



The Municipality of the District of Lunenburg

Information Report

Report to: Mayor and Municipal Council

Submitted by: Carin Mahon, Planner I

Date: July 15, 2025

Re: Municipal Wide Land Use Planning Project – Home-Based Businesses

Executive summary

Home-based businesses (HBBs) provide residents with an opportunity to generate income without needing to leave home and are a cost-effective way to start a business. They also contribute to more diverse communities by providing services in rural areas. However, as the popularity of HBBs grow, it is important to consider their potential impact on residential uses in both rural and more densely populated contexts.

While provincial legislation does not explicitly focus on HBBs, it does recognize the connection between land use planning and economic development. The Statements of Provincial Interest emphasize that poor land use regulation can negatively impact the economic, physical, and social well-being of communities, underscoring the need for thoughtful planning to support local economies. Similarly, the Municipal Government Act (MGA) and Minimum Planning Requirements require municipalities to include policies that address economic development and land use compatibility, which can be applied to the regulation of HBBs. As MODL develops land use policies, it is important to manage the potential for land use conflicts particularly in residential areas without creating unnecessary barriers for small-scale entrepreneurship.

Background

MODL's Economic Development Strategic Action Plan (2023) states that "there is an influx of innovative and creative entrepreneurs operating home-based businesses" in the municipality. While HBBs can offer residents a cost-effective way to generate income, they can also lead to

land-use conflicts by negatively impacting neighbouring residents and other businesses. Some types of HBBs have the potential to increase traffic, noise, and pollution due to the nature of their business. When more disruptive types of HBBs are in higher-density residential areas or on private roads, this can be particularly disturbing to other residents. These are important considerations when planning for HBBs and emphasize the significance of determining compatibility for HBBs in certain areas.

Building Code Flexibility

In 2016, the Province of Nova Scotia amended the Nova Scotia Building Code Regulations to exempt HBBs that occupy no more than 25% of the total floor area (50 m²) of the homeowner's residence from certain requirements intended for commercial buildings. These exceptions include wider doors, a barrier-free entrance, additional washroom facilities, fire separations, and fire-rated doors. The easing of these requirements has made it simpler and more affordable to start a HBB in Nova Scotia, aligning more closely with the requirements for HBBs in other Provinces.

Home-Based Businesses (HBBs) in MODL

In 2023, there were approximately 256 HBBs located within the unplanned areas of MODL. This data was collected during the Land Use Mapping Project completed over the Summer of 2023 which was an earlier component of MODL's Municipal-Wide Land Use Planning Project. Unplanned areas refer to the parts of MODL that are not part of a MODL Secondary Planning Area.

Unlike traditional survey-based methods of data collection, the Land Use Mapping Project (2023) gathered data through direct observation. Municipal planning staff observed, documented, and mapped all the existing land uses across the Municipality (excluding the Secondary Planning Areas). Home-based businesses were identified when there was a visible sign from the road that clearly stated the business name and business type. Staff confirmed the identified HBBs by conducting a desktop analysis and checked if there was an online presence to verify the operational status of the business. It is important to acknowledge that not all registered HBBs were identified during this project, and that the data that was collected may be inaccurate due to the observational nature of the Project.

The findings from the Land Use Mapping Project (2023) revealed that the largest category of HBBs within the unplanned areas of MODL are trade-based businesses. This category includes businesses related to construction, carpentry, heating, plumbing, electrical, masonry, and roofing. The second largest category of identified HBBs are automotive-related businesses which includes auto mechanics, tires sales, small engine repair, auto salvage, and car detailing.

Following these, are general service HBBs which include landscaping, tree care, property management, snow plowing, excavation, furniture moving, consulting, graphic design, interior design, marketing, photography, taxi and transportation, elderly homecare, and housekeeping.

Municipal Government Act

Section 213 of the Municipal Government Act (MGA) defines the purpose of a Municipal Planning Strategy and emphasizes that the policies must provide a framework for social and economic development within a municipality. Section 214 explains the required statements of policy in a Municipal Planning Strategy which must include outlining objectives concerning various topics including economic development.

Regarding home-based businesses specifically, section 235 of the MGA outlines that a developer officer may grant a variance to the location and number of parking spaces required, the ground area of a structure, the height of a structure, the floor area occupied by a home-based business, and/or the height and area of a sign.

Minimum Planning Requirements

The Provincial Minimum Planning Requirements Regulations state that Municipal Planning Strategies (MPS) must contain statements of policy on commercial and industrial uses. The MPS may include statements of policy on “municipal investment for public and private development and coordinating public programs relating to the economic, social and physical development of the municipality”. It also states that the MPS may include policies regarding home occupations and home-based businesses, as well as land use matters relating to the physical, economic or social environment of the municipality.

Statements of Provincial Interest

While none of the Statements of Provincial Interest (SPI) explicitly focus on economic development or HBBs, the SPI document emphasizes the connection between land use regulations and the economy. It states that the “ill-advised regulation of land and water resources can have serious consequences on [the province’s] economic, physical, and social well-being”.

Discussion

The following section outlines how neighbouring rural municipalities to MODL regulate HBBs in their Municipal Planning Strategies (MPS) and Land Use By-laws (LUB):

1. Region of Queens Municipality (2022):

The MPS of Queens recognizes that HBBs provide opportunities for residents to start affordable and accessible businesses. There is also recognition that HBBs can have certain negative impacts on a neighbourhood which can include traffic and increased competition for other businesses. The Region of Queen's has taken a tiered approach in regulating HBBs where smaller and more limited HBBs are permitted in most areas where residential uses are the predominant use, and larger and more expansive types of HBBs are permitted only in the rural areas where a mix of uses is more common.

- A tiered regulatory approach is taken to account for the impact of different types of HBBs, with regulations around number of employees, commercial gross floor area, and outdoor storage outline in the LUB.
 - Level 1 HBBs: Small in scale with limited uses, permitted in most residential areas to maintain neighbourhood character.
 - Level 2 HBBs: Larger operations with broader permitted uses, including outdoor storage/display, allowed only in rural and mixed-use zones (e.g., Hamlet Core, Rural Commercial, Inland Rural, and Coastal Rural Zones).
- Activities such as art sales, craft workshops, and teaching (e.g., dance or music) are explicitly allowed as HBBs.
- HBBs operating in designated heritage properties may receive relaxations of certain bylaw requirements, including allowance for one additional on-site, non-resident employee.

2. Town of Lunenburg (2021):

The Town of Lunenburg is supportive of HBBs due to its strong tradition of such enterprises. While there are some controls in place to ensure compatibility with surrounding uses, HBBs are widely permitted. The Town of Lunenburg has established Use Zones that help to categorize the varying uses that are permitted in different areas. HBBs are permitted in the Lower Density Residential Use (RL) Zone, and the Medium Density Residential Use (RM) Zone.

- HBBs are permitted in any zone where residential dwellings are allowed, with specific limits set in the Land Use By-law.
- Regulations include HBB size, number of non-resident employees, and types of permitted commercial uses to ensure compatibility with surrounding uses.
- Under the MGA, the Development Officer may approve variances for HBBs including:
 - Parking space requirements
 - Structure size and height

- Floor area used by the HBB
- Sign height and area

3. Town of Bridgewater (2014):

In the Town of Bridgewater, HBBs are permitted in all residential zones when the use is secondary to a primary residential use. The town aims to support HBBs and mix compatible land uses as these can improve diversity and walkability within neighbourhoods. To minimize the impacts on surrounding residential areas, regulations are in place that specify number of employees, commercial gross floor area, and outdoor storage outline in the LUB.

4. Municipality of the District of Chester (2022):

Throughout the municipality, home-based businesses are permitted in a number of zones including the Single Unit Residential Zone, the Coastal Island One Zone, the Coastal Island Two Zone, and the Lakeside Zone.

- HBBs are permitted in the stated zones, with limits on size and type to ensure compatibility with nearby uses.
- Regulations around signage, open storage, and outdoor displays to reduce potential impacts on adjacent residential properties, are also outlined in the LUB.

5. Municipality of East Hants (2024):

HBBs in East Hants are permitted in most of the rural and residential zones and are “conditionally permitted” in the mixed-use zones. The Rural zones permit more disruptive types of HBBs like automotive repair, excavation services, and trucking services while these are prohibited in the Residential zones. Uses prohibited in Residential Zones include automotive repair, automotive sales or welding shops, abattoirs, butchers, and care centres.

- HBBs are encouraged in residential and rural areas to support flexible, small-scale commercial development.
- Commercial floor area requirements are outlined in the LUB to maintaining the residential character of the building whilst operating a HBB.
- A limited range of business uses is permitted within the Residential and Rural Zones, as defined in the Land Use By-law.
- Office, professional, and goods and services uses may be allowed as HBBs if compatible with the surrounding residential area.

- Standards for parking, landscaping, signage, and outdoor storage/display are established to minimize impacts on neighbouring properties and preserve residential character.
- Accessory buildings on residential lots may be used for HBBs, subject to applicable regulations.

6. Municipality of the County of Kings (2021):

Similar to Queen's County, the County of Kings uses a tiered approach when regulating HBBs. However, the Kings County approach is different as it focuses on location rather than type of HBB. For example, level 1 HBBs are those that are permitted in the Growth Centre and Level 3 HBBs are those that are permitted outside of the Growth Centre.

- HBBs are permitted in all zones where residential development is allowed.
- Must be accessory and incidental to the dwelling and located on a public road.
 - Personal offices and studios may be on private roads but cannot receive public visits.
- The operator must reside in the dwelling.
- Limits are placed on the number of non-resident employees.
- Business types are restricted to those that do not cause undue impacts such as noise, fumes, traffic, or parking issues.
- Larger or more intensive uses may be allowed if the lot has frontage on a collector road.
- Exterior changes to the dwelling must be compatible with the neighbourhood.
- Automotive repair, heavy equipment, and professional trades are only allowed in:
 - Agricultural Zone (A1)
 - Rural Mixed Zone (A2)
 - Resource Zone (N1)
 - Accessory buildings for these uses must be located at least 200 feet from any existing dwelling.
- Heritage properties used for HBBs may be eligible for regulatory incentives.

Tools and Approaches

Flexible Regulations in Rural and Mixed-Use Areas

Permit HBBs as an accessory use to all zones that permit residential uses. Allow for a wide range of HBB types to improve commercial activity, especially in rural and mixed-use areas. Develop flexible regulations for HBBs to not create barriers for businesses through overregulation. For example, not requiring development permits for businesses that have little to no impact on neighbours.

Regulate Based on Zone and Business Scale

Differentiate between various types of HBBs to address the potential negative impacts on predominantly residential areas. Based on the size, type of commercial activity, and possible traffic impacts. For example, categorize by Level 1 and Level 2 HBBs.

- Level 1 HBBs are more restrictive with a limited type of permitted business uses. They are smaller in size, and outdoor storage and display is either prohibited or a very small amount is permitted.
- Level 2 HBBs can be larger in size and a wider range of business types are permitted. Outdoor storage and display are permitted.

Only permit Level 1 HBBs in areas zoned as predominantly residential, but permit both Level 1 and level 2 HBBs in all other rural and mixed-use zones with less restrictions.

Standards in Residential Areas

For level 1 HBBs in predominantly residential zones, establish commercial floor area limits that preserve the residential character of the property while supporting the business's economic viability. Regulations can also address the number of non-resident employees, commercial vehicles, signage, and the use of outdoor storage or display to minimize impacts on neighbouring residential properties. To reduce traffic disruptions in quiet residential neighbourhoods on private roads, require public road frontage for all HBBs in residential zones, with exceptions for low-impact uses such as home offices, studios, or one-on-one instruction classes.

Engagement

Feedback from residents and interviews with external stakeholders have revealed a number of priorities and objectives focused on supporting the local economy and establishing MODL as a hub for economic expansion and diversification.

The MODL 2040: What We Heard Report

The report indicated that economic development was a community priority for residents. Responses from the public emphasized the need to attract and support local businesses, strengthen local economic resilience by prioritizing efficient land use and supporting local producers, retain youth, and maintain affordability.

Through public engagement sessions on the MODL2040 project, some priorities relating to economic development were identified:

- Improving or reducing processes related to development

- Attracting new businesses, increasing support for small businesses and non-profit organizations
- Strengthening the local economy
- Employment opportunities for youth and cost of living challenges
- Overcoming internet connectivity issues to enable HBBs

Bridgewater and Area Chamber of Commerce

Planning staff have connected with the Bridgewater and Area Chamber of Commerce to gain a better understanding of the economic trends in the area. The Chamber has reported a significant increase in memberships over the last few years which has included a mix in business types (ie. homecare, restaurants, gas bars, food services, healthcare). Most new members to the Chamber are newly established businesses, which indicates that the area is experiencing economic growth.

According to the Chamber, there has been an influx in professional service-based businesses coming to the area. These include businesses such as accounting, bookkeeping, catering, and coaching services.

Strategic Communications

As of June 23, 2025, staff conducted 12 open house engagement sessions with the public in communities across the municipality, 6 drop in sessions at the Municipal Office Building, and a virtual open house online to enhance awareness of the municipal-wide planning project and solicit public feedback to help inform Draft #2. Planning staff will also join the Economic Development Department's workshop with small business owners, scheduled for October 2025.

Work Plan

The municipal-wide planning project is being conducted in accordance with an approved work plan and aligns with several strategic Council priorities. Council has been briefed on the workplan and timelines for several years leading to today.

Alternatives

N/A – this report is for informational purposes only.

Conclusion

Encouraging home-based businesses can support local economic growth and provide residents with affordable income opportunities, but it also requires thoughtful planning to manage potential risks such as traffic, noise, and land-use conflicts, especially in higher-density neighbourhoods or on private roads.

Report Preparation	
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