



We All Play a Part

REALTOR® solutions to Nova Scotia's
affordable housing crisis

Submitted by: Nova Scotia Association of REALTORS®
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This year has not been an easy year in our province. Coronavirus has impacted our health, our communities, and our budgets. REALTORS® understand the new reality we're living in and are uniquely positioned to provide valuable insight into the housing needs of Nova Scotians.

REALTORS® PLAY A KEY ROLE IN OUR ECONOMY

In 2020, real estate sales increased dramatically with **13,923 homes sold through the NSAR MLS® System**¹. This was a record-breaking year despite the COVID-19 pandemic, showing us that home is more important than ever. Each of these transactions generated an estimated **\$47,935 in spin-off spending**, totaling over \$670.8 million in spin-off spending in 2020. In 2020, MLS® resale housing activity **created an estimated 4,400 jobs in Nova Scotia**.

REALTORS® work closely with our elected officials to strengthen our housing markets. We work together through partnerships like the creation of the Down Payment Assistance Program, which has helped over 635 families buy homes in our province in the last four years. Unfortunately, housing levels are at historic lows with fewer than three months of resale inventory and a vacancy rate of 1.9 per cent in Nova Scotia. Without appropriate, income-accessible housing, our communities suffer.

Housing is a spectrum – from community and social housing to new builds – the importance of having a place to call home will not disappear when the pandemic ends. In order to address the growing concerns about

housing in our province we must quickly adopt innovative housing solutions.

Over the last four months the Nova Scotia Association of REALTORS® (NSAR) conducted housing conversations with municipal councilors, mayors, and staff across the province as well as provincial politicians and stakeholders. These conversations and ongoing input from our Provincial/Municipal Affairs Committee (PMAC) and Political Action Committee (PAC), on behalf of our 1,600 members, has formed the basis of our submission to Nova Scotia's Affordable Housing Commission. Together, we can address the housing shortage in our province.

COLLABORATION

In July 2020, Nova Scotia's population reached an all-time high of 979,351² people, due in large part to immigration. As noted in the *Now or Never Report*, Nova Scotia must continue to increase our population base, particularly with younger people, to survive and thrive³. In order to meet the needs of our growing population, Nova Scotians must work together. **REALTORS® in Nova Scotia call on our public sector to work closely with our private sector to increase opportunities, create innovative solutions and build better communities.**

In Nova Scotia, housing is a provincial responsibility, however municipalities are the level of government that see the true impact of housing shortages. The lack of income-accessible rentals, poorly maintained supportive housing stock, and dwindling purchase inventory have all contributed to the housing crisis that is looming in our

¹ Data from the NSAR MLS® System, accessed on February 26, 2021

² Data from <https://novascotia.ca/finance/statistics/news.asp?id=16179>, accessed January 13, 2021

³ Now or Never Report, One Nova Scotia, <https://www.onens.ca/sites/default/files/editor-uploads/now-or-never.pdf>, accessed January 13, 2021

province. **In order to ensure that everyone has a place to call home, the province and municipalities need to work together as partners with shared responsibilities for housing.**

MUNICIPALITIES

Fees associated with creating new housing can be stifling. From buying lots to creating appropriate building plans to permits and development fees – developers can easily invest hundreds of thousands of dollars into just a few new units before ever breaking ground.

For example, if a developer purchases vacant land to build a neighbourhood, they pay the property taxes on that land as one unit. Upon sub-dividing the land, and adding necessary roads/infrastructure, the developer must then pay property taxes on each of the lots on the property. Once one of those lots is sold, all lots onsite are reassessed and property taxes multiply rapidly. It could take a developer up to a year to sell all vacant lots and during that time, depending on the size of the development, they may pay more than the value of each lot in total property taxes. This taxation method stifles development and makes the carrying costs of a neighbourhood unattainable for many smaller builders and developers.

REALTORS® in Nova Scotia are urging our municipalities to consider the long-term impact of development fees and taxation on the pace of development and our residents. The costs of these fees are passed along to the communities that are built – whether passed along in the cost of rent or purchase price of a home. These fees impact abilities to buy or rent property in new developments.

REALTORS® are urging municipalities to examine red tape, development fees, and property taxation methods to reduce costs passed along to residents at purchase/rental. This future-looking initiative will create a larger, long-term tax base by enticing more residents to move into these communities.

Good communities provide a mix of housing types and costs for people of all life stages. These communities also include amenities like transit, sidewalks, education, and essential services. In order to build whole communities municipalities must have the ability to put incentives in place to encourage development for units that fit a variety of income levels. **REALTORS® recommend that municipalities be given more control by the province to implement inclusionary zoning and other proven municipal housing incentives.**

WHOLE COMMUNITIES

Whole communities meet the basic needs of their residents. Whole communities provide all types of housing – social, rental, and purchase – at a variety of income-levels. These communities are planned to provide opportunities for recreation and leisure, as well as complete infrastructure like sidewalks, transit, and active transportation. These communities are often zoned to include areas with services like grocery, local restaurants, and hardware stores.

As an example of whole communities, the Town of Berwick, “...*promotes sound infrastructure planning, environmental protection, economic development, and safe communities.*”⁴, through well thought-out and thorough policies included in their Mu-

⁴ Berwick Planning and Development, <https://www.berwick.ca/planning-and-development.html>, accessed January 14, 2021

municipal Planning Strategy and comprehensive Land Use Bylaws. Lands within Berwick are specifically zoned for appropriate uses, with concentration on how to effectively use and expand the town's infrastructure to new builds.

All communities we build in Nova Scotia should strive to be whole communities, supporting a variety of income levels and mixed types of housing. All communities should be built and zoned properly to support residents with paved roads, appropriate street lighting, sidewalks, and nearby amenities.

Nova Scotia is growing. We are retaining more young Nova Scotians. We are welcoming more out-of-province residents. Last year, Nova Scotia approved a record number of applications from immigrants looking to settle in our province. The increase in new residents, however, has not coincided with an increase in available housing.

For this group of buyers, many first-time homeowners, there is a lack of housing supply in the low to mid-price range. Resale stock in the \$100,000 to \$300,000 range, is exceedingly low across the province. As of March 16, 2021, there were 556 residential listings for homes in that price range across Nova Scotia. In Halifax and Sydney, hotspots for immigration and youth retention, there are fewer than 62 and 65 active residential listings respectively. Our current, and new, community members have very little options

for purchase and often face multiple bid situations when finding homes in this range. **REALTORS® recommend that our private and public development priorities focus on increasing low and mid-range priced stock throughout the province.**

AGING POPULATION

As of May 2020, Nova Scotia had the third highest proportion of seniors in our population nationally— 21.3 per cent of Nova Scotians are over the age of 65⁵. As of February 2021, more than 1,400 Nova Scotians are on waiting lists for access to long term care (LTC) nursing home spaces⁶. These spaces may become available, based on increased government funding and turn-over of residents, any time between two weeks and two years from the date a senior is put on the waitlist. **REALTORS® in Nova Scotia urge our provincial government to create more LTC capacity to create adequate spaces for all seniors who request it.**

In 2017, Nova Scotia created the SHIFT plan – focusing on valuing and supporting the contributions seniors make to our province. One of the main goals in the SHIFT plan is to “...Support aging in place, connected to community life.”⁷ Under this plan, the government pledged to support affordable, appropriate housing for seniors and aging-in-place. At last report SHIFT claimed to have achieved these goals⁸ but, as we can see from the current housing crisis, these goals have been left unfulfilled. According to CMHC, as of October 2020 the average rent

⁵ Demographic estimates by age and sex, provinces and territories, Statistics Canada, <https://www150.statcan.gc.ca/n1/pub/71-607-x/71-607-x2020018-eng.htm>, accessed February 26, 2021

⁶ Nursing Home Placement (from Home) , Nova Scotia Government, <https://waittimes.novascotia.ca/procedures/long-term-care>, accessed February 19, 2021

⁷ Shift Nova Scotia's Action Plan for Aging Population, Key Highlights, <https://novascotia.ca/shift/shift-action-plan-highlights.pdf>, accessed February 19, 2021

⁸ Shift Nova Scotia's Action Plan for Aging Population, 18-month progress report, <https://novascotia.ca/shift/SHIFT-18-month-progress-report.pdf>, accessed February 19, 2021

on a one bedroom apartment in Nova Scotia is \$980 a month⁹. A single senior, receiving maximum Old Age Security payments in 2021 would be paid \$1,203.75 a month¹⁰. This leaves less than \$225 each month for utilities, groceries, and other necessities. We are failing our seniors. **Now, more than ever, it is important to support aging-in-place for our seniors. Seniors should have increased access to rental housing that is income-accessible, tied to average earnings on Old Age Pension and Canada Pension Plan income. This stock must be separate from our nursing home facilities. We must create and protect stock that allows our seniors to live and age in dignity and security.**

Encouraging our seniors to age-in-place makes sense. Aging-in-place promotes physical and mental wellbeing, however, many seniors are living in homes that are too large for their downsized lifestyle. In a market with a shortage of rentals and smaller homes for purchase, this means many seniors face the options of staying in a home too large for their needs or attempting to access the waiting list for LTC in our province. This presents an opportunity to create more intergenerational living opportunities – either in a senior’s home, or in a residential facility. In the Netherlands, intergenerational living space is becoming more normalized, with

residential facilities large and small accommodating seniors and students or young professionals¹¹. There are many other examples of educational institutions and seniors organizations partnering together to promote intergenerational living including programs through the University of Toronto¹². In the United States, the University of California, Berkley, and private care organization Belmont Village have partnered to create an intergenerational community¹³. **REALTORS® recommend a focus on creating more housing for people of all stages of life by incorporating more opportunities for intergenerational housing and home sharing. We also encourage partnerships with post-secondary institutions and LTC organizations to maximize organizational efficiency and increase reach of the program.**

TRADE SHORTAGES

When the COVID-19 pandemic hit Nova Scotia there was an expectation that real estate trading and construction would slow down, or halt all together. This was not the case. Since 2020, the real estate industry has seen tremendous growth and demand for housing has increased, with people recognizing the value of a home. These increased demands have led to increased economic opportunities for Nova Scotian

⁹ CMHC Rental Market Report, <https://www03.cmhc-schl.gc.ca/hmip-pimh/en/TableMapChart/Table?TableId=2.1.23.2&GeographyId=12&GeographyTypeId=2&DisplayAs=Table&GeographyName=Nova%20Scotia>, accessed February 26, 2021

¹⁰ Old Age Security Payment Amounts, Government of Canada, <https://www.canada.ca/en/services/benefits/publicpensions/cpp/old-age-security/payments.html>, accessed February 26, 2021

¹¹ Housing, LIN, <https://www.housinglin.org.uk/blogs/Communal-and-intergenerational-living-in-the-Netherlands-and-Denmark/>, accessed February 26, 2021

¹² Roomies with a twist: U of T researchers help run home-sharing project that pairs seniors with students, University of Toronto, <https://www.utoronto.ca/news/roomies-twist-home-sharing-project-involving-u-t-researchers-pairs-seniors-students>, accessed March 1, 2021

¹³ Belmont village goes big on intergenerational living with university, mixed-use projects, https://www.belmontvillage.com/news_events/belmont-village-goes-big-on-intergenerational-living-with-university-mixed-use-projects/, accessed February 19, 2021

businesses, however, the demand for skilled labourers to complete these projects was at risk prior to the pandemic and increased demand continues to put pressure on this labour group.¹⁴ With the median age of tradespeople in Nova Scotia just below 47¹⁵, there must be an increased focus on attracting, training, and retaining skilled tradespeople in our province.

Large public building projects have also begun, or are on the horizon, in Nova Scotia with new healthcare and post-secondary institutions in Cape Breton and a larger art gallery in Halifax. The combination of these and at home do-it-yourself projects has led to a shortage of construction materials and supplies, but also a labour shortage in some areas of the province.¹⁶ Areas like carpentry, site labourer, and heavy equipment operators are in high-demand.¹⁷

REALTORS® recommend increasing skilled labour, heavy equipment operator, and Red Seal trade training programs available through the Nova Scotia Community College and offering incentives for training and hiring in-demand tradespeople.

INNOVATIVE SOLUTIONS

The status quo will no longer stand. Nova Scotia is in a housing crisis and we have been called to action. We must collaborate on innovative solutions to ensure that every

Nova Scotian has a safe, affordable place to call home.

Housing affordability is impacted by a number of things including taxation of homeowners and renters. In order to have meaningful impact on our affordability, we must examine our taxation models. The current Capped Assessment Program (CAP) disproportionality benefits small groups of Nova Scotians while forcing others to over-pay on their taxes.¹⁸ Although the CAP was put in place to protect homeowners from sudden and dramatic increases in property assessments, over time it has created inequalities across our system and does not address affordability. The unintended consequences of the CAP have impacted homeowners, buyers and sellers in our market. **REALTORS® recognize the need for a fair and equitable system that promotes stability, affordability and long-term growth in our housing sector, however the CAP system is not working as intended. We urge the province of Nova Scotia to reconvene the All Party Committee Studying the CAP and implement fair, equitable property taxation models that are based on needs and ability to pay, rather than tenure of ownership.**

The Rapid Housing Initiative (RHI) was announced in October 2020 and under the Major Cities Stream, Halifax was awarded

¹⁴ Apprentice Demand in the Top Ten Red Seal Trades: A 2019 National Labour Market Information Report, Canadian Apprenticeship Forum, <https://caf-fca.org/wp-content/uploads/2019/05/2019-National-LMI-Report.pdf>, accessed March 2, 2021

¹⁵ Construction Trades Helpers and Labourers , drop-down “All tradespeople”, <https://explorecareers.novascotia.ca/occupation/346>, accessed March 2, 2021

¹⁶ Construction companies face supply and labour shortages, Halifax Examiner, <https://www.halifaxexaminer.ca/featured/construction-companies-face-supply-and-labour-shortages/>, accessed March 1, 2021

¹⁷ Labour Market Outlook, Nova Scotia Government, <https://explorecareers.novascotia.ca/labourmarket/information>, accessed March 1, 2021

¹⁸ Nova Scotia CAP, Jens von Bergmann, Mountain Math Software and Analytics, <https://www.nsfm.ca/nsfm-documents/1623-ns-cap-report/file.html>, accessed March 3, 2021

\$8.6 million to partner with organizations to create a minimum of 28 permanent affordable housing units.¹⁹ In record time, fewer than two months, Halifax awarded this funding to three projects from the Mi'kmaq Native Friendship Centre, Adsum for Women and Children and the North End Community Health Association. These three projects, expected to be completed by the end of 2021, will create a total of 52 permanent affordable units/rooms in the municipality. REALTORS® believe there are other opportunities available for housing, including utilization of surplus government buildings such as schools, to quickly create more affordable units. **We urge the federal and provincial government to continue and expand the RHI to create more rapid accessible housing for our communities. We also recommend expanded RHI projects to include transforming vacant and under-used commercial and government buildings into affordable housing.**

In November 2020, the Halifax Regional Municipality (HRM) implemented zoning changes that allowed residents to add secondary or backyard suites to their property. These suites, often referred to as in-law suites or tiny homes, require specific dimensions and amenities in order to ensure they are livable spaces. In communities where secondary suites were once hidden rentals, these new options create opportunities for increased rentals, places for our senior population to age-in-place, and increased availability of homes for students and young

families. Since HRM changed the bylaws, 32 permits have been issued for these new types of units. **REALTORS® recommend that all municipalities amend bylaws to allow creation of secondary and backyard suites in their communities.**

Communities across our province are creating innovative solutions to housing shortages. In Bridgewater, the Family Service Association of Western Nova Scotia is launching a housing hub²⁰ which will serve the needs of homeless and under-housed members of the community with basic needs access, intake access to housing supports²¹, and, in the near future, one dozen rental units on the top floor of the building. Also in Bridgewater, Mayor David Mitchell will be forming an all-council committee to look for solutions to the housing crisis in the community. Supportive communities create supportive housing. **REALTORS® recommend municipalities across Nova Scotia work within their own communities to create community-supportive solutions to homelessness and under-housing.**

LakeCity Works, in Dartmouth, supports people living with mental illness through programs and services that help them build on their strengths, take on responsibilities and access work experience, education and employment.²² LakeCity has been using their Tiny Home Lottery for three years to advocate for affordable housing for people living with mental illness. In February 2021, LakeCity Works began the evolution of their

¹⁹ Affordable Housing, Halifax Regional Municipality, <https://www.halifax.ca/about-halifax/regional-community-planning/affordable-housing>, accessed March 3, 2021

²⁰ As the housing crunch hits rural N.S., Bridgewater tries to get ahead, CBC NS, Taryn Grant, <https://www.cbc.ca/news/canada/nova-scotia/bridgewater-nova-scotia-affordable-housing-coordinated-access-king-street-1.5786873>, accessed March 3, 2021

²¹ Housing Support, Family Service Association of Western Nova Scotia, <https://fsawns.com/?p=3943>, accessed March 3, 2021

²² About LakeCity Works, <https://www.lakecityworks.ca/about-lakecity-works>, accessed March 3, 2021

advocacy, announcing new social enterprise to manufacture affordable homes.²³ These small homes, approximately 700 ft² will be fully equipped with all the amenities and services that a larger home would include. These homes could be built as backyard suites or stand-alone homes – allowing for increased aging-in-place opportunities, rental incomes, and more affordable housing in the centre of our municipalities. The average cost estimates of these homes is approximately \$100,000 per unit. The first stage of the project is a partnership with the Mi'kmaw Native Friendship Centre that aims to build four of these smaller homes. Once production is underway, LakeCity expects to construct 50-100 homes each year, creating jobs for clients, and more affordable housing opportunities for communities.²⁴ **REALTORS® recommending supporting innovative, social enterprise housing projects such as LakeCity Works affordable home project to increase access to housing opportunities in our communities.**

CONCLUSION

REALTORS® believe that every Nova Scotian deserves a safe, affordable, appropriate place to live. Every community in our province should include a good mix of housing types for every income and piece of the housing spectrum. The Quality of Life in Nova Scotia is second to none, however, if we continue to ignore our housing crisis we risk losing the affordability and availability of housing in our communities – damaging the Quality of Life that our province is known for.

As demonstrated in this submission, there are many housing challenges we face as a province, but Nova Scotians are resilient, creative, and caring. From innovative community partnerships to reducing red tape, we can all *Play a Part* in addressing the housing shortage in our community.

²³ LakeCity is building solutions to tackle a big problem, <https://sway.office.com/c2LileU70472WyHO?ref=email&fbclid=IwAR05z8VEyZyiUW5p-IxI1sV7TsyvwVsB5bE96jFRz36tO4Blhnfk3oAMjsM>, accessed March 3, 2021

²⁴ Information from personal interview with Sophie Eld, Director Business Continuity, LakeCity Works, conducted on February 25, 2021

