

# PULL TOGETHER:

## ADDRESSING HOUSING INSECURITY IN NEWFOUNDLAND & LABRADOR

### EXECUTIVE SUMMARY

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## EXECUTIVE SUMMARY

Newfoundland and Labrador is in a housing crisis. Rural communities are uniquely impacted by housing insecurity, and there is little research to establish a clear understanding of its scope, scale, and causes in this context. This research aims to understand experiences of housing insecurity in rural Newfoundland and Labrador through quantitative data analysis on 11 communities across the province, paired with qualitative research into conditions in 5 communities via key informant interviews and focus groups with municipal councillors and staff, as well as community organizations. Focus groups were also held with individuals who had a lived experience of poverty and housing insecurity from across Newfoundland and Labrador.

Housing is complex; many factors influence an individual's ability to find and keep housing. It is important to consider the interaction of many different factors in an analysis of housing issues. These include income, housing costs and availability, access to services and education and employment opportunities, transportation, and individual needs such as accessibility. This research brings us closer to an understanding of the magnitude of the challenge of resolving housing insecurity in rural NL by understanding important aspects of the housing crisis.

## FINDINGS:

- Renter households are much more likely to live in unaffordable housing than their owner counterparts; about one-third of renter households in the 8 of the 11 of communities studied live in unaffordable housing, though in some cases this is as much as 44%.
- Point-in-time counts from shelters outside the Avalon region in NL show a nearly tenfold increase in usage between 2019 and 2023. The number of families accessing shelter on the day of the count in 2019 was zero; in 2023 it was 16.
- All case study communities reported challenges with both the availability and affordability of housing; these challenges have increased in severity since the onset of the pandemic.
- Lack of funds for both building and operating housing were cited as barriers to resolving these issues, as well as jurisdictional issues, informational resources, and delays relating to municipal and provincial approval processes.
- The cost of development was frequently noted as a perceived contributor to insufficient housing supply and the high cost of housing.
- A lack of housing options for seniors living in their family homes is a major issue, especially as the median age in the communities generally studied tracks well above the provincial median age. Many seniors are living in homes in which maintenance and heating are cost-prohibitive and their needs for accessibility are not met. Fixed incomes mean that seniors who do not own their homes are unable to afford increasing rents.
- There is a widespread perception that rural housing issues are not well understood by provincial and federal governments and a desire for greater collaboration between community organizations, municipalities, the Province, and the Federal government.
- Social assistance rates for the same household used to calculate the Market Basket Measure represent 1/3 the income needed for basic necessities including housing; the average part-time or part-year worker in the communities studied, even with the addition of Employment Insurance, receives less than half the income they need to afford the MBM. Workers in this category represent a significant portion of the workforce in the communities studied, as high as 76%.

## KEY THEMES:

This research classifies the challenges of housing insecurity in a rural NL context into seven key themes, understood as intersecting and overlapping factors which might influence individual experiences. These are:

- **Housing supply:** small rental markets in rural communities are vulnerable to changes in context; supply of rental and social housing is inadequate to meet current needs. Municipal stakeholders reported challenges with incentivizing development due to the high costs of construction; this was seen as a barrier to building affordable housing in particular and increasing housing supply overall. Supply of social and affordable housing to address the needs of low-income residents and residents who need support services was a common topic of discussion. In nearly half the communities studied, the waitlist of NL Housing units exceeds 60% of the total number of units. NLHC vacancies were often pointed to as a low-barrier solution to this element of the issue. Vacancies exist even in communities with sizable waiting lists for housing units:

COMMUNITY	WAITING LIST	VACANCY	% OF UNITS VACANT
Happy Valley-Goose Bay	42	13	16%
Marystown	3	34	30%
Gander	117	7	6%
Grand Falls-Windsor	5	6	2.5%
Corner Brook	135	60	9%

Bonavista, Port Aux Basques, St. Anthony, and Placentia all have a 100% occupancy rate for NLHC units, while Fogo and Burgeo do not have any NLHC units in the community.

- **Market composition:** both social and private market units are generally larger units which are not accessible; the population of rural NL is aging and average household sizes are small, creating a mismatch between available housing and the needs of residents. The demand for housing generally and affordable housing in particular is concentrated in one-and-two person households, especially in lower income groups. A deficit of 1880 affordable housing units was identified for one-and-two bedroom units alone across the communities studied.
- **Mix of tenure types– owned versus rented dwellings–** is heavily concentrated on owner-occupied homes as the demand for rental housing is increasing, due in part to factors such as labour market mobility and increasing interest rates making homeownership unavailable to many people. However, short-term rentals and wholesale purchases of former rental stock for workforce housing were cited as factors in the contraction of rental markets in these communities. Put differently, as demand for rental housing is increasing, the supply is decreasing.



- **Income and affordability:** local incomes are insufficient to afford rental rates. Many communities experienced high unemployment rates and high rates of residents employed on a part-year or part-time basis; there is significant income disparity between these groups and those employed full-year, full-time.
- **Migration from urban areas and other provinces, as well as an increase in short-term rentals, decouple local incomes from the cost of housing and create challenges for residents.** The cost of heating was also a topic of concern; a household using half a standard tank of home heating fuel per month requires over \$180,000 in annual income to spend less than 6% of gross household income on energy costs, the threshold for being classified as living in energy poverty. A senior receiving the average Canada Pension Plan and Maximum Old Age Security amount in 2023 and using this same amount of home heating fuel would have spent nearly 60% of their income on this one household necessity.
- **Demographics:** median ages in the communities studied were generally higher than the provincial median of 48.4, which is in turn higher than the national median of 41.6, in some cases as high as 60. Seniors find themselves in homes which are prohibitively costly and difficult to maintain, while faced with a lack of housing options aside from the homes in which they raised their families. Seniors without appropriate housing options in their home communities were forced to move away from their support networks in order to find more suitable housing. In other instances, the absence of accessible housing and support services was indicated as a cause for seniors being moved into long-term care who might otherwise be able to live independently.
- **Economic development:** there is a two-way connection between housing shortages and economic development projects. A lack of housing can inhibit economic development as there is nowhere for workers to live; if economic development projects progress in a region without adequate planning for housing, it can lead to a decrease in availability and affordability for locals. Stakeholders reported cases of land speculation in areas with large projects in the works, such as entire apartment buildings being kept vacant with the assumption that the owner could rent the units at a much higher rate for workforce housing than to typical tenants. Given this bi-directional relationship, economic development plans which fail to consider housing should be considered incomplete.
- **Geographic challenges:** while homes further away from services were sometimes noted as being more affordable, the cost of transportation was then described as a challenge by people with lived experience and service providers. This means that access to support services, education, employment, and health care were more difficult or impossible to access.
- **The cost of operating over a large geographic region is taxing for service providers, many of whom had not seen an increase in their operating funding in many years.** Small populations mean that access to the variety of services needed can be challenging for those in need. For individuals with acute mental health and substance use issues, having run afoul of the policies of service providers can mean accessing supports is impossible, and they are faced with the choice between sleeping outside and relocating.
- **Mental Health and substance use:** service providers interviewed described a marked increase in their caseloads since the onset of the pandemic, as well as greater severity of issues faced by their clients. Access to services in rural areas was a significant contributor to individual migration, sometimes resulting in homelessness and loss of natural support networks. The need for a diversity of services for both harm-reduction and recovery-based programming in separate sites was mentioned by both service providers and people with lived experience. The co-location of such services can be a barrier to access for those with a history of substance use wishing to stay in recovery.

# RECOMMENDATIONS

This research generated many recommendations for all three levels of government, with short, medium, and long-term and low (\$), mid (\$\$), and higher (\$\$\$) cost classifications. Some key recommendations include:

## FEDERAL GOVERNMENT

- Provide pre-application funding support to increase capacity of small municipalities and community organizations (\$\$)
- Divide funding programs into separate streams for urban municipalities, rural municipalities, community organizations, and private developers (\$)
- Streamline application processes to expedite approval timelines, including pre-approval options for eligible proponents to facilitate property acquisition as opportunities arise (\$\$)

## PROVINCIAL GOVERNMENT

- Set targets for the development of community-based housing with the goal of reaching the CMHC target of 60,000 new units for the province by the end of 2030.
- Increase the powers of municipalities to use tax incentives, development control, and other mechanisms to support the development of affordable housing (\$)
- Streamline the development approvals process by eliminating provincial approval of municipal decisions (\$)
- Align social assistance and minimum wage to market basket measures (\$)
- Create a unified inventory of surplus municipal and provincial land to be made available for affordable housing projects, with a clear and transparent application process (\$\$)
- Commit to increasing existing funding allocations for wrap-around supports and offering new operating funding for non-profit supportive housing providers; index ongoing operating funding for non-profit housing and support service providers to inflation (\$\$)

## MUNICIPAL GOVERNMENT

- Use development control to increase the diversity of housing options available, including lowering minimum lot and dwelling sizes, making subsidiary suites and townhomes a permitted use in all residential zones, and creating provisions for multifamily housing where none currently exist (\$)
- Create agreements with providers of purpose-built multifamily rental housing to offer rebates of municipal property taxes for an agreed-upon period during which affordability thresholds must be maintained (for example, a certain percentage of units at 80% of median market rent) (\$\$)
- Consider pre-emptive rezoning on surplus land a buildings to be offered for proposals to develop affordable housing to streamline and expedite development (\$)
- Prioritize development approvals for affordable housing projects (\$)



## CONCLUSION

- Rural NL faces a significant challenge in resolving the housing crisis. However, there is a widespread desire for collaboration on solutions, and many opportunities to bring about positive change have been identified. While this research helps to clarify some dimensions of rural housing insecurity in the province, more work remains to understand the true scope and scale of the issues.
- There is a strong imperative for action from all sectors. Housing is a key component of community social and economic wellbeing, and an essential component of population growth and retention. Resolving and preventing housing insecurity supports health and prosperity for communities, and significant energy should be applied to implementing solutions.



# Municipalities

Newfoundland and Labrador