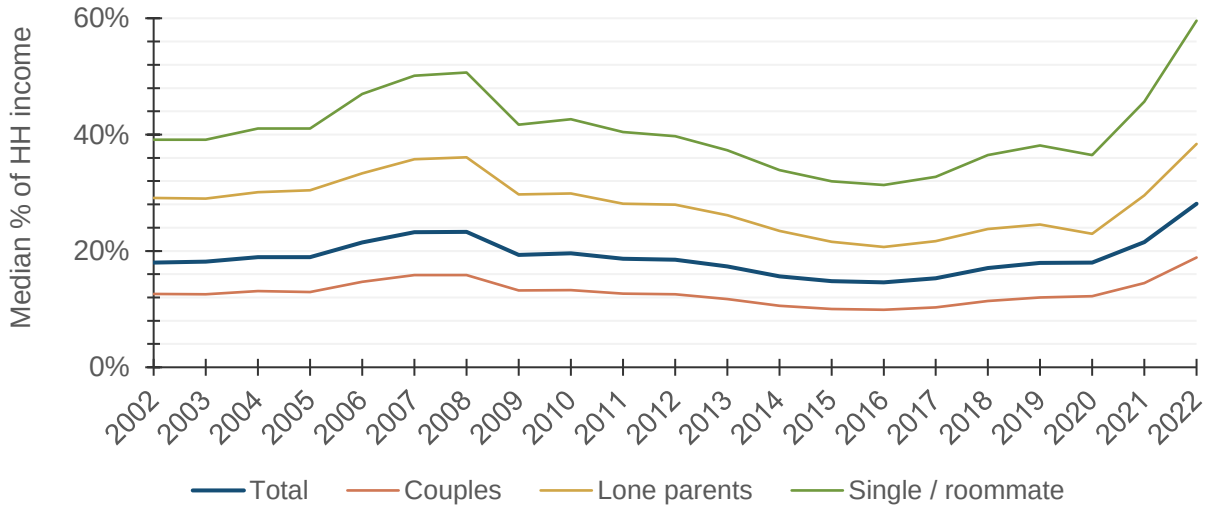
[37] Statistics Canada. Table 11-10-0012-01 Distribution of total income by census family type and age of older partner, parent or individual. DOI: https://doi.org/10.25318/1110001201-eng

**What We Heard:**

With slow growth in the housing stock relative to increased demand, we heard that the cost of renting or buying a home has become out of reach for many in Nova Scotia. We heard that a large segment of the population is trying to move out of the rental market into homeownership. Still, the increased property values followed by rapid and notable interest rate hikes has made that prohibitive.

Figure 7.4 illustrates the median percentage of household income required to purchase a home based on the prior reported 2022 median prices. The median percentage of income is shown for the three household types mentioned above plus the addition of the weighted median of all types.

*Figure 7.4 – Median Percent of Household Income Required to Purchase a Home by Household Type, Nova Scotia*




*Source: derived from Statistics Canada and NSAR MLS®*

In Figure 7.4, all family types have a percentage of their income required to purchase a home between 2020 and 2022 increase. This increases more seriously affects the single/roommate and lone-parent categories. It can be assumed that the steeper inclines can be partially attributed to their single-income status. Couples saw their required percentage of income increase from 14% in 2021 to 19% in 2022, lone parents saw that percentage increase from 30% to 38%, and finally, single persons and those living with roommates saw an increase from 46% to 60%.

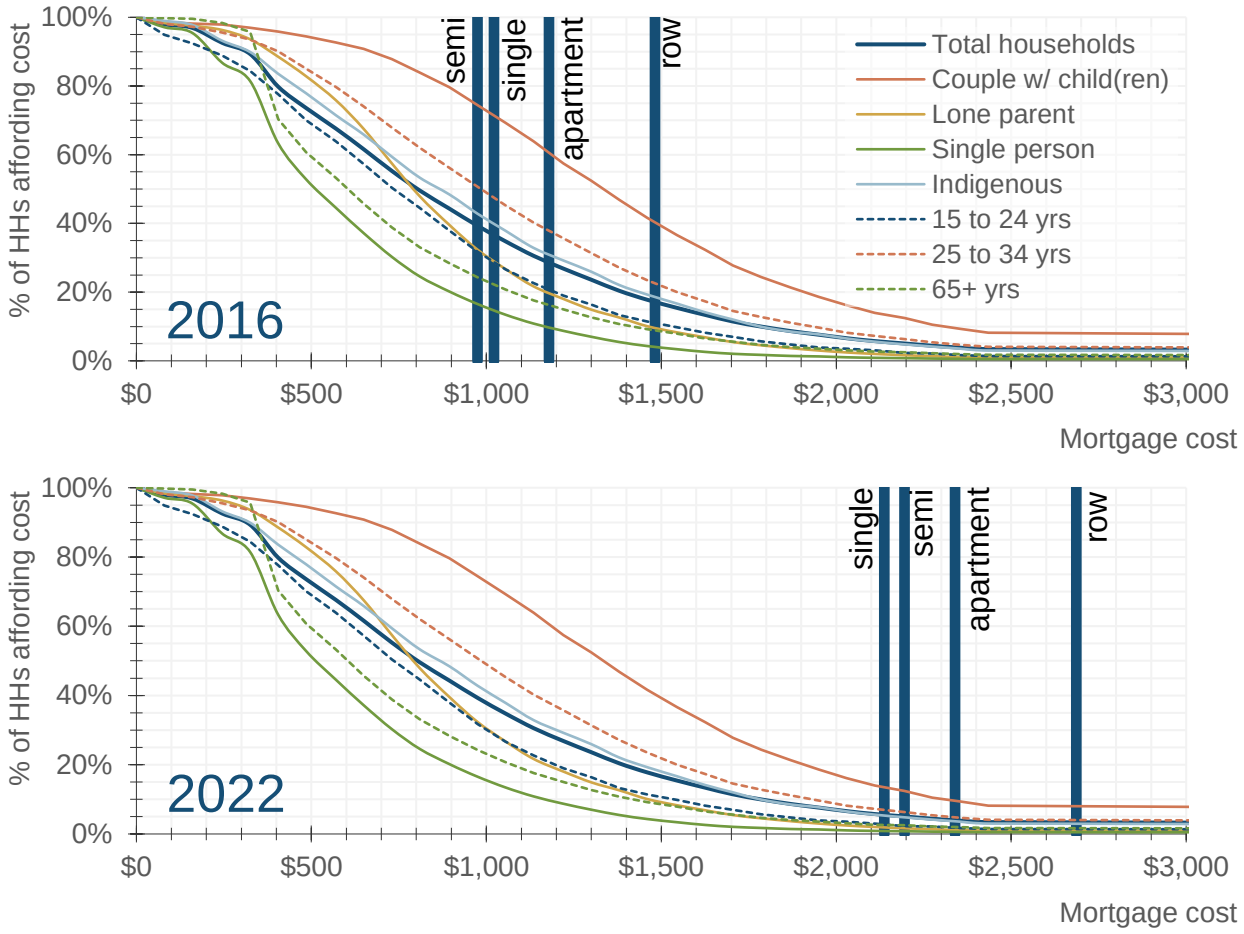
Lone parents and single person/roommates both saw larger percentage increases than couples, but more than that, this represents a larger proportion of an, on average, lower income. Simply put, it costs more to own a home, the share of people reasonably able to afford a home is lower, and the proportion of median income required to purchase a home, in most instances, is significantly higher than can be reasonably priced put upon a household.

This also shows that although overall prices began to decrease by the end of 2022, said decreases did not immediately impact affordability. Gradually, higher interest rates will disincentivize buyers from purchasing at existing market prices. This forces sellers to list their properties at lower amounts – mortgage payments in low-interest scenarios can afford more principal than those in high-interest ones. However, in the near-term, where demand has not yet cooled enough for prices to adjust accordingly, many buyers face noticeably higher mortgage payments to service their debts.

Figure 7.5 shows the significant shift in renters that can afford homes by comparing 2016 renter income distributions to 2016 and 2022 median sale prices. This figure places the median sale price of homes (represented by the wide blue vertical lines) along a continuum of affordable shelter cost – the vast majority of renters in any given household type lie between $500-$2,000 per month in manageable cost burden. Between 2016 and 2022, costs increased to the point where most renters, who in 2016 could afford at least one dwelling type, can no longer afford any in 2022.

The 2016 income distribution is used to compare both periods due to CERB's data impacts. Distributions from the 2021 Census demonstrate significant improvements to the number and share of households earning the lowest incomes. This functioned as intended while available but does not accurately depict income distribution without economic relief. Note that the use of 2016 incomes in this section differs from the earlier tables because of the comparison across time.

*Figure 7.5 - Change in Percent of Renter Households that could Afford Median Sale Prices by Household Characteristics, Nova Scotia*




*Source: derived from custom Census 2016 Tables, NSAR MLS®*

## 7.3 Rental Market

The rental market for market housing is split into two main categories: primary and secondary. CMHC defines the primary rental market as composed of purpose-built rentals with at least three units and having been on the market for at least three months. The secondary market is everything else (e.g., the single-family home with a basement apartment).

CMHC's Rental Market Survey collects annual primary rental market data for communities across Canada, but only for those urban areas with populations of 10,000 or more. This leaves many smaller urban and rural areas struggling to report meaningful data points related to rents and vacancies, especially since many of their units belong to the secondary market severely lacking in data.

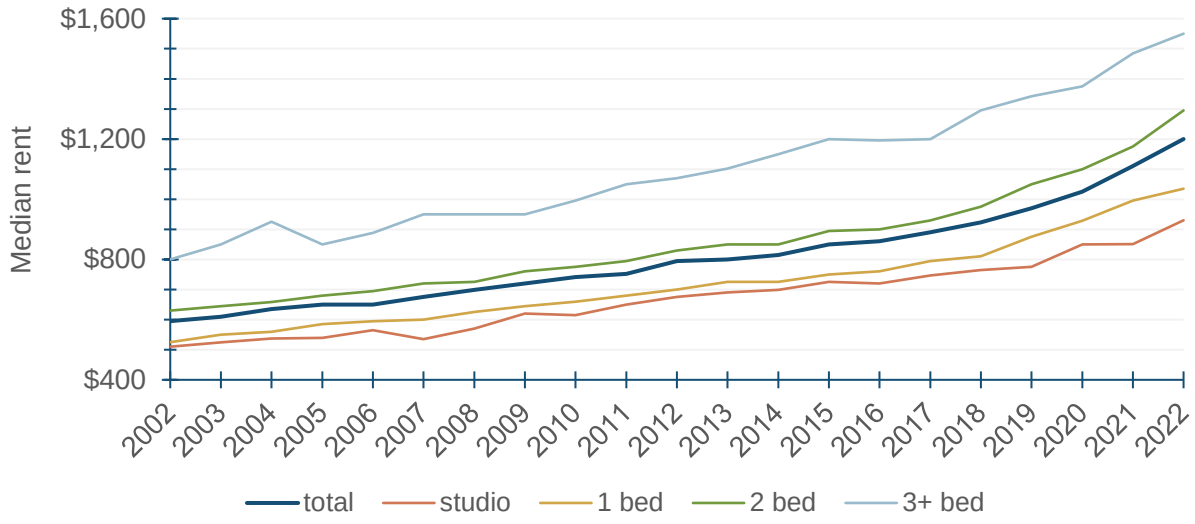
This report presents CMHC's primary rental market data as it is Canada's most widely known source of rental data. It is available for Nova Scotia (i.e., an aggregate of its large

enough urban areas). For municipal reports, we supplement CMHC's results with those provided by the Property Valuation Services Corporation (PVSC) for communities outside CMHC survey areas.

### 7.3.1 Historical Rents

Nova Scotia's primary rental market, whether in the HRM or outside, has seen significant increases beginning in 2017-2018. As shown in Figure 7.6, the median rent across all unit sizes has increased from $890/month in 2017 to $1,200/month in 2022. This translates to a 35% increase over 5 years or an average increase of almost 7% annually. This incline was most dramatic between 2020 and 2022, which on its own, saw an increase of 17% in overall median rents.

*Figure 7.6 - Median Rent by Unit Size, Primary Rental Market, Nova Scotia*




*Source: CMHC Rental Market Survey* [38]

The trend lines shown in Figure 7.6 are translated into figures in Table 7-3. As shown, rents have increased across all unit sizes and across the province. Particularly stark increases are not isolated to any single unit type, with nearly 20% increases seen between 2019 and 2022 for all unit sizes and a median rent increase of 24% over that period seen province wide.

[38] CMHC. (2023). Housing Market Information Portal. https://www03.cmhc-schl.gc.ca/hmip-pimh/

*Table 7-3 – Median Rent by Dwelling Type, Year, and Percent Change, Primary Rental Market*

| | | Price | | | Percent Change | |
|---|---|---|---|---|---|---|
| | | 2016 | 2019 | 2022 | '16-'19 | '19-'22 |
| Total | Nova Scotia | $860 | $970 | $1,200 | +13% | +24% |
| | HRM | $900 | $1,025 | $1,295 | +14% | +26% |
| | Rest of Nova Scotia* | $645 | $665 | $650 | +3% | -2% |
| Studio | Nova Scotia | $720 | $775 | $930 | +8% | +20% |
| | HRM | $795 | $803 | $965 | +1% | +20% |
| | Rest of Nova Scotia* | $230 | $595 | $675 | +159% | +13% |
| 1-bed | Nova Scotia | $760 | $875 | $1,035 | +15% | +18% |
| | HRM | $795 | $910 | $1,100 | +14% | +21% |
| | Rest of Nova Scotia* | $500 | $595 | $520 | +19% | -13% |
| 2-bed | Nova Scotia | $900 | $1,050 | $1,295 | +17% | +23% |
| | HRM | $975 | $1,130 | $1,425 | +16% | +26% |
| | Rest of Nova Scotia* | $590 | $700 | $690 | +19% | -1% |
| 3+ bed | Nova Scotia | $1,195 | $1,342 | $1,550 | +12% | +15% |
| | HRM | $1,250 | $1,375 | $1,623 | +10% | +18% |
| | Rest of Nova Scotia* | $695 | $1,015 | $840 | +46% | -17% |

** Median rents for Rest of Nova Scotia are estimates of the remaining urban areas of NS studied by CMHC, calculated by subtracting the weighted portion of HRM from provincial data.*
*Source: CMHC Rental Market Survey* [39]

This considerable increase can be attributed to an equally diminished vacancy among rental units, which will be covered in the following section. While a downward-trending vacancy began in 2015-2016, a comparatively recent up-trending in-migration to Nova Scotia has strained existing supply, driving the median rent increase. To combat a more severe increase as the housing supply tries to reach current demand levels, the Nova Scotia government introduced a 2%-per-year rent cap in November 2020. As of March 2023, the rent cap has been extended to December 31, 2025, with a maximum increase of 5%-per-year. This latest extension, while increasing the allowable percentage increase, now also applies to fixed-term leases for tenants signing a new fixed-term lease in the same unit. The previous cap applied only to tenants re-signing a period lease for the same rental unit. While it is a powerful legal tool to curb increases

[39] ibid.

that the tenant population cannot afford, it equally highlights the immediate need to increase the supply of rental units.

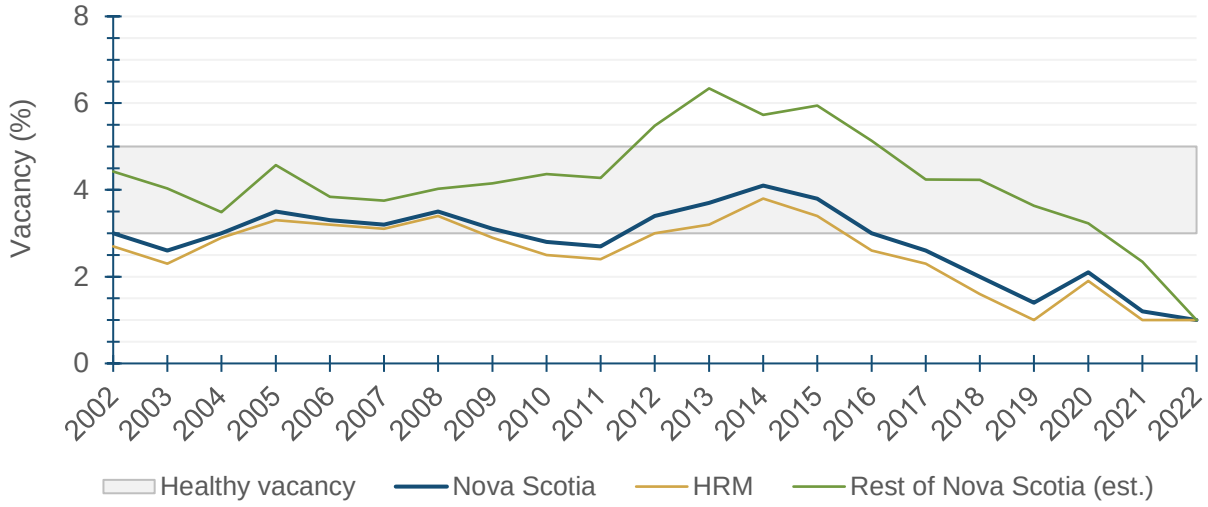
CMHC's 2022 Rental Market Survey results include a new data point: the impact of turnover on the average rent. A turnover is when a current tenant leaves at the end of their contract period, and the landlord rents the property to a new tenant. Nova Scotia data for studied geographies in 2022 demonstrates that the average rent increase for a 2-bedroom unit that turned over was well-above the increase for units that did not change tenants (28% compared to 4%). The average turned-over unit was $1,648 provincially versus $1,291 for a non-turned-over unit.[40]

The rate of turnovers decreased from 16% to 11% from 2021 to 2022. An indication that households are not moving but staying in their homes – lowering overall vacancy.

### 7.3.2 Historical Vacancy

A healthy vacancy rate is generally between 3-5% and denotes a market balance between owners (landlords) and tenants. A vacancy rate higher than 5% means that there is either more supply than the market needs or reduced demand for any number of reasons. Below 3% means that the housing supply is strained, and demand has increased, similarly for any number of reasons. With a low vacancy rate and the increased demand levels that come with it, landlords have more freedom to increase prices, as demand levels show that there will be a tenant who pays the asking amount.

*Figure 7.7 – Overall Vacancy Rate, Primary Rental Market*

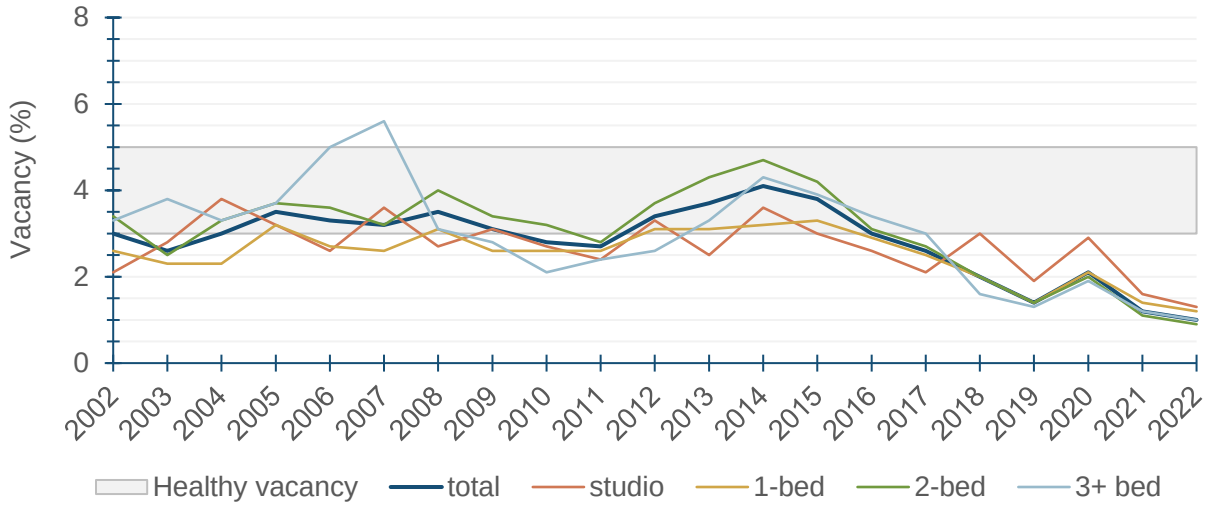



*Source: CMHC Rental Market Survey*

[40] CMHC. (2023, January 26). Rental Market Survey Data Tables. https://www.cmhc-schl.gc.ca/en/professionals/housing-markets-data-and-research/housing-data/data-tables/rental-market/rental-market-report-data-tables

As shown above in Figure 7.7, the HRM has had a lower-than-healthy vacancy since 2015-2016, with the rest of Nova Scotia falling below the healthy vacancy threshold more recently in 2020, as estimated by CMHC. Figure 7.8 further illustrates this trend and shows that it is not due to a statistical outlier but that this trend is present throughout all unit sizes and has been since 2017.

*Figure 7.8 – Vacancy Rate by Unit Size, Primary Rental Market, Nova Scotia*




*Source: CMHC Rental Market Survey* [41]

With the entire province of Nova Scotia now experiencing an estimated vacancy rate below 1%, there is increased pressure to bolster the housing supply. With a vacancy rate in unhealthy levels for all unit sizes, an increased housing supply cannot solely be focused on 1- and 2-bedroom units, for instance. Any approach must seek to bolster supply for the full range of unit types if Nova Scotia is to reach and maintain healthy vacancy levels soon.

**What We Heard:**

Broadly speaking, the high demand for housing, coupled with the low vacancy rate in the market, has exacerbated issues that are rooted in systemic power imbalances between landlords and tenants.

### 7.3.3 What is Affordable?

It is not only homeownership that has seen a significant increase in median price but rentals as well, albeit not to the same extent. Table 7-4 below mirrors Table 7-2, with

[41] ibid.

two major differences: the households reflect only renters, and estimated affordable rent and median rent are input instead of the affordable sale and median sale prices.

*Table 7-4 - Estimate of Rent Affordability by Income Level (Renter Households), Nova Scotia*

| | | | | | 2022 median rent: | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | $930 | $1,035 | $1,295 | $1,550 |
| | | % of HHs below income level: | | | Studio | 1-bed | 2-bed | 3+ bed |
| Income level | Attainable rent | Couples | Lone parents | Single persons | | | | |
| $20,000 | $430 | 3% | 6% | 19% | no | no | no | no |
| $25,000 | $530 | 4% | 11% | 37% | no | no | no | no |
| $30,000 | $640 | 6% | 17% | 47% | no | no | no | no |
| $35,000 | $740 | 9% | 24% | 55% | no | no | no | no |
| $40,000 | $850 | 13% | 33% | 63% | no | no | no | no |
| $45,000 | $960 | 18% | 43% | 70% | yes | no | no | no |
| $50,000 | $1,060 | 22% | 52% | 75% | yes | yes | no | no |
| $55,000 | $1,170 | 27% | 61% | 80% | yes | yes | no | no |
| $60,000 | $1,280 | 33% | 68% | 83% | yes | yes | no | no |
| $65,000 | $1,380 | 39% | 73% | 87% | yes | yes | yes | no |
| $70,000 | $1,490 | 45% | 78% | 89% | yes | yes | yes | no |
| $75,000 | $1,590 | 50% | 82% | 91% | yes | yes | yes | yes |
| $80,000 | $1,700 | 55% | 85% | 93% | yes | yes | yes | yes |
| Income required to afford median rent: | | | | | $43,800 | $48,700 | $60,900 | $72,900 |

*Source: derived from Statistics Canada Custom Census 2021 Table, CMHC Rental Market Survey* [42]

Compared to homeownership, the affordability of median rent across income levels generally appears more favourable. Even so, 43% and 70% of lone parents and single persons, respectively, could not reasonably afford the median 1-bedroom apartment (reported by CMHC) if they earned below $45,000/year.

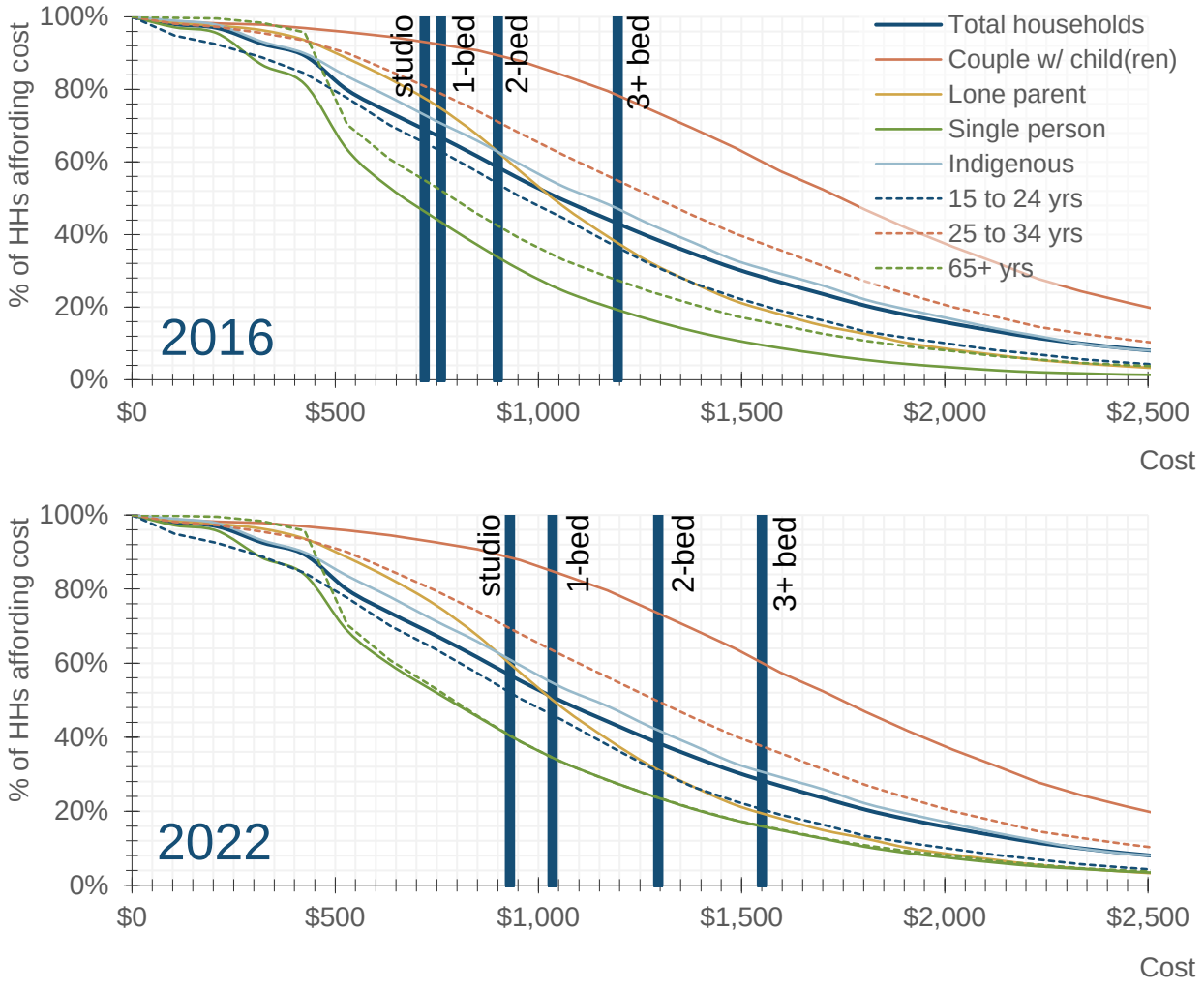
Similar to Figure 7.5, Figure 7.9 shows the percent share of various household types, age cohorts, and persons of Indigenous identity who could afford the median rents for respective unit types in 2016 and 2022. The shift in affordability is not as severe as homeownership but is nonetheless significant. Between 2016 and 2022, median rents changed to the extent that studio apartments in 2022 cost approximately the amount

[42] CMHC. (2023). Housing Market Information Portal. https://www03.cmhc-schl.gc.ca/hmip-pimh/

of a 2-bedroom unit in 2016, with the remaining unit types changing relatively proportionately to that increase.

Where incomes have not increased proportionately to median rental increases, the share of people who can afford 2022's median rent – in any of the given categories – has decreased. Renting couples (with a higher prevalence of dual incomes) generally faired better than the typical renter household, and single persons, seniors, and young adults generally faced greater financial hurdles.

*Figure 7.9 - Change in Percent of Renter Households that could Afford Median Rent by Household Characteristics, Nova Scotia*




*Source: derived from custom Census 2016 & 2021 Tables, CMHC Rental Market Survey* [43]

[43] CMHC. (2023). Housing Market Information Portal. https://www03.cmhc-schl.gc.ca/hmip-pimh/

# 8 Housing Need

CMHC's Core Housing Need (CHN) metric measures three criteria plus the accessibility to housing that exceeds the criteria. These criteria are adequacy (the state of repair), suitability (the prevalence of overcrowding), and affordability – as introduced in the previous section. A household is considered in CHN when:

- a household does not meet at least one of the adequacy, suitability, and affordability standards; and
- the household would have to spend 30% or more of its before-tax income to access available, local housing that is adequate and suitable (meaning there are no available alternatives to their current situation).

Readers may notice that the total number of households reported in the following charts does not equal those reported by Statistics Canada. This is because the households examined for Core Housing Needs include:

- only private, non-farm, non-reserve households; and
- owner and renter households with incomes higher than 0 and shelter-cost-to-income ratios below 100%.

In addition, non-family households with incomes and at least one maintainer, aged 15 to 29, attending school are not considered in core need, regardless of their housing circumstance. Attending school is a transitional phase, and students' low incomes are viewed as temporary.

Normally, households experiencing individual housing criterion hardships are not examined like Core Housing Needs. For this report, they do – all housing need-related data to come from the same custom tabulation purchased from Statistics Canada and thus must use the same data conditions.

## 8.1 Housing Indicators / Criteria

Table 8-1 shows the inadequacy, unsuitability, and unaffordability rate for owners, renters, and Indigenous households. Most important of the figures in this table are those under the "Share of households" row, showing the rate at which categories are affected by particular criteria, compared to census totals for those respective categories.

*Table 8-1 - Housing Criteria by Tenure & Indigenous Identity, Nova Scotia*

| | | Total | Owner | Renter | Indigenous |
|---|---|---|---|---|---|
| Total households | | 413,315 | 280,055 | 133,260 | 26,220 |
| Households living in **inadequate** conditions | Households | 33,315 | 22,170 | 11,145 | 3,135 |
| | *Change since 2016* | +1% | -2% | +7% | +2% |
| | Share of households | 8% | 8% | 8% | 12% |
| Households living in **unsuitable** conditions | Households | 14,305 | 4,815 | 9,485 | 1,130 |
| | *Change since 2016* | +35% | +7% | +56% | +7% |
| | Share of households | 3% | 2% | 7% | 4% |
| Households living in **unaffordable** conditions | Households | 66,870 | 24,280 | 42,590 | 3,890 |
| | *Change since 2016* | -10% | -16% | -6% | -15% |
| | Share of households | 16% | 9% | 32% | 15% |

*Source: Custom Census 2016 & 2021 Tables*

Table 8-2 and Table 8-3 present this data organized by household type and primary maintainer age, respectively. When organized as shown, it shows the prevalence of unaffordability amongst lone-parent and single/roommate household types. Amongst age cohorts, the 15-24-year cohort has the highest unaffordability rate, with the 65+ cohort seeing the second highest rate.

*Table 8-2 - Housing Criteria by Household Type, Nova Scotia*

| | | Couple w/o child(ren) | Couple w/ child(ren) | Lone parent | Single / roommates |
|---|---|---|---|---|---|
| Total households | | 123,675 | 86,845 | 36,575 | 145,780 |
| Households living in **inadequate** conditions | Households | 7,105 | 5,920 | 4,910 | 13,345 |
| | *Change since 2016* | -6% | -10% | +6% | +11% |
| | Share of households | 6% | 7% | 13% | 9% |
| Households living in **unsuitable** conditions | Households | 190 | 3,875 | 2,640 | 3,670 |
| | *Change since 2016* | +171% | +41% | +17% | +98% |
| | Share of households | 0% | 4% | 7% | 3% |
| Households living in **unaffordable** conditions | Households | 10,015 | 5,190 | 7,475 | 43,080 |
| | *Change since 2016* | -12% | -24% | -32% | -1% |
| | Share of households | 8% | 6% | 20% | 30% |

*Source: Custom Census 2016 & 2021 Tables*

Inadequacy and unsuitability are universally less prevalent but see their highest rates among lone-parent and single/roommate households. Among age cohorts, unsuitability sees its highest rate among the 15-24 cohort, while inadequacy is seen relatively consistently (between 7-9%) among all cohorts.

*Table 8-3 - Housing Criteria by Primary Household Maintainer Age, Nova Scotia*

| | | 15 to 24 | 25 to 44 | 45 to 64 | 65+ |
|---|---|---|---|---|---|
| Total households | | 12,845 | 113,700 | 153,785 | 132,980 |
| Households living in **inadequate** conditions | Households | 1,025 | 9,585 | 13,440 | 9,260 |
| | *Change since 2016* | -6% | +5% | -8% | +12% |
| | Share of households | 8% | 8% | 9% | 7% |
| Households living in **unsuitable** conditions | Households | 1,815 | 6,535 | 4,760 | 1,200 |
| | *Change since 2016* | +107% | +45% | +15% | +14% |
| | Share of households | 14% | 6% | 3% | 1% |
| Households living in **unaffordable** conditions | Households | 4,850 | 18,625 | 20,260 | 23,125 |
| | *Change since 2016* | -13% | -11% | -19% | +2% |
| | Share of households | 38% | 16% | 13% | 17% |

*Source: Custom Census 2016 & 2021 Tables*

As can be determined from the data presented in the tables, unaffordability is generally the criterion affecting any given category at higher rates than any other. Unaffordability is also the criterion that saw the most widespread percentage decrease in affected populations, largely due to the influence of COVID-19 relief payments.

**What We Heard:**

- **37%** of respondents with physical disabilities reported their housing did not meet their accessibility needs. This was a significant issue for those with developmental (**25%**) and mental health disabilities (**22%**).
- **29%** of respondents experienced being refused housing or being discriminated against by a landlord, realtor, or other housing providers.
- **22%** reported their housing situation as "very unstable" or "somewhat unstable."

- **33%** reported being unable to access public transportation near their current housing.

## 8.2 Core Housing Need & Deep Unaffordability

Deep unaffordability describes cases where a household spends 50% or more of their before-tax income on housing, providing a metric to identify households facing disproportionate financial hardship. Using the same categories as Section 8.1, Table 8-4, Table 8-5, and Table 8-6 show the proportion of those households in Core Housing Need and those that meet the deeply unaffordable criterion.

*Table 8-4 – Core Housing Need / Deep Unaffordability by Tenure & Indigenous Identity, Nova Scotia*

| | | Total | Owner | Renter | Indigenous |
|---|---|---|---|---|---|
| Total households | | 413,315 | 280,055 | 133,260 | 26,220 |
| Households living in **Core Housing Need** | Households | 41,470 | 13,885 | 27,585 | 2,580 |
| | *Change since 2016* | -16% | -18% | -15% | -24% |
| | Share of households | 10% | 5% | 21% | 10% |
| Households living in **deep unaffordability** | Households | 19,195 | 6,035 | 13,160 | 1,090 |
| | *Change since 2016* | -22% | -25% | -20% | -34% |
| | Share of households | 5% | 2% | 10% | 4% |

*Source: Custom Census 2016 & 2021 Tables*

While the province has seen net percentage decreases across all tenures, renters are still affected by all criteria at much higher rates than owners. In 2021, 32% of renters were in unaffordable dwellings, 21% were in Core Housing Need, and 10% were in deeply unaffordable dwellings.

*Table 8-5 – Core Housing Need / Deep Unaffordability by Household Family Type, Nova Scotia*

| | | Couple w/o child(ren) | Couple w/ child(ren) | Lone parent | Single / roommates |
|---|---|---|---|---|---|
| Total households | | 123,675 | 86,845 | 36,575 | 145,780 |
| Households living in **Core Housing Need** | Households | 3,685 | 2,655 | 6,595 | 27,730 |
| | *Change since 2016* | -23% | -31% | -33% | -6% |
| | Share of households | 3% | 3% | 18% | 19% |

| | | Couple w/o child(ren) | Couple w/ child(ren) | Lone parent | Single / roommates |
|---|---|---|---|---|---|
| Households living in **deep unaffordability** | Households | 1,890 | 1,235 | 1,750 | 14,080 |
| | *Change since 2016* | -36% | -28% | -51% | -12% |
| | Share of households | 2% | 1% | 5% | 10% |

*Source: Custom Census 2016 & 2021 Tables*

By household type, single/roommate households, followed by lone-parent households, were most affected by the listed criteria. In 2021, 19% of single/roommate households were in Core Housing Need and 10% in deeply unaffordable dwellings. By comparison, lone-parent households were affected by Core Housing Need at a rate of 20 and 5% were in deeply unaffordable dwellings.

Single/roommate households being affected is significant not only in the rate affected but also in sheer number. About 43,080 households lived in unaffordable circumstances in 2021. Of those, 27,730 are in Core Housing Need and 14,080 live in deeply unaffordable dwellings, making up most of those affected by any given criterion across the province.

*Table 8-6 – Core Housing Need / Deep Unaffordability by Primary Household Maintainer Age, Nova Scotia*

| | | 15 to 24 | 25 to 44 | 45 to 64 | 65+ |
|---|---|---|---|---|---|
| Total households | | 12,845 | 113,700 | 153,785 | 132,980 |
| Households living in **Core Housing Need** | Households | 1,705 | 11,170 | 14,125 | 14,460 |
| | *Change since 2016* | -31% | -19% | -22% | -4% |
| | Share of households | 13% | 10% | 9% | 11% |
| Households living in **deep unaffordability** | Households | 1,740 | 5,035 | 7,165 | 5,260 |
| | *Change since 2016* | -26% | -28% | -27% | -3% |
| | Share of households | 14% | 4% | 5% | 4% |

*Source: Custom Census 2016 & 2021 Tables*

Those aged 15-24 were affected by the given criteria at higher rates than others. In 2021, 13% in Core Housing Need and 14% in deeply unaffordable dwellings. Note that the rate of Core Housing Need is lower than deep unaffordability, likely because the latter does not consider the availability of affordable alternatives.

## 8.3 Housing Need of Vulnerable Groups

### 8.3.1 Overcrowding & Immigrant / Racialized Canadians

While affordability and adequacy data are available for racialized and immigrant groups in Canada, highlighting the data on suitability allows the most novel observation without restating previously detailed data. Table 8-7 details the Census of visible minority groups organized by immigration status[44] and geography, specifically those within the Halifax CMA and those across the province.

*Table 8-7 - Percent of Immigrant / Racialized Households in Unsuitable (Overcrowded) Housing, 2021*

| | Halifax CMA | | | | Nova Scotia | | | |
|---|---|---|---|---|---|---|---|---|
| Identity | Non-immigrant | Immigrant (<10 yrs ago) | Immigrant (10+ yrs ago) | Non-permanent resident | Non-immigrant | Immigrant (<10 yrs ago) | Immigrant (10+ yrs ago) | Non-permanent resident |
| Visible minority | 14.4% | 29.6% | 13.5% | 43.2% | 13.3% | 28.6% | 12.3% | 42.8% |
| Arab | 29.6% | 53.5% | 23.0% | 43.2% | 27.7% | 50.6% | 21.3% | 41.5% |
| Black | 11.9% | 32.4% | 10.7% | 26.3% | 11.5% | 31.8% | 9.8% | 26.4% |
| Chinese | 7.5% | 6.6% | 6.3% | 20.9% | 6.8% | 6.9% | 4.9% | 18.4% |
| Filipino | 17.1% | 27.5% | 12.0% | 35.9% | 17.2% | 26.4% | 10.8% | 31.8% |
| Japanese | 7.1% | 6.2% | 5.6% | 41.2% | 5.5% | 5.0% | 4.3% | 38.1% |
| Korean | 24.6% | 17.1% | 6.2% | 35.5% | 17.5% | 16.0% | 7.3% | 35.1% |
| Latin American | 14.5% | 15.2% | 5.0% | 16.9% | 14.3% | 12.8% | 6.6% | 20.7% |
| South Asian | 14.9% | 26.6% | 9.6% | 62.3% | 14.4% | 26.6% | 9.7% | 60.1% |
| Southeast Asian | 23.0% | 16.9% | 22.1% | 31.2% | 18.4% | 14.9% | 18.1% | 25.6% |
| West Asian | 25.0% | 30.6% | 18.7% | 19.4% | 19.6% | 33.3% | 18.7% | 22.7% |
| Not a visible minority | 4.4% | 9.5% | 2.7% | 8.6% | 4.7% | 7.2% | 2.1% | 9.5% |

*Source: Statistics Canada [45]*

[44] For clarity, "non-immigrant" in this table includes those of minority groups who are Canadian citizens by birth.

[45] Statistics Canada. Table 43-10-0060-01 Selected housing characteristics, low income indicators and knowledge of official languages, by visible minority and other characteristics for the population in private households.

Visible minorities are affected significantly more by unsuitability in their current dwellings, whether citizens, immigrants, or non-permanent residents. The margin of difference is even starker when looking specifically at non-permanent residents who have been granted temporary legal residence in Canada for various reasons.[46] While these differences are not major, the overall rate of unsuitability is higher for visible minorities in the Halifax CMA when compared to the province of Nova Scotia overall.

### 8.3.2 Core Housing Need & Immigrant / Racialized Canadians

Similar to Section 8.3.1, Table 8-8 details the rate of Core Housing Needs among racialized and immigrant groups in Nova Scotia. The table is organized by census minority group and categorized by immigration status and geography.

*Table 8-8 – Percent of Immigrant / Racialized Households in Core Housing Need, 2021*

| | Halifax CMA | | | | Nova Scotia | | | |
|---|---|---|---|---|---|---|---|---|
| Identity | Non-immigrant | Immigrant (<10 yrs ago) | Immigrant (10+ yrs ago) | Non-permanent resident | Non-immigrant | Immigrant (<10 yrs ago) | Immigrant (10+ yrs ago) | Non-permanent resident |
| Visible minority | 14.4% | 19.9% | 10.7% | 18.9% | 12.6% | 17.6% | 9.7% | 16.3% |
| Arab | 21.4% | 49.1% | 15.5% | 41.6% | 20.4% | 43.7% | 15.5% | 38.1% |
| Black | 15.8% | 11.3% | 10.2% | 22.6% | 13.6% | 10.3% | 9.1% | 19.9% |
| Chinese | 9.3% | 24.1% | 7.0% | 33.5% | 7.6% | 22.6% | 5.7% | 30.1% |
| Filipino | 7.2% | 8.2% | n.a. | 13.3% | 8.1% | 6.9% | 2.1% | 13.1% |
| Japanese | n.a. | n.a. | 20.0% | n.a. | n.a. | n.a. | 15.9% | n.a. |
| Korean | 20.8% | 28.0% | 13.0% | 39.1% | 17.1% | 25.4% | 13.0% | 36.5% |
| Latin American | 13.2% | 18.9% | 8.7% | 25.8% | 12.9% | 16.0% | 6.6% | 22.2% |
| South Asian | 7.0% | 9.6% | 5.4% | 10.6% | 6.1% | 8.8% | 5.2% | 9.7% |
| Southeast Asian | 14.4% | 6.8% | 16.1% | 13.6% | 12.5% | 6.0% | 13.3% | 15.2% |

[46] NPR estimates are done by Statistics Canada using data received from Citizenship and Immigration Canada. These data include those with visitor permits, work permits, student permits, etc., as well as those with refugee status or refugee status claims.

| | Halifax CMA | | | | Nova Scotia | | | |
|---|---|---|---|---|---|---|---|---|
| Identity | Non-immigrant | Immigrant (<10 yrs ago) | Immigrant (10+ yrs ago) | Non-permanent resident | Non-immigrant | Immigrant (<10 yrs ago) | Immigrant (10+ yrs ago) | Non-permanent resident |
| West Asian | 22.5% | 30.2% | 17.8% | 29.0% | 19.6% | 28.6% | 16.6% | 28.9% |
| Not a visible minority | 7.8% | 9.7% | 8.2% | 14.3% | 6.6% | 9.1% | 7.5% | 12.5% |

*Source: Statistics Canada* [47]

Whether looking at the Halifax CMA or across Nova Scotia, visible minorities are affected by Core Housing Need at higher rates than those who are not. This is particularly prevalent amongst visible minorities who are non-permanent residents or immigrants admitted within the last 10 years.

### 8.3.3 Engagement Findings

#### *8.3.3.1 Survivors Fleeing Domestic Violence*

The current housing crisis deeply impacts survivors of domestic violence. The lack of affordable and available housing units means that those leaving domestic violence shelters have few prospects for housing upon leaving (many shelters have a time limit for their provision of temporary housing). This forces many people to decide between returning home to their abusers or homelessness. Some opt not to leave their abusive situations due to the housing shortage, because they feel that if they return after leaving, they will face greater abuse.

According to the public survey, 25% of respondents that felt unsafe in their current housing situation from their partner also identified as unhoused. This group was also highly likely to describe their living situation as "very unstable" (35%) or "somewhat unstable" (34%). The greatest barrier to housing accessibility faced by this group was affordability.

#### *8.3.3.2 Seniors (65+)*

The 2021 Census reported that about 215,325 seniors lived in Nova Scotia – about 22% of the population. This is a 17% increase over 2016, demonstrating the impacts of a retiring Boomer generation. Population projections anticipate a continued expansion of this cohort, as well as senior-led households, which will likely exacerbate existing conditions for seniors unless addressed.

[47] Statistics Canada. Table 43-10-0060-01 Selected housing characteristics, low income indicators and knowledge of official languages, by visible minority and other characteristics for the population in private households.

**What We Heard:**

In many communities, seniors housing does not exist. Beyond a lack of purpose-built facilities, most housing stock is not physically suitable for seniors for various reasons. In some communities, often rural, some seniors are over-housed (i.e., staying in older homes with multiple rooms or levels that they cannot occupy or adequately upkeep).

According to the public survey, seniors were the most impacted by a lack of funds to undertake repairs (over **50%** of seniors vs. 35% of all survey respondents). This results in many properties seen as desirable to first-time buyers or young families not making it to market because there are no suitable places for seniors to transition to. Further, many new properties being built do not meet the accessibility needs of seniors.

Lack of suitable and available housing for seniors was one of the issues heard most often throughout the engagement work across the province, in both urban and rural areas. These issues can be segmented into three broad categories:

**Financial challenges**

Generally, COVID-19 relief payments made housing more affordable – households (particularly those struggling financially) were receiving steady payments that could be allocated to shelter costs. Consequentially, many of the affordability metrics most recently reported by StatCan and CMHC do not accurately represent financial needs. Notwithstanding, senior-led households were the only age cohort to demonstrate somewhat worsening affordability. The total of seniors reporting that they live in an unaffordable dwelling increased by 2% between Census periods, or by 375 households.

In 2021, 23,125 senior households indicated spending more than 30% of their income on shelter expenses (20% of seniors). Of those, 15,115 were deemed to be living in Core Housing Need (11% of seniors). The gap between both metrics suggests that many older Nova Scotians are choosing to remain in their homes when alternatives exist, despite the financial challenges that might come from doing so.

Many seniors live on a fixed income. They cannot respond as readily to economic changes such as rising rents, inflation on goods and services, and unexpected costs (like home repairs). A lack of affordable housing options for seniors, especially options

that allow them to downsize into safe and accessible housing (i.e., apartments, condos and other single-level living options), was consistently raised throughout the engagement work.

**Physical condition of property**
Many seniors, especially in rural areas, noted that they were "over-housed" but had no options for downsizing. In many instances, we heard of situations where seniors could not keep up with the maintenance of their homes, causing deteriorating conditions and in some cases falling into disrepair. This results in fewer safe housing options over time.

Although Statistics Canada reports improving building quality for seniors over 85 years, most other senior demographics reported worsening building conditions on the aggregate. For instance, 19% more households led by a senior aged 65-74 required major repair and 5% more for those aged 75-84 between 2016 and 2021.

**Social supports**
A major concern voiced repeatedly by municipal councillors, seniors' safety officers, and health professionals was related to seniors' inability to "age in place." Often, seniors are forced to move to communities without friends, family, or support to find adequate housing. We heard about the negative impacts this has on seniors, particularly their mental health. This notably impacts rural seniors with fewer housing options available and who must travel further to access medical services.

#### *8.3.3.3 Young Adults*
Many young people are forced to live in conditions they had not expected when moving into adulthood for reasons overwhelmingly related to affordability. Some live at home far longer than they had ever anticipated, some live with multiple roommates, and some live in substandard housing, all to afford shelter.

Young adults are often some of our society's lowest-paid individuals, making them particularly susceptible to rising housing costs. They also face many barriers to housing access, such as a lack of credit or rental history. We heard from many young Nova Scotians that they had been discriminated against when trying to secure housing due to their age. This issue is especially prevalent for those coming from abroad to pursue post-secondary education, where the hours they are permitted to work under their study permits are limited, impacting their overall earnings potential.

Households led by a person aged 15- 24 experienced the greatest challenges related to affordability or suitability among reported age cohorts. About 40% (4,850 households) paid more than 30% of their income on shelter costs, and 14% (1,740

households) paid more than 50%. About 15% (1,815 households) lived in an overcrowded dwelling.

People working directly with at-risk youth described the ongoing situation as "the worst circumstances in decades for trying to house youth." There is a lack of shelter space and transitional housing options, forcing many to leave their communities in search of better options. Like the impacts on seniors, youth pushed to leave their communities to find housing often lack social support, negatively impacting their mental health and putting them at risk.

#### *8.3.3.4 Persons with Disabilities*

According to Statistics Canada, the prevalence of disabilities in Nova Scotia may be higher than one may think. In 2017, 30% of the provincial population aged 15 years and over – or about 229,400 individuals – had one or more disabilities.[48] Disability prevalence increased from 21% for those aged 15 to 24 to 47% for 75 years and over.

For discussion purposes, if we multiply 2017's 30% into the anticipated 2032 Nova Scotia population, it suggests that approximately 56,680 more people may have one or more disabilities between 2017 and 2032, demonstrating the general need for increased attention to accessible housing and accessibility planning for communities.

Disabilities related to pain, flexibility, mobility, and mental health were the most common disability types. However, among Canadian youth (aged 15 to 24 years), mental health-related disabilities were the most prevalent type of disability.

Among those aged 25 to 64, persons with disabilities were less likely to be employed than those without. As the level of severity increased, the likelihood of employment decreased. Consequently, persons with more severe disabilities were more likely to live in poverty than their counterparts without disabilities or with milder disabilities.

**Physical disabilities**

Nova Scotians with physical disabilities experience several challenges related to housing. A lack of accessible housing means many people are placed in unsuitable living conditions, with varying degrees of impact on their lives and autonomy. Safety was considered a huge concern and one that is not given enough consideration when considering design for accessibility. Another design concern was related to areas surrounding housing with elements like steep slopes and unpaved pathways cited as major barriers for people living with physical disabilities. Furthermore, access to

[48] Morris, S; Fawcett, G; Brisebois, L; and Hughes, J. (2018, November 28). Canadian Survey on Disability Reports: A demographic, employment and income profile of Canadians with disabilities aged 15 years and over, 2017. https://www150.statcan.gc.ca/n1/pub/89-654-x/89-654-x2018002-eng.htm

transportation is a significant challenge for this demographic, with many having limited access to transportation options in their community, limiting their access to services and amenities.

In 2016, CMHC reported that about 236,375 households had at least one person with an activity limitation, of which 15% (35,395) were in Core Housing Need. With a growing senior population with an increased prevalence of physical impairments, the rate could probably increase in 2021 and beyond.

**Developmental disabilities**

Similar to those with physical disabilities, many Nova Scotians with developmental disabilities are living in unsuitable housing that does not meet their accessibility needs. A large proportion of those with developmental disabilities who responded to the public survey (75%) also said their home needed repairs. The lack of affordable and suitable housing options disproportionately affects this demographic, and many called for intensified investment in accessible, supportive, and community housing to meet their needs.

**Mental health and addictions**

Nova Scotians with mental health and substance use disorders face many barriers to securing stable housing. We heard from service providers that these individuals are most likely "high acuity" and require additional wrap-around support to maintain stable housing. We heard about a lack of systemic support for these individuals and the need to invest more in shelters and transitional housing options that provide services specifically for this population.

Throughout the province, and especially in smaller communities with limited housing options, people with mental health and addiction challenges face discrimination and stigma. This results in a higher rate of homelessness within this population. Some have been "blacklisted" by landlords and cannot secure rental housing in their communities. Some rely on the healthcare or carceral system to provide temporary shelter; many others sleep rough when shelter beds are unavailable.

We heard from service providers and healthcare workers that a more holistic approach is required to address housing for people with mental health and substance use disorders. The approach should treat them with compassion and a more consistent level of care rather than leaving them to fall through the cracks.

#### *8.3.3.5 African Nova Scotians & People of African Descent*

Black and African Nova Scotians shared in the engagement work that their housing was not meeting their needs. Black and African Nova Scotians survey respondents were

less likely to own their homes (about 28%) than the general population (36%). They were more likely to live in supportive housing (1.1% vs. 0.6% in the general population). They were also more likely to be unhoused (10% vs. 6% in the general population) and experience discrimination when trying to access housing – nearly 42% of survey respondents stated that they had experienced discrimination, and of that group, 65% cited racial discrimination.

> *"Whatever investments are made, some amount of energy and resources need to be put in the hands of Black and Indigenous communities; they need to be in charge of their own destiny and both are underfunded and under-supported"*
>
> - African Nova Scotian community member

This demographic was also disproportionately affected by overcrowding – Statistics Canada reports that nearly 12% of non-immigrant Black households lived in overcrowding in 2021 versus just shy of 5% for non-visible minorities. The survey identified that finding housing that they could afford or one in good condition were the top two challenges cited related to housing. Over half of the respondents said they had gone without heat to pay their rent or mortgage, compared to only 14% of the general population.

#### *8.3.3.6 Newcomers*

Newcomers have a variety of incomes, family sizes, and housing needs and cannot effectively be understood as a singular entity. Some immigrants have significant resources and employment opportunities, while others arrive as refugees. However, most are barriers related to language, mobility challenges (transportation / obtaining a driver's license), accessing or navigating services, and the common experience of discrimination. Many also face challenges accessing credit or personal references in Nova Scotia, impacting their ability to secure some form of housing.

Low-income immigrants are considered the most vulnerable newcomers and require access to greater support for settling into their communities. Some families are multi-generational and require accessible housing options with multiple bedrooms to meet the needs of their family. In contrast, others arrive independently and face the challenge of securing housing on a single income. There is a need for more translation services within the housing sector to ensure people can adequately navigate the system and receive the information and support that they need. This service is also needed within the shelter and transitional housing system to remove barriers for newcomers accessing those services.

Recent immigrants and non-permanent residents (those living in Nova Scotia via a work or student visa) are particularly vulnerable to housing issues, especially when they belong to a racialized community (see Table 8-7 and Table 8-8). In 2021, almost 18% of immigrants identifying as visible minority admitted over the last 10 years were in Core Housing Need, versus 10% of all households.

Although newcomers face considerable financial obstacles, the Census identified that overcrowded spaces are of particular concern. About 29% of visible minorities who immigrated to the province in the last 10 years lived in an overcrowded dwelling. This was almost 43% of non-permanent, visible minority residents.

#### *8.3.3.7 LGBTQ2+ Persons*

Members of the LGBTQ2+ community face several barriers to accessing safe, affordable and suitable housing. We heard extensively about the discrimination faced by this community and the disproportionate challenges they face in accessing appropriate housing.

Members of the LGBTQ2+ community face a higher risk of homelessness and are more likely to live in inadequate housing than the rest of the general population. Nova Scotians with intersecting identities, such as BIPOC, or those with disabilities, that identify as LGBTQ2+ face even greater marginalization and increased barriers to housing.

The 2018 Canadian Housing Survey (CHS) collected information, among other items, about the diversity of housing situations experienced by different groups of people living across Canada, which included LGBTQ2+ households.[49]

According to the 2018 CHS, 177,200 LGBTQ2+ households across Canada (about 30%) spent more than 30% of their household income on shelter. This was higher than the 22% of all private households, owing mainly to the higher proportion of LGBTQ2+ households in rented dwellings (53% versus 31% across all households). About 34,500 LGBTQ2+ households (6%) were in unsuitable housing, compared to the 5% of all households living in unsuitable housing. Furthermore, 54,300 LGBTQ2+ households (9%) lived in private dwellings that needed major repairs, higher than 7% of all households.

[49] Randle, J; Hu, Z; and Thurston, Z. (2021, November 22). Housing experiences in Canada: LGBTQ2+ people in 2018. https://www150.statcan.gc.ca/n1/pub/46-28-0001/2021001/article/00004-eng.htm

The CHS reported that 17% of LGBTQ2+ households (98,000 across Canada) were in Core Housing Need.

#### *8.3.3.8 Veterans*

Veterans, widely considered a vulnerable group, experienced the fewest widespread impacts on housing in Nova Scotia. They were the most likely respondents in the public survey (of all vulnerable groups) to be satisfied with their housing situation and to report that they were not experiencing challenges related to affordability or suitability/condition of their housing.

Nevertheless, veterans responding to the survey were more likely to have disabilities than the general population (38% versus 27%, respectively) and were thus more likely to require accessibility features in their homes. The most common types of disability for this group were physical disabilities, followed by mental health disabilities and pain-related disabilities. Over 17% of those who responded to the public survey said their housing did not meet their accessibility needs (compared to 11% of the general population).

As for LGBTQ2+ households, the 2018 CHS collected information about housing needs for households that include a veteran.[50]

In 2018, about 1.5% of Canadian households (570,800) included a veteran; of those households, about 15% spent more than 30% of their total household income on shelter, which is lower than the total households. About 14,000 veterans (2%) lived in an unsuitable and 48,700 (8%) lived in a dwelling requiring a major repair. The CHS reported that 8% of veteran households (43,400 across Canada) were in Core Housing Need.

#### *8.3.3.9 Indigenous Peoples*

Indigenous people in Nova Scotia are also experiencing complex systemic challenges related to housing. They routinely experience discrimination on both a community and systemic level. Concerning the latter, Indigenous community members face discrimination in the banking / financial sector and report feelings of judgment when trying to access services.

As a growing demographic, the development of on-reserve housing has not been able to keep pace with population growth. As a consequence, Indigenous communities are facing significant housing shortages and overcrowding. Waitlists for on-reserve housing are hundreds of people long, forcing many to find housing outside of their

[50] Randle, J; Hu, Z; and Thurston, Z. (2021, November 22). Housing experiences in Canada: Veterans in 2018. https://www150.statcan.gc.ca/n1/pub/46-28-0001/2021001/article/00009-eng.htm

communities. These further pressures the housing supply off-reserve and some community members feel alienated from their culture and support system.

We heard from multiple Indigenous organizations that many people living off-reserve are forced into substandard living conditions. This is often coupled with high rents and/or affordable housing being located significantly away from services and amenities (a legacy of the Rural Native Housing Program).

For the 26,220 households that the 2021 Census identified as living off-reserve, 16% reported living in unaffordable dwelling, 13% lived in a home requiring major repair, and 8% lived in overcrowded conditions. About 10% were considered to live in Core Housing Needs. Like many household characteristics, Indigenous affordability improved between 2016 and 2021 due to pandemic relief transfers. However, over the same period, there was a slight worsening in the prevalence of deteriorating or overcrowded homes occupied by Indigenous households.

#### *8.3.3.10 Unhoused Persons*

Throughout the engagement work, there were references to the rising rate of homelessness in Nova Scotia – both in urban and rural settings. The shelter system is operating beyond its capacity. It cannot keep up with demand, leaving many to sleep rough or rely on friends, family, and sometimes strangers to provide them with temporary shelter. In 2018, the Canadian Housing Survey reported that about 2.5% of all Canadian households had experienced homelessness at one point in their lives, or 364,300 households.[51]

Work performed by the Affordable Housing Association of Nova Scotia (AHANS) identified that there are 901 actively homeless persons living in the HRM as of April 18, 2023, of which 673 were chronically homeless.[52]

The situation in smaller communities and rural areas is particularly dire, as there are few shelters and other resources outside urban cores. Many of these areas cannot assess rates of homelessness accurately. This is largely due to an inability to undertake counts through service providers because the capacity or services do not exist, and rural homelessness "looks different" or is less visible. There are instances where institutions pursue the work like: Acadia University and its researchers identifying 231 individuals experiencing homelessness (and the contexts surrounding their situations) between West Hants to Digby, and organizations like the Affordable Housing and

[51] Randle, J; Hu, Z; and Thurston, Z. (2021, November 22). Housing experiences in Canada: People who have previously experienced homelessness. https://www150.statcan.gc.ca/n1/pub/46-28-0001/2021001/article/00010-eng.htm

[52] Affordable Housing Association of Nova Scotia. (2023). HRM Homelessness Statistics. https://www.ahans.ca/hrm-homelessness-statistics

Homelessness Working Group[53] identifying 419 persons above 15 years old or the South Shore Open Doors Association[54] identifying 208 individuals across Nova Scotia's south shore communities.

In addition to the stigma faced by those experiencing homelessness in communities across the province, they also face additional obstacles that make securing housing even more challenging. A lack of a permanent address means many individuals cannot secure employment or receive regular assistance.

Service providers shared that the rising cost of living and lack of affordable housing is pushing many individuals and families into situations of extreme precarity that were previously relatively stable. People with stable employment are unable to afford rising rents and are forced into giving up (or being evicted from) their homes. Groups of people also become unhoused due to sudden or unexpected hardships (i.e., relationship breakdowns, grief, etc.). For these people, access to temporary support is required to get them through their challenges. Still, access to these supports is either unavailable or untenable, resulting in worsening conditions over time.

Many participants across the province shared that the rise in homelessness in their municipality was palpable. We heard about several encampments cropping up in small towns throughout the pandemic and increases in people seeking to establish mailing addresses at temporary shelters on otherwise vacant properties. The province's rural communities expressed a shared sense that the dialogue around homelessness, and the support provided to address it, were too often focused on the HRM, overlooking the serious issues and unique circumstances of homelessness in rural Nova Scotia.

#### *8.3.3.11 Single Income Households*

Regardless of whether a household belongs to a vulnerable group, the prevalence of financial hardship increases substantially if a household has a single income. This is a logical assertion – a household with more than one earner means a greater pool of funds for expenses. However, the crux of the issue is that rents or sale prices for smaller dwellings do not scale at the same rate as pooled incomes. For instance, CMHC reported that the median rent for a one-bedroom apartment in Nova Scotia was $1,035 in 2022 versus $1,550 for a 3-bedroom – a +50% difference. The median one-person household in Nova Scotia earned $36,400 (based on the 2021 Census) versus $91,000 for a two-or-more-person household – a +150% difference.

[53] The Affordable Housing and Homelessness Working Group. (2021). Research Projects, Plans and Homelessness Counts. https://www.endhomelessnesstoday.ca/working-group

[54] South Shore Open Doors Association. (2022). Current Statistics: As of Fall 2022. https://www.ssoda.org/current-homeslessness-statistics

To further illustrate the issue, about 21% of lone parents (7,475 households) reported living in a too-expensive dwelling. Furthermore, 14% (4,910) and 8% (2,640) of lone parents lived in a deteriorating or overcrowded home, respectively. For single persons (including those with roommates), the unaffordability rate was 34%.

## 8.4 Student Housing Experience

Across the province, the lack of appropriate housing stock has not only resulted in increased housing prices but has also disadvantaged tenants. About 14% of the respondents who answered the survey were students who shared similar experiences. Post-secondary administrators also reported that students are trading housing quality for affordability, marked by increased competition for adequate housing.

**What We Heard:**

- **36%** of student respondents said they experienced discrimination in accessing housing.
- Nearly **9%** of student respondents identified as being "unhoused." Most (over **85%**) were staying with a friend or family member, while others were staying in a short-term rental, vehicle, or tent.
- **17%** of students are living in housing that does not have enough bedrooms for their household.
- **24%** of students do not have access to public transit.
- **56%** are living in housing that required repairs. **55%** of these respondents said their landlord is responsive, but nothing was done to address repairs.
- **95%** of student respondents did not feel they could find a suitable housing alternative on short notice.
- **71%** were spending more than 30% of their before-tax income on housing.
- Almost half (**48%**) of student respondents had gone without groceries to pay for their housing costs.

Post-secondary engagement work identified key issues faced by students across Nova Scotia. The following is a summary of this work about the 2022 housing environment. A protraction of the ongoing housing crisis would exacerbate these issues unless specifically addressed.

**There is a distrust in private developers as the focus of the solution**
Engagement participants shared that what is being developed is unaffordable, especially for students. There are concerns over developments marketing themselves as "student housing" or "campus housing" when they do not offer the supports that institutions do. In addition, there might be expectations from students and families for institutions to solve issues arising in these developments when they might not have control over it.

**There is a lack of access to transportation to open up housing options**
Proximity to campus is an important factor for students to consider in their search for housing, making it impossible to separate access to transportation from housing needs. Administrators indicated that rather than an amenity, access to transportation has become a necessary and key consideration when looking for a place to live. This issue affects the urban core but is amplified in rural areas and small towns, where public transit systems are often insufficient or non-existent.

**Tuition and increased housing costs are leaving less for food**
Food insecurity has worsened in student populations, with administrators noticing increased food bank usage. Those administrators who work for an institution with on-campus residences indicated that a meal plan might become the cheaper option with the continued increase in food prices rather than buying groceries. At the same time, they question whether this would be a viable option in the long run, as costs would also increase for the institution.

Through engagement sessions and the public survey, students also shared the decisions they make when paying rent, including reducing their food purchases or going without groceries altogether.

> *"Students will sign into a rental agreement that they don't know how they'll afford yet."*
>
> *"Housing and tuition go hand-in-hand. How do you expect students to succeed if they're always worried about the hours they need to work? [...] Housing and tuition go together and must be worked on together."*

> *"I would go to the store with $5 to my name – left on my credit card – to feed myself for the next week or week and a half – how am I supposed to eat?*
>
> - Various stakeholders

**Student demographics and their housing needs are changing**

Students are taking longer between high school and the start of their post-secondary education. There are now more students with families or looking for pet-friendly housing, and both face extreme challenges in finding suitable housing. Administrators pointed out that fewer international students want to live on campus. Many had already completed a first degree and were not looking for residence experience or wanted to better integrate into the community.

> *"We get trapped between a rock and a hard place when helping students find housing. I feel like a hypocrite when I tell them about the safety issues around finding a place to live, but if they follow all the rules, they won't find a place to live."*
>
> - University administrator

The traditional dorm experience with a roommate is no longer attractive to today's student population. Instead, students have a stronger desire for more privacy in their living spaces, to the point where students might be willing to pay a premium. This increased demand for single-occupancy bedrooms, more private washroom facilities, and other amenities offered by a full apartment is now more common. While the pandemic exacerbated this change, administrators noted there had already been difficulty filling double dorm rooms before health restrictions came into play.

**International students are particularly vulnerable to housing issues**

Looking for housing from outside of Nova Scotia increases the prevalence of scams and fewer opportunities to learn about apartment listings through local networks (like word of mouth or physical ads). Furthermore, many students are uninformed about their tenancy rights and responsibilities and the resources available to them.

> *"The way that international students are treated in this country is rooted in racism."*

*"Many landlords don't want international students in their housing."*

*"When I moved here, I didn't have any established credit, so applying for a place was nearly impossible. I ended up finding a place because it was the only place I could afford with no credit, but it ended up being a very toxic environment. We couldn't move out, though because there was nothing available."*

- Various stakeholders

The slow immigration process poses a barrier for international students in their search for housing, putting them in a precarious and desperate situation. Student visas may not be approved until July or August, when much of the housing stock is already occupied. Rental applications could also have requirements that newcomers might not be able to meet, such as having a Canadian bank account and a guarantor who is physically in Canada.

Racial discrimination is a key issue that international students commonly face in the off-campus housing market. Administrators reported an increasing number of international students experiencing landlords not wanting to rent to them because of their differences, especially in more rural areas.

**There are insufficient resources for institutions to address housing challenges**

The combination of a lack of appropriate increases to provincial support to institutions and a cap on tuition rate increases limits institutional capacity to help students with their increasing and evolving housing needs.

The heavy reliance on international students to supplement costs is neither sustainable nor appropriate, as institutions do not feel ready to provide enough support to give them a good quality of life.

There was also a call to consider students' housing needs for the full year rather than solely the 8 months of the academic period. Some institutions maintain residences through the summer to rent out to students staying in the community.

While institutions are aware that there are funding opportunities to build housing, many mentioned that the current system is difficult to navigate and that they often do not fully understand the available programs or whether they are eligible.

# 9 Conclusion

This report was compiled to provide policymakers at the provincial level with detailed information related to Nova Scotia's current housing context. Data and information gathered through the project will be used to directly inform policies and programs relating to housing moving forward, including the Provincial Student Housing Strategy and the wider Provincial Housing Strategy.

Housing is multifaceted. It is the combination of several inputs and outputs and explicit and implicit relationships. Overall, shelter is a basic human need that facilitates an individual or household's participation in society. Detailed below is a description of this report's findings and an analysis and interpretation of these findings as they relate to Nova Scotia's housing circumstances.

Economic inputs aside, the change in population over time relates to the demand for housing in a given geography. Between 2016 and 2021, Nova Scotia's population increased by 5%, according to Census data, with base projections indicating a further increase of 17% between 2021 and 2032.

The current and anticipated growth is due to the overwhelming in-migration of people since the end of 2019, intensifying even more significantly throughout 2021 and 2022. Nova Scotia has become a migratory destination for immigrants, non-permanent residents, and Canadians relocating from other provinces (notably Ontario). Since 2021, Nova Scotia has had the highest percentage increase in population among all Canadian provinces. The rise is not only from seniors (65+ year-olds). Many young and middle-adult households (15-44) have chosen to settle in Nova Scotia.

While the province's population distribution tends to favour older cohorts – with 65+ composing 22% of the 2022 population and 45-64 composing 29% – there has been a significant influx of people aged 15-44. Net migration for 2021-2022 totalled 31,870, 22,624 of whom were migrants (both intra- and international) aged 15-44 – approximately 71% of total net migration. This past year (2021-2022) was also the year that Nova Scotia saw its largest percent increase in population at 2.9%, indicating that a large portion of the total population increase is accounted for by the migration seen in the combined 15-44 age cohorts. This influx of younger households indicates potential trends of new, young families throughout the province for years to come.

Anticipated population and household calculations suggest that both should increase over the next decade (2022 to 2032), with substantial contributions from senior (65+) persons. From 2022 to 2032, total senior persons may grow by 67,590 people (30%) and total senior-led households may grow by 31,645 households (26%). Only households led by a 25 to 44 year old maintainer may grow by a similar pace, indicating

a necessary balance of meeting the needs of a younger working professionals and senior populations.

One can consider demographic changes a consequence of economic inputs, but for simplicity's sake, we consider them separately. The important economic inputs to consider are interest rates, incomes, and inflation.

The Bank of Canada sets interest rates as a monetary policy to either encourage (when lowering rates) or discourage (when raising rates) the rate of borrowing and spending. During the height of the COVID-19 pandemic, interest rates were at an all-time low, with bank lending rates set at 0.5%. This was done to stimulate the economy through the worst portions of the pandemic. Since December 2021, interest rates have steadily climbed to stem an inflation crisis, with the lending rate set at 4.5% as of January 2023. This effectively converts to a prime rate of 6.49% on loans that a typical consumer would receive from their respective bank. While this has stayed a much more serious inflation crisis, it has also made borrowing money – almost a necessity for homeownership – significantly less attractive and attainable for the average individual or household.

Related to interest rates is the relationship between income and inflation. Between December 2021 and 2022, the CPI (which describes the relative cost of overall goods) increased by 7.6% in Nova Scotia, where the average hourly wage across all industries increased by 5.3% over the same period. This is a real wage decrease of 2.3%, meaning that overall consumer buying power has fallen. Paired with the increase in interest rates, the ability and impetus for a consumer to borrow funds has decreased across the board. While demographic and economic inputs lay the theoretical groundwork for a housing market, how has Nova Scotia been affected?

In both data findings and engagement work, affordability of homeownership and rentals often had the most striking findings. Using median home sale prices from 2022, we found that a median before-tax household income of $130,000 was just shy of what was needed to afford[55] the median single-family home – attainable by at most 30%, 6%, and 2% of couples, lone-parents, and single persons, respectively. Dwelling prices in Nova Scotia have increased so that even those belonging to the highest income categories have started to be phased out of affordable homeownership.

This trend is not unique to ownership; the rental market in Nova Scotia has seen comparable, albeit less severe, price increases since 2016. Between 2016 and 2022,

[55] For clarification, 'affordable' in this instance refers to the CMHC metric of affordability, i.e., using <30% of before-tax income toward shelter costs.

median rental market prices increased by 29% and 44% depending on unit size - a significant share of those increases happened between 2019 and 2022. Much of this can be tied back to the vacancy rate in Nova Scotia during that same period. The vacancy rate has remained below a healthy rate (3% to 5%) since 2018 and fell to 1.0% in 2022. A low vacancy rate indicates significant demand (or a lack of supply) and a market favouring property owners in that they have more power to dictate rental asking prices. This, then, moves into a central question of this report: What is the current housing shortage in Nova Scotia?

By using an econometric model devised to anticipate the percentage change in price based on the change of various inputs, the report approximates Nova Scotia's housing shortage based on a scenario that allowed for moderate appreciation in property value. The scenario deemed the most reasonable is where sale prices saw an appreciation of nearly 12% over 6 years, approximately 2% per year. This is compared to the actual appreciation between 2016 and 2022, which was 81%, about a 13% yearly increase. Per the model, the current housing shortage in Nova Scotia is between 25,000 and 30,000 total units, with 15,000 to 20,000 units specific to the HRM.

Further analysis was done using a demographic model, particularly for geographies with too few data points for the econometric model to apply successfully. The results of the demographic model fall within the range of the econometric results, further reinforcing its accuracy. Results found a total unit shortfall of 27,300 across the province. The demographic approach and a base-range growth scenario showed an estimated 104,800 units are required to meet provincial demand by 2032, 77,100 of which are estimated to be required in the HRM.

While this is the total estimated units required, most demand is concentrated in the next 5 years. Considering the current median shortage of 27,300 and anticipated completions, 41,200 additional units are estimated to be required to address the housing shortage by the end of 2027 – meaning Nova Scotia needs to build 71,600 total units in the next 5-years to meet demand.

In Nova Scotia, between 2016 and 2022, the housing price for both owners and renters increased significantly to the extent that it has become unaffordable for a notable portion of the population. The compound relationship between economic and demographic forces, further complicated by exceptional circumstances brought on by the COVID-19 pandemic, has created an unsustainable housing market.

While the conditions wrought by the pandemic are singular, their ramifications are unavoidable and will be years long. The interest rate and inflation are chief among the economic conditions, especially as motivation for residential development. Where

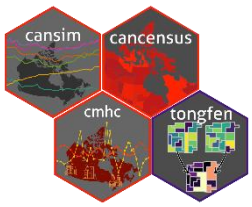
both major factors of development (construction cost and loan interest) have increased, there are increased obstacles to pursuing development. Consequently, meeting current and forecasted unit shortages should not rely solely on the private sector but should combine private and public market initiatives.

A shifting employment culture, favouring flexible or work-from-home arrangements, allows for freer individual movement and the opportunity to leave Ontario's even less favourable markets for Nova Scotia. Considering that a moderate growth scenario for Nova Scotia leads to a unit demand of nearly 105,000 by 2032 – with the already existing shortfall of 25,000-30,000 – the preparation must begin immediately.

Stabilizing Nova Scotia's housing market is imperative for owners and renters and all organizations providing non-market housing. Organizations that provide temporary shelter are seeing increased use and demand beyond their capacity per public engagement. There is a severe lack of options for those leaving transitional housing to attain long-term housing. They continually cycle through the various shelter systems, placing even more undue strain. Stability within the housing market may not prevent these situations outright. Still, it will allow a greater proportion of those accessing these services to break that cycle, thus removing some strain on the non-market housing system. A stable market could allow these organizations to work within their capacities to provide better, more consistent care.

> *"Housing solutions need to be more than just a roof over your head."*
> - Stakeholder





# 10 Appendices

## 10.1 Appendix A: Definitions

"**active STR**" refers to a listing that had at least one available or reserved day in the previous month or year (depending on the analysis);

"**bedrooms**" refer to rooms in a private dwelling that are designed mainly for sleeping purposes even if they are now used for other purposes, such as guest rooms and television rooms. Also included are rooms used as bedrooms now, even if they were not originally built as bedrooms, such as bedrooms in a finished basement. Bedrooms exclude rooms designed for another use during the day such as dining rooms and living rooms even if they may be used for sleeping purposes at night. By definition, one-room private dwellings such as bachelor or studio apartments have zero bedrooms;

"**census**" means a census of population undertaken under the *Statistics Act* (Canada);

"**census agglomeration (CA)**" Area consisting of one or more neighbouring municipalities situated around a core. A census agglomeration must have a core population of at least 10,000;

"**census dissemination area (DA)**" is a small, relatively stable geographic unit composed of one or more adjacent dissemination blocks. It is the smallest standard geographic area for which all census data are disseminated. DAs cover all the territory of Canada;

"**census division (CD)**" means the grouping of neighbouring municipalities, joined together for the purposes of regional planning and managing common services (e.g. Colchester County);

"**census family**" is defined as a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a lone parent of any marital status with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling. A couple may be of opposite or same sex;

"**census subdivision (CSD)**" is the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes. Census subdivisions are further classified by type, the type most often used in this report is CY, referring to a city;

"**child**" refers to any unmarried (never married or divorced) individual, regardless of age, who lives with his or her parent(s) and has no children in the same household;

"**commercial STR**" refers to all short-term rental units that were active within a given time period, but are available and/or reserved more than 50% of the days that they have been active. The 50% cut off is meant to separate residents using the service to generate supplemental income from non-resident STR operators operating income/investment properties. The commercial market only considers entire homes or apartments, not listings that are hotels, private rooms, or other;

"**commuting destination**" refers to whether or not a person commutes to another municipality (i.e., census subdivision), another census division or another province or territory. Commuting refers to the travel of a person between his or her place of residence and his or her usual place of work;

"**completions**" mean the stage at which all the proposed construction work on a dwelling unit has been performed, although under some circumstances a dwelling may be counted as completed where up to 10% of the proposed work remains to be done;

"**components of demographic growth**" refers to any of the classes of events generating population movement variations. Births, deaths, migration, marriages, divorces, and new widowhoods are the components responsible for the variations since they alter either the total population or the age, sex, and marital status distribution of the population.:

> "**emigrant**" refers to a Canadian citizen or immigrant who has left Canada to establish a permanent residence in another country.
>
> "**immigrant**" refers to a person who is, or who has ever been, a landed immigrant or permanent resident. Such a person has been granted the right to live in Canada permanently by immigration authorities;
>
> "**interprovincial migration**" refers to movement from one province or territory to another involving a permanent change in residence. A person who takes up residence in another province or territory is an out-migrant with reference to the province or territory of origin and an in-migrant with reference to the province or territory of destination;
>
> "**intraprovincial migration**" refers to movement from one region to another within the same province or territory involving a permanent change of residence. A person who takes up residence in another region is an out-migrant with reference to the region of origin and an in-migrant with reference to the region of destination;
>
> "**non-permanent residents**" refers to persons who are lawfully in Canada on a temporary basis under the authority of a temporary resident permit, along with members of their family living with them. Non-permanent residents include foreign workers, foreign students, the humanitarian population and other temporary residents;
>
> "**residual deviation**" refers to the difference between demographic population growth calculated using intercensal estimates of population between two dates and that obtained by the sum of the components for the same period;

"**core housing need**" is when housing falls below at least one of the adequacies, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that meets all three housing standards;

> "**adequate housing**" means that, according to the residents within the dwelling, no major repairs are required for proper use and enjoyment of said dwelling;

"**affordable housing**" means that household shelter costs equate to less than 30% of total before-tax household income;

"**suitable housing**" means that a dwelling has enough bedrooms for the size and composition of resident households according to National Occupancy Standard (NOS) requirements;

"**deep unaffordability**" has the same meaning as unaffordability except that the household has shelter costs for housing that are more than 50% of total before-tax household income;

"**dwelling"** is defined as a set of living quarters;

"**dwelling type**" means the structural characteristics or dwelling configuration of a housing unit, such as, but not limited to, the housing unit being a single-detached house, a semi-detached house, a row house, an apartment in a duplex or in a building that has a certain number of storeys, or a mobile home;

"**single-detached house**" means a single dwelling not attached to any other dwelling or structure (except its own garage or shed). A single-detached house has open space on all sides, and has no dwellings either above it or below it. A mobile home fixed permanently to a foundation is also classified as a single-detached house;

"**semi-detached house**" means one of two dwellings attached side by side (or back to back) to each other, but not attached to any other dwelling or structure (except its own garage or shed). A semi-detached dwelling has no dwellings either above it or below it, and the two units together have open space on all sides;

"**row house**" means one of three or more dwellings joined side by side (or occasionally side to back), such as a townhouse or garden home, but not having any other dwellings either above or below. Townhouses attached to a high-rise building are also classified as row houses;

"**duplex**" (also known as apartment or flat in a duplex) means one of two dwellings, located one above the other, may or may not be attached to other dwellings or buildings;

"**apartment in a building that has five or more storeys** " means a dwelling unit in a high-rise apartment building which has five or more storeys;

"**apartment in a building that has fewer than five storeys**" means a dwelling unit attached to other dwelling units, commercial units, or other non-residential space in a building that has fewer than five storeys;

"**mobile home**" means a single dwelling, designed and constructed to be transported on its own chassis and capable of being moved to a new location on short notice. It may be placed temporarily on a foundation pad and may be covered by a skirt;

"**employment rate"** means, for a particular group (age, sex, marital status, geographic area, etc.), the number of employed persons in that group, expressed as a percentage of the total population in that group;

"**household**" refers to a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad;

> "**owner household**" refers to a private household where some member of the household owners the dwelling, even if it is still being paid for;
>
> "**renter household**" refers to private households where no member of the household owns their dwelling. The dwelling is considered to be rented even if no cash rent is paid;

"**household maintainer**" refers to whether or not a person residing in the household is responsible for paying the rent, or the mortgage, or the taxes, or the electricity or other services or utilities. Where a number of people may contribute to the payments, more than one person in the household may be identified as a household maintainer. In the case of a household where two or more people are listed as household maintainers, the first person listed is chosen as the primary household maintainer;

"**household size**" refers to the number of persons in a private household;

"**household type**" refers to the differentiation of households on the basis of whether they are census family households or non-census-family households. Census family households are those that contain at least one census family;

"**Indigenous identity**" refers to whether the person identified with the Aboriginal peoples of Canada. This includes those who are First Nations (North American Indian), Métis or Inuk (Inuit) and/or those who are Registered or Treaty Indians (that is, registered under the Indian Act of Canada), and/or those who have membership in a First Nation or Indian band;

"**migrant**" refers to a person who has moved from their place of residence, of which the origin is different than the destination community they reported in. Conversely, a non-migrant is a person who has moved within the same community;

"**primary rental market**" means a market for rental housing units in apartment structures containing at least 3 rental housing units that were purpose-built as rental housing;

"**Rental Market Survey**" refers the collection of data samples from all urban areas with populations greater than 10,000 and targets only private apartments with at least three rental units. Among the information provided are median rental prices for units within the primary rental market;

"**secondary rental market**" means a market for rental housing units that were not purpose-built as rental housing;

"**shelter cost**" refers to the average or median monthly total of all shelter expenses paid by households that own or rent their dwelling. Shelter costs for owner households include, where applicable, mortgage payments, property taxes and condominium fees, along with the costs of electricity, heat, water and other municipal services. For renter households, shelter costs include, where applicable, the rent and the costs of electricity, heat, water and other municipal services;

"**short-term rental (STR)**" means the rental of a housing unit, or any part of it, for a period of less than 30 days;

"**starts**" means the beginning of construction work on a building. This is usually when the concrete has been poured for the whole of the footing around the structure or an equivalent stage where a basement will not be part of the structure;

"**Starts and Completions Survey**" refers to CMHC's process of confirming that new residential units have reached set stages in the construction process. It is carried out monthly in CAs and CMAs and enumerates dwelling units placed on new, permanent foundations only and designed for non-transient, year-round occupancy;

"**subsidized housing**" refers to whether a renter household lives in a dwelling that is subsidized. Subsidized housing includes rent geared to income, social housing, public housing, government-assisted housing, non-profit housing, rent supplements and housing allowances;

"**tenure**" refers to whether the household owns or rents their private dwelling. The private dwelling may be situated on rented or leased land or be part of a condominium. A household is considered to own their dwelling if some member of the household owns the dwelling even if it is not fully paid for, for example if there is a mortgage or some other claim on it. A household is considered to rent their dwelling if no member of the household owns the dwelling;

"**under construction**" means the number of units under construction at the end of the period shown and takes into account certain adjustments which are necessary for various reasons. For example, after a start on a dwelling has commenced construction may cease, or a structure, when completed, may contain more or fewer dwelling units than were reported at start;

"**unemployment rate**" means, for a particular group (age, sex, marital status, geographic area, etc.), the unemployed in that group, expressed as a percentage of the labour force in that group;

"**vacancy**" means a unit that, at the time of the CMHC Rental Market Survey, it is physically unoccupied and available for immediate rental.

## 10.2 Appendix B: Analysis & Data Limitations

**Risks of Analysis**

Without individualized person or household datasets, an analysis cannot be exact. Relatedly, many of the datasets relied upon in this report are based off of samples of the population. While statistically sound to use, there does exist a scenario where the sample results do not equate to the entire population. Accordingly, analysis work should not be viewed as precise, but as ballpark figures.

This is especially true for forecasting work. Any attempt to estimate the change in a variable without knowing future conditions is inherently flawed. In other words, the data collected and analysed represents a time stamp that is subject to a set of economic, social, and environmental conditions that may not hold true in the future. Any outputs from such exercises should be regarded as guiding posts and should be re-calculated regularly to input new information and course correct if required.

**AirDNA (Short-term rentals)**

*Proprietary process*

AirDNA's proprietary process involves the scraping of short-term rental information from related websites (e.g., AirBNB), like revenues, availability, reservations, property type, and approximate location. As a private company, their scraping methodology is not publicized. In other words, explaining their methodology in detail is not possible and must be assumed to be appropriate and accurate.

**Canada Mortgage & Housing Corporation (CMHC)**

*Reporting landscape*

CMHC conducts its Rental Market Survey (RMS) every year in October to estimate the relative strengths in the rental market. The survey collects samples of market rent levels, turnover and vacancy unit data for all sampled structures. The survey only applies to primary rental markets, which are those urban areas with populations of 10,000 and more. The survey targets only privately initiated rental structures with at least three rental units, which have been on the market for at least three months. CMHC collects rental data from CMAs (Census Metropolitan Areas), CAs (Census Agglomerations), and MDs (Municipal Districts) where possible.

Much of Nova Scotia's small towns and rural areas are not covered by CMHC's RMS, meaning there is a significant gap for rental data across the province. The Housing Needs reports supplement this gap with PVSC rental information, which also comes with limitations to consider.

*Rent calculations*

CMHC's average and median market rents are based off the rents of both occupied and vacant (on the market) units. Given the sheer volume of occupied units, some occupied for long-periods with unchanging or marginally changing rents, CMHC numbers often underrepresent what people seeking rental housing may actually be experiencing in the current market.

CMHC tracks the difference in rents between vacant and occupied units in their survey, but these are reported only for Census Metropolitan Areas (CMA) like the Halifax CMA. Given that significant market differences exist between Halifax and other municipalities, we have not adjusted the reported rents. For context, rental market data for 2020 indicates that, overall, vacant and available rental units in Halifax were 12.7% more expensive than the rents reported for occupied units.

*Data suppression*

Suppression of data can be due to poor data quality or to other technical reasons. This is a particular concern for smaller geographies sampled by the RMS.

**Multiple Listings Service ® (MLS ®)**

*Human error*

The MLS ® database is the aggregate of all listings and sales processed by real estate agents across a given geography (in this case, Nova Scotia). Thus, inputs into the database rely on the accuracy of the sales agents recording it. Although the database is of high quality, there are instances where the dwelling type or location are misspelled or incorrect, which can impact analyses. The analyses in this report work at a high enough level that minimises error impacts.

**Property Valuation Services Corporation (PVSC)**

*Building stock – incomplete information*

The PVSC database includes the description of all assessed properties in Nova Scotia. Property details include building type, lot size, assessed value, and year built. However, property information for some properties may be missing or approximated, which can result in data inaccuracies; particularly, when working at a small geographic level.

*Rental data – methodology / availability*

For most municipalities there is no CMHC Rental Market Survey coverage. PVSC has produced their own rental statistics (rents and vacancy) across Nova Scotia to fill the gap. However, data availability does not exist pre-2018, nor does the calculation methodology follow that of CMHC – PVSC rental properties are considered buildings with six-or-more units versus three-or-more for CMHC. Nevertheless, PVSC's contribution is important for understanding recent local trends.

**Statistics Canada**

*Area & data suppression*

There are instances where geographic areas are too small to report on, resulting in the deletion of all information for said area. Suppression of data can be due to poor data quality or to other technical reasons. This was not a particular concern for most municipalities studied in this work, but some are small enough to introduce issues. Reports for such municipalities will make clear that this is issue might be of significance for interpreting results.

*Random rounding*

Numbers are randomly rounded either up or down to a multiple of "5" or "10." When this data is summed or grouped, the total value may not match the individual values since totals and sub-totals are independently rounded. Similarly, percentages (which use rounded data) may not reflect the true percentage, but instead a ballpark. Furthermore, the sums of percentages may not equal 100%.

*Inconsistent data availability*

Not all geographic levels are created equal in terms of the amount of information available. For instance, Census Divisions are the lowest geographic from which we can get detailed population estimates by age or components of migration. Where said data does not exist at municipal levels, we must supplement using the larger geographies within which the municipalities belong.

## 10.3 Appendix C: Demography Data

### 10.3.1 Population

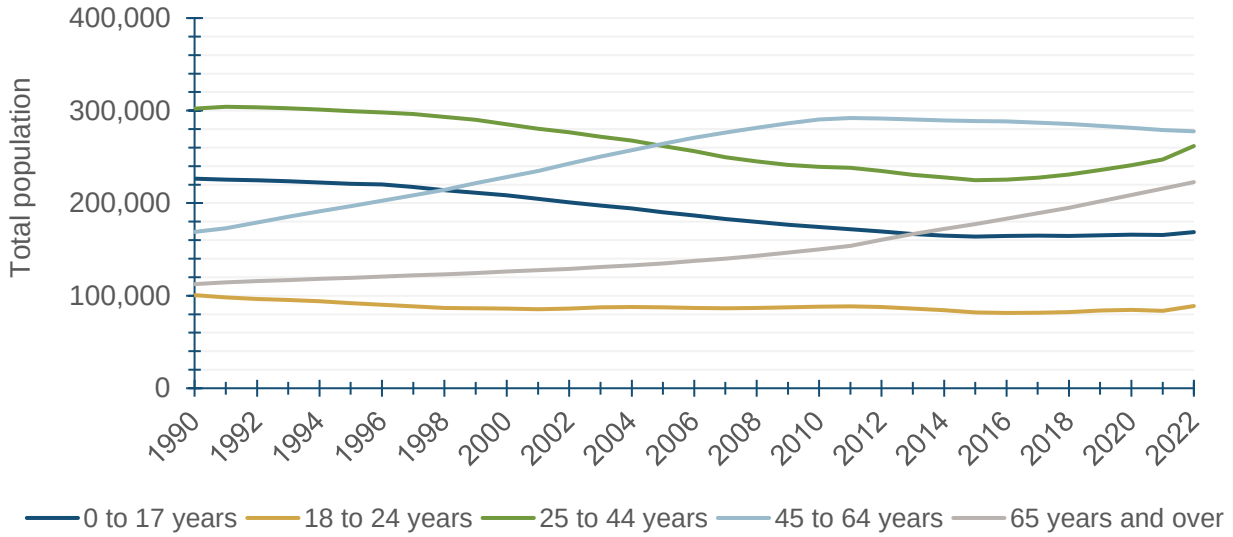
Generally, Canada's residents are aging, a trend reflected across Nova Scotia and its individual municipalities. Baby Boomers (those born between 1946 and 1964) are entering their retirement years in large quantities and at a more rapid pace than growth in the youth population due to declining birth rates. Despite declining birth rates, recent migration trends have contributed to growth across a variety of age cohorts (see **Migration** section).

#### *10.3.1.1 Historical Population*

Figure 10.1 demonstrates the change to Nova Scotia's population by age cohort from 1990 to 2022. Notable trends over those three decades include:

- Total youth (0 to 17) shrank consistently until stabilizing around 2013.
- Total adults aged 25 to 44 shrank in tandem with youth, but has rebounded since 2015.
- Total adults aged 45 to 64 ballooned until 2010, followed by a gradual decrease.
- Total seniors (65+) expanded at an increasing rate.

*Figure 10.1 – Historical Estimated Population by Age Cohort, Nova Scotia*




*Source: Statistics Canada* [56]

Based on the information provided in Table 10-1, not only is Nova Scotia's population aging in-line with Canada-wide trends, but it is also seeing an influx of people from retirement or near-retirement age. The number of people aged 65-84 in Nova Scotia

[56] Statistics Canada. Table 17-10-0005-01 Population estimates on July 1st, by age and sex.
DOI: https://doi.org/10.25318/1710000501-eng

increased by 19% (22% and 17% for HRM and the Rest of Nova Scotia, respectively) between 2016 and 2021.

*Table 10-1 - Current Population, Age Distribution, and Percent Change (2016 to 2021)*

| | | 0 to 14 | 15 to 24 | 25 to 44 | 45 to 64 | 65 to 84 | 85+ | Total |
|---|---|---|---|---|---|---|---|---|
| Nova Scotia | Total | 136,710 | 106,185 | 234,180 | 276,990 | 192,285 | 23,035 | 969,380 |
| | Share | 14% | 11% | 24% | 29% | 20% | 2% | 100% |
| | 5yr %Δ | 2% | -1% | 9% | -2% | 19% | 6% | 5% |

| | | 0 to 14 | 15 to 24 | 25 to 44 | 45 to 64 | 65 to 84 | 85+ | Total |
|---|---|---|---|---|---|---|---|---|
| HRM | Total | 65,025 | 54,005 | 127,050 | 117,575 | 68,265 | 7,885 | 439,820 |
| | Share | 15% | 12% | 29% | 27% | 16% | 2% | 100% |
| | 5yr %Δ | 7% | 3% | 16% | 0% | 22% | 10% | 9% |

| | | 0 to 14 | 15 to 24 | 25 to 44 | 45 to 64 | 65 to 84 | 85+ | Total |
|---|---|---|---|---|---|---|---|---|
| Rest of Nova Scotia | Total | 71,685 | 52,180 | 107,130 | 159,415 | 124,020 | 15,150 | 529,560 |
| | Share | 14% | 10% | 20% | 30% | 23% | 3% | 100% |
| | 5yr %Δ | -2% | -5% | 2% | -5% | 17% | 5% | 2% |

*Source: Census 2016 & 2021*

One interesting trend to note – also mentioned in the **Migration** section – is the change in population amongst those aged 25-44, particularly concentrated in the HRM. While Nova Scotia saw an overall 9% increase in population in that age group, the HRM saw a much sharper increase of 16% over the same time period.

Readers should be aware that the table above summarises the numbers directly available on Nova Scotia and HRM's Statistics Canada Census Profiles. The totals do not reflect the annual estimates that many might also be familiar with, which adjust Census totals based on studied undercounting. For instance, while the Census profile for Nova Scotia indicates a total population of 969,380, annual estimates suggest it was closer to 991,117 people – thus, there was a possible undercount of about 21,700.

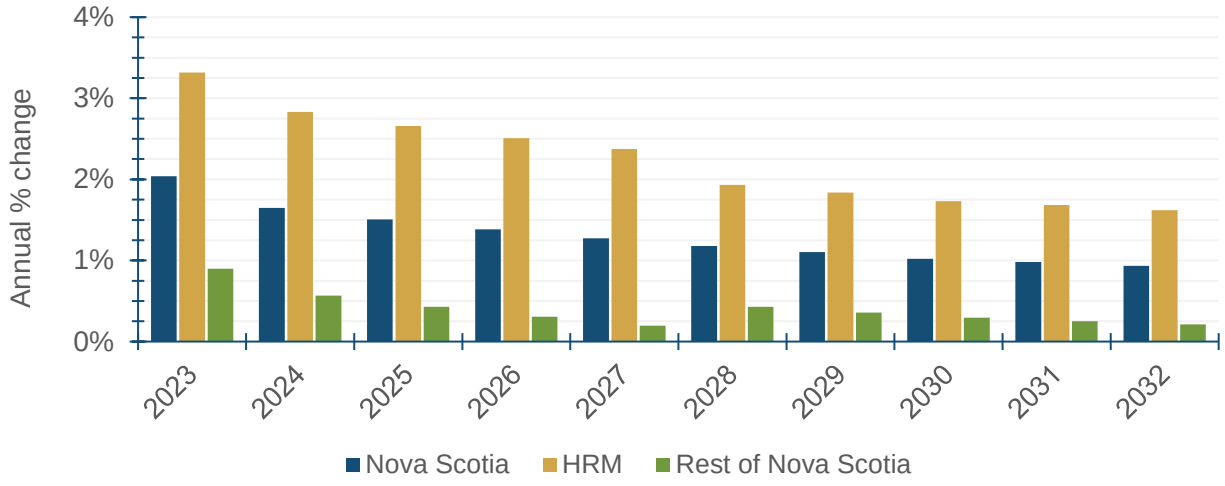
Given the intent of the provincial data snapshot to offer a glimpse at newly released Census data, we maintained consistency (where possible) in the source of that data.

### *10.3.1.2 Anticipated Population*

Using Statistics Canada population projections, the Nova Scotia Department of Finance & Treasury Board (FTB) produces provincial and localized results across three scenarios: low, base, and high. The following speaks mainly to the base scenario; whereas, the **Existing Housing Shortage** section speaks to all three. Note that FTB work uses population estimates, hence Figure 10.2 and Figure 10.3 speaking to percentage changes instead of totals.

Between 2022 and 2032, the province anticipates the population of Nova Scotia growing about 14%, in addition to the 3% from 2021 to 2022. Applied to Census profile numbers, this equates to about 166,145 new residents over the next decade, or so. Figure 10.2 illustrates that this growth could be highest in the earlier parts of the next decade, with gradual dampening over the time horizon. Much of the growth should be seen within the HRM, but the aggregate of the rest of Nova Scotia could also contribute to the expanding population.

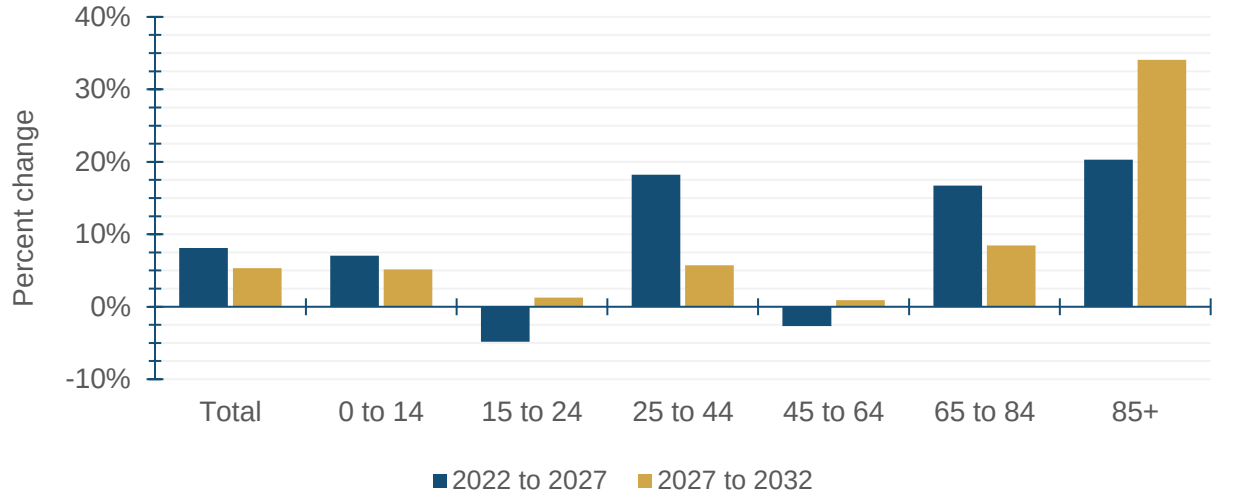
*Figure 10.2 - Anticipated Annual Percent Change to Population, Base Scenario*




*Source: Nova Scotia Department of Finance & Treasury Board*

While overall the population should increase over the next decade, the magnitude of growth does not distribute equally across age groups – some age groups may even decline. Figure 10.3 summarises the anticipated changes for each age group over the first and second half of the next decade.

*Figure 10.3 – Anticipated Percent Change to Population, Base Scenario, Nova Scotia*




*Source: Nova Scotia Department of Finance & Treasury Board*

The trajectory of age categories should follow 2016 to 2021 trends, but with varying magnitudes. Total people aged 25-44, 65-84, and 85+ should expand in either half decade, while the others are projected to decline. FTB projections anticipate that 15-24 and 45-64 age groups could bounce back between 2027 to 2032.

#### *10.3.1.3 Vulnerable Population Estimates*

Table 10-2 summarises the total number of people belonging to a vulnerable group identified by the province as being of particular interest in relation to housing need. For greater detail and discussion about their individual housing needs, please refer to **Section 8.3**. Note that estimates below reflect 2021 Census values and may not match with the 2022 estimates described above.

Please note that, in some cases, estimates from other sources of work were required to estimate the totals in 2021 (notably, persons with disabilities, veterans, or members of the LGBTQ2+ communities). In the case of unhoused persons, there is no accurate way to determine the number of people living with homelessness across the province. The table uses most recent HRM counts as an estimate.

*Table 10-2 – Totals / Estimates for Vulnerable Groups, Nova Scotia*

| Vulnerable group | 2016 | 2021 | '16-'21 | Reference population | Source |
|---|---|---|---|---|---|
| Total | 923,560 | 969,380 | +5% | total population | Census Profile |
| Single persons | 118,670 | 131,850 | +11% | population 15+ | Census Profile |
| Young adults (18 to 25) | 88,695 | 89,805 | +1% | total population | StatCan Table 98-10-0022-01 |
| Seniors (65+) | 183,820 | 215,325 | +17% | total population | Census Profile |
| Persons with disabilities* | | 253,130 | n.a. | population 15+ | Estimate using Canadian Survey on Disability, 2017 |
| Newcomers** | 21,690 | 43,730 | +102% | total population | Census Profile |
| LGBTQ2+*** | | 33,305 | n.a. | population 15+ | 2021 Census |
| Transgender & non-binary persons | | 3,940 | n.a. | population 15+ | 2021 Census |
| Indigenous peoples | 51,495 | 52,430 | +2% | total population | Census Profile |
| African Nova Scotians | | 3,805 | n.a. | total population | Census Profile |
| Visible minority | 58,650 | 93,430 | +59% | total population | Census Profile |
| Veterans**** | | 15,390 | n.a. | total population | Estimate using Canadian Housing Survey, 2018 |
| Unhoused persons***** | | 1,759 + | n.a. | by name list | AHANS Acadia University AHHWG |

** 2021 Canadian Housing Survey results suggest about 45% of Nova Scotians have a disability, substantially higher than roughly 30% of persons 15+ reported in 2017 Canadian Survey on Disability.*
*** Newcomers refers to the sum of non-permanent residents and immigrants arriving since the last Census.*
**** Statistics Canada reported that 4% of persons 15 or older across Canada are LGBTQ2+ as of 2021*
***** No veteran data is available as part of the 2021 Canadian Housing Survey, unlike the 2018 survey.*
****** Total unhoused persons refers to the sum of the By Name List numbers collected for Halifax by the Affordable Housing Association of Nova Scotia (901 persons), persons known to be experiencing homelessness between West Hants to Digby (231) based on work by Acadia University, 419 persons (16+) identified by the Affordable Housing and Homelessness Working Group (AHHWG) across eastern Nova Scotia, and 208 individuals identified by the South Shore Open Doors Association who were unhoused across the south shore.. Total unhoused is undoubtedly higher, but there is no way to quantify the number across all of Nova Scotia.*

With the anticipated population growth over the next decade, the number of people belonging to each vulnerable group is sure to increase as well, though likely not proportionally. For instance, senior age groups will rise faster than other age groups,

leading to increased senior needs. In turn, a greater share of seniors translates to greater prevalence of disability. Furthermore, if in-migration continues to be a significant driver of the expanding population, the prevalence of newcomers and visible minorities should also rise.

### 10.3.2 Households

#### *10.3.2.1 Primary Household Maintainers*

In similar fashion to shifts in its population, Nova Scotia experienced significant changes to its primary household maintainer populations (Table 10-3). In line with its population changes, Nova Scotia's percentage of household maintainers aged 65-84 increased by 18% from 2016 to 2021, with an 8% increase in maintainers aged 25-44.

*Table 10-3 - Primary Household Maintainer Age by Tenure and Percent Change (2016 to 2021)*

| | | 15 to 24 | 25 to 44 | 45 to 64 | 65 to 84 | 85+ | Total |
|---|---|---|---|---|---|---|---|
| Nova Scotia | Total | 14,490 | 118,445 | 159,770 | 121,190 | 14,330 | 428,230 |
| | Owner | 14% | 54% | 75% | 74% | 68% | 67% |
| | Renter | 85% | 45% | 24% | 25% | 32% | 33% |
| | 5yr %Δ | -1% | 8% | -2% | 18% | 15% | 7% |

| | | 15 to 24 | 25 to 44 | 45 to 64 | 65 to 84 | 85+ | Total |
|---|---|---|---|---|---|---|---|
| HRM | Total | 8,980 | 65,100 | 68,800 | 42,735 | 4,895 | 190,505 |
| | Owner | 8% | 46% | 69% | 66% | 58% | 57% |
| | Renter | 92% | 54% | 31% | 34% | 42% | 43% |
| | 5yr %Δ | -1% | 14% | 1% | 21% | 28% | 10% |

| | | 15 to 24 | 25 to 44 | 45 to 64 | 65 to 84 | 85+ | Total |
|---|---|---|---|---|---|---|---|
| Rest of Nova Scotia | Total | 5,510 | 53,345 | 90,970 | 78,455 | 9,435 | 237,725 |
| | Owner | 25% | 63% | 80% | 79% | 73% | 74% |
| | Renter | 73% | 35% | 19% | 20% | 27% | 25% |
| | 5yr %Δ | 0% | 2% | -4% | 16% | 10% | 4% |

*Source: Statistics Canada Table 98-10-0232*

As with its change in population, there was a specific concentration of changes in the HRM when compared to the rest of Nova Scotia, particularly in the 25-44 cohort. Where areas outside of HRM saw only a 2% increase in maintainers aged 25-44, HRM saw an increase of 14% over the same time period.

### *10.3.2.2 Household Type*

Nova Scotia saw net-increases to all census-family types between 2016 and 2021, as outlined in Table 10-4. Nova Scotia outside of HRM was the only geography to have seen a net-loss and this loss comes only in the Couples with Child(ren) category.

*Table 10-4 - Household Type by Tenure and Percent Change (2016 to 2021)*

| | | Couple w/o Child | Couple w/ Child | Lone Parent | Other * | Singles / Roommates | Total |
|---|---|---|---|---|---|---|---|
| Nova Scotia | Total | 125,785 | 89,000 | 38,480 | 21,170 | 153,795 | 428,230 |
| | Owner | 80% | 83% | 54% | 75% | 48% | 67% |
| | Renter | 20% | 16% | 44% | 23% | 51% | 33% |
| | 5yr %Δ | 6% | 2% | 7% | 11% | 14% | 8% |

| | | Couple w/o Child | Couple w/ Child | Lone Parent | Other * | Singles / Roommates | Total |
|---|---|---|---|---|---|---|---|
| HRM | Total | 51,375 | 43,255 | 15,705 | 9,775 | 70,400 | 190,505 |
| | Owner | 69% | 80% | 48% | 70% | 35% | 58% |
| | Renter | 31% | 20% | 52% | 30% | 65% | 42% |
| | 5yr %Δ | 10% | 7% | 6% | 12% | 14% | 10% |

| | | Couple w/o Child | Couple w/ Child | Lone Parent | Other * | Singles / Roommates | Total |
|---|---|---|---|---|---|---|---|
| Rest of Nova Scotia | Total | 74,410 | 45,745 | 22,775 | 11,395 | 83,395 | 237,725 |
| | Owner | 87% | 86% | 59% | 79% | 60% | 74% |
| | Renter | 12% | 12% | 38% | 17% | 39% | 25% |
| | 5yr %Δ | 4% | -3% | 8% | 10% | 15% | 7% |

** other households includes one-census-family households with additional person and multiple-census-family households.*

*Source: Statistics Canada Table 98-10-0232*

By contrast, the HRM increased across the board with a particularly large rise in the Couples with Child(ren) category, when compared to provincial gains.

### *10.3.2.3 Household Size*

Nova Scotia saw net-increases to all household sizes between 2016 and 2021, as outlined in Table 10-5. Single person and 5+ person households rose the by the greatest magnitudes between Census periods.

*Table 10-5 - Household Size by Tenure and Percent Change (2016 to 2021)*

| | | 1-person | 2-person | 3-person | 4-person | 5+ person | Total |
|---|---|---|---|---|---|---|---|
| Nova Scotia | Total | 131,820 | 166,480 | 61,700 | 45,720 | 22,505 | 428,225 |
| | Owner | 51% | 72% | 73% | 80% | 75% | 67% |
| | Renter | 49% | 27% | 26% | 19% | 23% | 33% |
| | 5yr %Δ | 12% | 8% | 4% | 4% | 11% | 8% |

| | | 1-person | 2-person | 3-person | 4-person | 5+ person | Total |
|---|---|---|---|---|---|---|---|
| HRM | Total | 56,965 | 71,080 | 29,110 | 22,765 | 10,585 | 190,505 |
| | Owner | 38% | 60% | 67% | 78% | 72% | 58% |
| | Renter | 62% | 40% | 33% | 22% | 28% | 43% |
| | 5yr %Δ | 12% | 11% | 7% | 9% | 12% | 10% |

| | | 1-person | 2-person | 3-person | 4-person | 5+ person | Total |
|---|---|---|---|---|---|---|---|
| Rest of Nova Scotia | Total | 74,855 | 95,400 | 32,590 | 22,955 | 11,920 | 237,720 |
| | Owner | 60% | 82% | 78% | 82% | 77% | 74% |
| | Renter | 39% | 18% | 20% | 16% | 18% | 25% |
| | 5yr %Δ | 13% | 5% | 2% | -1% | 10% | 7% |

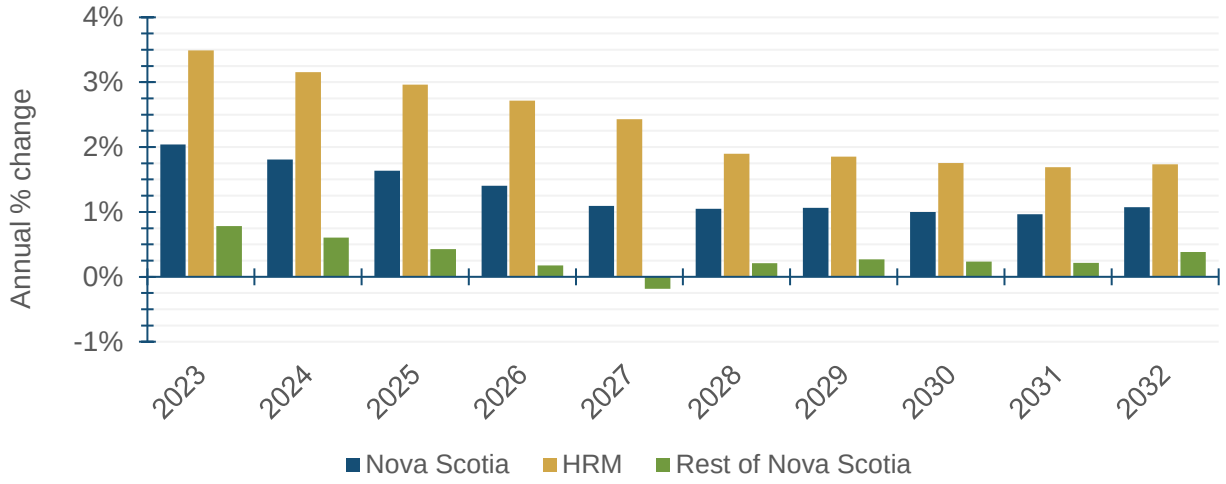
*Source: Statistics Canada Table 98-10-0237*

### *10.3.2.4 Anticipated Households*

Projecting anticipated households is achieved by applying historical household formation rates to the anticipated base scenario population (produced by FTB). Anticipated households are a major input into calculating housing shortage and future demand across Nova Scotia and its communities. Note that housing shortage calculations adjust for total dwellings, not only total households (which only reflects those dwellings occupied by a usual resident).

Between 2022 and 2032, the province anticipates that total Nova Scotia households will also grow about 14% (similar to total population). This equates to about 61,670 new households. Figure 10.2 illustrates that this growth could be highest in the earlier parts of the next decade, with gradual dampening over the time horizon. Much of the growth should be seen within the HRM, but the aggregate of the rest of Nova Scotia could also contribute to the expanding total households (with the exception of an anticipated dip between 2026 and 2027).

*Figure 10.4 - Anticipated Annual Percent Change to Total Households, Base Scenario*




*Source: derived from Statistics Canada Census 2016, Nova Scotia Department of Finance & Treasury Board*

While overall household total should increase over the next decade, the magnitude of growth does not distribute equally across maintainer age groups – some age groups may even decline (at least over the short-term). Table 10-6 and Figure 10.3 illustrate the anticipated changes for each defined primary maintainer age group over the first and second half of the next decade.

Total household led by someone aged 25-44, 65-84, and 85+ should expand in either half decade. FTB projections anticipate that 15-24 and 45-64 age groups could bounce back between 2027 to 2032.

*Table 10-6 - Anticipated Households by Primary Maintainer Age, Base Scenario, Nova Scotia*

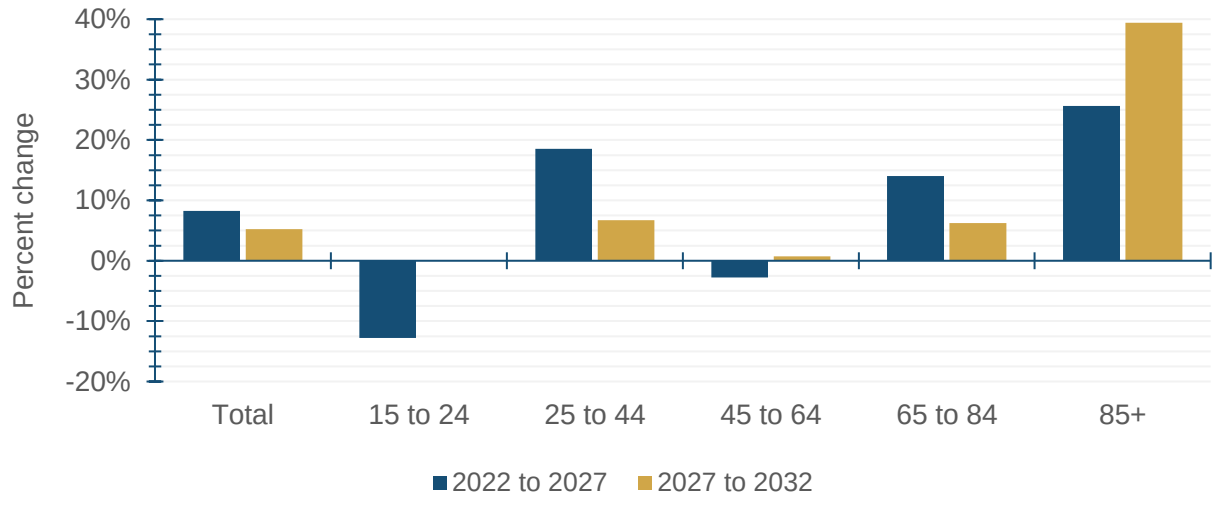
| | | 15 to 24 | 25 to 44 | 45 to 64 | 65 to 84 | 85+ | Total |
|---|---|---|---|---|---|---|---|
| Nova Scotia 2027 | Total | 17,945 | 161,415 | 159,070 | 127,285 | 13,450 | 479,165 |
| | Share | 4% | 34% | 33% | 27% | 3% | 100% |
| | 5yr %Δ | -13% | +19% | -3% | +14% | +26% | +8% |

| | | 15 to 24 | 25 to 44 | 45 to 64 | 65 to 84 | 85+ | Total |
|---|---|---|---|---|---|---|---|
| Nova Scotia 2032 | Total | 17,960 | 172,235 | 160,190 | 135,220 | 18,750 | 504,355 |
| | Share | 4% | 34% | 32% | 27% | 4% | 100% |
| | 5yr %Δ | +0% | +7% | +1% | +6% | +39% | +5% |

*Source: derived from Statistics Canada Census 2016, Nova Scotia Department of Finance & Treasury Board*

Notable growth is anticipated for senior maintainers; particularly among elderly seniors (85+). Over the next decade, there could be 8,045 more households led by 85+ individuals, a growth of 75% between 2022 and 2032. Senior-led 65 to 84 year old households may grow by 23,600 (21%) over the same period. This totals potentially 31,645 more senior-led households over a decade, which emphasizes the importance of an expanding senior-housing sector and efforts to assist seniors who wish to age in place.

*Figure 10.5 – Anticipated Percent Change to Households by Age, Base Scenario, Nova Scotia*




*Source: derived from Statistics Canada Census 2016, Nova Scotia Department of Finance & Treasury Board*

## 10.4 Appendix D: Brief Description of Modelling

The econometric model is a powerful tool for understanding the mechanisms that influence price and affordability challenges in Nova Scotia. Population and housing form a two-sided relationship, with population growth triggering an increase in the dwelling stock, and at the same time the existing dwelling stock limiting population growth. Within this system we can try to observe housing shortfalls through suppressed household formation as well as impacts on migration patterns. In Canada, there has already been some work performed to quantify shortfalls – CMHC released their June 2022 report **Canada's Housing Supply Shortage: Restoring affordability by 2030**[57] that does this provincially. No work has yet been done to estimate shortfalls at more granular levels, so the provincial housing needs project had to construct its own measures to do so.

To build a useful econometric model for housing demand requires several items, most notably being: 1) rich data; 2) variations in the data; and 3) a growing population. Nova Scotia generally has strong data to work with, from both public and private sources; however, many regions of the province have historically experienced consistent decline over the last two decades (up until recently).

Given growth has largely been centred in and around Halifax, the econometric model produces robust estimates for the HRM, the aggregate of commutable communities around the HRM, and for Nova Scotia overall. For the rest of Nova Scotia's communities, we complement the econometric model with a purely demographic model that aims to understand the adequacy of housing supply by relating local dwelling stocks to household demand. This model then looks at changes in trends and integrates in- and out-migration patterns. The nature of this work is more descriptive than causal, but it adds important context to the econometric model and can give guidance about how results from the econometric model might translate to the province's smaller regions.

### 10.4.1 Econometric Model Description

The econometric model estimates the interaction of prices with a combination of dwelling stock, households, income, and other factors like interest rates and property taxes. This kind of modelling requires robust statistical data and works best for larger regions functioning as a uniform market and has shortcomings in smaller areas, as well as areas with declining population or areas in economic distress.

[57] CMHC. (2022, June 23). Canada's Housing Supply Shortage: Restoring affordability by 2030. https://www.cmhc-schl.gc.ca/en/blog/2022/canadas-housing-supply-shortage-restoring-affordability-2030

The econometric modelling is based on methods developed by DiPasquale & Wheaton (1992), with some modifications following in the footsteps of CMHC's aforementioned 2022 modelling work.

Our model modifications are applied to the sub-provincial level and amended to allow for spillover effects where prices in one region may cause prices in another region to rise due to shifts in migration patterns. This follows the work of Meen (2011).

Like CMHC's 2022 report, the econometric model enables the user to model the designated variables (discussed below) in relation to a particular outcome. While this report focuses mainly on the impact of these variables on price, it also discusses how the variables might impact rates of affordability for families. Readers can review Figure 5.1 and Figure 5.2 for an illustration of the difference.

**Variables & Sources**

As mentioned, the model takes inspiration from DiPasquale & Wheaton, CMHC, and Meen, inclusive of the variables applied or modified within each. The following is a summary of the variables used.

*Table 10-7 - Summary of Model Variables*

| Variable | Description | Source |
|---|---|---|
| Home price index (HPI) | Annual estimated benchmark prices using property transaction data back to 2000. | NSAR MLS® |
| Housing stock | Annual building inventory and completion estimates using publicly available assessment and residential / commercial building characteristics data. | PVSC |
| Households | An estimated household time series derived from using annual population estimates by age and applying age-specific household maintainer rates. | Statistics Canada |
| Housing stock to household ratio | An annual ratio of total housing stock to total households | PVSC<br>Statistics Canada |
| Income | A custom data purchase of annual tax filer data at the municipal level to give information about local incomes. | Statistics Canada |
| User costs | An umbrella variable made up of property tax rates, interest rates, inflation, mortgage credit constraints, depreciation, and estimated expectations of price appreciation. | Statistics Canada<br>Turner Drake<br>NSAR MLS®<br>NS Open Data |

The population distributes into housing by forming households (household maintainer rates allow us to convert between the two). Household maintainer rates depend strongly on age, and when the age distribution of the population shifts, this effects the number of households that tend to form even if the total population does not change.

Increasing income or wealth increases housing consumption in two ways, directly by demand for larger home as well as for vacation homes, and indirectly by increasing household maintainer rates. Income boosts can trigger children moving out of their parent's house, or young adults leaving roommate setups to find a place of their own. The reverse can happen too, where a job loss and the resulting drop in income can lead to children moving back in with their parents or finding roommates for a while.

The availability of dwellings also affect migration. If there are not enough dwellings available, people move away or choose not to move into the region in the first place.

If more people want housing, then the price and rent of housing increases until a new market equilibrium is found. To answer how much housing we need we first need to specify a target price or a target affordability scenario. Then econometric modelling can estimate how much housing we need to achieve that target price or affordability.

**Geographic Breakdown**

In order to capture the geographic distribution of housing need within Nova Scotia, the model is based on regions assembled from Census Divisions. The majority of areas in the province do not have the necessary variation in prices to give useful estimates to run the econometric model. Additionally, many face the problem of being in economic and demographic decline, making it difficult to fit a model based on dwelling units, which is a durable good (that can be kept for a long time).

For these reasons, the project proposed a customized arrangement of Census Divisions to reflect their relationships to Halifax as the province's economic driver. Those four geographic areas are:

- The Halifax Regional Municipality
- The commuter shed of Halifax; specifically, the aggregate of Hants, Colchester, Lunenburg, and Kings Census Divisions
- The Cape Breton Regional Municipality
- The Rest of Nova Scotia

**Significance of Results**

The broad takeaway is that for overall Nova Scotia, as well as for Halifax, the model results are in line with expectations based on the literature (e.g. Meen & Whitehead, 2020).

Full modelling results are in the following table. Including model diagnostics, we conclude that the results for Nova Scotia overall and for Halifax, show robust estimates

and model diagnostics and have stationary model residuals. Results for other regions should be treated with caution and likely do not properly capture the underlying dynamics.

*Regressions for regions studied by Econometric Model*

| Variable | Nova Scotia | Nova Scotia panel | Halifax RM | Commuter | Cape Breton RM | Rest of NS |
|---|---|---|---|---|---|---|
| Dwellings | -4.66 *** | -2.26 *** | -3.04 *** | -5.61 *** | 1.66 *** | -1.45 ** |
| | (0.57) | (0.2) | (0.54) | (1.72) | (0.47) | (0.64) |
| Households | 4.92 *** | 2.01 *** | 2.21 *** | 6.47 *** | -8.13 *** | 10.42 *** |
| | (0.44) | (0.1) | (0.36) | (1.52) | (1.12) | (1.03) |
| Real income | 1.33 *** | 0.81 *** | 1.73 *** | 0.33 | -0.55 *** | 1.75 *** |
| | (0.23) | (0.08) | (0.26) | (0.38) | (0.15) | (0.39) |
| User cost | -2.47 *** | -3.75 *** | -3.74 *** | -2.89 *** | -3.96 *** | -3.52 *** |
| | (0.17) | (0.07) | (0.23) | (0.25) | (0.22) | (0.26) |
| Lagged HPI | 0.75 *** | 0.72 *** | 0.69 *** | 0.81 *** | 0.65 *** | 0.57 *** |
| | (0.02) | (0.01) | (0.03) | (0.04) | (0.05) | (0.05) |
| Engle-Granger | -6.43 *** | NA | -4.2 | -4.35 | -6.1 *** | -4.96 |
| Residual ADF | -3.82 ** | NA | -5.7 ** | -2.57 | -3.58 | -3.08 |

*Note:*

Standard errors in parentheses, *** p<0.01, ** p<0.05, * p<0.1

Additionally, model coefficients for Cape Breton are implausible and counter to economic theory. One reason for this is that Cape Breton has seen declining population over much of the study period, while dwelling stock has grown. This will lead to problems for our model specification, housing is a durable good and the housing stock generally does not decline when population declines. Because of this, the specifications of our model should only be expected to work in regions with growing housing demand. Another complication for Cape Breton is, as we show in the accompanying demographic analysis, there as been a strong increase in the student population, in particular international students, which increases housing demand in ways that our household demand variable does not properly capture.

### 10.4.2 Alternative Modelling (Demographic Model)

To understand the demand for housing in those areas where the original model cannot be applied, we use a purely demographic approach that focuses on two measures that were also used the econometric model:

- the number of dwelling units over time,
- and the household demand over time.

Using these measures, we analysed their change over time. The number of dwelling units is derived from PVSC data on the dwelling stock, extrapolated through time by looking at the year housing units were built and a measure of demolitions. Household

demand is derived through population estimates by age and applying fixed 2016 age-specific household maintainer rates for Nova Scotia.

The approach estimates the number of households that would have formed had they formed at the same rate as they did in 2016, capturing actual households as well as suppressed households. Unfortunately, this approach misses demand from people who moved away or did not move to a region because of the unavailability of housing. In turn, this can lead to an under-estimate in high-demand regions and an over-estimate of housing demand in "second choice" regions that absorbed migration due to the lack of available housing in primary choice regions.

### 10.4.3 Projections

Housing cannot be built instantly, it takes time. But by that time population pressure might grow and we accumulate additional housing shortfall. For that reason, it can be useful to make assumptions about future population pressures and estimate housing shortfall 5 or 10 years in the future. This can inform by how much housing production needs to ramp up to alleviate the shortage over a 5- or 10-year horizon. Planning should generally target housing above estimates based on expected population pressures to allow for additional growth if needed.

Given the endogeneity of population and dwelling growth it is important to allow for extra growth when translating these into housing targets, and to be open to revise targets annually as new data becomes available.