

Supply, Preservation & Affordability:

Nova Scotia's Provincial Housing Programs

NOVEMBER 8, 2023

NOVA SCOTIA FEDERATION OF MUNICIPALITIES

A Shared Responsibility



Federal

Legislation, policy direction, programs and funding



Provincial

Deliver programs across the housing spectrum

Responsible for policy, administration of public housing, partner engagement



Municipal

Regulation, planning, and approvals



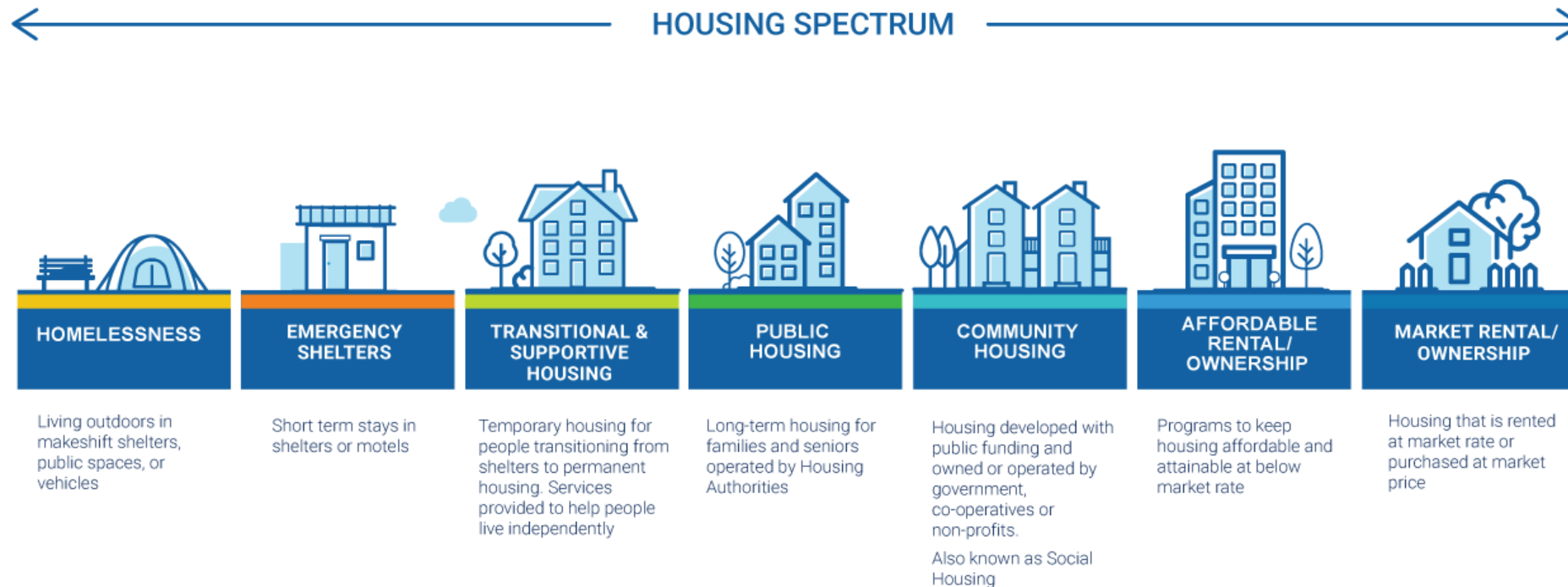
Private and Non-Profit Sector

Organizations that develop and deliver housing

Housing Role and Mandate

We set strategic vision and create the conditions for efficient, suitable, and affordable housing for all Nova Scotians, through

- The delivery of client programs (e.g., rent supplements, home repairs, down payment assistance, etc.)
- The provision of land and funding to housing partners to preserve or create adequate housing supply that will meet increased N.S. population needs
- The creation of partnerships, policies, and strategies that support increased supply, faster

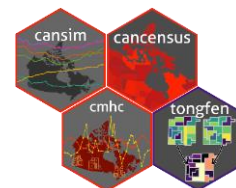


Provincial Housing Needs Assessment



UPLAND

COLAB



NOVA SCOTIA

Changes to Housing Market & Affordability

Rapid inflation and reduced purchasing power.

Cost of materials and labour reduce viability of housing development.

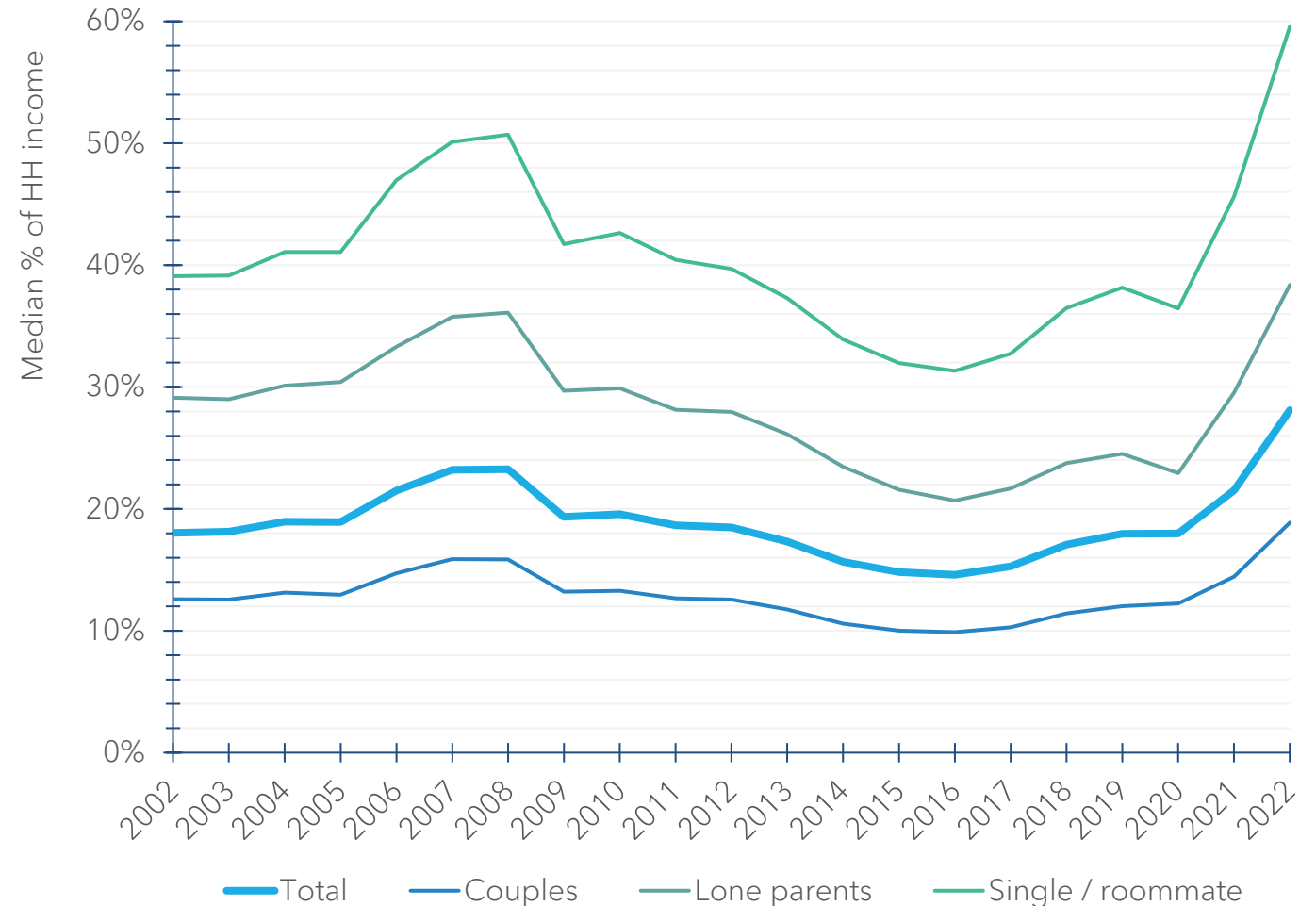
Pace of construction higher than historically, but not enough.

Broad improvements to household finances between 2016 and 2021

- Largely due to temporary COVID-19 relief / support

In actuality, the share of income required to afford shelter has worsened since then.

Median percent of household income required to purchase a home by family type



Source: derived from Statistics Canada and NSAR MLS®

Model

Econometric model used to estimate HRM and Nova Scotia's current supply shortages, based on what level of supply would be required to return to 2016 conditions of affordability.

The model relates 5 broad variables to the price of housing:

- Dwelling stock
- Household demand
- Income
- Lagged house prices
- User costs

Household growth is a considerable driver of price increases due to related increases to demand.

Increasing the housing supply by building more is a considerable driver in reducing prices.

Current & Anticipated Housing Shortage

Current

- Supply shortage across the province and spectrum of 27,300 units

Anticipated

- Housing demand (with the existing shortage) may be ~71,600 units by 2027
- Historical pace construction cannot fill the gap (~6,080 units per year)
- A possible shortage of ~41,200 units by 2027 and ~44,000 by 2032.

Current & anticipated unit shortfall by 2027 and additional units required above status quo unit production (Economic Regions)

	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
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

Engagement – Overview

Summer and fall of 2022 included all municipalities, a Nova Scotia-wide survey, employer survey and several stakeholder engagement sessions.

KEY THEMES:

Affordability & Availability

- Housing supply shortage across the spectrum (student & seniors housing, shelters, transitional housing, accessible housing).

Suitability

- Stock is aging, especially in rural areas. Many cannot afford to maintain their homes.

Transportation

- Development should be approached with transportation in mind. Rural and regional transportation options are needed.

Social Impacts

- Housing issues disproportionately impact marginalized communities who face barriers and discrimination to accessing suitable housing.

Barriers to Development

- Non-market financing, lack of skilled labour, cost of materials, are impacting the ability to develop new housing.

Summary

- Adding housing stock is the most effective way to bring house prices down in Nova Scotia.
- There is a current shortfall of 27,300 units, that could grow to 71,600 units by 2027.
- The market is anticipated to provide ~6,080 units per year based on recent historical trends, resulting in a remaining gap of **41,200 by 2027**.
- Many Nova Scotians are facing difficult housing circumstances. The overall housing outlook should worsen if demand continues to grow and remains unmet by supply.

Need Assessment Analysis Support

Is your municipality planning for future housing developments? Do you need assistance to leverage your Provincial Housing Needs Assessment data to support planning decisions?

If so, contact our Housing Economics & Statistics team.

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We also want to hear from you to inform future updates to the Needs Assessment reports – stay tuned for opportunities to engage with the team!

Provincial Housing Plan

NOVA SCOTIA

Our Homes, Action for Housing

A Five Year Housing Plan



- Informed by Provincial Housing Needs Assessment data and community consultation with 49 municipalities, 20,000 citizens, and 115 employers; targeted sessions with post-secondary institutions and traditionally marginalized communities.
- Highlights investments starting 2022-23
- Includes actions from across government
- A holistic response that leverages policy, program and process to create the conditions for housing of all types for all Nova Scotians

Three Core Solutions/12 Key Actions

Nova Scotians have access to safe housing that they can afford and meets their diverse needs.



Increase Housing Supply

1. Use Provincial Land and Infrastructure to Create Housing
2. Increase Skilled Workers to Build Homes
3. Reduce Red Tape, Update Housing Laws
4. Invest More to Build More for People
5. Pilot New Approaches to Help Individuals and Families



Grow and Sustain Affordable Housing

6. Grow the Community Housing Sector
7. Repair and Upgrade Affordable Housing to Help People Remain in Homes
8. Make Publicly Owned Housing More Accessible for People and Climate Friendly
9. Innovate, Test, and Scale Up Projects to Create Welcoming Communities



Deliver Programs People Need

10. Dedicate Funding to Indigenous People and People of African Descent
11. Help Move People Experiencing Homelessness to Housing
12. Simplify and Promote Programs

Five-Year Housing Supply Targets



- ▶ Taking focused action will **create the conditions** to help create **41,200** new homes for N.S.
- ▶ Taking focused action will **create the conditions** to support **17,250** more affordable units
- ▶ Improve housing conditions for more than **47,900 households**
- ▶ Investments will exceed **\$1 billion** between 2022/23 – 2027/28.

Core Solution: Increase Housing Supply

- ▶ Use Provincial Land and Infrastructure to Create Housing
- ▶ Increase Skilled Workers to Build Homes
- ▶ Reduce Red Tape, Update Housing Laws
- ▶ Invest More to Build More for People
- ▶ Pilot New Approaches to Help Individuals and Families



Core Solution: Grow and Sustain Affordable Housing



- ▶ Grow the Community Housing Sector
- ▶ Repair and Upgrade Affordable Housing to Help People Remain in Homes
- ▶ Make Publicly Owned Housing More Accessible for People and Climate Friendly
- ▶ Innovate, Test and Scale Up Projects to Create Welcoming Communities

Core Solution: Deliver Programs People Need

- ▶ Dedicate Funding to Indigenous People and People of African Descent
- ▶ Help Move People Experiencing Homelessness to Housing
- ▶ Simplify and Promote Programs



HOUSING SUPPLY PROGRAMS



Affordable Housing Development Program

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- Supports creation of new housing development through capital contributions
- New construction or conversion of existing non-residential buildings
- Must include affordable units
- Open to private sector and community housing developers
- Funding available as a forgivable loan

308 total units, of which **225** are affordable units,
approved in 2022/23



Land for Housing Program

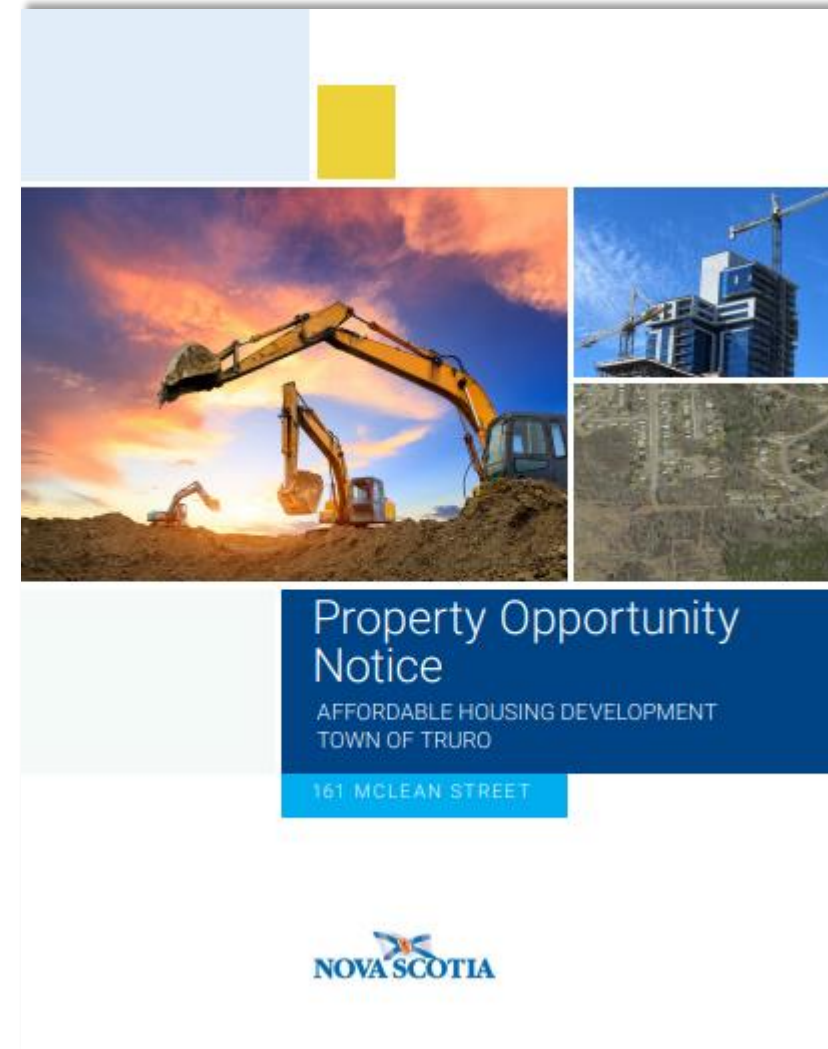
Makes provincially-owned land deemed suitable for housing available for development

Open to private sector and community housing developers

Must include affordable units

NEW: Land parcels in Truro, Windsor, and Middle Sackville released

Eight parcels approved to date representing a potential **522** units, including **245** affordable units



NOVA SCOTIA

Community Housing Acquisition Program

- Program aim is to preserve existing affordable units and increase supply of non-market housing
- Supports the purchase of existing multi-unit residential buildings by non-profit groups
- 30% of units must be below Average Market Rent for the area
- Funding available as a fixed interest rate, repayable loan
- Up to \$10 million available per project



436 total units, of which 141 are supportive housing units, approved in 2022/23

NEW: Secondary & Backyard Suite Incentive Program

- Program to encourage homeowners to create affordable secondary or backyard suites
- Self-contained units located within or on the same property as an existing house and are registered under the same title.
- Eligible homeowners must own and live in the property
- Up to \$25,000 available per suite
- Funding is available as a forgivable loan
- Program launch: November 14



Community Housing Growth Fund



Planning and Pre-Development

Grant

To help cover costs of pre-development activities related to the construction of new affordable housing supply



Capacity Building

Grant

To help community housing sector organizations strengthen the skills and competencies needed to undertake activities that lead to organizational transformation and growth



Research and Innovation

Grant

To provide support to undertake activities that will promote innovation, education, and knowledge transfer in the community housing sector



Provincial Non-Profit Housing Association

Investment

To support the establishment and operations of a provincial non-profit housing association

HOUSING PRESERVATION PROGRAMS



Repair and Accessibility Programs

- Assists low-income homeowners with emergency repairs or accessibility upgrades
 - Electrical, plumbing, structural, heating & fire safety
 - Age-related and/or accessible adaptations to ensure people can remain in their homes
- Landlords with affordable units can access program for accessibility upgrades required by current tenants
- Per unit funding can range from \$3,500 to \$24,000

2,240 homeowners were supported in 2022-23



Community Housing Infrastructure and Repair Program

- Supports preservation and repair of existing affordable units
- Co-op and non-profit housing providers are eligible
- Funds up to 100% of eligible costs
- Forgivable loans

\$19M was allocated in 2022-23 to support repair of **450** affordable units





HOUSING AFFORDABILITY PROGRAMS

Public Housing

- Nova Scotia Provincial Housing Agency (NSPHA) created December 1, 2022 under new *Housing Supply & Services Act*
- NSPHA operates:
 - 11,200 deeply affordable, rent-geared-to-income units across NS
 - Over 17,000 Nova Scotians are housed
- Rent based on household income and composition
- Waitlist for program (includes a Priority Access Waitlist)
- **NEW:** 222 new public housing units to be built across the province



Canada-Nova Scotia Targeted Housing Benefit (Rent Supplement Program)

- Provides a rent supplement to eligible households, currently 7,400 clients served
- Supplement is based on household income & composition, and AMR for area
- Priority access for victims of domestic violence & those homeless or at risk of homelessness
- **NEW:** Effective October 10th, the program criteria for seniors was changed, now 100% of the average market rent is used, which means more seniors will qualify and the supplement increases.



Down Payment Assistance Program



Assists Nova Scotians who pre-qualify for a mortgage to purchase their first home



Eligible participants can receive a loan up to 5% of their purchase price (maximum \$25,000)



Loans are interest free and repayable over 10-years

187 home purchases were supported in 2022-23



HOUSING INITIATIVES



Housing for Healthcare



\$20M announced March 2023 for modular housing



Outreach to developers, landlords, municipalities, and organizations across the province to uncover opportunities and ideas



Collaborating with provincial healthcare colleagues

Support for People Experiencing Homelessness

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- ▶ \$2M for modular housing in Bridgewater
- ▶ Working in partnership with Department of Community Services (DCS)
 - 195 supportive housing units funded under Rapid Housing Initiative (RHI) rounds one and two
 - DMAH provides capital contribution, DCS provides operational funding
 - To date, the Province has contributed \$16.6M to RHI projects (rounds 1 & 2)
 - RHI Round three: expecting an additional 62 units, 24 in CBRM and 38 in HRM
- ▶ 141 supportive housing units funded through CHAP (since program inception July 2022)
- ▶ 404 rent supplements for clients identified as at risk of homelessness representing over \$2.6M in funding

Tiny Homes HRM Community Pilot

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- Emerging as a best practice for creating housing that is affordable and quickly developed
- Private sector-led with support from DMAH and DCS
- HRM providing land and custodial services (i.e., snow removal) at no cost
- 52 units housing 62 people from the by-name list, paying rent-geared-to-income
- 24/7 support services will be available on site
- Phase 1: May 2024 (30 units), Phase 2: Sept 2024 (22 units)
- Managed by a non-profit organization



Pallet Shelters

- ▶ Pallet is a leader in rapid response shelter villages that are designed by people with lived experience
- ▶ 200 purchased for distribution across Nova Scotia
- ▶ Single-occupancy units include bed, desk, and provide heating and cooling for tenants
- ▶ Shared laundry, bathrooms and on-site support will be provided
- ▶ Communities with more than 10 units will have a community room where residents can gather
- ▶ Locations to be determined in consultation with municipalities



Happipad Nova Scotia: A Home-Sharing Program



Connects homeowners who have extra bedrooms to potential tenants



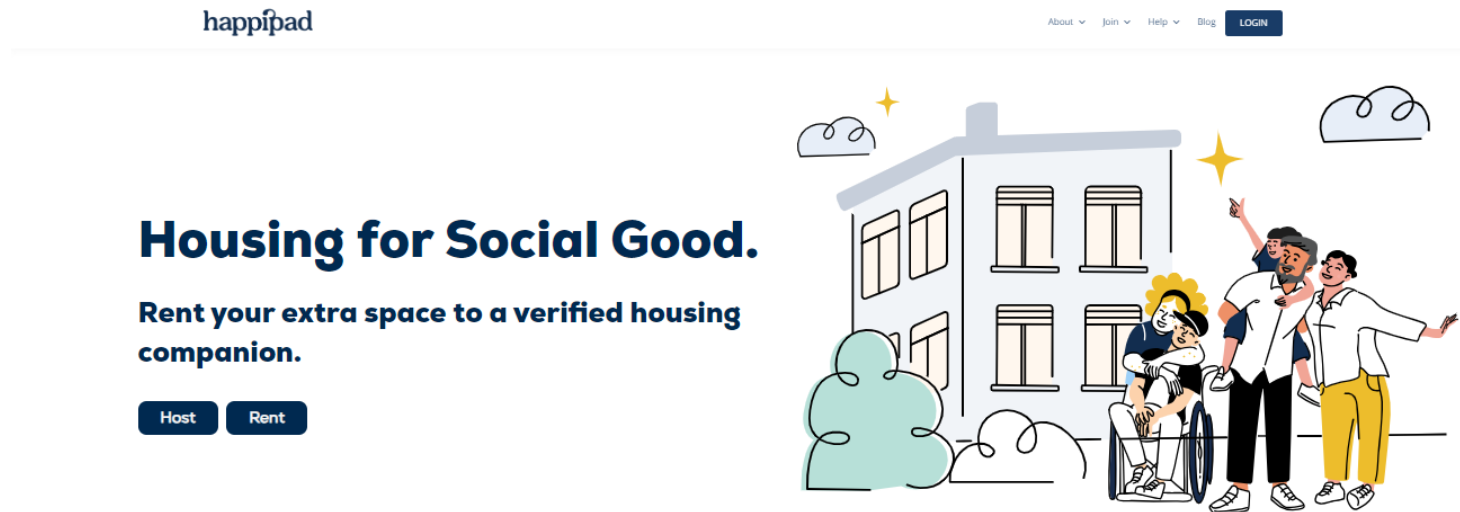
The site launched in NS in August



Building awareness of home sharing idea



First three rental contracts signed in October



Thank you.
Questions?