

# Charting a new course for affordable housing in Nova Scotia

Spring 2021

The Nova Scotia Affordable Housing Commission  
REPORT

## Acknowledgement

Many people contributed to our work at a crucial time for the future of housing in Nova Scotia.

Our web portal received over **11,000** visits in less than four months. Stakeholders and the public were enthusiastic in their participation, highlighting the urgency we all see in addressing our affordable housing crisis.

More than **2,000** members of the public and stakeholders shared their experiences, expertise, and ideas with us. This included more than **1,200** survey respondents, **400** participants in virtual workshops and focus groups, led by our facilitation team; written submissions; presentations from academics and housing leaders across Canada and internationally who advised and inspired us; and local non-profit and government organizations who advocated for the many diverse groups with a stake in this very complex and serious housing crisis.

We appreciate their participation, with thanks as well to our facilitators and dedicated provincial staff who supported the co-creation of this report – a collective stand for the long-term empowerment and adaptability of our province's social fabric.

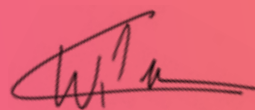
## The Nova Scotia Affordable Housing Commission Members



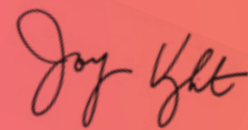
Ren Thomas



Alex Halef



Wadih Fares



Joy Knight



Eiry Devereaux



Fred Deveaux



Gordon Laing



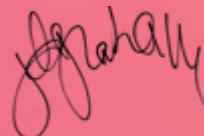
Michelle MacFarlane



Veronica Marsman



Jeremy Jackson



Jim Graham



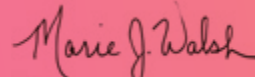
Karen Brodeur



Chief Sid Peters



Kelly Denty



Marie Walsh



Chris Collett



Frazer Egerton

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Section 1

# Foreword

**The array of people with  
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financial stakes in housing  
is a long and diverse one.**

# Foreword

The array of people with urgent personal and financial stakes in housing is a long and diverse one. The Commission was our chance to get creative and curious, seeing affordable housing in a well-balanced and thoughtful way.

Housing is a human right and a strategic sector for our province. It is a driver of, and a condition for, social equity, healthy communities, and economic prosperity. This is why the work we're doing is proactive, connected to the Premier's Economic Growth Council and other key provincial priorities. These are challenging but exciting times.

This report is a summary of insights from our explorations and practical recommendations. There is no one 'silver bullet' solution—the problems we have are intertwined with many sectors, influencers, trends, and people. The only 'silver bullet' there might be, in terms of the greatest possible impact, is for us to work across all our different organizations and points of view, breaking down silos, barriers, and bureaucracy to create the future together.

We had six months to work together, and while our scope was limited in the interest of focused impact, we are optimistic in the potential for these recommendations to make a difference in 2021 and beyond. Only by rolling up our sleeves together will we be able to diagnose shortfalls, break down barriers to understanding, and bring new ideas to the surface. In the interest of meaningful momentum, we recommend that the Government of Nova Scotia act quickly, identifying Quick Start Investments to make a difference for our communities right away. This will require immediate new provincial investments to help Nova Scotians now.

We have been honoured to work together with extraordinary commitment and are grateful that many volunteered their time on subcommittees and work groups. Provincial staff and experts supported our process of discovery and recommendation, and we appreciate all their contributions to this important work.

We are pleased to present the Nova Scotia Affordable Housing Commission's recommendations, which we hope will chart a new course and be a call to action to the Province.

**DR. REN THOMAS AND EIRYN DEVEREAUX,**  
COMMISSION CO-CHAIRS, MAY 2021



The more we explored, the better and more incisive our questioning became:

Who needs affordable housing most?

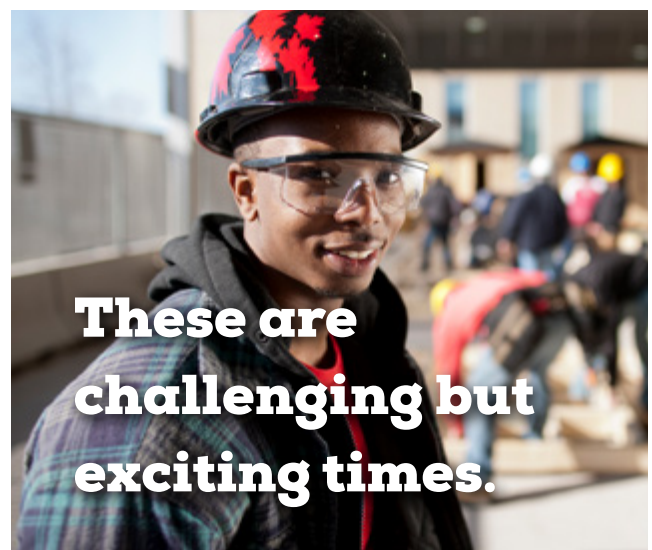
Who is falling through the cracks?

What economic, cultural, or social trends are putting pressure on our system as it exists today?

What systemic barriers exist for underrepresented or marginalized Nova Scotians?

How can we incentivize unconventional new approaches to solve problems together?

How can we free up all the contributors to housing in our province to do what they do best?







Section 2

# Executive Summary



# Executive Summary

This report is the first step in a new era of action to make affordable housing more available and protect existing stock—to ultimately ensure every Nova Scotian has a safe and affordable place to call home. It is not about specific funding levels or quantitative goals and targets, although we have identified a number of Quick Start Investments the Province can support immediately given the urgency of the situation. This report presents our vision for more sustainable, affordable, and inclusive rental housing for Nova Scotians.

Our first task was to understand what is widening the gap between the demand for and supply of affordable housing. Some of our challenges are massive trends impacting every arena of life in our province—low incomes, rising land and construction costs, high energy costs, population growth, changing demographics. **Then we were hit with COVID-19.** While our global context may be too abstract to affect, there's much we can do to streamline and simplify processes, spark new activity and collaboration, and get beyond the limitations of 'how things have always been done'.

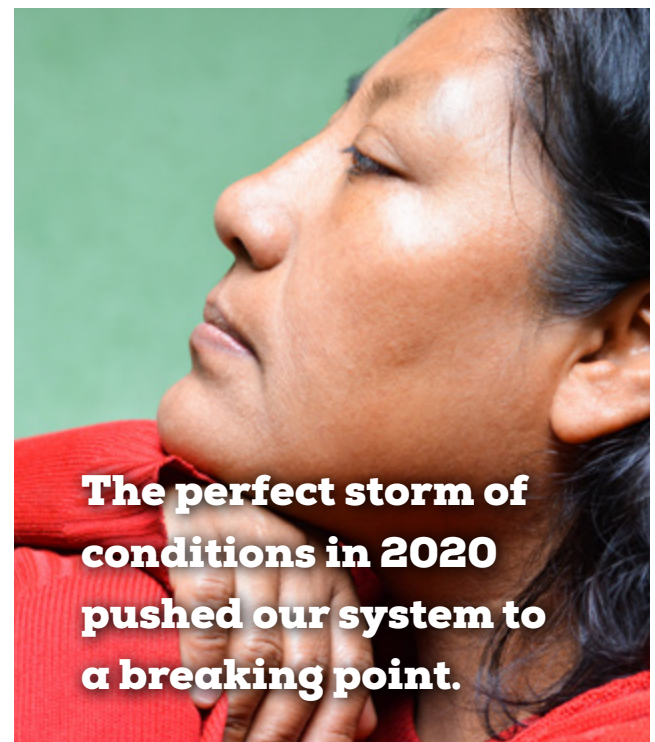
Here's a selection of solution-rich areas for improvement that we tackle in the recommendations of this report:

- Limited data on housing at the community level
- Constrained rental markets in rural communities
- An inconsistent provincial focus on housing
- Weak and fragmented community housing sector
- A risk-averse culture within government
- Rising taxation, fees, and regulation on construction
- Aging and insufficient rental stock and municipal infrastructure to support residential development
- Legislative complexity stifles developers' ability to create new housing
- Inefficient legacy social housing system, funding models, and programs
- Lack of shared accountability for housing outcomes across municipal, provincial, federal departments

The perfect storm of conditions in 2020 pushed our system to a breaking point. This is where we find ourselves today, bringing experts and academics, entrepreneurs, housing providers, developers, landlords, community organizers, and residents together for the common cause of our province's well-being.


**In November 2020, the Province established the Nova Scotia Affordable Housing Commission (NSAHC) to examine the current state of affordable housing and recommend meaningful change that can start right now: new ideas, partnerships, efficiencies, and action to ensure better affordable housing options and quality of life for all.**

Our work together as part of the Commission builds on Nova Scotia's commitments under the National Housing Strategy (NHS) including the initiatives outlined in the province's Housing Action Plan 2019-2022 and the 10-year Canada-Nova Scotia Agreement on Housing. The discoveries and recommendations of this report will inform the Province's next 3-year plan, and dovetails with the government's response to the social and economic impacts of the COVID-19 pandemic.



**The perfect storm of conditions in 2020 pushed our system to a breaking point.**

We organized our discoveries to three pillars of focus:

 <p><b>OUR HOUSING SUPPLY</b></p>	 <p><b>OUR PEOPLE AND COMMUNITIES</b></p>	 <p><b>PARTNERS AND GOVERNANCE</b></p>
<p><b>THE CORE QUESTION</b></p> <p>How can we improve the supply and access to affordable rental housing in Nova Scotia?</p>	<p><b>THE CORE QUESTION</b></p> <p>How can we be more responsive to the evolving needs of our residents and communities?</p>	<p><b>THE CORE QUESTION</b></p> <p>How can all people who affect housing work better together across sectors?</p>
<p><b>THE CONTEXT</b></p> <p>Increased migration is growing our population</p> <p>Rising construction costs and skilled labour shortages have made our rental market slow to respond to demand</p> <p>There is a lack of federal, provincial, and local funding</p>	<p><b>THE CONTEXT</b></p> <p>Vulnerable groups have difficulty finding a home they can afford</p> <p>Urban and rural divides on supply, the cost of rent, aging residents, and short-term rentals</p> <p>Not enough data on how housing impacts people and communities</p>	<p><b>THE CONTEXT</b></p> <p>Legislative and regulatory constraints are burdensome and inflexible</p> <p>Sectors and government departments are siloed</p> <p>It is difficult to navigate the financing and complex governance of affordable housing</p>
<p><b>THE GOALS</b></p> <p>Build the capacity of our community housing sector</p> <p>Diversify our supply with accessible, dense, multi-family, mixed model options</p> <p>Try new, alternative and flexible financing mechanisms</p> <p>Incentivize landlords to build long-term rental housing</p> <p>Explore housing reserve funds and land banks</p>	<p><b>THE GOALS</b></p> <p>Connect rental housing with transit or other infrastructure</p> <p>Improve access to rent supplements and other support</p> <p>Collect better data on affected communities and housing</p> <p>Build a path to home ownership for renters</p> <p>Empower communities to help increase awareness of affordable housing options and remove systemic barriers</p>	<p><b>THE GOALS</b></p> <p>Collaborate across government, non-profit, and businesses</p> <p>Make housing policy specific and enforceable</p> <p>Empower municipalities to become an effective partner in affordable housing</p> <p>Improve planning incentives such as fee and tax exemptions</p> <p>Learn from the successes of other jurisdictions</p>

## Engagement Activities

The recommendations contained in this report were informed by public input, expert advice, and a comprehensive jurisdictional review of best practices. The Commission conducted an extensive stakeholder engagement process, which drew feedback from more than **2,000 participants**. Key stakeholders from private sector, non-profit organizations, municipalities, and community leaders responded to surveys and a call for written submissions, took part in virtual workshops, focus groups, and one-on-one meetings. The Commission's web portal received over **11,000 visits**.

The invaluable input we've received from stakeholders often reflected two views about housing, which are sometimes considered to be opposites of each other. The first is that adequate housing is one of the most basic needs, and therefore should be recognized as a human right. The other is that housing is a strategic

sector of economic growth. Discussions on this topic can be polarizing, but critical to understand. We heard from experts around the world that both views must be integrated to effectively address Nova Scotia's housing crisis and should not be viewed as mutually exclusive. Both concepts are fundamental to tackling our deep housing challenges and should shape government policies and stakeholder actions in the future.

A detailed summary of the public input received throughout our work are summarized in our separate **What We Heard** report.

**Following is a high-level summary of our intentions and recommendations, starting with the foundational shifts necessary to support many actions in the short and long-term. In this report we will run through all these recommendations in detail:**

### TO-DO:

#### Build the foundation for change



Establish an arm's length independent provincial housing entity



Recognize housing as a key strategic sector for economic growth, health, and social equity



Modernize provincial legislation and regulations



Develop a long-term provincial housing strategy

### TO-DO:

#### Expand and protect our affordable housing stock



Support the creation of more affordable housing, prioritizing a mixed-income, multi-partner approach



Reduce costs for new affordable housing



Reduce regulatory and non-cost barriers of new development



Prevent the loss of affordable homes



Build community housing capacity

### TO-DO:

#### Support renters with better access and diverse options



Expand housing options that meet the needs of seniors and vulnerable Nova Scotians



Provide targeted resources and supports for vulnerable and underrepresented communities



Enhance renter protections, equitable access, and better functioning conditions for rental housing



Address the specific needs of rural and non-urban communities

### TO-DO:

#### Collaborate and partner across sectors and levels of government



Empower Municipalities to become key partners in affordable housing



Transform our public housing model



Support innovation and promote cross-sectoral partnerships



Improve access to rental housing data



A close-up, profile photograph of a woman with short, dark hair, looking out of a window. She is wearing a green t-shirt. The lighting is dramatic, with strong highlights on her face and hair, and deep shadows on the left side. The background shows vertical blinds or window panes.

Section 3

# **Our Mandate**

## Our Mandate

On November 25, 2020, the Minister of Municipal Affairs and Housing (now Infrastructure and Housing) announced new measures to protect renters in the midst of the global pandemic. Government announced an immediate moratorium on eviction orders for renovation and a cap of 2% on rent increases retroactive to September 2020. The Minister also created the Affordable Housing Commission to work with experts in the public, private, non-profit and academic sectors and recommend actions and strategies to increase the supply of, and access to, affordable housing.

**“It is clear that our housing market is going through an unprecedented situation, made worse by COVID-19, and people need us to take immediate action as we look for sustainable solutions.”**

**CHUCK PORTER, NOVA SCOTIA MINISTER FOR MUNICIPAL AFFAIRS AND HOUSING**

The 17 commissioners appointed to this task were drawn from various sectors and parts of the province, across a spectrum of experience and ideologies. Our focus was on affordable rental housing, given the crisis in that sector, and exacerbated by the pandemic. The mandate excluded the related but distinct issues of homelessness and owner-occupied housing. That said, we recognize the urgent situations of households facing homelessness and that rising home prices in the real estate market put pressure on rent and availability of rental units, and on the entire housing system.

We also acknowledge the concerns shared by several community organizations about the diversity of representation on the Commission and the importance of issues such as human rights and equity principles. Our recommendation to develop a long-term provincial housing strategy is in response to the concerns we heard from many stakeholders about these issues.

**NSAHC is not a decision-making body. The recommendations in this report have been shared with the Minister of Infrastructure and Housing.**

**“It is clear that our housing market is going through an unprecedented situation, made worse by COVID-19, and people need us to take immediate action as we look for sustainable solutions.”**

**CHUCK PORTER, NOVA SCOTIA  
MINISTER FOR MUNICIPAL AFFAIRS  
AND HOUSING**





Section 4

# **Why Now is the Moment**



## WHO NEEDS AFFORDABLE RENTAL HOUSING IN NOVA SCOTIA?



**LOW INCOME PEOPLE** below the poverty line comprise 12.1% of Nova Scotians, which is the second highest rate in Canada.



**SINGLE PARENT FAMILIES** (52,378) represent 18.5% of all families in Nova Scotia, the second highest in Canada. Single parents earn less (under \$40,000) than the national average.



**WOMEN** are almost 70% of public housing tenants and 60% of rent supplement clients in Nova Scotia.



**PEOPLE WITH DISABILITIES** comprise over 30% of Nova Scotians, the highest proportion in Canada.



**SENIORS** More than 1 in 4 Nova Scotians will be over 65 by 2030.

## Context: Why Now is the Moment to Address Our Housing Supply and Affordability Problem

Affordable housing is a basic human need, essential infrastructure for our province, and a strategic sector for our society and economy. It improves social and economic resilience and promotes inclusive and diverse communities. Beyond providing shelter, housing is the engine of our economy and foundational to its growth.

Housing is also a social determinant of health, which can improve individual lives and lead to positive social outcomes. A healthy housing market can reduce strain on our health care, justice, and social systems. Nova Scotia has one of the highest poverty rates in the country, at 12.1%. There are 115,000 people who live in families with income below the Market Basket Measure (MBM) in Nova Scotia. As we heard from many, anyone can be in need of affordable rental housing in their lifetime. This is why we must now turn our attention to our province's housing supply and affordability problem.

**Despite the rental market's growing pains, Nova Scotia was buoyed by unprecedented population growth and strong demand for employment—until the global pandemic reached our shores last winter. Our housing challenge, already at a breaking point, became a crisis.**

The price of real estate in Nova Scotia is climbing rapidly, squeezing first-time local homeowners out of the market, tempting landlords to sell, and putting even more upward pressure on rental rates. **The cost of new houses went up 11.6% between April 2020 - April 2021, more than twice the percentage increase from the previous year.**

There is currently a significant shortage of adequate, affordable housing to meet the needs of Nova Scotians, which is disproportionately affecting individuals living on low-income, many of whom are from vulnerable groups, or marginalized and racialized communities.



## PEOPLE OF AFRICAN DESCENT

had the highest unemployment rate (16.2%) among visible minorities in Nova Scotia, as compared to the unemployment rate of non-minorities of 9.8%.



## URBAN INDIGENOUS PEOPLE

make up close to 15,730 or 4% of total households in the Halifax Regional Municipality. Of these, 5,290 or 34% identify as Mi'kmaq.



**IMMIGRANTS** arrived in the second quarter of 2020 in the lowest numbers (866) in recent years due to the pandemic and travel restrictions. Immigration was concentrated in Halifax, with 5,122 immigrants added to the population. The next highest numbers were in Kings County (198) and Cape Breton Regional Municipality (197).



## OTHER AFFECTED POPULATIONS

including people with intersecting identities may be uniquely impacted by a lack of affordable rental housing.

As shown, the housing challenges we face are not just about bricks and mortar. The problem must also be viewed in the context of building resilient, and vibrant age-friendly communities where housing is linked to jobs, transportation, health services, and schools. While pursuing opportunities to achieve greater affordability and availability, we should not lose sight of the fact that many individuals require various supports to stay housed.

### What We Are Building On

There's already a great deal of awareness and momentum on the affordable housing front in Nova Scotia. This includes significant new financial commitments by the Province, which is investing \$513 million over 10 years with the federal government in affordable housing projects under the National Housing Strategy. This is above the existing operational budget for Housing Nova Scotia and includes:

- **\$105 million** in federal and provincial funding in the first three years through the Nova Scotia Action Plan under the National Housing Strategy. This plan aims to:
  - Increase access to affordable housing
  - Preserve and sustain existing social and community housing stock
  - Maintain and expand strategic partnerships
  - Position HNS to meet emerging challenges
- **\$70 million** in new provincial funding committed over the same three-year period, to advance provincial housing priorities such as capital renewal of public housing stock and supports for low-income homeowners. Furthermore, government invested \$12 million in 2020/21 to support those experiencing homelessness or at risk of homelessness.

**The Province of Nova Scotia delivers housing programs and services to Nova Scotians living with low-to moderate-income through the Department of Infrastructure and Housing. To achieve provincial goals and priorities, the department works with other government agencies, the federal government, municipalities, the private sector, and the community housing sector.**

Section 5

# Defining Affordable Housing





**As it turns out, defining and measuring affordable housing—and who may be eligible for it—can be as complex as addressing the issue itself.**

# Defining Affordable Housing

As it turns out, defining and measuring affordable housing—and who may be eligible for it—can be as complex as addressing the issue itself.

'Affordable housing' is often defined as housing that is adequate (in good repair), suitable (large enough for its household occupants), and costs less than **30%** of the household's pre-tax income. People or families whose housing is inadequate and/or unsuitable, and whose income is too low to be able to pay for a unit of appropriate size in their community are often described as being in core housing need. Households that choose to spend

more than **30%** of their income on housing (and have incomes high enough to afford an acceptable alternative unit in their community) are not in core housing need.

As you can see, the range of what qualifies as affordable housing is complex. In the past, housing affordability may have been thought to impact only low-income households. Now, these challenges have impacted moderate-income households seeking to rent (or buy) a home without having to spend more than **30%** of their income on housing costs.



The tables below describe the rents that households in Nova Scotia, by income decile, can pay with 30 percent of their monthly before-tax income. Even with a moderate income, people living solo can afford very little if we consider the current Average Market Rents (AMR).

2020 Average Market Rent - Nova Scotia**		AMR	\$ 829	\$ 981	\$ 1,182	\$ 1,422
Average Income Before Taxes		30% of monthly total income	Bachelor	1BR	2BR	3BR+
<b>FAMILIES*</b>						
<b>Total Households: 276,000</b>						
Lowest decile	\$28,200	\$705	NO	NO	NO	NO
Second decile	\$45,100	\$1,128	YES	YES	NO	NO
Third decile	\$57,000	\$1,425	YES	YES	YES	YES
Fourth decile	\$68,000	\$1,700	YES	YES	YES	YES
Fifth decile	\$80,200	\$2,005	YES	YES	YES	YES
Sixth decile	\$95,100	\$2,378	YES	YES	YES	YES
Seventh decile	\$109,800	\$2,745	YES	YES	YES	YES
Eighth decile	\$127,300	\$3,183	YES	YES	YES	YES
Ninth decile	\$152,600	\$3,815	YES	YES	YES	YES
Highest decile	\$243,500	\$6,088	YES	YES	YES	YES
<b>SINGLES*</b>						
<b>Total Households: 171,000</b>						
Lowest decile	\$4,300	\$108	NO	NO	NO	NO
Second decile	\$12,700	\$318	NO	NO	NO	NO
Third decile	\$20,200	\$505	NO	NO	NO	NO
Fourth decile	\$23,400	\$585	NO	NO	NO	NO
Fifth decile	\$28,700	\$718	NO	NO	NO	NO
Sixth decile	\$35,000	\$875	YES	NO	NO	NO
Seventh decile	\$42,100	\$1,053	YES	YES	NO	NO
Eighth decile	\$49,500	\$1,238	YES	YES	YES	NO
Ninth decile	\$60,400	\$1,510	YES	YES	YES	YES
Highest decile	\$98,500	\$2,463	YES	YES	YES	YES

\*Source: Centre for Income and Socioeconomic Well-being Statistics, Statistics Canada

\*\*Source: Canadian Mortgage and Housing Corporation (CMHC) Rental Market Survey





Section 6

# **The State of Affordable Rental Housing in Nova Scotia**

# The State of Affordable Rental Housing in Nova Scotia

As soon as we convened, we launched a review of the current state of affordable housing in Nova Scotia with the help of key stakeholders and housing experts through four subcommittees. We began by assessing our current context in three ways: first, by assessing what data we had on the state of affordable rental housing in Nova Scotia; second, by seeking expert insight from around the globe; and third, by listening to the experiences and ideas of our province's residents and stakeholders in affordable housing.

**The Commission's WHAT WE HEARD Report will delve into public input in greater depth, including detailed survey results and excerpts from feedback.**

There is a lot to learn from jurisdictions across Canada and around the world who have recently studied and implemented innovative policies to address housing challenges and barriers. By looking at what others are doing, we can uncover good practices and provide evidence to support the government's actions.

As part of this work, Department staff partnered with students from Dalhousie University's School of Planning to conduct several jurisdictional and literature reviews and examined studies and research papers that contributed to the development of this report. The Speaker Series hosted innovators and experts from throughout North America and Europe to share their insights and advice with the Commission.

We heard what other jurisdictions have done to improve access based on extensive studies of social mobility and sustainable growth, and looked at emerging trends in communities with comparable challenges to our own. See appendix B for more details about the many experts who provided their time and shared their expertise with the Commission. We would like to give our sincere thanks to all our presenters for sharing their knowledge and experience with the Commission.

## Engagement Results



11,282 visits to the web portal



1,204 Survey Responses



570 ideas and suggestions received via web portal



129 "Share Your Ideas"



102 MapIt pins



91 Written Submissions



9 Stories



411 participants in focus groups and workshops

A web portal launched in January 2021 offered multiple interactive tools for stakeholders and the public to share their views and ideas and received over **11,000 visits**. We gathered all of this information and synthesised our observations and learnings throughout the engagement. Feedback was shared with commissioners on a regular basis to help guide discussions around charting a new course for affordable housing. Key themes emerged from this engagement process and shed light on the most common challenges and opportunities. This analysis helped shape the Commission's recommendations.





Section 7

# Our Findings

# Our Findings

We learned that our current housing crisis is not the result of one specific event, but rather the consequences of systemic challenges that have been building for years, including a chronic under-investment in housing; inadequate funding for maintenance and capital renewal of the existing public and community housing portfolios; an extremely small and fragmented community housing sector; and systemic inequities related to affordability and access to housing. The pandemic simply exposed how vulnerable our system is, with very little buffer (if any) to cope with unexpected shortfalls or demand.

## Housing data for Nova Scotia is limited.

It is important to note that housing data for Nova Scotia is limited. The CMHC annual rental market report is the foremost data source on rental properties. However, it excludes smaller geographies, as well as dwellings not originally purpose-built for the rental market and properties with less than 3 units. That said, we have a reasonably clear picture of our current state based on nationally-collected data on core housing need and new construction statistics.

Similarly, data on affordable housing demand is limited to nationally-collected household statistics, such as indicators on Core Housing Need and the Market Basket Measure. We

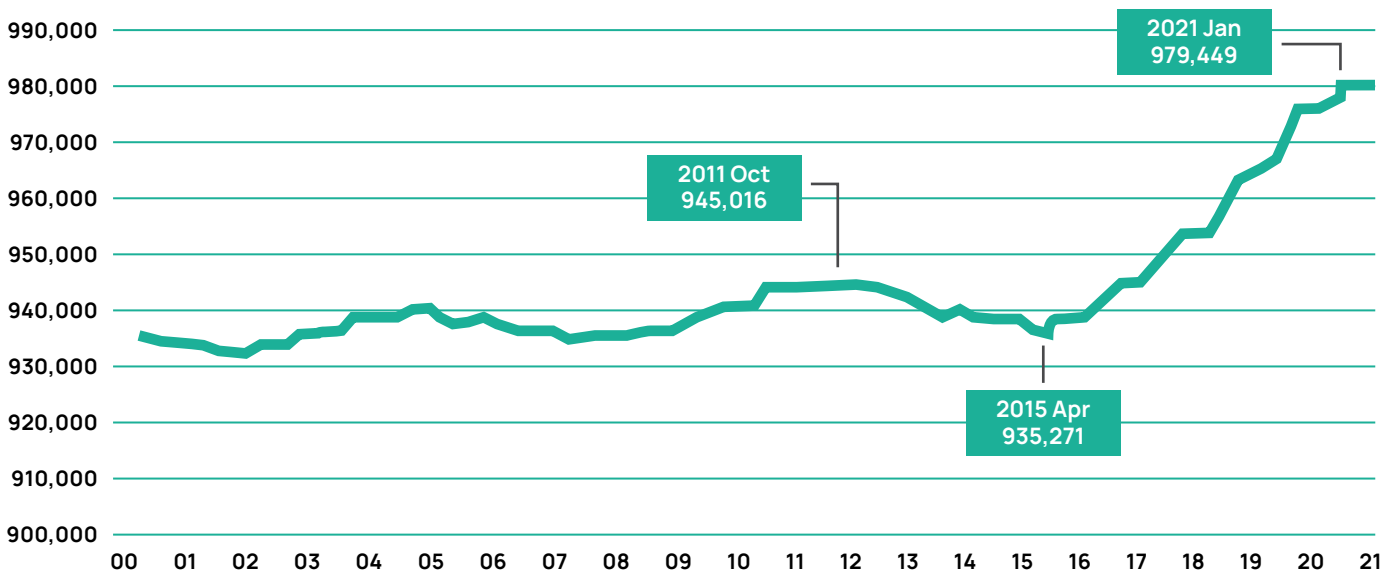
agree that we need more data to assess the specific needs of Indigenous groups, people of African descent, and other underrepresented groups, which also addresses historic and continuing systemic barriers these groups may face.

Members of this Commission debated the value of identifying specific targets based on this limited data. To make economically valid projections, we need more research and data. The Commission underlines the importance of housing data compilation and rigorous economic analysis to inform the development of targets.

## Our housing market is under pressure.

As Nova Scotia's population grows, our economy grows—but rarely in perfect tandem. New residents may struggle to access the employment opportunities, services, and housing they need, and the private and public sector may struggle to adjust to rising demand. Our population has increased significantly over the last five years, going from **942,970 in 2016 to 979,449 as of January 1, 2021**, the highest on record. This is good news for our economy. However, supply has not kept pace with demand. Our rural communities are challenged by availability, while the vacancy rate in Halifax is very low.

### Nova Scotia Population





**“ Given present low vacancy rates and anticipated higher levels of migration, the rental market in our capital city is expected to remain tight over the next three years”**

**MAY 2021 CMHC HOUSING MARKET OUTLOOK**

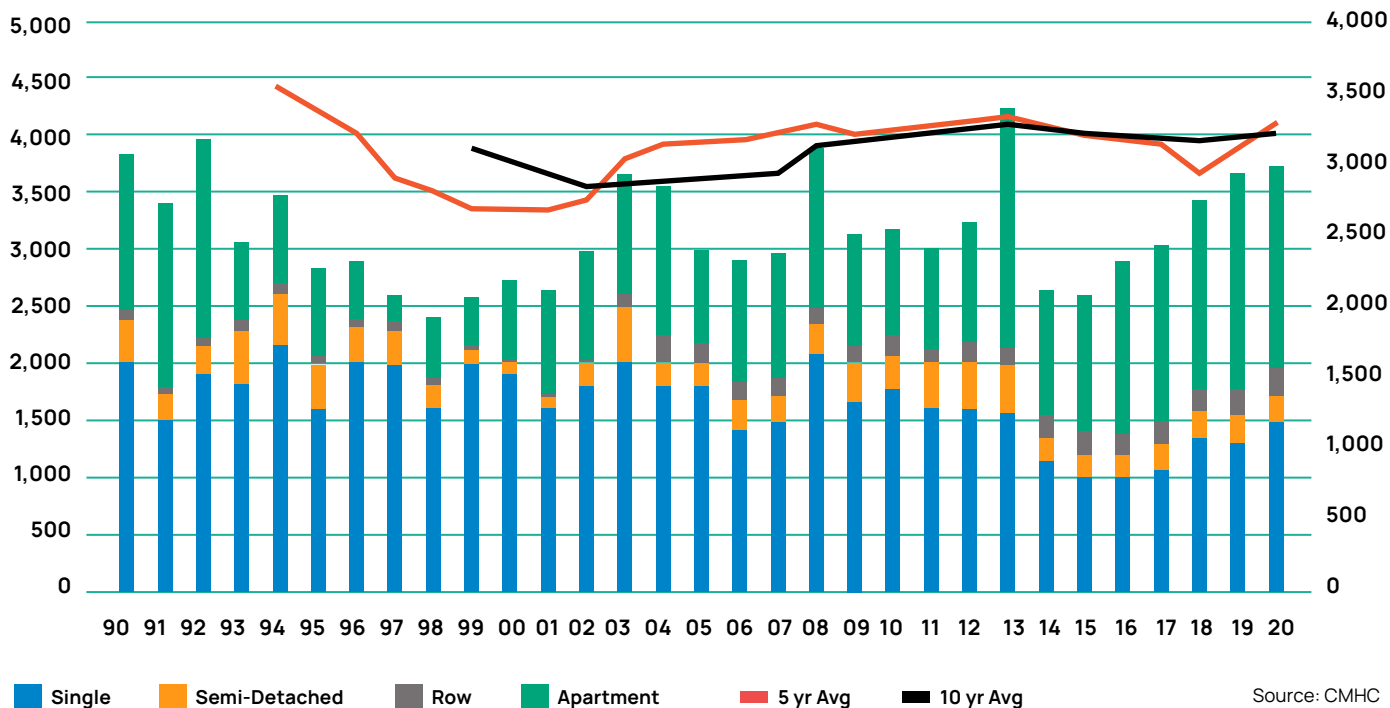
The extent to which new construction can respond to changes in demand is an important factor for a well-functioning housing market, and a key determinant of housing affordability<sup>1</sup>. This is not only impacted by delays due to global supply chain breakdowns in project construction **magnified by the pandemic**, but also by finance availability, competition and capacity within the development industry, and development regulations. Evidence suggests that Nova Scotia's residential sector has been somewhat responsive to demand. We have seen a slight upward trend of new construction in the province, starting in 2016 and continuing into the first three months of

2021. During the first quarter of this year, Nova Scotia's housing starts were up **20.9%** compared to the same period last year<sup>2</sup>.

However, despite recent increases in house completions, the overall rate of construction remains below historic trends, vacancy rates remain low and rental rates remain high. Despite new housing coming into the market, rental rates continue to climb. For example, the average rental rate for a one-bedroom apartment in Halifax **increased by 4.1% in 2020**.

The private rental market is concentrated in the HRM, which represents **86%** of the overall provincial private rental market. In many cases, low- to moderate-income households, especially in rural Nova Scotia, may not have access to affordable rental housing in their local area. Unfortunately, we have limited data to substantiate this exact need.

**Nova Scotia Housing Completions (CMHC)**

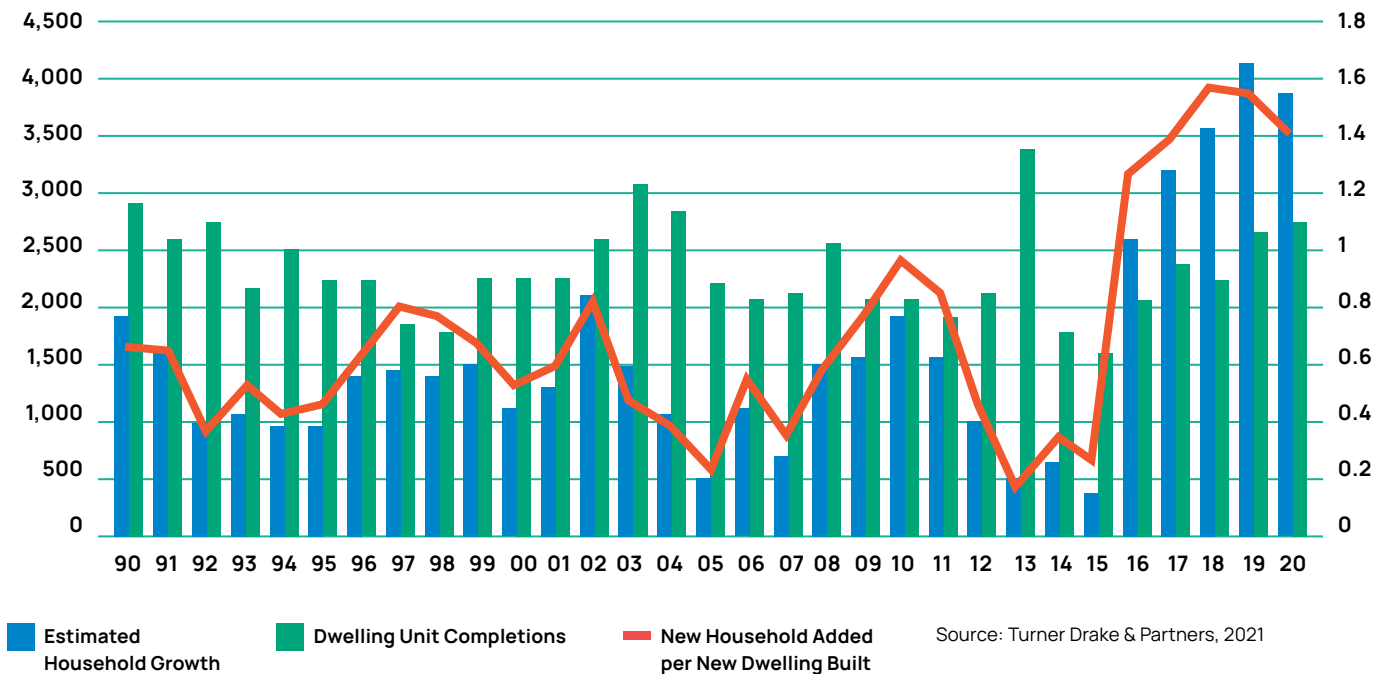


Source: CMHC

<sup>1</sup><https://assets.cmhc-schl.gc.ca/sf/project/cmhc/pdfs/content/en/69262.pdf?rev=2a923257-c691-4968-b2f1-0d91cd13624e> and <https://assets.cmhc-schl.gc.ca/sites/cmhc/data-research/publications-reports/research-insight/2020/research-insight-supply-constraints-increased-prices-ca-cities-69631-en.pdf?rev=6cbe747b-e102-48e5-9274-ea59a6064233>

<sup>2</sup>Source: Statistics Canada, Table 34-10-0158-01 Canada Mortgage and Housing Corporation, housing starts, all areas, Canada and provinces, seasonally adjusted at annual rates, monthly (x 1,000) ; Table 34-10-0156-01 Canada Mortgage and Housing Corporation, housing starts in all centres 10,000 and over, Canada, provinces, and census metropolitan areas, seasonally adjusted at annual rates, monthly (x 1,000)

## Growth in Households and Housing in HRM



As shown in the graph above, the population growth in Halifax Regional Municipality starting in 2016 is far outstripping the number of homes coming to market.

## Housing needs are changing.

### Nova Scotia's population is not only growing, but it's getting older.

Compared to the rest of the country, many seniors live in rural communities where housing options are more limited. The needs of older adults vary according to their health status and income, but common concerns include social isolation, inadequate income, access to transportation, safety, security, family support, and access to services in their community. There is also a growing need to deliver the right housing options for people with disabilities.

Many people are unaware of government programs that could assist them to stay in their home longer, and few options exist for those who want to downsize. Government must learn more about the housing needs and preferences of vulnerable people at the local level, and work with partners to deliver innovative housing models.

**Roughly 1 out of 3** Nova Scotians over the age of 15 self-report that they have at least one disability, the highest rate of disabled citizens of any other province in the country. Many people

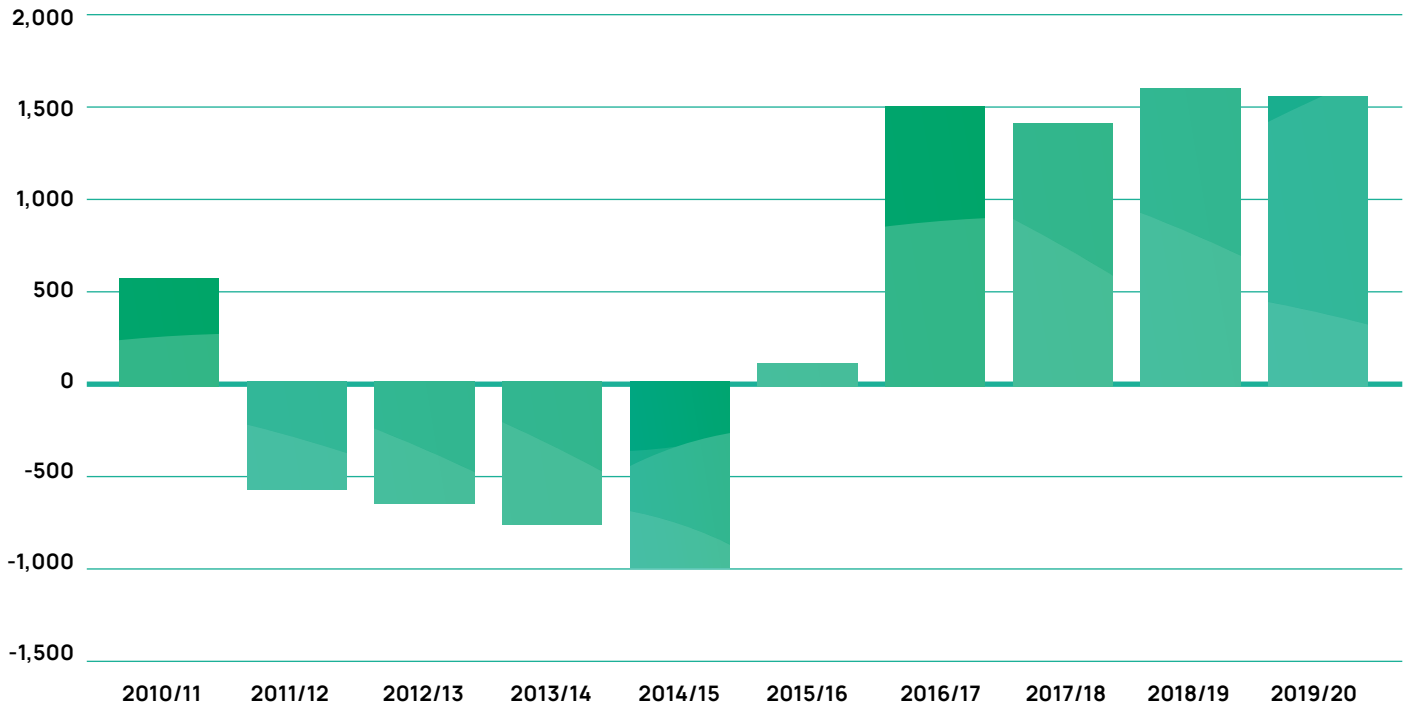
with mobility or non-visible disabilities struggle to find a home that is both affordable and accessible. The Commission heard that some Nova Scotians believe government has not lived up to its promise to provide more housing options designed to meet the specific needs of Nova Scotians with severe disabilities.

**“We need to consider where they want to live; their cultural, community or social needs; and the negative impact on wellbeing for individuals and communities when these factors are not addressed. The goal must be to ensure everyone has a home, not just a place to sleep.”**

**DAWN STEGEN, NS ACCESSIBILITY DIRECTORATE**

Immigration has increased substantially over the last five years, reaching a record number in 2019. Nova Scotia is also doing much better at retaining international students. **Despite the setback caused by COVID-19**, these trends are expected to continue. Immigration is vital for the sustainable development of our province, but we heard that many immigrants struggle to find adequate and affordable housing.

## Net Interprovincial Migration is an Important Contributor to Recent Population Growth



Source: Statistics Canada

■ Persons

Halifax's population is expected to increase, especially among international students after the resolution of the COVID-19 pandemic, resulting in even higher demand for rental housing over the next three years.

## There are systemic barriers to housing.

People of African descent continue to experience systemic barriers when they try to access affordable housing. The Commission heard they face discriminatory land use policies, limited access to financial services, financial exclusion, and racism and discrimination from landlords throughout their lives. New efforts to confront these barriers and advance community well-being are already well-underway, including the Land Titles Initiative and the African Nova Scotian Road to Economic Prosperity Action Plan. Government should use this momentum to develop a strategy that meets the unique needs of people of African descent.

We also learned from Indigenous leaders that a growing proportion of the Mi'kmaq population now resides in urban and rural communities due to on-reserve housing conditions and long waitlists. Indigenous renters have also reported discriminatory practices. Organizations such as Tawaak Housing Association and the Mi'kmaw Native Friendship Center offer

affordable housing, but there are insufficient resources and capacity in the sector to make a sustained difference.

## The gap between incomes and market rent is growing.

While Nova Scotia was enjoying a strong economy prior to the global pandemic, not everyone has equally benefited. For many, wages have not kept up with increasing rents and more Nova Scotians are being forced to spend a greater proportion of their income on housing. In some cases, incomes are too low to cover low-end of market rents, while those who live in high-cost areas with a moderate income are unable to afford rent. According to the most recent Canadian Housing Survey, 11.4% (45,100) of Nova Scotian households in 2018 were in core housing need, a metric used to help determine who can't access suitable and adequate housing without spending more than **30%** of income on shelter costs. Of these households, just over half (53.7%) live in Halifax. The prevalence of households in core housing need in Nova Scotia is similar to the Canadian average.

Most people in core housing need in Nova Scotia are renters (29,900 households).

### It is too expensive to build and operate affordable housing.

Several factors deter developers from building affordable housing. To make a difference in the supply of affordable housing, governments need to incentivize private and non-profit developers to offset the cost of developing affordable housing, including costs related to new construction, acquiring land, and ongoing operational expenses.

With access to government programs, developers can build units that are below the average market rent. In some cases, renters with lower income can access supplements to help make up the difference if they still can't afford the rent without spending more than 30% of their income. Most government programs require that in exchange for a capital contribution, newly constructed rental units be kept affordable for at least 15 years. However, many of those programs are not adequately funded or adapted to current market conditions. As we address in this report, it was noted that municipalities could provide further incentives to reduce the cost of new construction and building operations but require amendments to provincial legislation to do so.

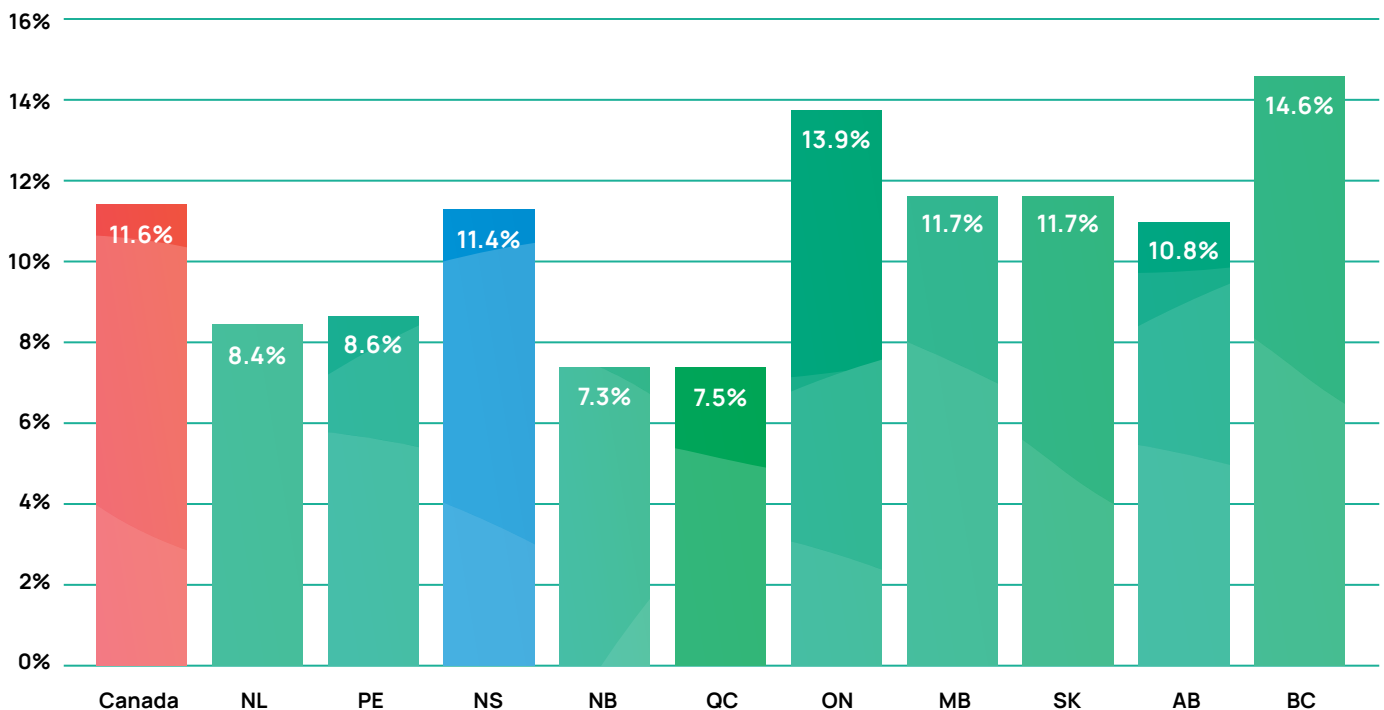
### The community housing sector is limited.

A major shortcoming observed by the Commission is the fact that Nova Scotia's non-market housing supply has been stagnant for decades. There is insufficient data available to create a baseline of non-market units, beyond the provincial portfolio. That said, we know that compared to other jurisdictions, Nova Scotia's community housing sector needs to expand to meet the demand.

Growth in the sector must also be sustainable. Operating models that build on projects with uniformly low rents are unsustainable and organizations will face the hard choice of displacing tenants who can't afford the needed increased rent, or delay critical maintenance work on their buildings, two scenarios that should be avoided.

To be economically viable, several smaller housing co-operatives have amalgamated since 1997, offering a mix of rent-gear-to-income (RGI) and low-end-of-market units. While the small-scale model of housing co-operatives has not been successful, amalgamations and the creation of new operating models are promising.

#### Share of Households in Core Housing Need, 2018





## Our housing system is not effective.

Increasing the supply of affordable housing requires long-term funding and effective collaboration between all levels of government. Any sustained solution also relies on partnerships with the private and community housing sectors. In Nova Scotia, the Province has the constitutional duty to deliver social programs, such as affordable housing, but we were reminded that municipalities are often best positioned to understand local housing needs and possess the levers to influence housing availability and affordability.

We were told the Province needs to recognize the important role local governments play in housing and that it should work closely with them to effect change. We also heard from municipal representatives that while they agree with this notion, they caution that they do not currently have the capacity or resources to make housing a core purpose, nor do they want the provincial government to delegate its responsibilities on to them.

We heard concerns about the responsiveness, efficiency, and sustainability of the provincial Public Housing Program, which is funded by all levels of government. In Nova Scotia, there are nearly **12,000** subsidized rental housing units delivered across the province through five regional Housing Authorities. Rental revenues are low and cannot fully cover all operating expenses.

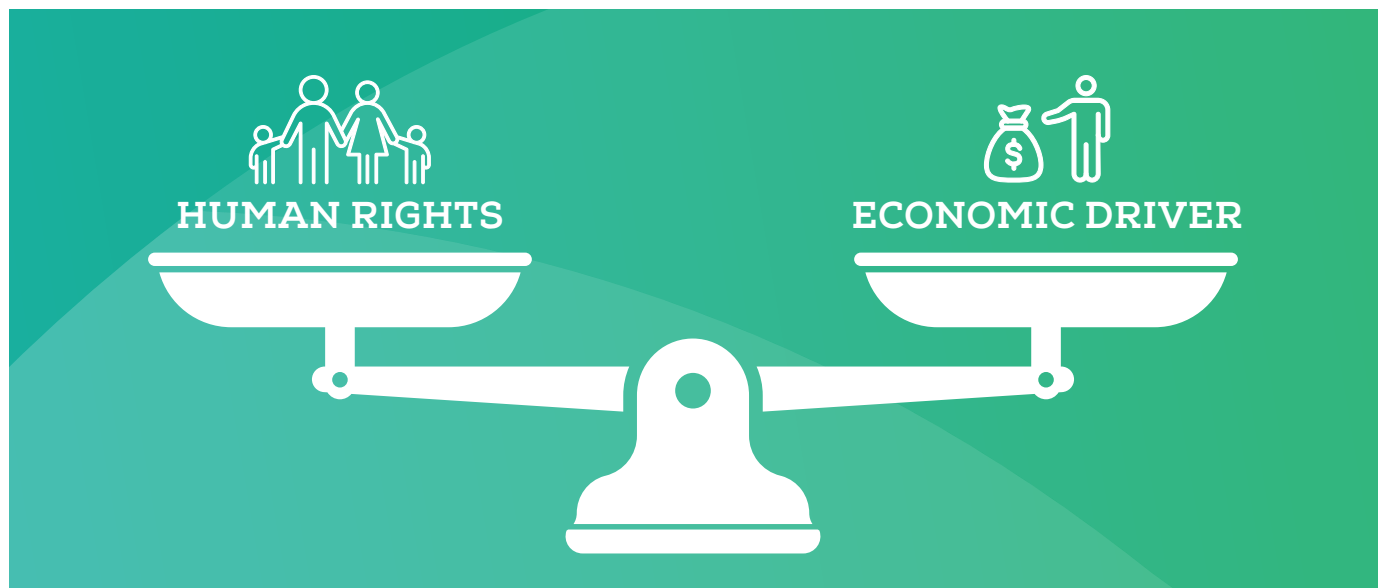
This is a structural loss that is common in public housing systems around the world due to tenant rents being set at a level that is insufficient to cover operating costs, combined with higher management costs due to higher and more complex tenant needs. This operating model has been in place for more than **60 years** and has not kept pace with changing demographics and complexity of client needs.

## Housing as a right and economic driver.

In 1948, the United Nations recognized housing as part of the right to an adequate standard of living in the Universal Declaration of Human Rights. This was followed by the International Covenant on Economic, Social and Cultural Rights in 1966. In 2019, Canada became one of a few countries to legally recognize an individual's right to housing. This is an important concept, which we heard throughout the consultation process.

Recognizing the right to housing is interconnected with other important issues raised in this report, especially those related to marginalized, racialized, and vulnerable people, and those facing systemic barriers. It also provides a framework for renter protection that is critical to ensuring a healthy housing market. One that positions housing as having the same priority as education and health within public policy and fiscal planning.

### Housing Approaches




As the U.N. Special Rapporteur indicated in 1992, “the human right to adequate housing did not require the State to build housing for the entire population or to provide housing free of charge. It certainly did demand that the State undertake a series of measures indicating policy and legislative recognition of each of the constituent aspects of that right.”

Housing outcomes have both economic and social impacts. According to Duncan MacLennan, economist at University of Glasgow, the price, availability and quality of our housing stock affects our Province’s ability to compete for talent, grow sustainably, and provide an inclusive and high quality of life. For example, when a new home is being built, rented, sold, or maintained, these activities require products and services and contribute to the overall economic prosperity of our province. The Canadian Home Builders Association reports that residential construction in Nova Scotia created **41,397 jobs, \$2.3 billion in wages, and \$3.5 billion** in total investments in 2019, which generated significant tax revenues for all levels of government that can help fund social programs.

**“The housing sector has to be seen as a connected, dynamic system where the aims, design, and resources for housing policies need to be set in that systemic context.”**

SHAPING FUTURES: CHANGING THE HOUSING STORY FINAL REPORT, POLICY SCOTLAND, UNIVERSITY OF GLASGOW, 2019



**While Nova Scotia was enjoying a strong economy prior to the global pandemic, not everyone has equally benefited.**



Section 8

# **Our Call to Action**



**It is with great pride that we submit these recommendations to the Government of Nova Scotia, which we believe will make a significant impact to increase the number of affordable rental housing options that meet the diverse needs of Nova Scotians, while reducing the number of people in housing need.**



# Recommendations: Our Call to Action

It is with great pride that we submit these recommendations to the Government of Nova Scotia, which we believe will make a significant impact to increase the number of affordable rental housing options that meet the diverse needs of Nova Scotians, while reducing the number of people in housing need. The key initiatives outlined in this call to action are rooted in empirical evidence, inspired by the thoughtful ideas and aspirations of over **2,000 individuals**, and build on the National Housing Strategy and other public investments in housing. Collectively, they chart a new course for affordable housing, one that recognizes that it is a basic need, and fundamental to economic growth, well-being, and social equity.

While our recommendations are aimed at the provincial government, success depends on strong collaboration between all levels of government, the private sector, and community housing providers. We have identified a number of critical initiatives, such as creating a new governance model for Housing Nova Scotia, making necessary legislative changes, and developing a long-term housing strategy. These foundational actions are critical for the Province of Nova Scotia to play a much-needed leadership role and rise up to the challenge of ensuring safe and affordable rental housing is available to all those who need it.

We know that it will take time to implement many of these actions. However, we need an immediate, bold, and ambitious response to this crisis. We are proposing **four Quick Start** investments, which commit government funding within **100 days** to increase the supply of, and access to affordable housing. Together, this commitment could assist between **600 and 900** households in housing need. The need is obviously much greater, but we call on government to make an initial investment of **\$25 million** to initiate these quick actions in the next 100 days.

Our call to action includes **17 recommendations**, along with **60 key actions**. For each recommendation, we describe what's at issue, the opportunity, recommended actions, critical success factors, and a proposed timeline.

Where available, we indicate whether a recommendation is considered foundational, short-term, mid-term, or a longer term action. We are confident that these strategies will increase the supply of, and access to affordable rental housing in Nova Scotia now, and in the future.

**Legend for Recommendations**

- Laying the Foundation**  
(Must-do to enable the rest)
- Quick Start Investments**  
(Funding commitment within 100 days)
- Short-term Action**  
(2021/22)
- Mid-term Action**  
(2022/23 – 2023/24)
- Long-term Action**  
(2024/25 – 2025/26)



## Recommendation #1

### Establish an arm's length independent provincial housing entity

#### THE ISSUE

Housing Nova Scotia (HNS)—which delivers affordable housing programs, administers mortgages and loans, and operates the public housing stock through its five regional Housing Authorities—faces a number of structural challenges. The public housing operating model is unsustainable and provincial funding for housing is not structured to enable long-term strategic planning. The way it currently allocates funding to third parties is inflexible, and federal subsidies for legacy programs and stock is declining. Further, two independent consulting reports have noted the current governance model is not suited to address our immediate needs or advance solutions.

Housing Nova Scotia needs to adapt quickly, making financial decisions responsive to its mandate and evolving housing market; innovate new strategies on borrowing and lending and secure adequate capital to ensure its sustainability.

#### THE OPPORTUNITY

Across the world, government housing organizations have transformed, finding new ways to operate with more flexibility. We discovered many inspiring operating and governance structures across the country such as British Columbia, which—like other jurisdictions—has moved housing to an independent, business-focused operation that collaborates with both private and non-profit developers.

There was broad consensus from stakeholders across sectors that a new governance structure with an inclusive independent board of directors is a necessary condition for the provincial housing organization to focus on action and delivery, and set it up for greater success to advance the other recommendations. Currently, HNS is not structured to enable the recommendations we put forward. An arm's length, independent entity is critical to meeting the challenges outlined in this Call to Action—a strong, stable governance board represented by key stakeholder groups, higher risk tolerance with improved risk management capacity and able to strengthen key partnerships, is essential going forward.

#### The Action

- Establish a new provincial housing entity with the independence—the financial and decision-making authority—to respond to changing market conditions and the needs of residents and communities, optimizing resources and partnering for new solutions.
- Keep the current Commission as an advisory committee to support the implementation of recommendations, until the new entity is established and a board is appointed.

#### CRITICAL SUCCESS FACTORS

- Consistent with best practices, ensure the new housing entity is an arm's length body, with an independent board of directors with representation from key stakeholder groups.
- Enabling legislation that authorizes the entity to make effective and timely decisions, especially those related to divestiture and acquisition of real estate assets, and make decisions related to lending, revenue generation, and partnerships.
- Increased risk tolerance and an improved risk management capacity.
- Give the new entity a clear social and economic mandate.
- Fund the new entity adequately, with the financial flexibility to retain and reinvest revenues to achieve its housing mandate and outcomes. Ensure financial predictability for the organization.
- Allow the new entity to partner with municipalities, non-profit organizations, and the private sector on marketplace opportunities and develop more innovative service delivery.
- Strongly align with key government departments for a 'whole of government approach' to housing and improve social and economic outcomes for the province and its residents.

#### TIMELINE

##### Short term action - 2021/22



## Recommendation #2

### Recognize housing as a right and a key strategic sector for economic development, health, and social equity

#### THE ISSUE

Decades of inconsistent, sometimes contradictory housing policies and programs. Insufficient funding from the federal and provincial governments. A lack of consistent leadership or a strategic vision for housing. This all contributed to the current housing crisis, and the effect is broad. Without affordable housing, employers in many communities are unable to expand or attract workers. Our province cannot be competitive as a centre for business without it, nor can it offer sustained opportunity to its entrepreneurs, residents, or communities.

Housing outcomes must achieve social, economic, and health outcomes. For this to be achieved, the Commission heard that government must adopt a human rights-based approach to housing in Nova Scotia.

#### THE OPPORTUNITY

The Premier's recently announced Economic Growth Council will position the province for inclusive economic growth as we emerge from the pandemic. A healthier housing market will support our economic and social prosperity, especially through our post-pandemic recovery. Affordable housing creates jobs during construction and in its ongoing maintenance. It provides immediate fiscal benefit to all levels of government. In addition to recognizing the right to housing, public policies should reflect that housing is a key sector for economic growth, on par with roads, schools, and hospitals.

#### The Action

- Consult with stakeholders to better understand how government can design and implement effective human rights-based housing strategies.
- As the Premier's Economic Growth Council gets underway, make the Commission's key recommendations a central and high-priority tenet: that housing is a right and a driver of inclusive economic growth and a core component of health, well-being, and social equity.

#### CRITICAL SUCCESS FACTORS

- Support the work of the Economic Growth Council to ensure housing figures prominently in any future inclusive growth strategy.
- Identify opportunities to link the recommendations from this Call to Action with other government strategies and priorities.
- Reframe provincial housing policies, programs, and funding with this new integrated approach.
- Ensure that any provincial land divestiture and/or redevelopment led by government includes affordable housing as an important high-value option.

#### TIMELINE

##### Short term action – 2021/22





## Recommendation #3

### Modernize provincial legislation and regulations

#### THE ISSUE

Municipalities and other stakeholders have shared with us the unintended consequences of many provincial laws and regulations, which need careful review. For example, current provincial legislation does not give municipalities the chance to partner with the private sector to offer a wider range of incentives, as in other provinces. Additionally, to ensure sufficient renter protections against evictions due to renovation (“renoviction”) are reflected in provincial legislation, we heard that the Residential Tenancies Act could be strengthened (see recommendation 14).

To implement many of the actions in this report, there is a need to change provincial legislation and associated regulations such as those of the Municipal Government Act, Halifax Regional Municipality (HRM) Charter, and the Residential Tenancies Act.

#### THE OPPORTUNITY

The successful implementation of our recommendations requires amendments to provincial legislation and regulations, such as allowing the use of inclusionary zoning and providing incentives to both community housing and private sector developers of affordable housing. A new legislative framework could allow municipalities to allocate funds for private sector development, generate new revenues, create or protect affordable homes, and adopt more inclusionary and efficient zoning.

The Province is currently working to modernize and improve the Residential Tenancies Act. This is an ideal time to advance the Commission’s recommendations related to enhancing renter protections against evictions due to renovations.

#### The Action

- Review and amend the pertinent provincial legislation and regulations necessary to implement the Commission’s recommendations.

#### CRITICAL SUCCESS FACTORS

- Consult with key stakeholders prior to proceeding with legislative amendments, including the Nova Scotia Federation of Municipalities, Association of Municipal Administrators of Nova Scotia, and private and non-profit housing providers and developers.

#### TIMELINE

**Short term – 2021/22**







## Recommendation #4

### Develop a long-term provincial housing strategy

#### THE ISSUE

Many Nova Scotians told us they were worried that the limited scope of the Commission did not address homelessness. Others felt that it was necessary to address barriers to home ownership as it creates a key pressure on the rental market. The Commission was established to concentrate on the high cost of rental housing and the lack of affordable options, and we share these concerns.

Furthermore, we heard that systemic barriers that prevent access to affordable housing, reinforced by historic disenfranchisement, discrimination, and racism in Nova Scotia, need to be addressed and overcome. The housing system is complex. We need a broader plan to respond to Nova Scotia's complete needs today and in the future.

#### THE OPPORTUNITY

A provincial housing strategy should set out a long-term vision for housing as key to achieving the Province's social, economic, health and environmental goals. It should provide a rights-based framework for housing outcomes with clear baselines and specific targets, within an evidence-based and data-driven approach, as well as cross-sectoral partnerships and collaboration.

Adequate housing is essential to one's sense of dignity, safety, inclusion, and ability to contribute to the fabric of our neighbourhoods and societies. A new provincial housing strategy could align with the federal government's commitment under the National Housing Strategy and recognize that adequate housing is a fundamental human right. A broad strategy should also consider the unique barriers to housing experienced by people of African descent, urban Indigenous communities, and other marginalized groups, collaborating with them to build mutual trust and develop targeted solutions.

#### The Action

- Mandate the new housing entity (see recommendation 1) to develop a provincial housing strategy that sets a 10-year vision for affordable housing.
- Engage private sector, community housing partners, homeless-serving agencies, academia, public sector, and other key stakeholders in strategy development, including the identification of targets and outcomes.
- As part of this work, develop strategies to better understand the specific housing needs and address the historic and systemic barriers faced by people of African descent and Indigenous communities to accessing affordable housing.

#### CRITICAL SUCCESS FACTORS

- Develop guiding principles that recognize the right to housing and housing as a key strategic sector to achieve the province's social, economic, health, and environmental goals, with a focus on innovative approaches to advance bold actions across the full housing spectrum.
- Identify clear targets to expand the supply of affordable market and non-market rentals, including increasing community housing relative to the total rental market, and specific outcomes for vulnerable populations and underrepresented communities.
- Design for accountability to assess and report publicly on the economic and social outcomes of provincial housing programs and services.
- Develop an outreach plan to collaborate with people of African descent, Indigenous communities, newcomers, and other underrepresented groups on targeted projects/initiatives under the new strategy, and to review existing programs and initiatives.

#### TIMELINE

##### Mid-term action – 2022/23 – 2023/24



## Recommendation #5

### Empower municipalities to become key partners in affordable housing

#### THE ISSUE

Municipalities are the closest to the need of affordable housing, but have limited tools or resources to be an effective partner in affordable housing. While municipalities can partner with the community housing sector, they do not have the legislative authority to provide incentives to private developers to create affordable housing. Furthermore, municipalities do not have clear guidance when it comes to understanding the full scope of their potential influence in housing.

Rental market data outside of the major regional centers is limited, which restricts municipalities to relying on the Census releases. Access to data is only the first part. There is also a need to analyse and interpret the data and turn it into action to address local housing needs. Communities must be able to study their own housing needs and demand, but they lack sufficient capacity or resources to do so.

#### THE OPPORTUNITY

As a regulator of real estate development, municipalities play a significant role in where and how housing is developed. Empowered municipalities, with access to data about local housing supply and demand, could take a more entrepreneurial approach to affordable housing and remove barriers that directly impact housing costs. Municipalities should be encouraged to use the levers available to them and permitted to partner with, and leverage the strengths of both the private sector and community housing sector to create more housing and adopt strategies to meet their affordability goals.

#### The Action

- Recognize municipalities as a key partner in affordable housing. By amending the Municipal Government Act and HRM Charter, the Province can grant local governments the authority they need— to eliminate or minimize municipal taxes, fees, or charges for affordable housing developments, including partnering with the private sector, if they so choose.
- Authorize municipalities to use inclusionary zoning in private development in lieu of bonus zoning charges, in combination with appropriate incentives to avoid any additional costs to the development.
- Ensure municipalities have adequate support and resources to complete a housing needs assessment.

#### CRITICAL SUCCESS FACTORS

- Amend the Nova Scotia Municipal Government Act and HRM Charter to give municipalities the authority they need to play an effective role as an enabler of affordable housing that meets the needs of diverse stakeholders.
- Sufficient data at the municipal level, from housing needs assessments, to inform decision-making by municipalities in relation to affordable housing.

#### TIMELINE

##### Short-term action – 2021/22

#### QUICK START FOR 2021/22



To address the urgent need for more supply, we recommend that Government invest \$500,000 to implement this quick action within the next 100 days:

**Support municipalities to complete a housing needs assessment to establish a baseline from which they must plan for sufficient amount and diversity of housing supply to meet projected needs.**



## Recommendation #6

### Support the creation of more affordable housing, prioritizing a mixed-income, multi-partner approach

**THE ISSUE** We need an all-hands-on-deck approach to create more affordable rental units. Despite reaching record levels of new construction, demand is growing faster than supply can get to the market, which according to CMHC has driven vacancy rates down and rents up. Meanwhile, some investors are revitalizing older buildings and increasing rent to recoup costs, which displaces tenants who can no longer afford to live there.

Building more rental housing is no simple matter, even in a low interest rate environment. Developing real estate is risky, with a lengthy regulatory process. Several federal and provincial programs exist to support more affordable housing, but may be insufficient to incentivize the scale of new development required to meet demand. We also heard that it is challenging for community housing developers to leverage available funding and that program guidelines have not kept up with a rapidly changing market environment.

**THE OPPORTUNITY** The work of the Commission has created momentum and a desire amongst partners to lend their knowledge, specific skills and expertise to new projects. The Province can bring together the private sector, community housing providers, municipalities, and the federal government to partner for innovative mixed-income, mixed-use developments.

A multi-partner approach would support the growth and capacity of community housing while improving the efficiency of existing operating models. Government should consider strategically leveraging public assets, which could include divestiture to community housing providers or Community Land Trusts.

#### **TIMELINE** Short-term action – 2021/22

## The Action

- Invest immediately in multi-partner mixed-use, mixed-income demonstration projects that feature innovative construction techniques.
- Target funding to support proponents that can leverage federal funding under the Rapid Housing Initiative.
- Create new rent supplements to support affordable housing projects that receive a government capital contribution, to achieve a deeper level of affordability for people living on very low income.
- Double current investments in the provincial Affordable Housing Program.
- Work with partners in the non-profit and private sectors on potential affordable housing development projects ('pipeline' projects) that could be initiated within 12 months.
- Enhance provincial incentives to boost the supply of new affordable rental housing through new construction or conversion of non-residential buildings.
- Leverage public assets through options such as divestiture to community housing providers or Community Land Trusts.

## CRITICAL SUCCESS FACTORS

- Prioritize mixed-income and mixed-use approaches, which combine affordable and market units as well as residential and commercial space, to promote inclusiveness and financial viability.
- Increase per-door funding to better reflect increased construction costs.
- Consider opportunities to create dedicated program streams for specific populations, sectors, and regions (rural & urban, underrepresented communities, and community housing); increase dedicated funding for rent supplements, and review existing programs to meet client needs and ensure access to people with very low income.
- Align provincial incentives with CMHC programs for construction, conversion and acquisition, to enable developers to fully leverage all available funding and make the application process easier.
- Work with partners on further incentives to maximize energy efficiency in new projects.

## QUICK START FOR 2021/22



To address the urgent need for more supply, we recommend that Government invest \$20 million to implement these quick actions within the next 100 days:

Invest immediately in multi-partner mixed-use, mixed-income demonstration projects that feature innovative construction techniques.

Target funding to support proponents that can leverage federal funding under the Rapid Housing Initiative.

Increase the number of rent supplements to support affordable housing projects that receive a government capital contribution, to achieve a deeper level of affordability for people living on very low income,

Double current investments in the provincial Affordable Housing Program.



## Recommendation #7

### Reduce costs for new affordable housing

#### THE ISSUE

The rising cost of land, construction material, and labour have all made housing less affordable. For new purpose-built projects, government taxes and fees can account for more than 20% of total input costs. These costs are simply reflected in the sales price or rents charged to tenants.

Reducing the provincial portion of the HST, property taxes, and other charges targeted at affordable housing projects could incentivize new rental supply at or below market rate. As stated previously, current provincial legislation prevents municipalities from waiving or reducing these costs for affordable housing built or operated by private sector.

#### THE OPPORTUNITY

Municipalities and the Province own vacant or under-utilized land and buildings that could be transformed into new affordable rental housing. For example, the Community Land Trust model has proven successful in places such as British Columbia. In this model, publicly-held land is provided at low or no-cost to a group of community housing organizations that hold the land and use it to leverage financing for affordable housing development.

One tactic to prioritize affordable housing and cost burdens faced by developers is to offer affordable housing development land-use incentives, such as waiving of fees or reduced taxes. These incentives would be tied to a minimum number of affordable units in a development or in exchange for a development agreeing to remain as an affordable rental building for a minimum number of years, which could also avoid conversion to condominium.

#### The Action

- Offer a rebate for the provincial portion of the HST (Harmonized Sales Tax) on new construction that includes affordable housing.
- This fiscal year, authorize municipalities to waive, reduce, or defer the payment of certain construction-related fees on new construction or preservation of market and non-market rental housing, if they so choose.
- Develop an affordable rental housing construction tax credit in exchange for a minimum number of affordable units that remain affordable for a specified period of time.
- Create a program to use vacant or under-utilized public land suitable for residential use, or buildings for affordable housing and incentivize their development.
- Allocate additional density in urban areas with high growth and high demand by providing incentives for creation of affordable housing over and above the allocated density.
- Work with the Property Valuation Services Corporation to consider creating a new assessment classification for affordable housing.
- Explore the benefits of transferring public lands to support the creation of Community Land Trusts.

#### CRITICAL SUCCESS FACTORS

- Legislative amendment to the Municipal Government Act and HRM Charter that reflect the diverse needs of municipalities and the sectors they partner with (see recommendation 5).
- Provide seed funding to support the creation of Community Land Trusts (CLT) to ensure long-term community stewardship of land and supply of affordable housing. This would enable the development of shared equity by non-profit housing organizations that can be leveraged for construction of permanent affordable housing.

#### TIMELINE

**Mid-term action – 2022/23 – 2023/24**





## Recommendation #8

### Reduce regulatory and non-cost barriers of new development

#### THE ISSUE

In addition to development costs, the Commission heard about the importance of reducing non-cost barriers to affordable housing, including addressing labour shortages. One of the issues that came up in our discussions with industry is that a current shortage in certain skilled trades is a serious impediment to growing the rental housing supply. Regulatory burdens can also create barriers to the development process making it more difficult for affordable housing projects to get approved and maintain affordability.

#### THE OPPORTUNITY

The Province should work with industry and organizations to train and hire more women, Indigenous youth and people of African descent within skilled trades needed to support housing developments. Local governments can positively impact rental rates by maintaining a regulatory environment conducive to the development of affordable and diverse range of housing types.

#### The Action

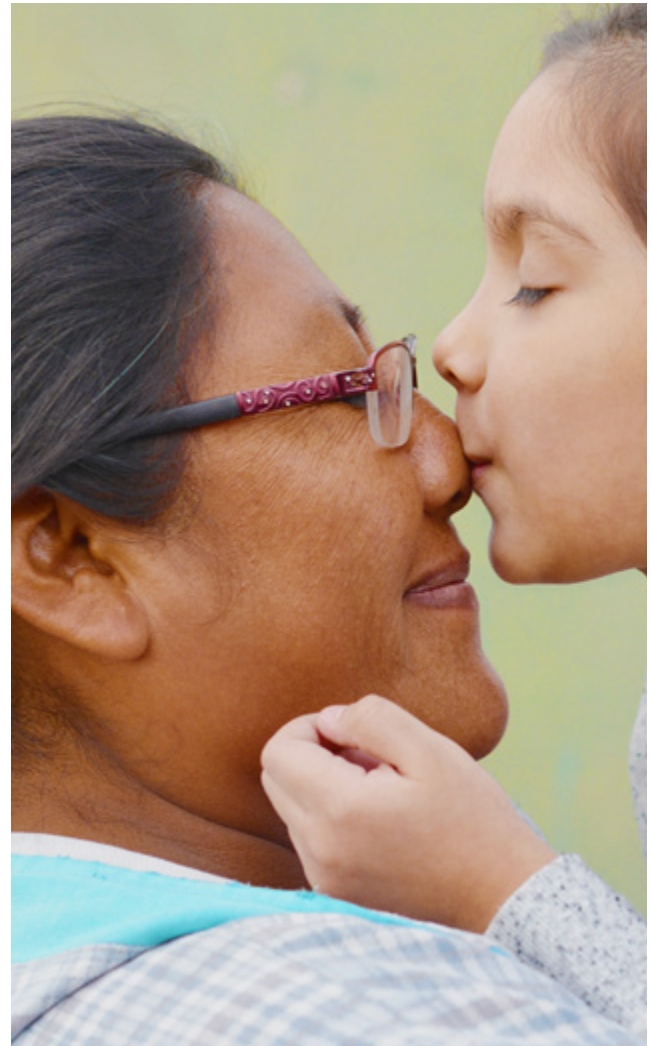
- This fiscal year, initiate a review of the impact of existing regulations on the development process and identify innovative ideas and solutions for regulatory and service reforms.
- Work with the Nova Scotia Apprenticeship Agency (NSAA) and Department of Labour and Advanced Education (DLAE) and the Nova Scotia Office of Immigration to address the shortage in skilled trades required for residential construction identified by the Commission. This should include a review of practices and processes, including those related to hiring foreign workers in the residential construction industry that may contribute to this shortage, which can have unintended consequences on the development of affordable housing.
- Attract, hire, and train more women, Indigenous people, People of African descent, and individuals from other marginalized groups into the trades with a supply shortage.

#### CRITICAL SUCCESS FACTORS

- Complete a comprehensive review of municipal development processes to streamline applications and requirements as quickly as possible.
- Adopt measures to require that secondary suites and shared housing be permitted in all residential zones across the province.
- Provide guidance and resources to municipal units on how to modernize existing development regulations.
- Consult with industry and leverage the expertise of the NSAA, NSOI and the DLAE to address shortages in skilled trades required for residential construction.

#### TIMELINE

##### Mid-term action – 2022/23 – 2023/24





## Recommendation #9

### Prevent the loss of affordable homes

#### THE ISSUE

While building new rental housing is part of the solution, preventing the loss of existing stock is also critical. There is a significant amount of circa-1960s/70s rental housing in the province, but much of it is in need of repair. Without subsidies, housing providers pass on high construction costs to tenants in the form of higher rental rates after retrofitting older properties. This naturally occurring affordable housing (without a subsidy) in the private market is not well-tracked. This stock must be preserved as it could be lost due to redevelopment or further deterioration.

#### THE OPPORTUNITY

Retrofitting existing, older, rental stock is generally less expensive than new construction and helps keep people in their homes. It is also more cost-effective to create accessible units for people with disabilities by renovating existing units than building new rental housing.

#### The Action

- Increase provincial funding for repair and renewal of existing affordable market and non-market rental housing.
- Work with municipalities to create incentives for developers to retrofit existing units and make them affordable. This could include a property tax reduction to create or preserve affordable units.
- Create a provincial loan program to help non-profit housing providers finance the acquisition of low-end of market rental properties at-risk of being converted to high-end development.
- In collaboration with municipalities, create an initiative to ensure that the number of units at or below average market rents in a building being redeveloped are preserved in the new development along with the approved new density.

#### CRITICAL SUCCESS FACTORS

- Review provincial rehabilitation programs to ensure they are adapted to local market realities.
- Enable municipal engagement and authority to enact changes related to property tax reductions for private sector developers, if they so choose.
- Amendments to the Municipal Government Act and HRM Charter.

#### TIMELINE

**Mid-term action – 2022/23 – 2023/24**





## Recommendation #10

### Build community housing capacity

#### THE ISSUE

The community housing sector, which comprises non-profit and co-operative housing organizations, is a critical component of a healthy, vibrant housing ecosystem. In Nova Scotia, this sector is small and concentrated in Halifax, with limited capacity for new development projects. Many of these organizations are small scale operations, often underfunded, under-staffed, and managing an aging housing stock.

Co-ops and non-profit housing providers do not own or operate enough mixed-income and mixed-use developments, the likes of which create greater financial sustainability. Many organizations are still subsidized through the 1997 Social Housing Agreement, on the basis of offering rent-geared-to-income or very low rent. As such, they have an unsustainable business model as they collect insufficient rental revenue to operate without those subsidies. Further, the small-scale of most organizations means that they do not have the expertise needed to effectively leverage their assets to support sustainability and growth.

In addition, provincial funding and staffing resources are limited, which constrains government's ability to support transformation and growth of the community housing sector.

#### THE OPPORTUNITY

In many provinces and other jurisdictions around the world, community housing organizations play a much greater role in providing secure and low-cost housing for people living on lower incomes or those in need of permanent support. Strengthening our co-ops and non-profits could boost communities in need of more public or private housing. Growing this sector is critical to ensuring an adequate supply of affordable housing options for those who can't afford market rent, as well as meeting the needs of vulnerable and underrepresented groups.

#### The Action

- Create a Community Housing Growth Fund co-created with sector organizations.
- Work with the community housing sector to develop a comprehensive baseline, identify gaps and gather data to support planning and long-term strategies for sector stabilization, transformation and growth.

#### CRITICAL SUCCESS FACTORS

- Consult with the community housing sector to set targets and outcomes, and identify resources required to ensure the sector is able to grow the number of non-market housing units.
- Allocate funding based on targets and priorities identified in collaboration with the sector and in alignment with a provincial housing strategy and National Housing Strategy goals.
- Build on the recommendations from the Build Together: Strengthening the Community Housing Sector in Nova Scotia initiative<sup>[1]</sup>.
- Explore innovative approaches, such as Community Land Trusts.
- Renew Memorandum of Understanding with the Cooperative Housing Federation of Canada to support sustainability and growth of the co-op sector in Nova Scotia.
- Enable multi-year allocation of the fund and co-create parameters with the sector that will ensure the fund is used to drive increased sector capacity and accountability tied to changes to operating models to move towards more sustainable models.
- Create an internal division within the new provincial housing entity (see recommendation 1) to lead and support development of the community housing sector including a focus on undertaking development with Indigenous groups or people of African descent.

#### TIMELINE

##### Mid-term action – 2022/23 – 2023/24



#### QUICK START FOR 2021/22

To address the urgent need for more supply and build capacity in the community housing sector, we recommend that Government invest \$2.5 million as a start-up fund to implement this quick action within 100 days:

**Create a Community Housing Growth Fund. This program should be co-created with sector organizations.**



## Recommendation #11

### Transform our public housing model

#### THE ISSUE

Public housing, funded through all levels of government, is composed of provincially-owned, subsidized rental housing units managed by five regional Housing Authorities. Units are operated on a rent-g geared-to-income (RGI) model where eligible tenants pay no more than 30% percent of their gross income for rent, or according to set rental scales for recipients of Income Assistance. Under this model, rental revenues are too low to cover operating costs, which have increased over time, and as tenant needs become more complex.

This operating model has been in place for more than 60 years. Over that time, demographics have changed, client needs have become more complex, and there is an understanding that mixed-model approaches lead to better social and economic outcomes for tenants. Capital investments and a more sustainable approach is needed to deliver affordable housing that can better meet client needs.

#### THE OPPORTUNITY

There is an opportunity to build on lessons learned in other jurisdictions, both within and outside Canada. Under its Action Plan 2019/2022, the Province has already committed to undertake transformation of its public housing portfolio. The Commission believes government is on the right track but must accelerate this process to support a vibrant and sustainable non-profit housing sector, complemented by partnerships with private sector housing providers, along with a mix of government-delivered programs.

#### The Action

- Review the public housing operating model to:
  - Improve operational efficiency and effectiveness.
  - Continue to advance transformation activities, including asset transfer processes in partnership with community housing providers.
  - Review the rent model and explore alternative approaches.
- Continue the work underway to develop an asset management plan that includes opportunities for redevelopment in partnership with the community housing sector.

#### CRITICAL SUCCESS FACTORS

- Establish a new arm's length independent entity (see recommendation 1) to create a business-like approach focused on sustainable long-term management of assets and expansion.
- Enable legislation to provide the authority to manage and leverage housing assets to generate, retain, and reinvest revenues to optimize portfolio management. This could include decisions related to divestiture.
- Tenant and community engagement.
- Higher risk tolerance, with an improved risk management capacity.
- Structural and operational review of regional Housing Authorities.

#### TIMELINE

##### Mid-term action – 2022/23 – 2023/24



#### QUICK START FOR 2021/22

There is an immediate need to invest in modernizing provincially-owned housing stock to ensure that it meets the changing client needs. This includes upgrades to the energy efficiency of buildings and renewal of buildings and units. We recommend that Government implement this quick action within 100 days:

**Invest \$2 million this fiscal year to modernize the provincially-owned stock, including improvements to overall condition levels, and energy efficiency projects to reduce operating costs, decrease greenhouse gases, and create jobs across the province.**





## Recommendation #12

### Expand housing options that meet the needs of seniors and vulnerable Nova Scotians

#### THE ISSUE

There is compelling evidence<sup>[2]</sup> that single-family zoning has contributed to urban sprawl and car reliance, worsened affordability by restricting density, and prevented inclusion by keeping low-income households out of higher income neighbourhoods.

We need more rental housing to meet the demand sparked by economic and population growth (supply-side intervention), but the impact of new rental supply is often insufficient for low-income households, especially those who need accessible units. For example, the cost of rent for units built after 2015 in Halifax are 53% higher than average, including older units.

The lack of shared accountability within the housing system for outcomes for vulnerable populations is also worrisome. Responsibility for various programs that support vulnerable groups is spread amongst provincial government departments, which can create a barrier to collaborative development of innovative approaches to keep people housed and break the cycle of poverty.

#### THE OPPORTUNITY

Programs that support affordability and very low rent options for vulnerable populations are crucial, such as programs to reduce costs for households in core housing need like rent supplements. It also includes dedicated resources to creating non-traditional housing options (single-room occupancies, or secondary suites, tiny homes, or laneway houses built using modular construction), which are some of the most affordable forms of housing for single persons.

Meeting the needs of low-income seniors is also critical to addressing our current housing crisis. Government should ensure older homeowners and renters can find stable, suitable, safe, and affordable housing. The Commission encourages the Province to continue existing financial support for home improvements and upgrades for low-income seniors and

incentivize companion housing arrangements between seniors and younger people. Collaborative problem-solving across governments and sectors could help remove barriers for the most vulnerable.

#### The Action

- Incentivize creation of secondary suites that ensure long-term rent affordability through a new Secondary Suite Program.
- Incentivize companion housing arrangements between seniors and younger people, particularly in rural areas.
- Work with stakeholders to support the development of a voluntary online rental housing registry that would be operated by landlords, to attract and connect prospective tenants seeking affordable housing directly with participating landlords.
- Create a dedicated budget for construction of new rooming houses, and for repair of existing rooming housing.
- Increase the number of rent supplements to help low-income households access market rental units in high cost areas.
- Adopt a multi-disciplinary supportive housing approach to help keep people housed long-term and participate in the community in meaningful way, both socially and economically

#### CRITICAL SUCCESS FACTORS

- Amend the necessary legislation to require that secondary suites and shared housing be permitted in all residential zones in Nova Scotia.
- Ensure that no law, bylaw, covenant, or agreement prevents or prohibits the development of rooming houses, tiny homes, secondary suites, backyard suites, laneway houses, and other low cost housing models.
- As part of the new Secondary Suite Program, provide a combination of forgivable and repayable loans to offset capital costs associated with building the suites in exchange for a commitment to ongoing affordability of the units.
- Dedicate new budget allocation to encourage the construction of innovative Single Room Occupancies (SRO) projects. Prioritize mixed-use projects that offer on-site amenities and social and health services. This program should also support rehabilitation of existing SROs.
- Collaboration across government and sectors.

#### TIMELINE

##### Mid-term action – 2022/23 – 2023/24



## Recommendation #13

### Provide targeted resources and supports to vulnerable and underrepresented communities

#### THE ISSUE

The Commission learned about the need for better access to housing development programs, particularly amongst underrepresented and vulnerable communities, and in rural areas. We need dedicated resources for these communities and the non-profit sector that serves them and must assist them in leveraging available funding.

More work also needs to be done to increase collaboration across governments and sectors to encourage collaborative problem-solving to address both housing and non-housing challenges.

#### THE OPPORTUNITY

Participants in our engagement process asked for the provincial government to forge relationships of mutual trust and respect with underrepresented communities to understand their diverse housing needs. There could be targeted investments to create opportunities for preservation and expansion of sustainable affordable rental housing across Nova Scotia where people want to live.



#### The Action

- Target investments through dedicated program streams to preserve and expand affordable, energy-efficient and accessible housing options for underrepresented communities.
- Fund culturally responsive initiatives such as housing community liaisons or navigators to build the capacity needed within communities to leverage available funding to preserve and build more affordable housing that meets their needs.
- Partner with underrepresented communities to set targets and outcomes (see recommendation 4) for removal of systemic barriers to affordable rental housing and homeownership.

#### CRITICAL SUCCESS FACTORS

- Inclusive, multi-stakeholder structures are in place to help build relationships of mutual trust and respect between government and underrepresented communities and vulnerable groups, and that identify their specific and diverse housing needs.
- Commitment from government to partner with underrepresented communities and vulnerable groups to assess housing need and co-create programs and initiatives that leverage available funding and create opportunities for preservation and expansion of accessible and sustainable affordable housing.
- Existing provincial programs and initiatives are reviewed through a racialized lens and action is taken to improve collaboration with representatives from communities and create inclusive, targeted funding streams that both address and remove systemic barriers to affordable housing.
- Targets and outcomes for addressing and removing systemic barriers are co-created by government and specific underrepresented communities and vulnerable communities under the provincial housing strategy (see recommendation 4).

#### TIMELINE

**Mid-term action – 2022/23 – 2023/24**



## Recommendation #14

### Enhance renter protections, equitable access, and better-functioning conditions for rental housing

#### THE ISSUE

Acknowledging the right to housing, we need to ensure tenants are treated fairly and without discrimination, including protections against involuntary displacement. There is also a need to create more awareness around tenant rights and obligations, and landlord obligations. While some see rent control as an anti-poverty safeguard against displacement, gentrification, and economic evictions, we need to carefully consider all its potential effects.

Opponents are concerned rent control can suffocate supply and divert investment away from residential rental units, leading to deterioration. When rental rates do not keep pace with the cost of maintenance, building operations, and renovations, this disincentivizes housing providers to preserve existing affordable units.

#### THE OPPORTUNITY

Renters, landlords, experts, and other stakeholders noted the importance of preserving long-term supply via a balanced, well-functioning rental market. The current rental housing situation has created urgent and unusual conditions that put renters at risk. The Commission agrees with temporary measures introduced by the Government of Nova Scotia in November 2020 limiting rental increases to 2% per year for existing tenants and prohibiting landlords from getting eviction orders for renovations. For the long-term, we must identify the most effective measures for Nova Scotia to create and preserve affordable housing supply with as little distortionary impact on the housing market as possible.

The Commission carefully examined recent research, practices in other jurisdictions, and stakeholder input, and we believe the implementation of our recommendations as a whole will result in better long-term outcomes for all.

#### The Action

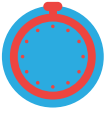
- Maintain the current temporary measures established through the Direction of the Minister under the Emergency Management Act until February 1, 2022 or when the Provincial State of Emergency is lifted, whichever comes first.
- Discontinue these measures once the time limit outlined in the Direction is reached.
- In collaboration with municipalities, tenants, landlords, and other stakeholders, explore opportunities to support eviction prevention, provide temporary assistance to low-income households facing evictions due to planned renovations, improve access to legal aid services, and consider developing retention plans to prevent the loss of long-term renters that are at risk of being priced out of their neighbourhood.
- Review the Residential Tenancies Act to examine opportunities to improve renter protection and strengthen landlord-tenant relations. This should include options to minimize the impact of evictions due to renovation on tenants and improve the overall efficiency of the application process and the administration of the program.
- Work with other government bodies, such as the Human Rights Commission, to address concerns related to discrimination, especially during renter application processes.

#### CRITICAL SUCCESS FACTORS

- Engagement with provincial agencies such as Human Rights Commission, the Office of Anti-Racism and Equity, municipalities, private sector organizations, such as the Investment Properties Owners Association of Nova Scotia (IPOANS), ACORN, and other groups advocating on behalf of tenants such as NS Legal Aid.
- Collaboration amongst departments to address concerns related to preventing un-warranted evictions.
- Raise awareness of tenant rights and obligations, and landlord obligations.

#### TIMELINE

##### Mid-term action – 2022/23 – 2023/24



## Recommendation #15

### Address the specific needs of rural and non-urban communities

#### THE ISSUE

Many non-urban and rural communities<sup>[3]</sup> in Nova Scotia face shortages of affordable rental housing, a problem exacerbated by low incomes, diversifying and changing populations, conversion of permanent rental housing to short-term rental accommodations to support tourism, and lack of municipal infrastructure to attract investment and support real estate development. Furthermore, existing provincial and federal housing construction and preservation programs are not targeted to the unique needs of rural and non-urban communities.

The development of affordable housing for low- and moderate-income households is often plagued by local opposition, commonly referred to as NIMBY-ism ('Not in my backyard'). We need to manage local opposition to improve community support for local projects, and ensure residents are given more information on affordable housing projects planned for their communities.

#### THE OPPORTUNITY

The Province must work with municipalities and other partners to offer more housing options in rural and non-urban communities. This includes reviewing existing programs to ensure guidelines reflect local market realities, such as removing the requirement for a minimum number of new units.

To address community resistance to new development, government could work with municipalities to increase public awareness and help developers and municipal councils to overcome opposition to local projects.

#### The Action

- Building on consultation undertaken in 2019 by the Province related to regulation of short-term rentals, work with stakeholders to identify options to address concerns related to conversion of rental stock into short-term rentals, ensuring both an adequate supply of accommodation for visitors and permanent housing for local residents.
- Provide financial incentives, targeted to areas of need identified through municipal housing needs assessments, to non-urban and rural municipalities to develop regional housing strategies and create Regional Housing Networks to lead and implement housing plans.
- Work with industry, community housing sector, and municipalities to reform provincial programs and ensure funding and requirements are responsive to the dynamics of the rural housing market and can attract private investment to build affordable housing.
- Target funding for new development and preservation of affordable rental units to non-urban and rural areas with demonstrated housing need.
- Create education and awareness campaigns to reduce opposition to affordable housing.

#### CRITICAL SUCCESS FACTORS

- Provide financial incentives to non-urban and rural municipalities to support regional housing plans and Regional Housing Networks. This should be done in collaboration with the NSFM and Regional Enterprise Networks.
- Encourage municipalities to promote more flexible local planning and building types for rental housing, prioritizing areas where local infrastructure already supports residential development.
- Create incentives for non-urban and rural municipalities to improve and expand local infrastructure and services required to attract investment in housing development.
- Establish a network of community supporters to help build trust with citizens and develop a 'Not-In-My-Backyard' strategy.
- In collaboration with municipalities, explore more opportunities for local residents to provide feedback and be involved in the planning of affordable housing projects.

#### TIMELINE

**Long-term action – 2024/25 – 2025/26**





## Recommendation #16

### Improve access to rental housing data

#### THE ISSUE

There is insufficient data on the rental housing market in Nova Scotia - including both demand and supply - particularly outside of urban areas. The public consultation process shed a new light on the gaps in our knowledge about the dimensions of housing need. The data we have is often incomplete, outdated, or not usable with other data sets that would help us better understand supply and demand. Renters themselves also suffer from a deficit of information about the rental market, relative to property owners, whether they are investors or homeowners.

#### THE OPPORTUNITY

Public, private, and community housing sector organizations need a data repository to understand trends (i.e., income, population changes) that impact affordable housing, visualize solutions, project and respond to housing needs in various markets, and track housing markets over time. A more comprehensive data repository would also serve as the main dissemination point for housing data, inform the development of government measures and their impact, and serve as an educational platform for all stakeholders. This data is also critical for government to make informed decisions about public investments and their outcomes.

#### The Action

- Create an online provincial housing data portal to provide accurate and timely information about the Nova Scotia rental housing market, including both demand and supply.
- Develop a rental housing database.
- Develop a geospatial platform to visualize housing data.
- Work in partnership with other levels of government, the private sector, and non-profits to develop shared understanding, methodologies and data on the dimensions of housing need.

#### CRITICAL SUCCESS FACTORS

- Collaborative agreements with various data holding entities in Nova Scotia and other levels of government.
- Shared service between government and sector-based organizations such as post-secondary institutions, co-operative housing sector, non-profit housing, and private sector providers as well as core data providers such as CMHC, Property Valuation Services Corporation, and municipalities.
- Provide financial incentives to non-urban municipalities to develop regional housing needs assessments.

#### TIMELINE

**Medium-term action – 2022/23 – 2024/25**





## Recommendation #17

### Support innovation and promote cross-sectoral partnerships

#### THE ISSUE

Throughout the Commission's work, the absence of complete data to help inform housing policies has been an issue. To achieve our long-term goals, we need to do a much better job at unlocking innovation, being more entrepreneurial, and strengthening partnerships for better designed, efficient homes. This requires a foundation of multi-sectoral research and knowledge-sharing.

#### THE OPPORTUNITY

Housing is a complex issue. It requires unconventional solutions and strong collaboration between all levels of government, businesses, and the non-profit housing sectors. In recent years, new housing models and cutting-edge approaches have been tried in other jurisdictions with promising results. The use of shipping containers to build quality homes is one of many examples.

There are many opportunities to transform the way we build and deliver housing in Nova Scotia, and even reach beyond our borders. We can partner with our colleagues from the Atlantic region who are faced with very similar challenges to build our mutual capacity and share knowledge. Let's also strengthen the role of municipalities as a housing partner, but also leverage the skills, knowledge, and experience of our private sector to build capacity in our community housing sector.

#### The Action

- Establish a provincial or regional Housing Research Network in collaboration with other Atlantic provinces and post-secondary institutions, to undertake targeted and larger-scale research, share information, and transfer knowledge from research findings to housing providers, stakeholders, and policy practitioners.

#### CRITICAL SUCCESS FACTORS

- Collaboration with provincial research institutions and amongst partners.
- Allocate provincial staff to foster partnerships and support innovative approaches.

#### TIMELINE

##### Long-term action – 2024/25 – 2025/26

[1] <https://coady.stfx.ca/extension/build-together/>

[2] <https://www.tandfonline.com/doi/full/10.1080/01944363.2019.1651216>

[3] CMHC defines rural areas as those outside population centres (at least 1,000 residents with 400 or more people per square kilometre). In Nova Scotia, some larger municipalities contain areas that may meet the definition of rural community.





A photograph of a modern multi-story apartment building. The building features a mix of blue and orange facades. Several balconies with dark metal railings are visible, extending from the blue sections. The sky is clear and light-colored. The text 'Section 9' and 'Next Steps' is overlaid on the left side of the image.

Section 9

# Next Steps

**Only by rolling up our sleeves  
together will we be able to  
diagnose shortfalls, break down  
barriers to understanding, and  
bring new ideas to the surface.**



## Next Steps

**This past year has been difficult for many of our friends and neighbours as we continue to fight a deadly global pandemic, but it has also shown our resilience as a province.**

Now more than ever, we need to stand together to ensure a swift post-pandemic economic recovery—and in that spirit, let's be mindful that housing is a basic human right, as well as a driver and necessary condition for health, social equity, and economic growth.

Over the last six months the **17 members** of the Nova Scotia Affordable Housing Commission have spent countless hours to better understand the situation affecting so many people and families—from new Canadians to those who have lived in Mi'kma'ki for generations. We have heard from thousands of concerned Nova Scotians about their innovative ideas and sometimes heart-wrenching stories, from people of African descent being priced out of the neighbourhood they grew up in, to families moving away from their community and support network because they can't find an apartment they can afford. We also learned a great deal from local and international experts, were inspired by promising approaches in other jurisdictions, and we incorporated many ideas shared with us throughout our open and extensive consultation process.

Nova Scotia is at crossroads. We need to chart a new course to meet today's demand and plan for tomorrow. Creating affordable housing options that meet diverse needs will require a significant financial commitment by all levels of government.

- We call on the provincial government to invest right now to build more affordable homes, initiate a transformation in how it governs housing, unlock opportunities for municipalities to define the role they can play and provide the legislative authority they require to do so, if they so choose.
- We call on the private sector to partner with government and non-profit organizations to accelerate the construction and preservation of rental market housing, which can be offered at a much lower rent with the proper incentives.
- We call on the community housing sector to work closely with the provincial government to unleash its potential and grow sustainably to meet the housing needs of those in the lowest income brackets, as well as individuals who require support to ensure successful tenancy.

The Commission currently represents all sectors that can positively impact the rental housing market and, should government so choose, we are committed to continuing in an advisory role to the Minister of Infrastructure and Housing



**Nova Scotia is at crossroads.  
We need to chart a new course  
to meet today's demand and  
plan for tomorrow.**

over the next year to support the implementation of these high-impact, short term actions. This includes facilitating an engagement process with stakeholders to advance the development of a provincial housing strategy and other initiatives. Our commitment is also to Nova Scotians to whom we are accountable. Given what's at stake for many in housing need, we pledge to reconvene in six and twelve months to take stock of the government's progress by releasing two report cards.

In closing, we would like to acknowledge the limitations of our work beginning with the fact that our mandate was to only focus on increasing the supply of, and access to affordable rental housing. The absence of recommendations to address homelessness or the concerns of first-time home buyers is not the result of our lack of understanding but rather the scope of our engagement. This report also fails to identify clear targets for the generation of new affordable rental units. To our disappointment, it became clear that the Province does not collect enough data at the community level to inform the level of supply needed to address current and future demand, a clear gap we highlight in this report.

Lastly, we know one of the first questions that will be asked is about the impact of our recommendations on the public purse. Due to the limited time we had to complete our review and develop our recommendations, we felt this financial exercise would be best undertaken by government itself. At minimum, we have proposed an immediate investment of at least **\$25 million** to undertake what we consider quick starts with the recognition that the Province has already tabled a budget for fiscal year 2021/22.

**Once again, we are grateful to everyone who contributed to this work and we look forward to seeing stakeholders come together to support the Province as it charts a new course for more resilient, vibrant communities in Nova Scotia.**



**At minimum, we have proposed an immediate investment of at least \$25 million to undertake what we consider quick starts with the recognition that the Province has already tabled a budget for fiscal year 2021/22.**

# **APPENDIX A**

Subcommittee Members

# APPENDIX A

## Subcommittee Members

### Data and Financial Modelling Work Group

- Frazer Egerton** (NSAHC member), Special Advisor, NS Department of Health & Wellness (Chair)
- Kelvin Ndoro**, Senior Analyst, Economics, Canadian Mortgage and Housing Corporation
- Neil Lovitt**, Vice President, Planning & Economic Intelligence, Turner Drake & Partners Ltd.
- Sean Gadon**, Special Advisor on Housing to Evergreen on the new national Housing Supply Challenge Support Program
- Alex Halef** (NSAHC Member), President & CEO, BANC Group
- Wadih Fares** (NSAHC Member), President & CEO, WM Fares Group
- Russ Adams**, VP Stakeholder Relations at Property Valuation Services Corporation
- Colin MacDonald**, Director, Geographic Information Services, Service Nova Scotia and Internal Services

### Partnerships and Integration Work Group

- Jeremy Jackson**, VP Marketing & Government Relations, Killam REIT, and President, IPOANS (Chair)
- Joan Penney**, Executive Director, Office of Regulatory Affairs
- Gordon Laing**, President & CEO, Southwest Properties
- Michelle MacFarlane**, Executive Director, Service Nova Scotia and Internal Services
- Jim Graham**, Executive Director, Affordable Housing Association Nova Scotia
- Greg Herrett**, CAO, Municipality of the County of Cumberland
- Glenn Furlong**, National Relationship Manager, CMHC
- Chris Collett**, Executive Director, Justice
- Keith Macdonald**, CAO, Municipality of the County of Inverness

### Public and Community Housing Subcommittee

- Karen Brodeur**, Regional Manager, Atlantic, Co-operative Housing Federation of Canada (Chair)
- Joy Knight**, Executive Director, ESIA, NS Department of Community Services
- Guylaine Boudreau**, Senior Specialist, Government Relations, Canada Mortgage and Housing Corporation
- Janet Campbell**, Senior Advisor, DORA Construction

- Stéphan Corriveau**, Executive Director, Community Housing Transformation Centre
- Wadih Fares**, President & CEO, WM Fares Group
- Jim Graham**, Executive Director, Affordable Housing Association of Nova Scotia
- Jeremy Jackson**, VP Marketing & Government Relations, Killam REIT, and President, IPOANS
- Veronica Marsman**, Property Manager, Akoma Holdings Inc.
- Marie Walsh**, Chief Administrative Officer, Cape Breton Regional Municipality

### Affordable Market Housing Subcommittee

- Kelly Denty**, Executive Director, Planning and Development, Halifax Regional Municipality (Co-Chair)
- Alex Halef**, President & CEO - BANC Group (Co-Chair)
- Andrew Cameron**, President, Northumberland Properties
- Gordon Laing**, President & CEO, Southwest Properties
- Michelle MacFarlane**, Executive Director, Business and Consumer Services, Service Nova Scotia and Internal Services
- David McCulloch**, Multi-Unit Housing Solutions Specialist, CMHC
- Karen Neville**, Senior Planner, Cape Breton Regional Municipality
- Paul Pettipas**, Chair, Housing Committee, CARP Nova Scotia
- Peter Polley**, President, PolyCorp Group
- Dawn Stegen**, Interim Executive Director, NS Accessibility Directorate

### Dalhousie Research Team

- Rory Stever**
- Samiya Dottin**
- Victoria Evans**
- Nathalie Vogel**

The work of the Commission and its subcommittees would not have been possible without the support, dedication, and commitment of an exceptional team of provincial staff who acted as our Secretariat. We want to offer our sincere gratitude to:

Tatiana Morren Fraser, Stephan Richard, Cara Spittal, Andrea Jeffs, Serena Cassidy, Alan Howell, Shawn MacDonald, Martin Laycock, Lindsay Wadden, Christine Gibbons, as well as our former co-chair, Catherine Berliner.



# **APPENDIX B**

Speaker Series

# APPENDIX B

## Speaker Series

### Duncan MacLennan, University of Glasgow, Scotland

MacLennan co-led an international research project (Shaping Futures: Changing the Housing Story) focused on the economic aspects of housing, changing patterns of housing wealth, productivity effects of housing outcomes, and transferring public to non-profit housing.

- Housing outcomes have economic as well as social impacts. The price, availability and quality of our housing stock affects our Province's ability to compete for talent, grow sustainably, and provide an inclusive and high quality of life.
- To make connections between housing outcomes and economic growth, make sure you have a strong evidence base, an administrative capacity that asks about housing effects in local economies, and political will at all levels of government. Considering our current challenges, housing policy should be a top priority, both to ensure options for poorer Nova Scotians but also to house the growing number of new and more prosperous residents in the Province without the significant price and rent rises that have characterised 2020-21.
- Tailor housing strategies and policies to local contexts, developing new partnerships, ideas and approaches with private and community housing sectors.
- To increase our supply of mixed-market, mixed-income housing, there needs to be a significant effort to strengthen the community housing sector throughout the Province and that may require support from CMHC, to better access federal support programs. If the community housing sector had the budget, resources, and partnerships it needs to grow then it is not inconceivable that community-led non-profits, providing a range of rental and low-cost home-ownership, could operate not just in Halifax but in all the major towns, and their hinterlands, across the province. We will not solve the poverty and growth related housing problems of the provinces by doing business as usual. If we're to make a difference, we need to empower non-profits with multiple roles and tenure offerings, for what they need to do.

### Dr. Ren Thomas, Adjunct Professor, Dalhousie University

Thomas addressed barriers such as lack of funding, collaboration, and communication; inflexible government programs; insufficient supports and resources for residents; and challenges enforcing our standards and policies.

- To be effective as well as innovative, design new policies to suit the realities of local communities through collaboration with them. Be specific and clear when communicating intentions and desired outcomes.
- At every step, match tactics or approaches with the resources, funding, and enforcement they need to work well in-practice. This includes monitoring to allow continual improvement.
- To overcome barriers, we will need to collaborate, communicate, and build capacity across various sectors. In addition to designing new approaches, design the information flow and processes that will make them work day-to-day, such as information sharing.
- Increasing the supply and access to affordable rental housing will require political will—champions at every level.

### Ruth Buckle, Killam REIT

Buckle shared with us a case study from the private sector – 100 Lower Ossington Avenue in Toronto, a successful property designed for diverse blend of markets, uses, and incomes.

- Get imaginative by establishing partnerships across all levels of government and with all stakeholders. The government helped the developer secure the funding required to provide rental subsidies, including a forgivable capital grant, and property tax reduction. Non-profits came on board with a land lease and support for the residents, and the private sector came through with property and facilities management expertise.
- To overcome the high costs of bringing a building to market—thus mitigating high rents—use mixed-use model such as including ground floor commercial space with services that can support the residents.
- It can be a challenge for governments to incentivize property owners to build a mix of affordable and market rental units. Understand their need for reduced red tape, which can be expedited at all levels of government. Replicate private models and grow supply in Nova Scotia by asking this question: how can we smooth the path and celebrate each sector for doing what they do best?

### **Stéphan Corriveau, Community Housing Transformation Centre**

The Community Housing Transformation Centre is a new, pan-Canadian non-profit that works with housing organizations across the country to drive transformation, sustainability and growth in community housing.

- There are practical ways to increase capacity, supporting transformation, sustainability and growth. First, get acquainted with technology, tools, and funding already available.
- In the past, governments tried investing heavily in market rental housing and the homeownership market. Unfortunately, this led to a deficit of affordable housing, weakening the community housing sector.
- The key to safe, suitable housing for all across the spectrum in Nova Scotia is organizing for capacity. Consider creating a hub for support, and to make it easier to exchange information, collaborate, and explore new models and practices for long-term sustainability.
- On the one hand, government has the responsibility to create a context that facilitates and supports community efforts; on the other, the community housing sector must be empowered and better organize itself to fully assume its potential and embody its leadership role.

### **Dr. Carolyn Whitzman, University of Ottawa**

- There are no magic bullets. Priorities should be to retain affordable housing; scale-up the non-profit housing sector; and set targets.
- Review the approach used by Melbourne, Australia.
- Importance of developing a “housing need” baseline using a clear methodology and projecting it outwards to identify future demand.
- Must focus on preserving existing affordable rental housing, as well as new supply targeted to the most in need, and prioritize “gentle” density.

### **Steve Pomeroy, Carleton University**

- There needs to be a balanced response that combines support for affordability as well as incentivizing new supply.
- Nova Scotia must strengthen and grow its community housing sector, as it does not have the capacity to undertake asset renewal and new development.
- Federal funding under the National Housing Strategy is structured very differently from legacy programs, which impacts provinces and territories. For example, there are no deep subsidies for projects, mostly loans, and funding is premised on proponents being able to bring resources to achieve a deeper level of affordability (e.g., land, equity to leverage, etc.).
- Private partners are active in the design and building of non-profit housing projects. The key issue is who owns the asset in the long-run.

### **Dr. Hugh Grant, University of Winnipeg**

- Rental market typically has a very slow response to demand, given size of investment required (average expected life of a rental property is 50-100 years).
- A small shift in demand can cause excess supply/demand situations and create price responses (upward spikes, downward sticky – i.e., rents don't decline, landlords provide move-in incentives like first month free etc.).
- Review Manitoba's rent regulations experience.



**The Commission also heard from the following speakers:**

**Karen Brodeur**, Cooperative Housing Federation of Canada (NS)

**Irvine Carvery**, Road to Economic Prosperity  
Advisory Committee (NS)

**Carolann Wright**, Road to Economic Prosperity  
Advisory Committee (NS)

**Dolly Williams**, Road to Economic Prosperity  
Advisory Committee (NS)

**Hannah Wood**, Association of Community Organizations  
for Reform Now (Halifax, NS)

**Sydnee Blum**, Association of Community Organizations  
for Reform Now (Halifax, NS)

**Kevin Russell**, Investment Property Owners Association of  
Nova Scotia (Halifax, NS)

**Bernadette Madjell**, HomeSpace (Calgary, AB)

**Colton Kirsop**, City of Edmonton (Alberta)

**Sean Gadon**, City of Toronto (Ontario)

**Pauline MacIntosh**, St. Francis Xavier University,  
Extension Department (Antigonish, NS)

**Nic Bliss**, Confederation of Co-operative Housing (UK)

**Lilian Chau**, Brightside (Vancouver, BC)

**Kit Hickey**, Housing Alternatives (St. John, NB)

**Gregg Herrett**, Town of Amherst (Nova Scotia)

**Keith MacDonald**, Municipality of the County of Inverness  
(Nova Scotia)

**Kelvin Ndoro**, Canadian Mortgage and Housing Corporation  
(Halifax, NS)

**Russ Adams**, Nova Scotia Property Valuation Services  
Corporation

**Thomas Storrington**, Nova Scotia Department of Finance and  
Treasury Board

**Alex Halef**, Banc Group (Halifax, NS)

**Wadih Fares**, W.M. Fares (Halifax, NS)

**Neil Lovitt**, Turner Drake & Partners (Halifax, NS)

**Bill McMullin**, Viewpoint (Halifax, NS)

**Jim Graham**, Affordable Housing Association of Nova Scotia  
(Dartmouth, NS)

**Catherine Leviten-Reid**, Cape Breton University (Sydney, NS)

**Chief Sid Peters**, Glooscap First Nation (NS)

**Colin MacDonald**, GeoNova

**We would like to give our sincere  
thanks to all our presenters for  
sharing their knowledge and  
experience with the Commission.**



## **Contact**

E: [affordablehousingcommission@novascotia.ca](mailto:affordablehousingcommission@novascotia.ca)

W: [housing.novascotia.ca](http://housing.novascotia.ca)