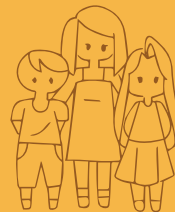
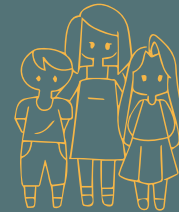
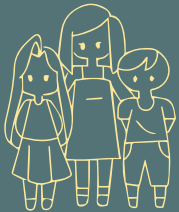


Fredericton Housing Needs ASSESSMENT



SEPT.2021

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A number of stakeholders, including those with lived experience of housing issues, social service providers, non-profit and community housing operators, market-rate housing developers and landlords, provincial staff, and others in allied sectors such as public health contributed and participated in this study. While anonymity was promised to protect the vulnerable and ensure frank feedback, these individuals know who they are and we hope they understand the importance of their contributions for our ability to gather complete data and develop a comprehensive understanding of housing in the Fredericton area.

Finally, we thank the nearly 400 citizens who responded to the open community survey to share their thoughts, concerns, and stories. This first-hand perspective helps us understand the conditions on the ground, and reminds us that behind every data point is a human face.

This study was completed by a consulting team comprised of Turner Drake & Partners Ltd., and Upland Planning & Design Studio.



2 Executive Summary

2.1 What is a Housing Needs Assessment?

The purpose of this work is to develop an understanding of the current and anticipated housing conditions across the Fredericton Census Agglomeration, with special focus on the City of Fredericton. Generally, the work strengthens the ability of local stakeholders and governments to:

- identify current and future housing needs;
- identify existing and projected gaps in housing supply; and
- identify shortages in housing to better understand what kind of dwellings are most needed in their community.

A Housing Needs Assessment provides a representation of problems as well as opportunities and engages critical partners to focus on the provision of housing.

2.2 Why Do We Need This Study?

A thorough assessment of housing needs is a useful resource to support many future initiatives. An assessment of housing need is often a precursor to the development of an Anti-Poverty Strategy or Affordable Housing Strategy, which are action-oriented plans to identify and implement solutions. The insights and data generated by a needs assessment can help inform ongoing land use and social planning initiatives at the local level, as well as provide hard evidence in support of advocacy to more senior levels of government. Finally, they are also a useful resource for those engaged in, or entering the housing sector. Information contained in a needs assessment can inform the design and configuration of housing projects, as well as assist in the preparation of applications to various funding programs that support affordable housing development.

The City of Fredericton will follow up release of this study by developing an Affordable Housing Strategy. Taking the issues identified by this assessment, the Strategy will explore and select viable solutions to address housing challenges, and provide a framework for implementation.

2.3 What Housing is Needed?

The following outlines the housing needed in Fredericton. For further detail see **Section 18.2**.

Shelters & Short-Term Supportive Housing

About 50 Emergency Shelter Spaces

This figure takes into account the additional capacity being added via the City Motel project. Additional supportive housing units, especially those serving independent youth and women fleeing domestic violence are needed. It is difficult to quantify the number of units required; because the supply of supportive housing units is low and has not grown much in recent years, need for these units gets redirected towards the shelter system. This is leaving an increasing number of households with instability as they cycle in and out of temporary emergency housing and between homelessness and housing precariousness, masking the true need for these unit types.



Deeply Affordable Rental Units

At least 1,500 additional units of non-market rent-geared-to-income units are required based on current provincial waitlist for public housing.

Modestly Affordable Rental Units

At least 2,450 additional units that are attainable at low-market or slightly below-market prices are required based on those in market rental housing who spend more than 30% of their income on shelter.

Affordable Home Ownership

680 homeownership households spend more than 30% of their income on shelter costs. Relief for these households may come in the form of below-market housing opportunities (e.g. Habitat for Humanity), as well as more attainable forms of owner-occupied housing, and programs to assist with the operating costs of the homes they already occupy.

Market Rate Housing

The Fredericton Growth Strategy provides an adequate anticipation of overall market-rate housing required for new growth, and these figures have been taken into consideration by the Imagine Fredericton plan.

However, within the overall quantity of housing is a need to find more ways to enable private sector-led development to deliver lower-cost options than they are currently; e.g., back yard or accessory dwelling units, townhouses, multiplexes, cottage courts, mobile homes, and single-room occupancy facilities. In addition to regulatory changes that affect what private development can provide, other direct incentive programs could enable lower cost housing provision of any type. The affordability gap analysis suggests that the upper half of renter households could afford ownership options if they could be delivered at a purchase price of approximately \$150,000.

There is a current deficit of rental-tenured housing in particular, so the current patterns of development focussing on multi-unit residential projects is important. Over the longer term, demographic trends should shift towards heavier demand for owner-occupied housing.

2.4 Summary of Other Findings

Population

Fredericton has been growing at a faster pace than its long-term historic average and this is expected to continue. This is primarily driven by an increase in international immigration since 2016. At the same time, its population has been, and will continue to age. However, aging will be most dramatic in the outlying rural areas while the city itself should remain relatively stable in this regard.

Economy and Income

The biggest employment sector in Fredericton is Public Administration, which includes many decision makers and public servants that craft housing policy, and workers in this sector are overwhelmingly home owners. However, other significant sectors include service industries which typically pay lower wages and have a comparatively heavier weighting of home renters within its



workforce, such as Retail Trade (2nd largest sector), Accommodation & Food Service (4th largest), and Administrative & Support (7th largest).

Home owner and home renter households both saw similar rates of growth in median incomes between 2005 and 2015, but renters started from a lower point and therefore saw lower increases in income in actual dollar terms. The median renter household earns less than half of the income earned by median owner households. The distribution of income has become flatter, indicating widening income inequality. This is especially notable among home owner households, with an enormous increase in the proportion of households earning more than \$150,000.

Single person and lone parent households (female-led lone parent households in particular) earn significantly less than the median and are often at the forefront of housing vulnerability for this reason. Indigenous households also experience these conditions.

Housing Inventory & Construction

Adding recent construction data to the 2016 Census dwelling counts, the Fredericton Area is estimated to have a total residential inventory of just over 30,000 dwelling units, the vast majority of which are privately owned and are either market rental or owner-occupied dwellings. Through research and stakeholder consultation, we have identified an inventory of about 1,400 social and non-market housing units, and another 800 rent-supplemented units.

Housing construction has lagged population growth; while population accelerated from 2016, dwelling starts were low from 2014-2019 but picked up significantly in 2020. Most housing built in the Fredericton Area over the past decade has been rental apartments. Virtually all housing construction has been via market-rate private sector led developments. For market-rate rental housing, growth has been stronger in 2 Bedroom and 3+ Bedroom unit sizes. Smaller apartments have lagged and studio/bachelor style units in particular have not grown much (i.e., +7% over the past decade compared to +23% for the overall inventory). Owner-occupied housing production has been focussed mostly on detached housing, though attached types such as semi-detached and row housing has become more common.

Market Housing Availability & Cost

As population growth has outpaced housing construction, availability of housing has decreased. The rental market experienced a period of high vacancy (i.e. around or above 5%) for the first half of the last decade, but as growth has accelerated since 2016 it has decreased steadily and reached less than 2% in 2019. With the pandemic disruptions since 2020, vacancy has increased slightly, but this is expected to be temporary, resulting from restriction of travel and migration. Newer and more expensive rental units tend to have the lowest vacancy, showing the demand for new development.

Rental prices have changed in step with vacancy, being largely flat for the first half of the last decade, allowing for stable and sustained affordability. As vacancy has decreased, rents have grown, now sitting at +28% over the last decade, though most of this price increase happened after 2016, which explains the public feedback regarding a new and troubling trend of declining affordability in recent years. However, after taking into account inflation, the real rental increase in the Fredericton market over the past decade is only 13% which is modest when considering housing operating costs tend to increase faster than the general rate of inflation. This indicates



that the rental affordability challenge is a product of both escalation in housing costs, but a lack of growth in household incomes

Both the pace of sales, and the sale price, of owner-occupied market rate housing has been slow and steady over most of the last decade. Combined with increasingly affordable mortgage rates, this has helped Fredericton develop a reputation for being a cheap and abundant ownership market. This also indicates that most of the pressure from immigration-driven population growth has been applied to the rental housing stock, but may shift more toward owner-occupied tenures as time goes on and newcomers become more established. However, market trends have changed significantly since the onset of the pandemic, leading to a significant increase in sale prices compared to only a few years ago. The suddenness and significance of this price trend has contributed to pressure in the rental market and disrupted the plans of many households who had previously felt owner-occupied housing was reasonably attainable, but now see costs far outpacing their own income growth.

Below and Non-Market Housing Availability

Market-rate housing represents the vast majority of the housing inventory, and virtually all of the additions to that inventory over recent decades. As the incomes of an increasing number of households have failed to keep up with recent changes in the cost and availability of market rate housing, they have no option other than non-market housing if they hope to find reasonably affordable shelter.

This has resulted in a significant growth in demand for non-market housing which has overwhelmed the existing inventory available. Government run social housing and rent supplemented privately-owned units that tailor housing costs to household incomes have a waiting list that is 130% the size of the inventory available to serve it. There are few initiatives underway to increase the stock of non-market/non-profit housing. While there are a number of incentive programs that exist to create below-market housing in private sector projects, they are becoming less and less effective as they have not kept pace with changes in market conditions.

The failure of the non-market inventory to keep up with demand has kept an increasing number of households trapped in unaffordable housing at the cheaper end of the rental market as well as other undesired living arrangements (e.g., with conflict-prone roommates or abusive partners who control housing access). This leaves them vulnerable to personal and financial exploitation, substandard living conditions, and housing precariousness among a host of other issues for lack of any viable alternatives. On the other side of the gap, it has also pushed people into emergency and supportive housing options for lack of affordable alternatives, and this takes away resources to support those with housing needs that go beyond mere affordability challenges.

Emergency and Supportive Housing

Homelessness has increased in recent years (e.g. approximately 50% increase between the 2016 and 2021 Point-in-Time counts) and this has received public attention and action. However, this need is still underserved, especially as it relates to particular groups like youth, and is growing faster than the capacity and resources available to mitigate it.

While attention has been focussed on the issue of homelessness itself, other critical elements of the system required to help shift individuals and households into stable, long-term living situations



have not received the same consideration. Transitional and Supportive housing is necessary to fill this gap, and is currently a bottle neck that helps to perpetuate homelessness and housing insecurity. The adequate combination of emergency shelter capacity with medium and longer-term housing that includes other social supports is critical for any viable strategy to end homelessness.

Mental health, behavioural, and addictions issues are not uncommon within the housed population in the low end of the rental market. The lack of non-market and supportive housing options force these residents into the lowest-priced market housing that is available. This impedes their access to necessary support services, and means that day-to-day management of those with complex needs is falling on the shoulders of private landlords who are not properly trained or equipped for the task. This exacerbates homelessness and housing-precariousness issues as these challenges, when not properly supported, make accessing and maintaining housing more difficult.

This is also a challenge for other residents of the same housing structures who are put at risk, or experience additional stress, as a result of living in proximity to those with undiagnosed or unmanaged issues. A further effect is that relegating difficult-to-house individuals to a poorly equipped private housing sector tends to drive higher property operating expenses (e.g. increased maintenance, security, and rental arrears) which in turn can reduce affordability for others as landlords look to make up those costs.

Housing Need

The most recent data available on core housing need (i.e. overcrowding, substandard conditions, and affordability relative to income) is from the 2016 Census and therefore predates much of the recent increase in cost and decrease in availability. It is therefore important to note that the following information likely reflects a much happier picture of housing need than exists today.

With that in mind, as of 2016, about 24% of all renter households in the Fredericton area and 5% of owner households were in Core Housing Needs as a result of spending more than 30% of their pre-tax income on shelter costs with no affordable alternative reasonably available to them. For both tenures, unaffordability was most prevalent for single person, lone parent, and Indigenous-led households as they tend to have lower incomes overall which compounds the problem of housing costs. Extreme core housing need (which is the same except counts only those spending more than 50% of income) affects 12% of renters and 3% of owners and is again most acute for lone parent and single person households.

Due to these affordability challenges, renter households were far more likely to live in overcrowded situations (6.3%, compared to 1.0% of owner households). This is driven by the presence of children; many households can not afford a large enough rental home to avoid room-sharing that exceeds the National Occupancy Standards. Property condition was less of an issue in the census data, and affected both renter and owner households at similar rates. However, the community survey results pointed to much higher rates of dissatisfaction with property conditions among renters. This indicates that there are likely issues with rental housing conditions that fly under the radar of the census (i.e. major structural issues are rare, but basic sanitary conditions and maintenance may be more common problems), and especially when viewed in comparison to the rents charged.



In addition to occupying undersized dwelling units, households are coping with affordability issues by reducing their spending on other items. According to the survey, housing costs most commonly displace household spending on leisure and social activities, followed by essential items such as clothing and personal care products, and then by core necessities such as groceries, healthcare, and other utilities. Most households that curtail their spending have to do so across more than one budget category.

Due to housing challenges, 30% of survey respondents indicated they were actively considering leaving the Fredericton area, and this was most prevalent in younger age groups (63% and 46% of 20- to 24-year-olds and 25- to 29-year-olds, respectively). Some responses to the community survey were received from individuals who already had left the community due to affordability challenges, and wanted to share their experience.

Affordability Gaps

When examining the affordable housing budget of various renter household types and incomes against the median rent charged for various unit sizes, a familiar pattern emerges. Female-led single parent households, single person households, low-income (earn between 50% and 80% of median income) and very-low-income (earn less than 50% of median income) all cannot reasonably afford virtually any unit type. Other household types and incomes were not burdened, however when examining the degradation of affordability between 2015 and 2020, trends are on pace to begin affecting these other households within the next 5 years.

The same analysis among owner households and housing sale prices showed similar results, with very low income and female-led single parent, and single person households struggling the most. However, the affordability gap was less severe compared to those in rental housing as mortgage rates have declined over recent years to maintain some affordability as prices have risen. The challenge is not as much the affordability of owner-occupied housing in itself, but the lack of options available; in the past 5 years, there has been a notable decrease in the proportion of sales that are attainable at incomes below \$50,000/year. For example, in 2015 about 15% of home sales occurred at a price that would be affordable to a household earning \$30,000/year, but by 2020 this proportion had dropped to 5%

When examining the proportion of renters that could afford a mortgage – potential first-time buyers in other words – affordability of mortgage payments has not degraded significantly in the past 5 years despite recent price increases. This is again attributable to the decline in typical interest rates over this time period. However, required down payment amounts will have grown and are likely a more significant barrier than historically.



3 Sources

3.1 Data

This report refers to several pieces of data that together contribute to contextualizing the housing conditions experienced by Fredericton residents. The following is a comprehensive list of secondary quantitative data sources (meaning, information collected by other organizations but used for this report):

- Canada Mortgage & Housing Corporation (CMHC)
- Environics Analytics
- Multiple Listings Service® (MLS®)
- Statistics Canada

The report uses primary research to challenge/confirm the trends analyzed within the sources above (for instance, high-level Statistics Canada data may not be nuanced enough to truly represent housing hardship for specific household types). Primary research is predominantly from the community survey and stakeholder consultation work, described throughout the report.

3.1.1 Data Limitations

Canada Mortgage & Housing Corporation (CMHC)

Reporting landscape

CMHC conducts its Rental Market Survey (RMS) in October of every year to estimate the relative strengths in the rental market. The survey collects samples of market rent levels, turnover and vacancy unit data for all sampled structures. The survey only applies to **primary rental markets**, which are those urban areas with populations of 10,000 and more. The survey targets only privately initiated rental structures with at least three rental units, which have been on the market for at least three months. CMHC collects data for the Fredericton Census Agglomeration, which is the combination of the 17 communities included in this study.

Rent calculations

CMHC's average and median market rents are based off the rents of both occupied and vacant (on the market) units. Given the sheer volume of occupied units, some occupied for long-periods with unchanging or marginally changing rents, CMHC numbers often underrepresent what people seeking rental housing may actually be experiencing in the current market.

Data suppression

Suppression of data can be due to poor data quality or other technical reasons. This is of particular concern for smaller geographies within the study. For instance, the vacancy rates are not available outside the City of Fredericton. Consequently, data often reflects the whole of Census Agglomeration rather than its individual parts.

Environics Analytics

Proprietary process

This industry trusted software is a useful tool in generating demographic, economic, and social data for customized geographies, especially for those that may not be defined or are suppressed by Statistics Canada. Although useful, how they generate the data is not public. In other words,



explaining or replicating the entire methodology is not possible, and said methodology must be assumed to be appropriate and usable.

Multiple Listings Service ® (MLS ®)

Human error

The MLS ® database is the aggregate of all listings and sales processed by real estate agents across a given geography (in this case, New Brunswick). Thus, inputs into the database rely on the accuracy of the humans recording it. Although the database is of high quality, there are instances where the dwelling type or location are misspelled or incorrect, which can impact analyses. The analyses in this report work at a high enough level that minimises error impacts.

Statistics Canada

Area & data suppression

There are instances where geographic areas are too small to report on, resulting in the deletion of all information for said area. Suppression of data can be due to poor data quality or to other technical reasons. This was not a particular concern for this study, but limited the ability to use more granular Census geographies (specifically, Census Dissemination Areas (DAs) – see **Definitions**).

Random rounding

Numbers are randomly rounded either up or down to a multiple of “5” or “10.” When this data is summed or grouped, the total value may not match the individual values since totals and sub-totals are independently rounded. Similarly, percentages (which use rounded data) may not reflect the true percentage, but instead a ballpark. Furthermore, the sums of percentages may not equal 100%.

3.2 Community Survey

3.2.1 Survey Limitations

To understand the state of housing in Fredericton, the project team utilized an online survey designed to collect information from the general public. A non-probability sampling method (convenience sampling) was used whereby results were drawn through service provider and stakeholder networks. The results were collected between May and June, 2021 primarily via Engage Fredericton - the City’s virtual public engagement platform. Paper survey response forms were made available through service agencies to those interested in responding but without access to the virtual platform, and a small number of survey responses in this format were received.

As the survey distribution was not controlled for a representative sample of the population, selection bias creates a limitation for extrapolating the data to draw conclusions about the community overall. Survey results may overrepresent certain cohorts of the population when considering the mandate of the service providers who distributed the survey itself, as well as the fact that as a voluntary open-access survey, respondents in general are likely to self select for those who are experiencing housing challenges and are therefore motivated to engage with the issue. The survey, therefore, is predominantly a tool for understanding the human experience behind other data analysed in this report, and collecting other insights that existing data sources do not address.



Community Survey Response Profile

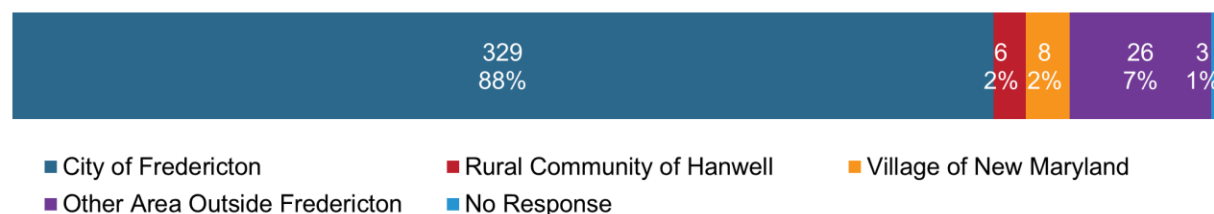
A total of 372 responses to the community survey were received. Although this represents less than 1% of the total population of the study area, it represents a typical response in our experience.

The following graphs breakdown responses by key topics collected as part of the survey. In some instances, the distribution of responses for topics are reasonably close to those reported by Statistics Canada (i.e. response by dwelling type); whereas, others differ greatly (i.e. response by gender). Please note that these differences mean that other community survey results discussed within this report may not match overall trends.

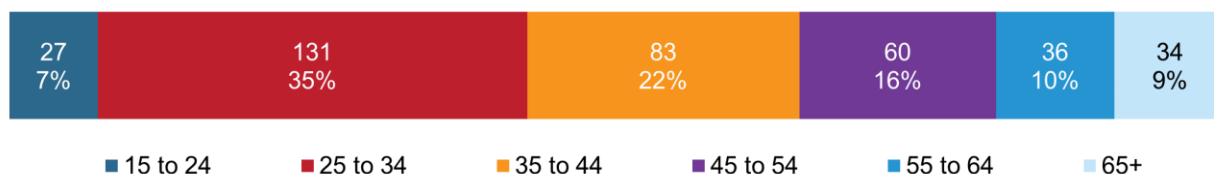
With the above in mind, key results from the self-selecting sample survey include:

- Although the City of Fredericton makes up about 57% of the total population of the Census Agglomeration, its residents contributed to 88% of survey responses.
- Over a third (35%) of respondents were between the ages of 25 to 34.
- Female residents completed about 71% of the total community surveys.
- Almost half (45%) of respondents belonged to a household that earned less than \$40,000 before-tax.
- Respondents to the survey were fairly evenly divided with 51% occupying a dwelling they own, and 46% renting.
- The most common type of dwelling occupied by respondents (46%) was single-detached house.

Response by Community



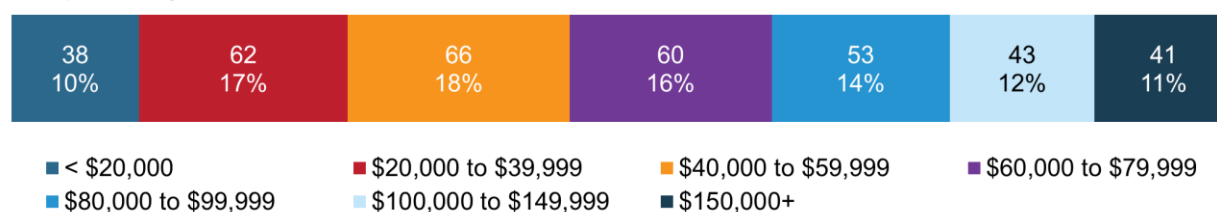
Response by Age



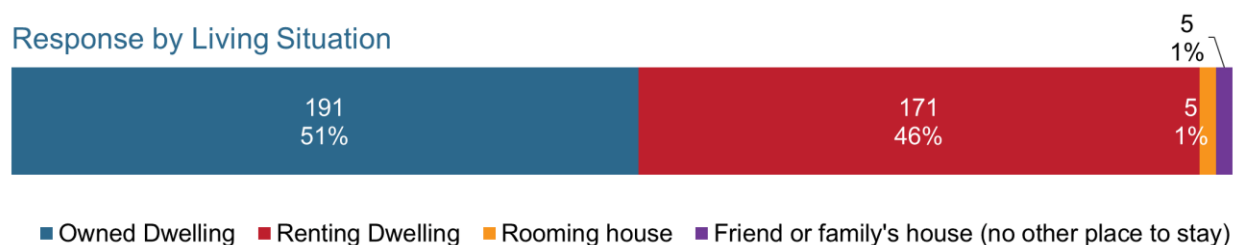
Response by Gender Identity



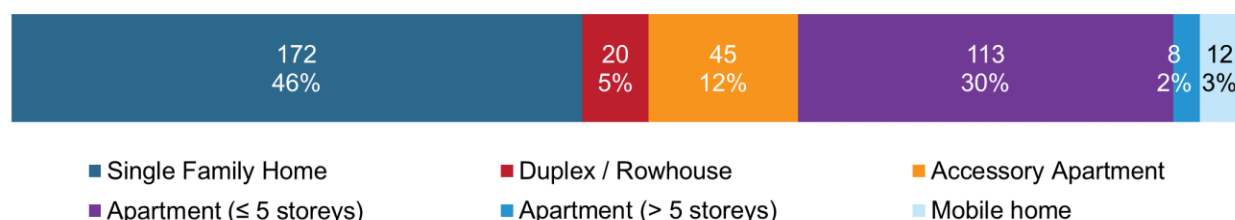
Response by Household Income



Response by Living Situation



Response by Dwelling Type



3.3 Other Consultations

In addition to the survey-based engagement efforts, a number of key stakeholders were identified and consulted as part of this study. Formats and methods varied, but in general, semi-structured interviews were conducted with individuals across a broad range of housing-related groups, such as:

- Non-Profits, NGOs, and other Social Service Providers involved in providing emergency shelter and housing navigation support, as well as support services to provisionally housed or other at-risk populations
- Provincial and Municipal Elected Officials
- Municipal Staff in Planning and Administration
- Provincial Staff in Housing
- Private Sector Development Consultants, Property Developers, and Landlords

The insights and feedback gained through these efforts were used to collect qualitative data on housing need, help inform our interpretation and analysis of secondary data, design and execute other engagement and research efforts, and identify potential solutions. Regardless of stakeholder preference, to encourage frank and honest feedback all discussions were carried out on the basis that any information collected would be presented in this report such that the stakeholder would not be identifiable.



4 Approach

4.1 Study Area

The Housing Needs Report's scope encompasses the boundaries attributed to the Fredericton Census Agglomeration (CA). Within it are 17 individual Census Subdivisions (CSDs), including the City of Fredericton. A CSD is a Statistics Canada reference to a middle-level geography, often relating to municipal government boundaries, like a city, village, or parish.

This report is first and foremost a dive into the City of Fredericton housing context. Consequently, detailed reporting will revolve around the City proper, with references to the remainder of the CA as one aggregated geography, known within the report as "Outlying Rural Areas." These rural areas consist of the following CSDs:

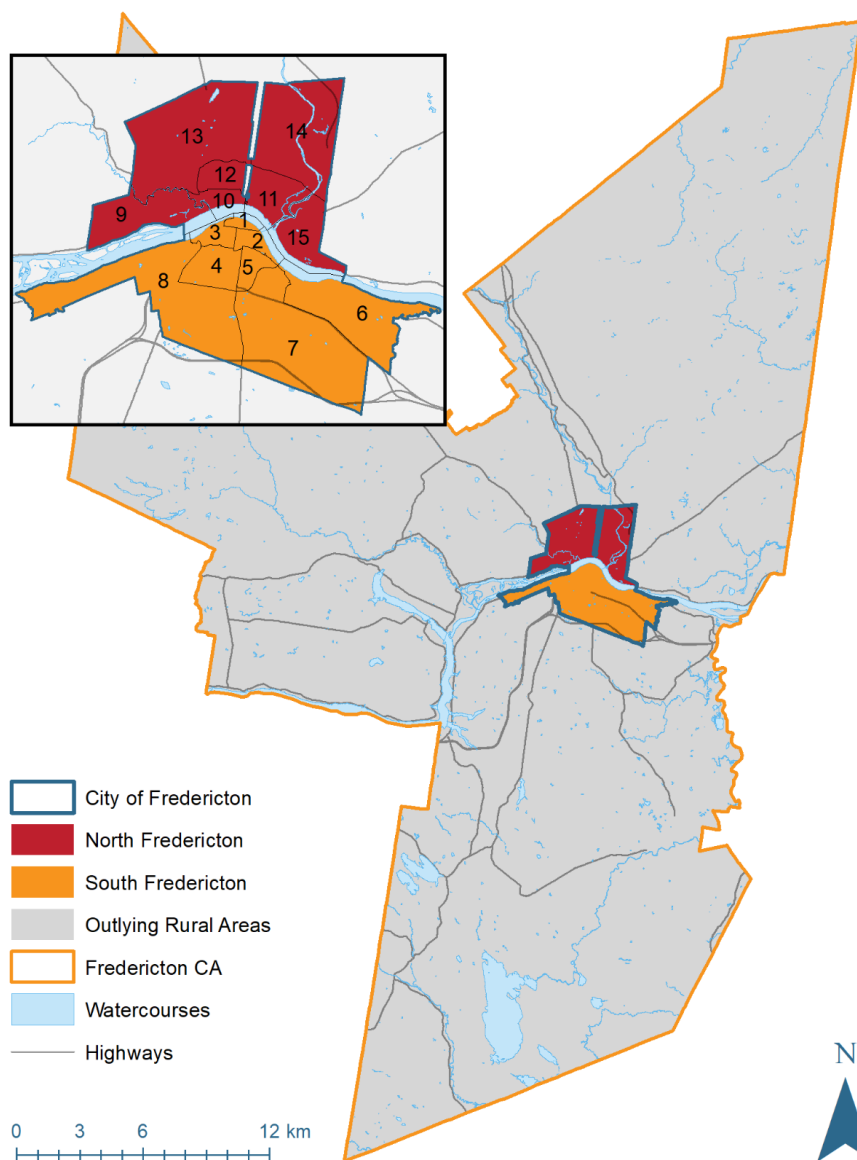
Bright Parish	Kingsclear Parish	New Maryland Village
Devon 30 First Nations Reserve	Kingsclear 6 First Nations Reserve	Queensbury Parish
Douglas Parish	Lincoln Parish	Saint Marys Parish
Gladstone Parish	Manners Sutton Parish	Tracy Village
Hanwell Rural Community	Maugerville Parish	
Harvey Village	New Maryland Parish	

Where possible, the report will also refer to two sub-geographies within the City of Fredericton, known in this document as "North Fredericton" and "South Fredericton." The St. John River demarcates the threshold between north and south. These areas are created by combining several Census Tracts (CT) that exist within the City of Fredericton. These CTs are the 'neighbourhood-scale' geographies defined by Statistics Canada, and are known locally as:

South Fredericton		North Fredericton	
CT00001	Downtown	CT00009	Douglas / Sunset Drive
CT00002	Queen Square	CT00010	Main Street / North Devon
CT00003	West Plat / Sunshine Green	CT00011	Murray Avenue / South Devon
CT00004	Odell / Prospect Street	CT00012	Fulton Heights
CT00005	College Hill	CT00013	Royal Road / Brookside Drive
CT00006	Southwood Park / Lincoln Heights	CT00014	Marysville
CT00007	Skyline Acres / Doak Road	CT00015	Barkers Point
CT00008	Garden Creek / Silverwood / Bishop Drive		



Figure 4.1: Study Area and Fredericton Census Tracts



Source: Statistics Canada & Open Data New Brunswick

4.2 Defining what is “Affordable”

The topic of housing, and affordable housing in particular, is plagued by fluid and easily misinterpreted terminology which makes communication difficult.

In general, this report uses the long-standing and easily understood metric that housing is affordable when the combination of applicable costs (rent + utilities, or mortgage + insurance + property tax + utilities) are no greater than 30% of a household’s pre-tax income. This measure is a housing indicator tracked by Statistics Canada via the Census.

In quantifying the number of households experiencing affordability challenges, this report also makes use of the Core Housing Need metric established by Statistics Canada and CMHC which



modifies the 30% rule to include consideration of affordable alternatives. In other words, data is adjusted to remove households that spend more than 30% of their gross income, but also have a less expensive option available to them. In practice, this tends to reduce the reported rates of housing unaffordability among homeowners as many effectively choose to “stretch” their budgets in order to gain access to the financial benefits of property ownership.

While owner-occupied households can experience affordability challenges, many do have the opportunity to downsize to a less expensive owned-home or a rental-tenured home if the situation required. In contrast, renter households typically have fewer reasonable alternatives and are more likely to be at risk of homelessness as a result. The use of the 30% indicator, and Core Housing Need helps shed light on both the magnitude of housing affordability challenges, and their severity in terms of alternatives.

4.3 The Housing Continuum / Wheelhouse¹

As per CMHC, the housing continuum model is a linear progression from homelessness or housing need to homeownership. It's the most common approach for visually depicting different housing segments. It assumes that people will start somewhere along the horizontal axis and move from left to right, with market home ownership being the ultimate goal.

Figure 4.2: The Housing Continuum



Source: CMHC

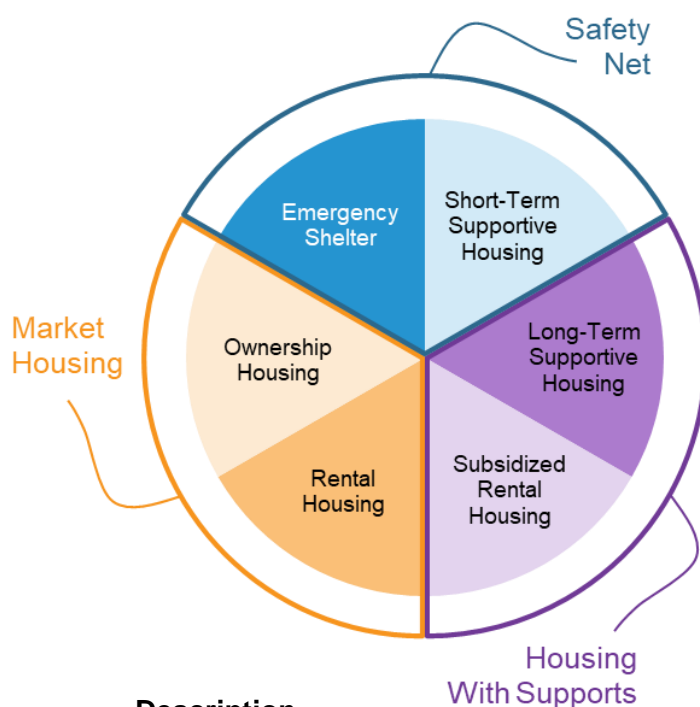
In reality, many people and/or households do not move linearly from one state of housing to the next, but rather jump from type to type based on rapid changes to their professional and/or personal lives. For example, an individual in market rental housing may suddenly find themselves evicted from their unit in a low vacancy rental market. The struggle to find housing may lead to homelessness. Instead of gradually working through each element along the housing continuum, they can jump from homelessness to rental housing as quickly as finding a new available unit.

In effort to better represent the relationship of different forms of housing need, some communities are exploring an alternative to the continuum. One of these communities is the City of Kelowna. Instead of the linear view, the City applies a circular model known as the “Wheelhouse,” reflecting that people’s housing needs are fluid based on lifestyle preferences and financial circumstances.

¹ Elver, D., Tang, E., & Baynes, S. (2019, August 7). The Wheelhouse: A New Way of Looking at Housing Needs. Canada Mortgage & Housing Corporation. <https://www.cmhc-schl.gc.ca/en/housing-observer-online/2019-housing-observer/wheelhouse-new-way-looking-housing-needs>

The Wheelhouse model allows the user to understand and address resident needs as they move around or across the circle between different types of housing. As such, a healthy housing stock must include diverse housing forms and tenure types to meet needs of different socio-economic backgrounds and life stages. The Wheelhouse breaks down housing supply into six key areas:

Figure 4.3: Wheelhouse & Key Housing Areas



Key Area	Description
Emergency Shelters	Temporary shelter, food and other support services, generally operated by non-profit housing providers.
Short-term Supportive Housing	Stable housing along with support services offered by non-profit providers as a step between shelters and long-term housing (with typical stays of two to three years, but often shorter in the context of Transitional Housing serving those fleeing violence and abuse).
Long-term Supportive Housing	Long-term housing offered by non-profit providers, along with support services ranging from supportive care to assisted living and residential care.
Subsidized Rental Housing	Subsidized rental homes operated by non-profit housing providers, government, and housing co-operatives through either monthly government subsidies or one-time capital grants.
Ownership Housing	Includes fee simple homeownership, condominium ownership, multi-unit and single-detached homes, and shared equity (such as mobile homes or housing co-operatives).
Rental Housing	Includes purpose-built long-term rental apartments, private rental townhomes, secondary suites, garden suites, and single-family rental homes.

Source: CMHC & City of Kelowna



4.4 A Note of Projections and their Interpretation

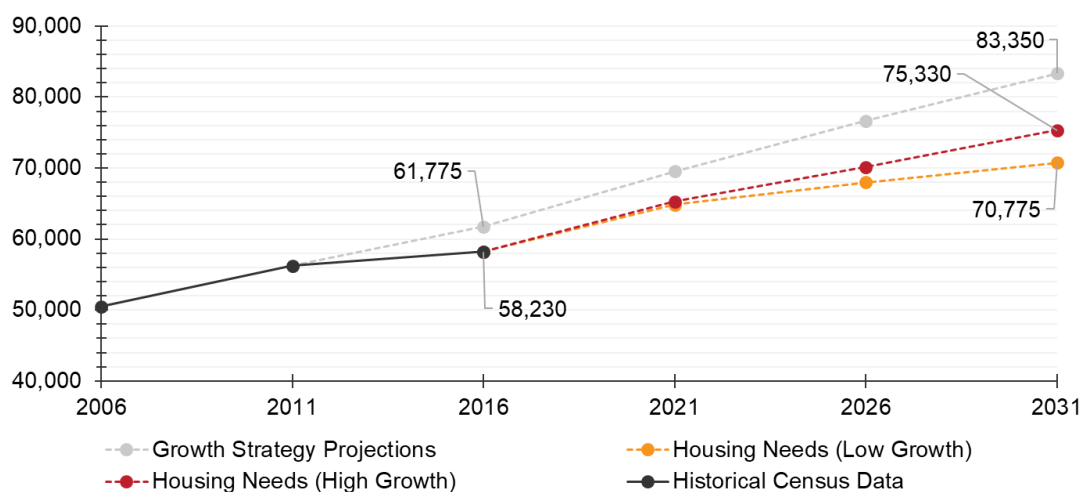
In June 2017, the City of Fredericton published its Growth Strategy,² a document meant to inform municipal decision making over the short- and long-term. Specifically, the Strategy anticipated what population, housing, and employment could look like from 2011 to 2041 (with 2011 being the latest year of readily available, historical data). On January 27, 2020, the City adopted its new Municipal Plan (Imagine Fredericton³), which was in part guided by the Growth Strategy.

In the more than four years between publishing the Growth Strategy and producing this Housing Needs Assessment (HNA), Statistics Canada made 2016 Census results publicly available. To ensure that information is as up-to-date as possible, the HNA elects to use 2016 data. This means that HNA population and housing projections incorporate 2016 data into its formulas and as a result are noticeably different from previous projections.

Figure 4.4 illustrates the difference between projections. This difference stems mostly from a higher anticipated population in 2016 than what was actually reported by Statistics Canada. The Growth Strategy projected that 2016's total population would be about 61,775 residents. The Census reported about 58,230 in 2016, about 3,500 people smaller than projected.

None of this is to say that Growth Strategy projections were incorrect. Projections are inherently imperfect and can only represent data available at that time. A new projection using 2021 data could very well indicate that this report's projections are also inaccurate. Notwithstanding, comparing 2011 base year projections to those from 2016 not only demonstrates a discrepancy in 2016, but has snowballing effects over short- and long-term projections. Briefly, the Growth Strategy anticipated about 83,350 total people by 2031. The HNA's high growth scenario projects 75,330, 8,000 fewer people than historical data (as of 2011) would have projected.

Figure 4.4: Population Projection Comparison: Growth Strategy vs. Housing Needs Assessment



Source: Fredericton Growth Strategy & derived from Statistics Canada

² City of Fredericton. (2017, June). Fredericton Growth Strategy.
https://www.fredericton.ca/sites/default/files/fredericton_growth_strategy_2017_06_08_final.pdf

³ City of Fredericton. (2020, January 27). Municipal Plan.
<https://www.fredericton.ca/en/city-hall/plans-processes/municipal-plan>



This example highlights an important fact about the nature of these analyses and interpretation of their results. Exercises in projecting future populations, households, and housing demand tend to produce overly precise results when considering the unknowns and assumptions that are inherent to the process. As a consequence, their results are often interpreted as being exact and comprehensive, representing “the number” that policy designers and decision makers need to hit in order to “solve” the issue.

In this way, projections are too often used as a roadmap; definitive information that shows us the precise path to a known destination. Instead, they should be used as headlights; a tool that illuminates part of the road ahead, giving us an idea of what is to come so that we are better prepared to deal with it. In this way, success still requires that we evaluate projections against reality as time goes on, constantly monitor our current state and recent progress, and use critical judgement to make adjustments along the way if reality turns out to be different than expectations.

This is also a challenging time to undertake projection exercises; input data is getting stale, but more up to date figures from the 2021 Census will not be available until various points throughout 2022. As a result, many aspects of these analyses rely on data current to 2016 which is almost exactly the point at which conditions in Greater Fredericton, and broader trends at the provincial and national level, began to diverge significantly from previous norms (e.g. population migration trends).

Projections are always hypothetical, and should be used in conjunction with other data on housing demand (e.g. annual vacancy and rental surveys, property sales data, Point-in-Time counts) to get a sense of how real-life, contemporaneous conditions align with what projections anticipate. Given these considerations, greater weight should be put on these other data points when projections seem out of line with reality.

Additionally, when using projections to inform targets and regulatory conditions, it must be recognised that there is a difference in risk between aiming too high, or too low. Particularly as it relates to housing, actual delivery of units is mostly the result of private-sector activity which is governed by short-term economic feasibility and the ongoing balance of supply and demand in the market. Setting goals or regulatory limits which exceed forecasted conditions is far less likely to create a problem as the private sector is able to quickly moderate its activity in the event that these are higher than what is required. However, if targets fall short of the need in reality, it is difficult for the private-sector to expand policy and regulatory limits to enable greater levels of production. This can lead to artificial shortages if unambitious policy works to limit what would otherwise occur.

This report principally relies on the analysis undertaken using 2016 data to produce its projections, which result in outputs that are lower than those underpinning Imagine Fredericton. In our opinion, there is no detriment from a housing need perspective in aligning future strategy and actions with Imagine Fredericton and its higher growth forecast, where required. The difference between this analysis and the one used in the Growth Strategy is touched on in **Section 7.2.7**.



5 Benefits of Housing Affordability

Affordable housing is often met with several negative assumptions – that it attracts less desirable residents and with them increased crime rates, that developments are built of lesser quality and will reduce property values in the neighbourhood, or the myth that a community with affordable housing is not good for business. These assumptions towards affordable housing are incorrect, and often misguided or ill-informed.

Many people think the term “affordable housing” refers only to rental housing that is subsidized by the government. In reality, it is a broad term that refers only to the cost of housing relative to a household’s financial resources, and can apply to housing provided by the private, public, and non-profit sectors. It also includes all forms of housing tenure: rental, ownership and co-operative ownership, as well as temporary and permanent housing. Affordable housing is a cornerstone of inclusive communities, a key social determinant of health, and an important ingredient in vibrant local economies. When individuals are securely housed without undue cost burdens, they can shift their focus from merely surviving to thriving. Having a fixed address, a safe place to call home and a sense of belonging within their community, individuals can begin to set goals, reach milestones, and put down roots.

The following sections outline the social, health, economic, and fiscal benefits to residents living within affordable housing, and the greater community.

5.1 Social Benefits

The stability of an affordable mortgage or rent can have profound social benefits. Through reducing the shelter cost burden of a household, there is an increased stability which can have an impact on a household’s overall wellbeing and life satisfaction. Housing policy in affordable housing developments also has a role to play in facilitating community cohesion, particularly related to social mix and social networks. Habitat for Humanity Canada (Habitat) documented a variety of positive social impacts, including increased employment quality, a reduction in the use of food banks, and increased levels of voluntarism and civic engagement for those living in affordable housing.⁴

Affordable housing allows households to access their preferred living arrangements across all stages of their life. This is particularly important for seniors who lack purchasing power in retirement. New Brunswick has the second oldest population in Canada. Fredericton, like the rest of the province, faces a shrinking working class and an aging population. Atlantic Seniors Housing Research Alliance based out of Mount Saint Vincent University describes in numerous publications how seniors want to remain housed in their own homes for as long as possible, yet have housing repair needs, and may be unaware of the social and housing-related supports that are available to them.⁵

⁴ Berz, Kilian. (2015). *Transforming Lives: The Social Return on Habitat’s Work in Canada*. Retrieved from <https://www.hfh.org/wp-content/uploads/2016/11/BCG-Transforming-Lives-May-2015.pdf>.

⁵ Colchester Anti Poverty Network. (2017). *Housing: A Basic Human Right*. <https://sshac.files.wordpress.com/2019/06/housing-report-colchester-antipoverty-network-and-public-health-december-2017.pdf>



The social benefits of affordable housing extend beyond those paying the rent or mortgage for the home, it also affects their families.⁶ A stable and affordable home allows for children to establish healthy habits and relationships at school (both with friends and with teachers), promotes engaging in extracurricular activities, and helps children focus on their goals and education. These immediate outcomes lead to generational impacts on economic output, educational achievement, and creating opportunities for residents to give back to their communities.

5.2 Health Benefits

A move to affordable or social housing is often correlated with improved health outcomes.⁷ Although improving housing affordability is no guarantee of improved physical health as underlying factors can be significant of outcomes, the method or policy through which affordability is administered can have a key determining effect.

If affordable housing policies result in access to improved housing quality, such as newer or renovated lodgings that meet minimum standards for safety and condition, then benefits attributed to those policies can include those related to indoor environment quality, air quality, climate conditions, and reduced overcrowding. Improved health has secondary benefits of reduced absenteeism at school and work, thus contributing to an improved performance overall. Additionally, Habitat found that living in affordable housing had positive effects on resident's physical and mental health. Residents were less stressed about making rent or mortgage payments every month, which made it possible to allocate resources towards purchasing essential medicines, covering services such as dental and vision care, or purchasing healthier food.⁸

This carries on in the realms of mental and public health. Unaffordable housing can be a significant source of stress as individuals or families struggle constantly and live with the ever-present risk of losing their access to a basic human necessity. Unaffordable housing therefore has a direct link to incidences of mental health issues, suicide, as well as addictions and substance abuse issues. This can become a negative, reinforcing cycle as the issues precipitated by precarious housing can in turn make it even harder for find and maintain a stable housing situation.

Housing unaffordability, as a significant determinant of poverty, can also limit access to proper nutrition as household budgets reallocate spending on groceries to maintain their shelter. Looking at data from United Way Central New Brunswick, 1 in 8 persons were found to be food insecure in 2020 and 7,605 clients received ongoing emergency food from the Oromocto & Area Food

⁶ Habitat for Humanity: Halton-Mississauga-Dufferin. (2019). 6 Benefits of Affordable Housing: Impact on the Family. <https://habithm.ca/6-benefits-affordable-housing-family/>

⁷ Thomas, Matthew A. (2017). On the Benefits of Affordable Housing. <https://tqsoi.org/wp-content/uploads/2018/03/On-the-benefits-of-affordable-housing.pdf>

⁸ Habitat for Humanity: Halton-Mississauga-Dufferin. (2019). 6 Benefits of Affordable Housing: Impact on the Family. <https://habithm.ca/6-benefits-affordable-housing-family/>.



Bank in the Greater Fredericton Area in 2020.⁹ In 2019, a total of 8,866 clients received ongoing emergency food support.¹⁰ These numbers reflect an increasing need for food security wherein United Way, through Food For All New Brunswick (FFANB) is working to provide everyone with access to enough nutritious, affordable, and appropriate food, from community gardens to school breakfast programs and food banks.¹¹

5.3 Economic Benefits

The economic benefits of affordable housing can be experienced both by residents and the greater community. At the household level, the primary economic benefit is the improved fiscal health of the household. Housing unaffordability disproportionately affects lower income households, and an increase in financial capacity here is more likely to result in additional spending activity than savings in contrast to higher income households where spending on necessities is not constrained.

In smaller communities especially, these tend to be the goods and services that are disproportionately local and would result in further circulation of wealth within the economy. In contrast, spending on groceries, utilities, transportation, and other major necessities tends to flow out of smaller communities to larger centres where the production and corporate management functions are concentrated. At the community level, unaffordable housing can be a headwind on population growth, and put pressure on employers as hiring becomes more difficult at any given wage level.

Creation of affordable housing can be a powerful economic development activity in and of itself. Economic stimulus programs often target construction projects as these investments tend to generate more jobs and spin-off effects due to their local labour and material intensity. Housing construction overall is a significant economic sector, and the degree to which this activity can be expanded through investment in affordable housing projects via provincial or federal funding programs represents a net increase of investment driving local economic activity.

Affordable housing also works to enhance local tax revenues – instead of low or no payment of taxes by distressed properties, affordable homeowners and renters contribute to the community. In New Brunswick the total cost of poverty is estimated to be \$1,338,045.84 or 3.71% of the provinces total GDP. This equates to a cost of \$1,744.86 per person. The amount of income tax that would be generated if those living in poverty were raised to the second lowest income bracket is \$135.4 million. These resources could be reallocated to better support better meeting a range

⁹ United Way Centraide. (2021). *2020 – 2021 Year In Review*.
<https://www.unitedwaycentral.com/wp-content/uploads/2021/06/2021-REPORT-TO-COMMUNITY-2.pdf>

¹⁰ United Way Centraide. (2020). *2019 – 2020 Annual Report: You're your Local Love*.
<https://www.unitedwaycentral.com/wp-content/uploads/2020/10/2020-REPORT-TO-COMMUNITY-.pdf>

¹¹ United Way Centraide. (2021). *2020 – 2021 Year In Review*.
<https://www.unitedwaycentral.com/wp-content/uploads/2021/06/2021-REPORT-TO-COMMUNITY-2.pdf>.



of unmet health care demands from primary care, to mental health care, and the full spectrum of universal public care services needed – including affordable housing.¹²

5.4 Government Fiscal Benefits

A common misconception regarding affordable housing and service programs is that subsidized housing and services leads to a continuous cycle of dependency, or represents a direct fiscal transfer from higher income households to those in need. When affordable housing is accessible there is a reduction in spending required in other social services that is typically far greater than the cost of housing action itself, resulting in direct net savings to taxpayer-funded services.

The people experiencing housing challenges do not simply disappear if their need for below-market housing is not supported by society. Those costs instead show up in the healthcare system, the criminal justice system, the social services system, etc. Housing First approaches to homelessness have demonstrated repeatedly that the cheapest way to address the issue is through the direct provision of housing, the significant cost of which is dwarfed by the direct savings accruing to other government and community services¹³.

Boston Consulting Group's assessment on Habitat for Humanity's home-ownership program found that for every \$1 spent about \$4 of benefits accrue to society.¹⁴ This \$4 is represented in taxes and money freed up from shelter costs and other services, as well as additional local government revenue from tolls, city fees, etc. Increased revenue may mean improved infrastructure, more green space, and other elements of healthy communities that can keep residents healthy and safe.

The Canadian Centre for Policy Alternatives developed methodology to establish the cost of poverty in Atlantic Canada. One of these costs, intergenerational, is calculated by estimating the number of children that would escape poverty if the intergenerational transfer of poverty were to be eliminated. Children who grow up in poverty are more liable to be less productive and contribute less in taxes, while also being more likely to contribute to cumulative and enduring remedial costs. Overall, 30% of children who grow up in poverty are expected to remain in poverty in their adulthood. The intergenerational costs of New Brunswick show that there would be a substantial benefit to the economy if should children be able to climb to the second lowest income bracket. Their combined income would increase to \$224.6 million in the province.¹⁵

¹² Saulnier, Christine, and Plante, Charles. (2021). The Cost of Poverty in the Atlantic Provinces. <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2021/04/Cost%20of%20poverty%20in%20Atlantic%20provinces%20CCPA.pdf>

¹³ Jadidzadeh, Ali et al. (2020). Cost Savings of Housing First in a Non-Experimental Setting. <https://www.homelesshub.ca/resource/cost-savings-housing-first-non-experimental-setting>

¹⁴ Boston Consulting Group. (2015). *Transforming Lives: The Social Return on Habitat's Work in Canada*. <https://www.hfh.org/wp-content/uploads/2016/11/BCG-Transforming-Lives-May-2015.pdf>

¹⁵ Saulnier, Christine, and Plante, Charles. (2021). The Cost of Poverty in the Atlantic Provinces. <https://www.policyalternatives.ca/sites/default/files/uploads/publications/Nova%20Scotia%20Office/2021/04/Cost%20of%20poverty%20in%20Atlantic%20provinces%20CCPA.pdf>



It's clear that ending poverty in New Brunswick and Fredericton would have considerable benefits and a significant return on investment. Current government inaction on poverty is costing the province \$1.33 billion per year in economic loss, \$126 million in excess health care costs, and \$135 million in foregone revenue. As a major household expense for any family, housing costs are a significant driver of poverty, and childhood poverty in particular.



6 Government Roles in Affordable Housing

6.1 Federal Role

6.1.1 Canada's National Housing Strategy (NHS): A Place to Call Home¹⁶

In November 2017, the Liberal government introduced the NHS, a policy document aimed at supporting the provision of housing supply and affordability. The following year, the government passed the National Housing Strategy Act, which commits the government to long-term visions for housing policy. Included among these visions is the priority to focus on those in greatest housing need and the use of public participation as a means of generating and implementing policy.

Section 4 of the NHS Act acknowledges that the right to adequate housing is a fundamental human right, central to inherent dignity and well-being of the person and to building sustainable and inclusive communities. As a response to this claim, the Act has put in place institutions focused on reporting, oversight, and participation in decision-making (i.e. a National Housing Council and a Federal Housing Advocate).

As for funding, the NHS touts a \$70+ billion housing program to build stronger communities and help Canadians across the country access a safe affordable home. In doing so, it aims to cut chronic homelessness by half, remove 530,000 families from housing need, modernize 300,000 homes, and invest in up to 125,000 new affordable homes.

6.1.2 Reaching Home: Canada's Homelessness Strategy¹⁷

Reaching Home: Canada's Homelessness Strategy is a community-based program aimed at preventing and reducing homelessness across Canada. This program commits \$2.2 billion to urban, Indigenous, rural and remote communities to help them address their local homelessness needs.

Homelessness has an impact on every community in Canada. It affects individuals, families, women fleeing violence, youth, seniors, veterans and people with disabilities. In 2016, an estimated 129,000 people experienced homelessness at an emergency shelter.

Reaching Home supports the goals of the National Housing Strategy, in particular, to support the most vulnerable Canadians in maintaining safe, stable and affordable housing and to reduce chronic homelessness nationally by 50% by fiscal year 2027 to 2028.

¹⁶ Canada Mortgage & Housing Corporation. (2021). About the Initiatives.
<https://www.cmhc-schl.gc.ca/en/nhs/guidepage-strategy/about-the-initiatives>

¹⁷ Government of Canada. (2020, June 9). *About Reaching Home: Canada's Homelessness Strategy*.
<https://www.canada.ca/en/employment-social-development/programs/homelessness.html>



6.2 Provincial Role

6.2.1 Hope is a Home: New Brunswick's Housing Strategy¹⁸

Hope is a Home was the province's housing strategy from 2009-2019. The vision identified in this strategy is: All New Brunswickers have access to safe and affordable homes as a prerequisite for economic and social inclusion. The plan works under seven guiding principles that support this vision and look to promote social inclusion, economic self-sufficiency, personal accountability, and individual choice.

Hope is a Home aimed to help communities meet their local housing needs and priorities through programs that recognized the shared responsibility of all levels of government, individuals, communities and the housing industry for good safe housing outcomes. The plan sought to reduce chronic homelessness, core housing need, and improve energy efficiency of low-income housing over a 10-year horizon.

6.2.2 A Home for Everyone: New Brunswick Housing Strategy 2019 – 2029¹⁹

Building off of Hope is a Home, New Brunswick's new 10-year affordable housing strategy was developed after a comprehensive public consultation process. Consultations involved government and community partners, eight client focus groups and nearly 1,000 New Brunswickers who participated in an online survey. A Home for Everyone aligns with the federal government's National Housing Strategy: A Place to Call Home.

Much like New Brunswick's previous housing strategy, this plan focuses on working with individuals and families to define their individual housing goals and assist them in moving through the Housing Continuum. The action plan calls for increased transparency, public engagement and better housing quality. It also acknowledges the importance of prioritizing people most in need, incorporating a human rights-based approach to housing, and applying a gender lens to all investments.

A Home for Everyone recognizes that housing is the cornerstone to an improved quality of life and will invest in the creation of 1,262 new affordable mixed-income units in partnership with the social housing sector, and cross-governmental partnerships.

6.2.3 CMHC Bilateral Agreement²⁰

Provinces and territories deliver and cost-match federal funds from the National Housing Strategy through bilateral agreements with Canada Mortgage and Housing Corporation. These agreements align with the new vision for housing under the National Housing Strategy, and they are more flexible and in-line with expected outcomes. New Brunswick's bilateral agreement was

¹⁸ New Brunswick. (2010). *Hope is a Home: New Brunswick's housing Strategy*.
<https://www.yumpu.com/en/document/read/43764701/hope-is-a-home-government-of-new-brunswick>

¹⁹ New Brunswick. (2018). *New Brunswick Housing Strategy 2019 – 2029*.
<https://www2.gnb.ca/content/dam/gnb/Departments/sd-ds/pdf/Housing/HousingStrategy2019-2029.pdf>

²⁰ CMHC. (2018). *Bilateral Agreement Under the 2017 National Housing Strategy*.
<https://eppdscrmssa01.blob.core.windows.net/cmhcprodcontainer/sf/project/nhs/home/cmhc-nb-bilateral-agreement-en.pdf>



adopted in 2018 and will terminate in 2028. The previous bilateral agreement ran from 2009-2019 and allocated \$62.4 million from CMHC to New Brunswick.

The current agreement lays out the maximum CMHC funding from April 1, 2019 – March 31, 2022:

Fiscal Year	NBHC- Delivered Initiatives (CMHC Funded)	
	New Brunswick Priorities	Canada Community Housing
2019 – 2020	\$8,214,100	\$1,636,100
2020 – 2021	\$5,266,600	\$4,722,000
2021 – 2022	\$4,455,000	\$7,178,100

CMHC Funding during the period from Fiscal Years 2022-2023 to 2027-2028 is the maximum amount of \$118,113,700 and will be allocated to New Brunswick Housing Corporation (NBHC) in accordance with the relevant Action Plan Periods.

6.2.4 Other Relevant Provincial Documents

In New Brunswick, the provincial government is primarily responsible for the provision of affordable housing and support services. The following table summarizes provincial legislation that municipalities can utilize:

New Brunswick Community Planning Act²¹ Adopted: January 2018	New Brunswick Local Governance Act²² Adopted: May 2017
<p>Aims to be more permissive to provide local governments with broad powers and increased flexibility and autonomy</p> <p>Allows local governments to collect development charges, authorized by a by-law, when approving a new development to be used for services and infrastructure</p> <p>Allows an applicant and a local government to enter into a development charge agreement that permits the applicant to provide certain services or extended services in lieu of the payment of all or part of the charges</p> <p>Allows local governments to enter into an incentive or bonus zoning agreement, which allows the relaxation of specific requirements with respect to zoning if an applicant exceeds other requirements</p>	<p>Provides municipalities with the ability to establish a corporation or acquire or hold securities of a corporation for the provision of a service, undertaking economic development activities, and the management of properties of the local government</p> <p>Allows municipalities to implement by-laws related to standards or codes for the maintenance and occupancy of buildings</p> <p>Municipalities are also permitted to establish, manage and contribute to an operating reserve fund and a capital reserve fund.</p> <p>Municipalities to provide funding or in-kind grants for municipal purposes to charitable or non-profit organizations and other organizations where the grant will benefit municipal residents</p>

²¹ Community Planning Act. (2017 C. 19).
<https://www.canlii.org/en/nb/laws/stat/snb-2017-c-19/latest/snb-2017-c-19.html>

²² Bill 44: Local Governance Act. (2017). 3rd session 58th leg.
<https://www.canlii.org/en/nb/laws/astat/snb-2017-c-18/139626/snb-2017-c-18.html>



or undertakes other action in the public interest which is specified in the agreement.	<p>and assist in the social or environmental development of the local government.</p> <p>Provides municipalities with the ability to make by-laws related to economic development, including the sale or lease of land at below market value and the provision of grants</p>
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6.3 Local Government Role

While the Federal Government provides a significant financial support for housing, and the Provincial Government plays the direct role in providing services to support those in need of housing (e.g. rent supplements, social housing, and emergency shelters), municipalities decide where and how housing can be built. Municipal land use controls directly affect housing supply, permitted housing types, and the densities of housing. It is these controls that makeup the tools with which a municipality can support shelter affordability.

The role of a municipality to support and encourage affordable and appropriate housing has become increasingly important, especially so with recent jumps in the costs to both own or rent shelter that often go unmatched by dollar increases to wages. Overall, its role includes creating affordable housing policies, protecting the affordable housing stock, encouraging a greater mix of residential uses, and encouraging affordable housing development

Possible tools available to municipalities include density bonusing, funding incentives (separate from those offers by the federal and provincial governments), zoning for inclusion (allowing for diverse forms of housing), and identifying/disposing of surplus municipal land for redevelopment.

Modern urban and rural planning approaches to affordable housing do require that municipalities have the capacity to push for and support initiatives. Municipalities need funding, staff, and/or land to meaningfully contribute to the cause. Many local governments do not have this capacity.

The table on the following page summarizes key policies that currently exist within the Fredericton Census Agglomeration that specifically support housing or alternative housing models. The table does not include all policies. If interested, readers can find the related documents at the links provided in the below footnotes.



City of Fredericton Municipal Plan²³ Adopted: January 2020	New Maryland Planning Area Rural Plan²⁴ Adopted: August 2005	Village of Tracy Rural Plan²⁵ Adopted: July 2014
<p><u>Policy 3.1.1(1)</u> Promote housing diversity by requiring a mix of housing types, sizes, and densities that will accommodate changes in community needs over time. The City shall promote opportunities for increased housing densities and intensification for residential development.</p> <p><u>Policy 3.1.1(3)</u> Appropriately scaled accessible, affordable and adaptable housing forms shall be integrated into residential neighbourhoods where community services and amenities are easily accessible.</p> <p><u>Policy 3.1.1(6)</u> While the provision of affordable housing is a core responsibility of the provincial and federal governments, the City will encourage the provision of an adequate supply of affordable housing [...].</p> <p><u>Policy 3.1.1(9)</u> Encourage the provision of housing for residents with special needs that is sensitively located in appropriate neighbourhoods with easy access to transit, essential services, community facilities, and employment centres [...].</p>	<p><u>Part B(c)</u> It is a policy to provide greater choice of housing types and increased opportunities for affordable housing in the planning area while remaining consistent with the permanent nature of the existing housing stock.</p> <p>Rural Community of Hanwell Rural Plan²⁶ Adopted: March 2016</p> <p><u>Policy 2.1(4)</u> It is a policy to provide greater flexibility in housing choice to appeal to changing housing needs of the population.</p>	<p><u>Policy 3.1.1</u> It is a policy to promote orderly, compact and diverse residential development by:</p> <ul style="list-style-type: none"> (b) encouraging infill development (d) facilitating, where appropriate, various types of housing

²³ City of Fredericton. (2020, January 27). Imagine Fredericton: The Municipal Plan. https://www.fredericton.ca/sites/default/files/community/municipal_plan_-_adopted_feb_2020_revised.pdf

²⁴ New Brunswick. (2005, August 17). Ministerial Regulation for the New Maryland Parish Planning Area. <http://www.rsc11.ca/wp-content/uploads/2019/08/newmarylandplan.pdf>

²⁵ Regional Service Commission 11. Village of Tracy Rural Plan By-law No.29. <http://www.rsc11.ca/wp-content/uploads/2019/08/TracyPlan.pdf>

²⁶ Regional Service Commission 11. (2016, March 9). Hanwell By-law 11-2016: The rural community of Hanwell Rural Plan. <https://hanwell.nb.ca/wp-content/uploads/2019/01/HanwellPlan.pdf>



7 The People of Fredericton

7.1 Demographics

7.1.1 Historical Population

Generally, Canada's residents are aging, a trend that is reflected at the provincial, regional, and local levels. Baby Boomers (those born between 1946 to 1964) are entering their retirement years in large quantities, unmatched by growth in young people due to declining birth rates. This is no different for the City of Fredericton and surrounding areas.

Figure 7.1 shows the total populations of each community in 2016 by age cohort, the proportion of each age cohort compared to the total population, and the percent change in population from 2006 to 2016. Note that the numbers in this report may differ from those seen on the Statistics Canada website; estimates were made to acknowledge Census undercounting.

Figure 7.1: Total Population & Age Cohorts '16 and Percent Change '06-'16

		0 to 14	15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
Fredericton, CA	Population	16,790	13,790	27,970	29,090	14,870	1,880	104,390
	Proportion	16%	13%	27%	28%	14%	2%	100%
	%Δ '06-'16	9%	2%	2%	17%	48%	35%	13%
Fredericton, City	Population	8,750	8,780	16,645	15,115	9,010	1,515	59,815
	Proportion	15%	15%	28%	25%	15%	3%	100%
	%Δ '06-'16	18%	5%	10%	16%	41%	40%	16%
North Fredericton	Population	4,335	3,090	7,310	7,375	4,315	700	27,125
	Proportion	16%	11%	27%	27%	16%	3%	100%
	%Δ '06-'16	11%	2%	8%	18%	44%	36%	16%
South Fredericton	Population	4,425	5,690	9,340	7,725	4,725	815	32,720
	Proportion	14%	17%	29%	24%	14%	2%	100%
	%Δ '06-'16	26%	7%	12%	15%	37%	43%	17%
Outlying Rural Areas	Population	8,030	5,010	11,315	13,990	5,835	360	44,540
	Proportion	18%	11%	25%	31%	13%	1%	100%
	%Δ '06-'16	0%	-3%	-8%	19%	61%	18%	8%

Source: derived from Statistics Canada

From 2006 to 2016, the City of Fredericton grew about 16%, led primarily by growth in older population cohorts. There was about 41% more people who were 65 or older living in Fredericton in 2016 than a decade prior (a 3,035 person increase to 10,525 total seniors in 2016).

Overall, North and South Fredericton grew by similar magnitudes, though the latter experienced noticeably higher youth cohort and young adult growth.



The Outlying Rural Area also experienced an increase in its total residents, though almost entirely in its older cohorts. Total young to middle aged adults shrank over the decade.

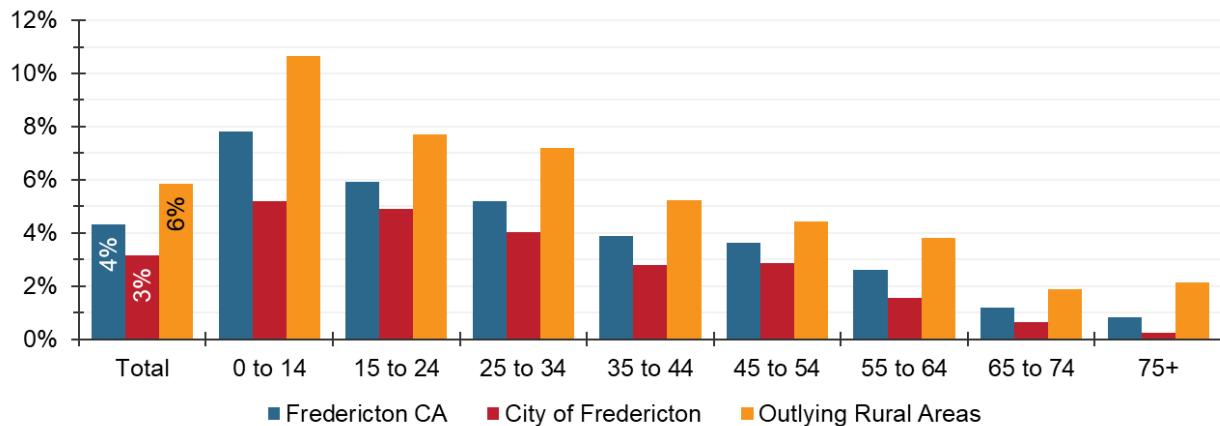
7.1.2 Indigenous Population

As of 2016, 4,415 Indigenous people lived within the boundaries of the Fredericton CA, of which 42% (1,830) lived within City limits. Both the Kingsclear 6 and Devon 30 First Nations Reserves fall within the Outlying Rural Area study boundary.

Proportionally, about 4% of Fredericton CA residents identified as Indigenous, a substantial portion of whom were children aged 0 to 14 years old (8%, or 455 people) and identified as First Nations (1,320).

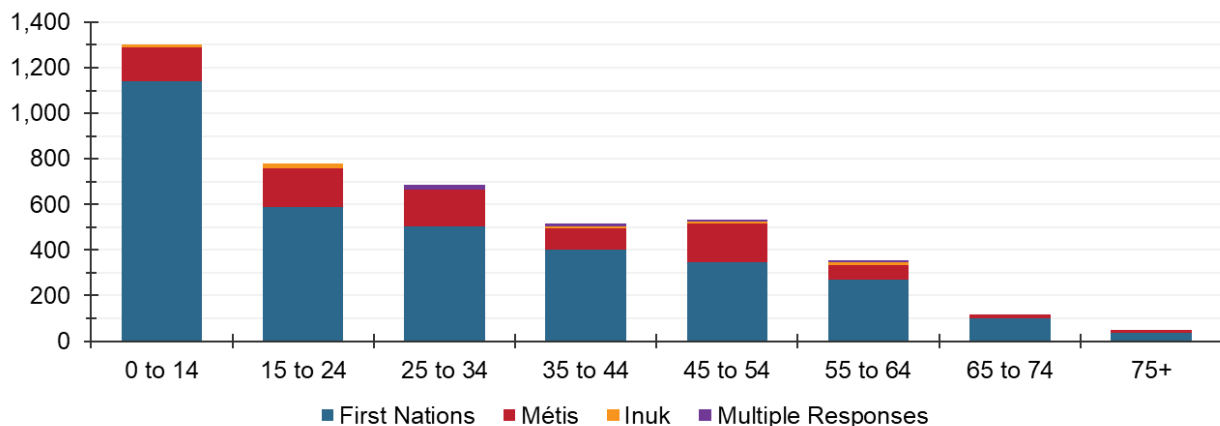
Rates of Indigenous identity and total Indigenous people peak for children and decline into older age cohorts. This differs from the overall CA population which peaks among middle aged adults.

Figure 7.2: Indigenous Identity by Age Cohort & Study Area



Source: Statistics Canada

Figure 7.3: Fredericton CA, Indigenous Identity



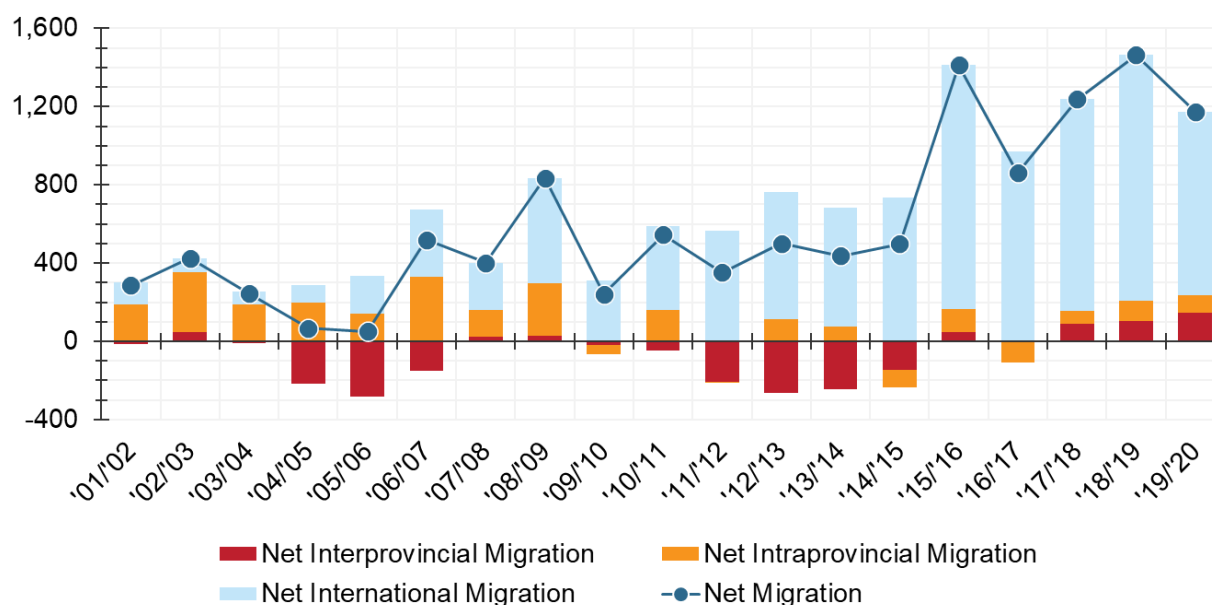
Source: Statistics Canada



7.1.3 Historical Migration

Statistics Canada reports on historical components of demographic growth, which refers to the in- and out-migration of people, whether within Canada's or New Brunswick's borders, or between countries. **Figure 7.4** summarizes these components. The vertical bars represent the cumulative impact of these in- and out-flows, while the dotted line indicates the net change in population of said period. Readers can find definitions of each term below in the **Definitions** section. Data is only available at a higher geographic level, being the Fredericton Census Agglomeration (CA).

Figure 7.4: Fredericton CA, Net Migration of People



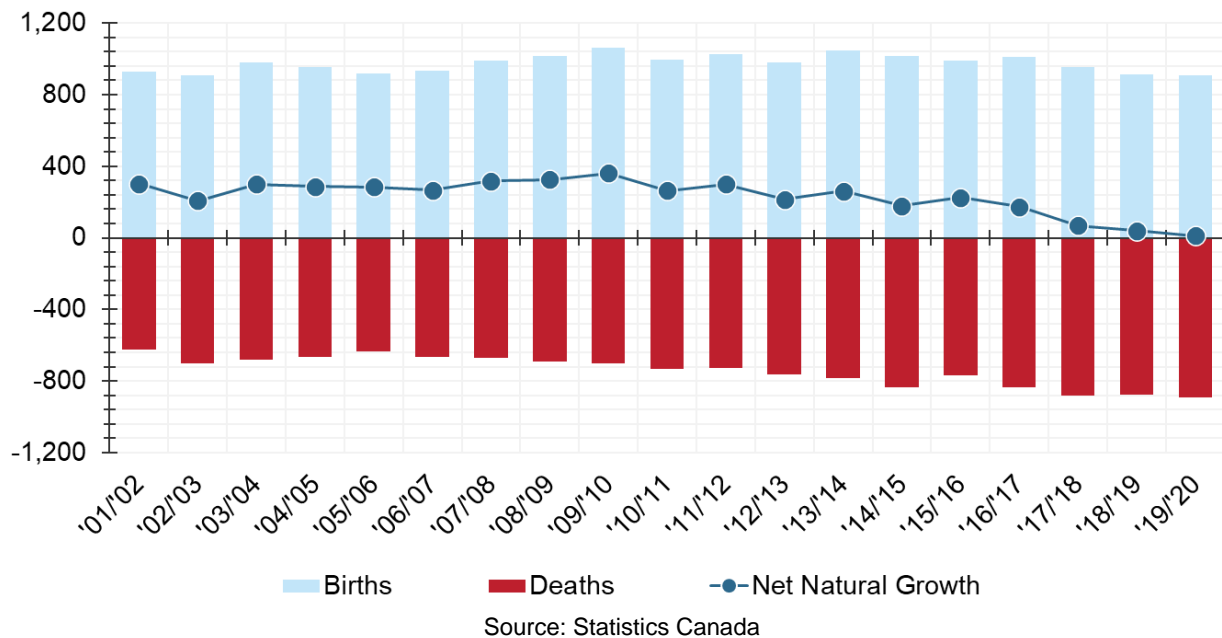
Source: Statistics Canada

Over the last two decades, the Fredericton CA has had net positive migration, attracting close to 11,500 net residents over that time. This would suggest steady population growth for the Census Agglomeration, which has indeed occurred (at least between 2006 and 2016 – 10%). Recent year gains have been mostly fueled by people coming to Fredericton from abroad, with some contributions from migrating people already living in New Brunswick.

For many Canadian jurisdictions, gains from migration are counterbalanced by natural losses of population (more deaths than births). For the Fredericton CA, this is not the case. Over the last two decades, the CA reported that there were almost 4,400 more births than deaths. Recent trends indicate that net natural change will soon be in the negatives (shown in **Figure 7.5**), which will undoubtedly have implications for future population age distributions among participating communities.



Figure 7.5: Fredericton CA, Net Natural Change



7.1.4 Persons with Disabilities

Statistics Canada released its 2017 Canadian Survey on Disability in 2019. This report, and its dataset, offers national and provincial insights into the prevalence of disability across Canada, including the type and severity of a disability, as well as the economic circumstances for persons with one or more disabilities.

Unfortunately, data representing more granular geographies like the City of Fredericton are not available, meaning discussions must remain centred around provincial and federal data.

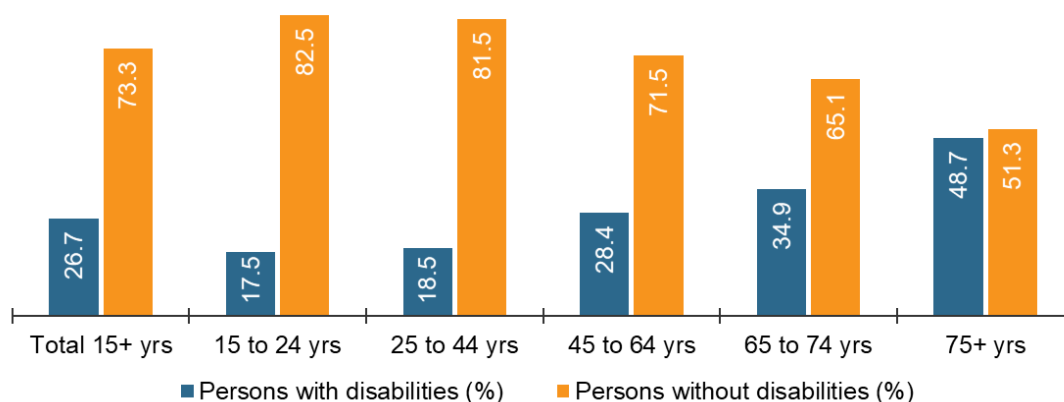
The 2017 survey classifies a disability as falling within one of eleven categories: pain, flexibility, mobility, mental health, seeing, hearing, dexterity, learning, memory, developmental, or unknown. Most Canadians with a disability had more than one type. Of the 6.2 million Canadians with disabilities aged 15 years and over:

- 29% had one type;
- 38% had two or three; and
- 33% had four or more.

In 2017, 161,590 New Brunswick residents aged 15 years old or older reported having at least one disability, or about 27% of all residents above that age. If the same proportion applied to the City of Fredericton, that would mean about 16,100 residents could be living with a disability (based on its 2016 population).



Figure 7.6: Percent of Population w/ 1+ Disability by Age Cohort, New Brunswick, 2017

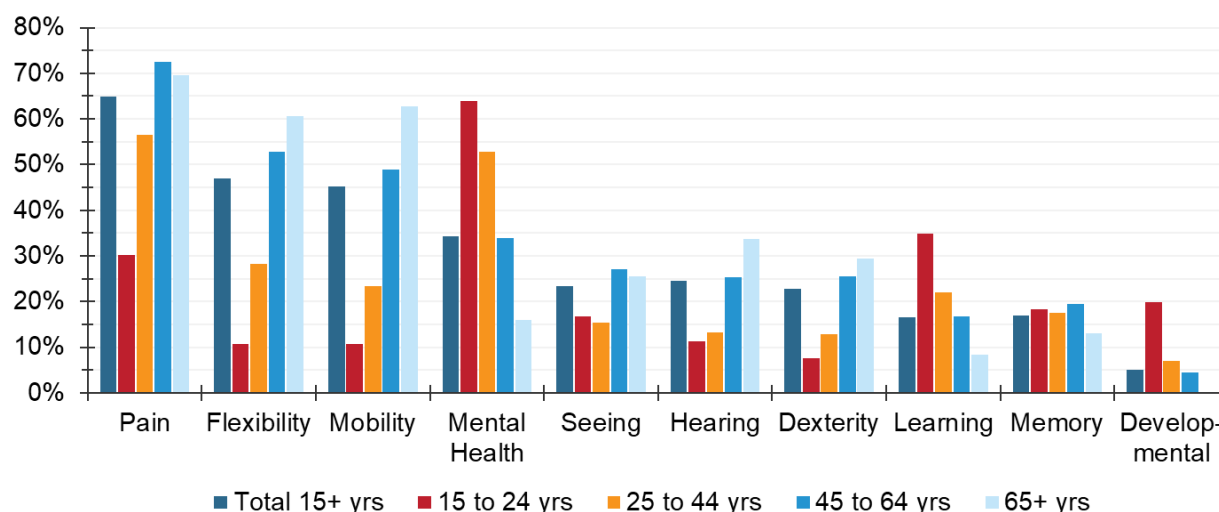


Source: Canadian Survey on Disability 2017

As residents age, the prevalence of disability increases. Statistics Canada reported that close to 40% of persons aged 65 or older had a disability. The rate of disability rises almost 14 percentage points between the 65 to 74 and 75+ age cohorts. This increased prevalence among older cohorts is particularly important to consider as said cohorts have historically and will continue to represent greater proportions of the overall population.

Overall, pain, flexibility, and mobility are the most prevalent types of disabilities (65%, 47%, and 45% of people experience either type, respectively). All three or most prevalent in older age cohorts.

Figure 7.7: % of Disabled Persons w/ Specific Disability Type by Age, New Brunswick, 2017



Source: Canadian Survey on Disability 2017

Mental health is the next most prevalent (34%), with significantly higher prevalence among young adults. About 64% of people 15 to 24 years of age reported having mental health difficulties. The prevalence decreases across older cohorts.



7.1.5 Anticipated Population

Population projections use what is known as the “Shift Share” model to anticipate population growth within each 5-year age cohort. The model considers the historical population change of each community, and adjusts these changes using Statistics Canada projections for the Province of New Brunswick and the Fredericton Census Agglomeration. Statistics Canada provides several projection scenarios, from low to high growth.

Figure 7.8 indicates what change each cohort group could expect to experience from 2021 to 2031. The percentages represent the average between low and high growth scenarios (known as moderate growth) and do not consider further than 2031. The longer the projection timeline, the greater uncertainty of the projection’s accuracy; projection models are imperfect tools that cannot predict the future economic, social, and environmental contexts that would undoubtedly impact demography.

A moderate growth scenario suggests that the City of Fredericton’s total population may continue to increase from 2021 to 2031 (12%), but at a slightly lower magnitude than from 2006 to 2016 (16%). By 2031, the City may reach 73,070 people.

Figure 7.8: Total Population & Age Cohorts '31 and Percent Change '21-'31 (Moderate Growth)

		0 to 14	15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
Fredericton, CA	Population	18,125	14,945	33,785	28,740	23,690	3,065	122,350
	Proportion	15%	12%	28%	23%	19%	3%	100%
	%Δ '21-'31	4%	9%	10%	-3%	30%	48%	9%
City of Fredericton	Population	10,370	9,645	21,995	14,625	13,825	2,610	73,070
	Proportion	14%	13%	30%	20%	19%	4%	100%
	%Δ '21-'31	10%	10%	16%	-4%	27%	53%	12%
North Fredericton	Population	4,600	3,400	9,360	7,250	6,905	1,260	32,775
	Proportion	14%	10%	29%	22%	21%	4%	100%
	%Δ '21-'31	2%	10%	13%	-4%	31%	62%	11%
South Fredericton	Population	5,780	6,250	12,635	7,375	6,930	1,350	40,320
	Proportion	14%	16%	31%	18%	17%	3%	100%
	%Δ '21-'31	17%	10%	17%	-5%	24%	45%	13%
Outlying Rural Areas	Population	7,755	5,300	11,790	14,115	9,865	455	49,280
	Proportion	16%	11%	24%	29%	20%	1%	100%
	%Δ '21-'31	-3%	8%	0%	-1%	35%	23%	6%

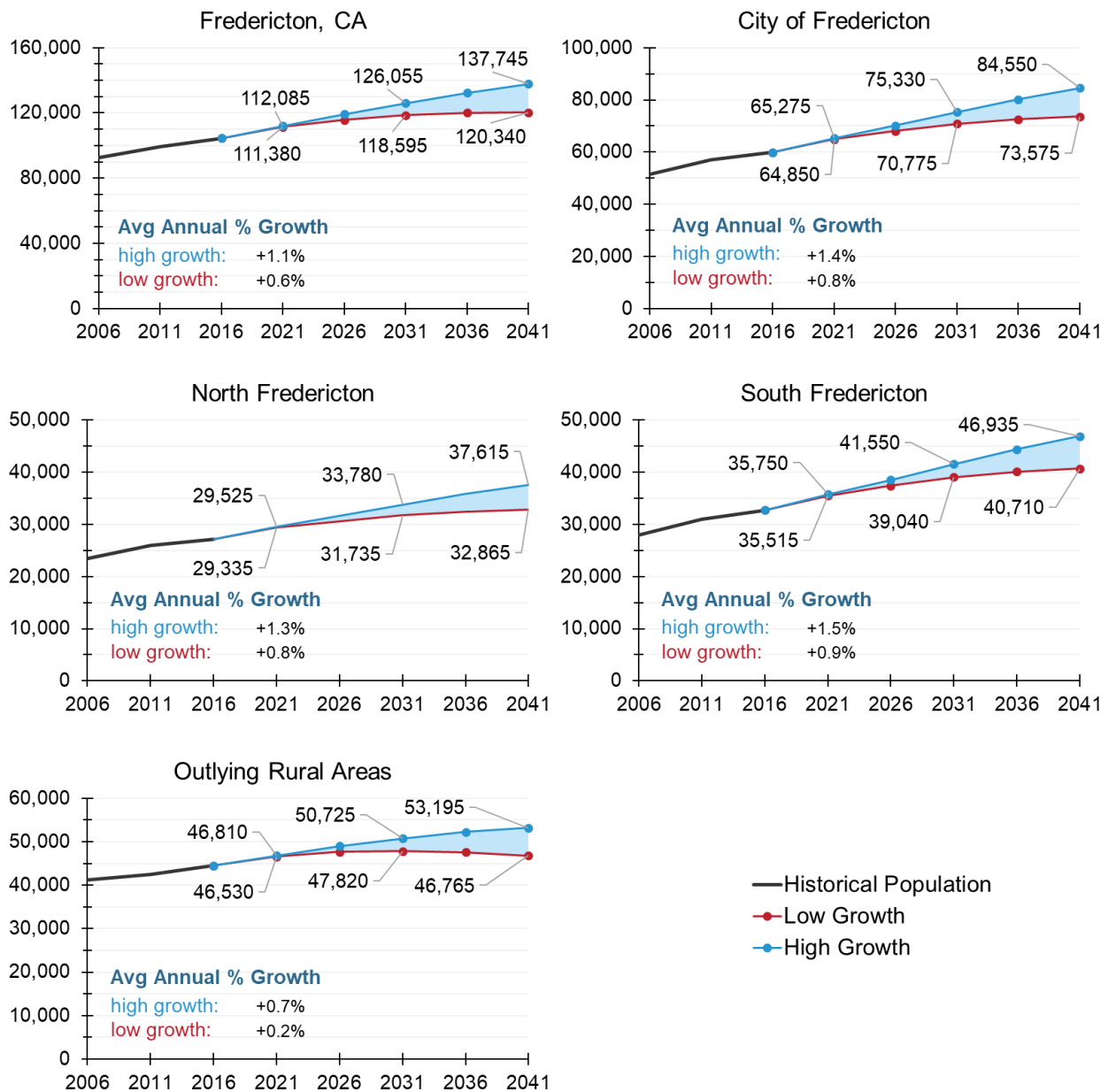
Source: derived from Statistics Canada



Overall, young and senior cohorts will continue their positive trajectory, with notable increases to total persons 85+ (53% to 2,610). Projections anticipate that only middle-aged adults (45 to 64) could contract over the period.

Figure 7.9 illustrates how each geography's population might vary over the next two decades based on the two extremes of low and high growth. Regardless of the scenario, projections anticipate that the Fredericton CA, City of Fredericton, and Outlying Rural Area should grow. Only the Outlying Rural Area indicates a chance of a stagnating population total over the next two decades under the low growth scenario.

Figure 7.9: Historical & Anticipated (Low & High Growth '16-'41) Total Population



Source: derived from Statistics Canada

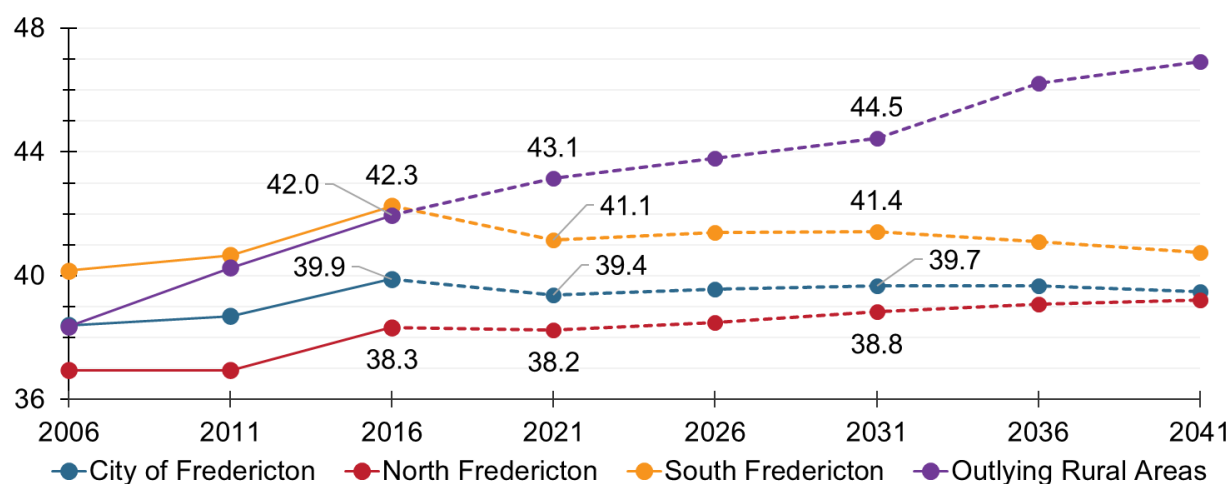


Readers may notice the expanding gap between both scenarios the further the projection goes. This represents the uncertainty of projections over the long-term.

7.1.6 Median Age

In 2016, the City of Fredericton's median age was about 39.9 years old, up from 38.4 in 2006. Based on moderate population growth projections, the median age may continue rising over the next decades, but could plateau below 40 years old due to continued growth in youth populations.

Figure 7.10: Historical & Anticipated Median Age by Community



Source: derived from Statistics Canada

Due to its rapidly expanding senior population (and less youth cohort growth), the Outlying Rural Area could experience prolonged increases in its median age.

Among the two sub-geographies, South Fredericton's 2016 median age was about 4.0 points higher than North Fredericton (42.3 versus 38.3) and should remain higher over the foreseeable future unless dramatic demographic shifts occur within the City of Fredericton.

7.2 Household Characteristics

Statistics Canada defines a household as a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad. One household could be a couple with children, a single parent, multiple families residing in the same dwelling, a single person, or roommates. A household is the highest-level descriptor of many unique living situations.

This report often categorises households by their "primary household maintainer" age cohorts. A household maintainer refers to whether or not a person residing in the household is responsible for paying all or the majority of the rent, or the mortgage, or the taxes, or the electricity or other services or utilities. In the case of a household where two or more people are listed as household maintainers, the first person listed is chosen as the primary household maintainer.



7.2.1 Historical Households

Total households, and the age distribution of household maintainers, is mostly a function of changes occurring in the population. Many factors come in to play for the makeup of households, like moving across community boundaries, changes in preferences, or new financial circumstances. Like the earlier section, an aging population is at the core of most trends.

Figure 7.11 shows the percent change of different primary household maintainer age cohorts from 2006 to 2016 by geography. It also shows the totals and distributions of these cohorts in each community and includes the percent change of the total population. Both derive their results from Statistics Canada Census data. Household data is not adjusted to consider undercounting.

Figure 7.11: Total Households & Maintainer Cohorts '16 and Percent Change '06-'16

		15 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	Total
Fredericton, CA	Households	2,260	6,615	7,340	8,280	7,900	6,045	4,200	42,720
	Proportion	5%	15%	17%	19%	18%	14%	10%	100%
	%Δ '06-'16	5%	11%	-2%	10%	28%	56%	22%	17%
Fredericton, City	Households	1,950	4,435	4,155	4,365	4,415	3,510	2,935	25,770
	Proportion	8%	17%	16%	17%	17%	14%	11%	100%
	%Δ '06-'16	2%	15%	9%	6%	30%	45%	14%	17%
North Fredericton	Households	440	1,775	1,975	2,100	2,125	1,635	1,440	11,490
	Proportion	4%	15%	17%	18%	18%	14%	13%	100%
	%Δ '06-'16	10%	14%	9%	4%	37%	47%	25%	20%
South Fredericton	Households	1,560	2,640	2,230	2,295	2,290	1,875	1,485	14,470
	Proportion	11%	18%	15%	16%	16%	13%	10%	100%
	%Δ '06-'16	2%	15%	11%	9%	25%	45%	5%	16%
Outlying Rural Areas	Households	260	2,200	3,135	3,885	3,485	2,535	1,275	16,760
	Proportion	2%	13%	19%	23%	21%	15%	8%	100%
	%Δ '06-'16	11%	5%	-15%	14%	25%	72%	45%	15%

Source: derived from Statistics Canada

In 2016, the City of Fredericton had 17% more households than it did in 2006 (22,050 to 25,770). Readers may notice that the pace of household growth is marginally higher than that of population (17% versus 16%). Often, as the population ages the size of households decreases (for example, children move out or loved ones pass away), which in turn increases the number of households per capita. If the number per capita increase is greater than the absolute change in population, then total households will grow at a faster pace. For the City, there was considerable growth in younger cohorts, which has slowed down this transition. In contrast, the isolated increases to older cohorts in the Outlying Rural Area results in a 15% household increase versus 8% for its total population.



Like population trends, greatest historical growth occurred in older maintainer cohorts; specifically, City households led by maintainers aged 65 to 74 grew 45% over ten years (2,415 to 3,510), followed by near retirement maintainers (55 to 64) at 30% (3,390 to 4,415).

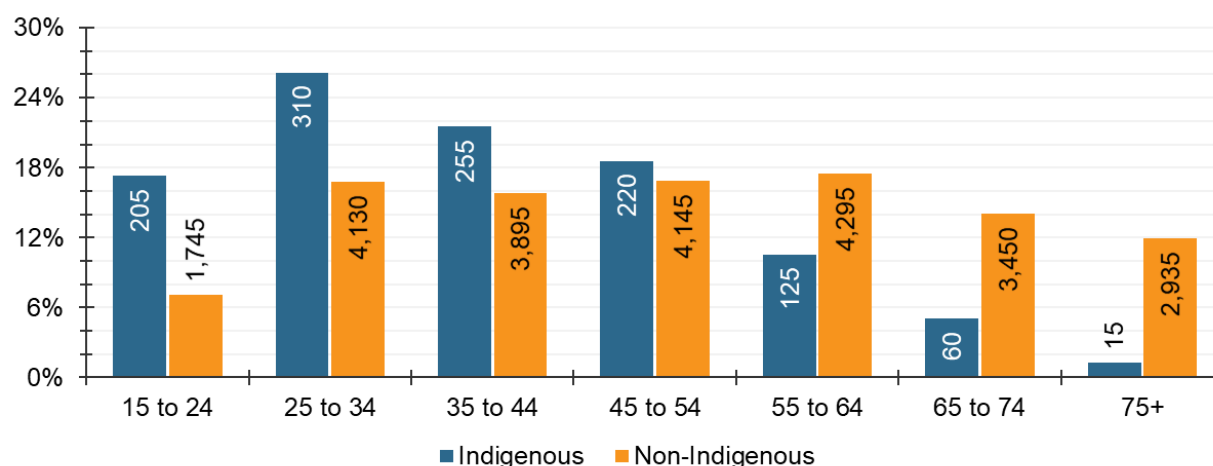
Historical data suggests that there has been an increase in the growth of young household maintainers, specifically for those aged 25 to 34 (15%, or 3,840 to 4,155).

7.2.2 Indigenous Households

Mirroring population trends, a higher percentage of Indigenous people are serving as the primary maintainers of their households. About 17% of Indigenous households were run by someone aged 15 to 24, versus 7% of non-Indigenous households.

About 65% of Indigenous household maintainers were younger than 45 (peaking at 26% for those 25 to 34). About 40% of non-Indigenous maintainers were below 45.

Figure 7.12: City of Fredericton, Indigenous Maintainer Cohorts



Source: Statistics Canada

7.2.3 Anticipated Households

Household growth is an important fundamental component of housing demand. By definition a household requires an available dwelling to occupy. Therefore, household projections are synonymous with the increase in housing stock required to accommodate expected population changes (note that overall housing demand is also influenced by economic and fiscal factors, but these are omitted from the exercise for simplification).

Projecting future growth in the number of households requires two related data inputs: (1) population projections and (2) the historical proportion of maintainers by age cohort, divided by the total people in that cohort. Total demand is calculated by applying the proportions of (2) to the change in how many people there are at a given age determined by (1).

Figure 7.13 indicates what change each maintainer age cohort group could expect to experience from 2021 to 2031. The percentages represent a moderate growth scenario.



A moderate growth scenario suggests that the City of Fredericton's total households may continue to expand an additional 11% from 2021 to 2031. Interestingly, non-senior led households could be a main driver in household growth during that decade (about 8%, or 1,580 households, even with expected losses for the 55 to 64 age category). Projections do anticipate significant jumps in 75+ year old households (45% to 4,910).

Figure 7.13: Total HHs & Maintainer Cohorts '31 and % Change '21-'31 (Moderate Growth)

		15 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65 to 74	75+	Total
Fredericton, CA	Households	2,540	8,805	8,870	8,530	7,610	7,650	7,790	51,780
	Proportion	5%	17%	17%	16%	15%	15%	15%	100%
	%Δ '21-'31	12%	13%	13%	7%	-11%	7%	54%	11%
City of Fredericton	Households	2,155	5,835	5,895	4,300	4,290	4,015	4,910	31,395
	Proportion	7%	19%	19%	14%	14%	13%	16%	100%
	%Δ '21-'31	9%	13%	24%	3%	-11%	0%	45%	11%
North Fredericton	Households	550	2,290	2,720	1,935	2,250	1,880	2,795	14,410
	Proportion	4%	16%	19%	13%	16%	13%	19%	100%
	%Δ '21-'31	20%	11%	22%	-2%	-5%	0%	61%	14%
South Fredericton	Households	1,605	3,550	3,180	2,365	2,040	2,135	2,120	16,985
	Proportion	9%	21%	19%	14%	12%	13%	12%	100%
	%Δ '21-'31	5%	14%	26%	7%	-16%	0%	30%	9%
Outlying Rural Areas	Households	310	2,460	2,650	4,310	3,835	4,230	2,405	20,190
	Proportion	2%	12%	13%	21%	19%	21%	12%	100%
	%Δ '21-'31	13%	4%	-12%	9%	2%	34%	53%	12%

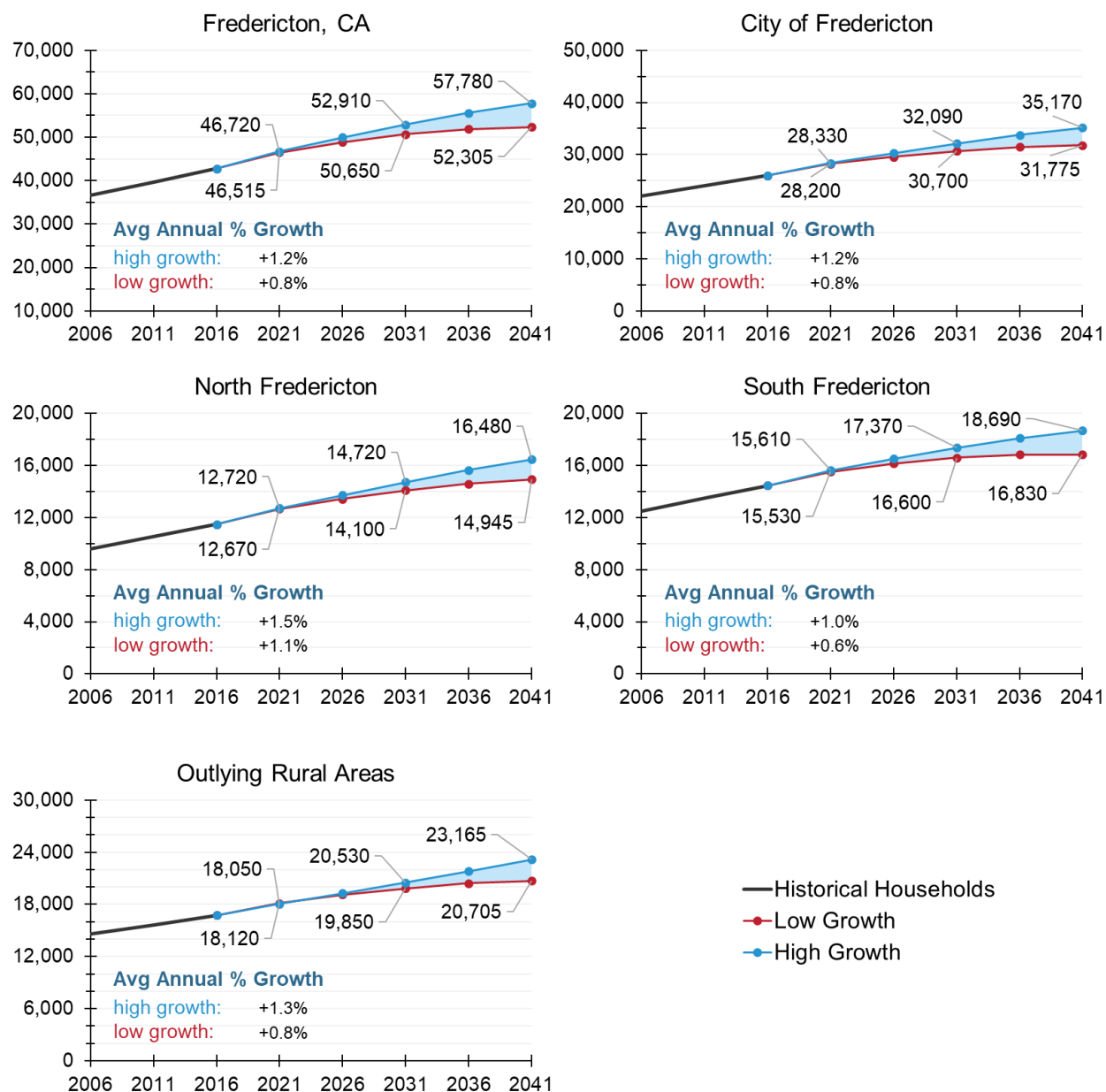
Source: derived from Statistics Canada

Projections anticipate that the Outlying Rural Area may demand slightly more housing than the City between 2021 and 2031, relative to their individual percent changes during that time. The Rural Area's possible 12% household growth is again noticeably higher than its anticipated increase in population, suggesting continued reductions in household sizes brought on by an aging population.

Figure 7.14 illustrates how each geography's households might vary over the next two decades under the two extremes of low and high growth. Even under the low growth scenario, no described geography anticipates a decline in households, thereby suggesting a continued increase in demand over the foreseeable future.



Figure 7.14: Historical & Anticipated (Low & High Growth) Total Households



Source: derived from Statistics Canada

7.2.4 Anticipated Household Characteristics

We can estimate additional characteristics about these anticipated households by using previous Census data to determine how other attributes, such as size and tenure, relate to specific age cohorts and apply those relationship to the expected age distributions of the anticipated household growth. This can inform us of the types of housing that may be required in the near future as a result of these growing and changing households.

It must be recognised that this approach is, at best, an educated guess. It considers historical trends that are likely to be less accurate as we peer further into the future, and relies on other

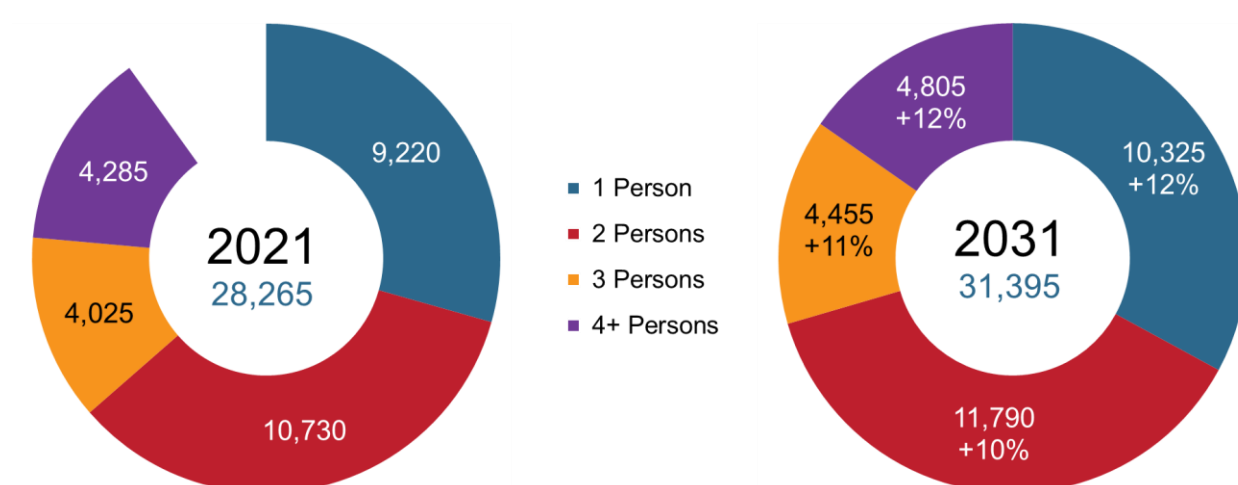


estimates (projected population and households) as key inputs. Finally, it only quantifies the change in demand expected from changes in the number and age of people in the study area. Housing demand can be influenced by economic trends, monetary policy, government policy, and conditions in the housing market itself. As a result, these estimates should be understood to be the bare minimum change that might be required as a consequence of expected demographic changes while maintaining all other aspects of the status quo. Therefore, when applying these estimates to housing policy development it should be recognised that additional housing may be required to address other issues, such as existing gaps, supply shortfalls, or changes in demographic trends that deviate from past patterns.

7.2.5 Anticipated Household Size

One of the simplest ways to describe a household is its size, or how many people permanently live in the shared dwelling at a given time. **Figure 16.1** demonstrates how different household sizes may change over the next decade (2021 to 2031).

Figure 16.1: Anticipated Household Size (% Change '21-'31)



Source: derived from Statistics Canada

By 2031, the City of Fredericton should see an increase across all household sizes, similar to the pace of overall household growth up until that period. Greatest absolute and percentage growth could occur for 1-person households between 2021 and 2031 (12% and 1,105).

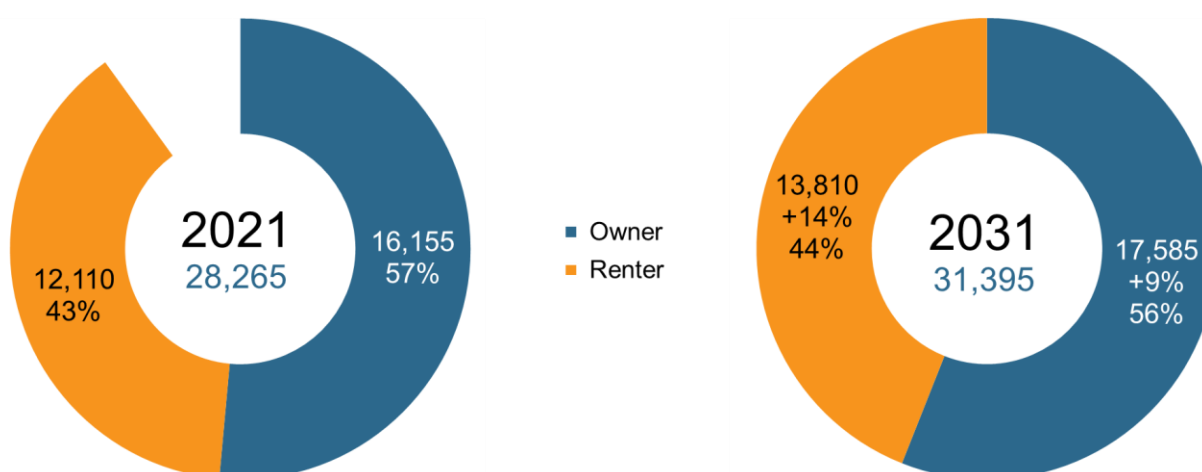
Larger households are keeping pace as well, indicating growth in couples with children over the foreseeable future.

7.2.6 Anticipated Household Tenure

Important to local governments is the evolution of tenure characteristics; how many households own or rent the dwelling that they permanently reside in. **Figure 16.2** anticipates how the demand for tenure may change from 2021 to 2031.



Figure 16.2: Anticipated Households by Housing Tenure (% Change '21-'31)



Source: derived from Statistics Canada

By 2031, the pace of growth in demand for City of Fredericton renter households should outpace that of owners over the next decade, a continuation of historical trends. In 2006, 39% of households rented, increasing to 41% by 2016. Projections anticipate by 2021 and 2031, rates of renting could reach 43% (12,110 households) and 44% (13,810 households), respectively.

The decrease in the share of owner households relative to the total does not mean there will be fewer owners by 2031. The demand for owner occupied housing could increase by about 9% over the decade, with households seeking to own an additional 1,430 homes.

7.2.7 Regarding Growth Strategy Projections

The City of Fredericton's Growth Strategy projected that there may have been 30,445 households in 2016 (based on historical Statistics Canada data as recent as 2011). The 2016 Census revealed that there were about 25,960 total households in Fredericton, a difference of 4,485.

The higher anticipated expansion outlined in the Growth Strategy compounds over the short- and long-term, resulting in gradually greater household (and by association housing demand) outputs from year to year. By 2031, total households are expected to reach 48,260 under the Growth Strategy, or 31,395 based on the Housing Needs Assessment (HNA). In percentage change, this is an anticipated ten-year growth of 35% and 11%, respectively.

The largest difference in the results of these two forecasting exercises is that the Growth Strategy anticipates higher growth in older age groups, resulting in smaller household sizes and a larger need for housing. This is driven, in part, by an expected pattern of migration within the region where older households in outlying rural areas move into more central urban locations in their later years. The projections in this report do not reflect this pattern as strongly, resulting in less growth in older households in the City of Fredericton, and consequently lower total growth.

As already discussed in **Section 4.4**, in using this report to inform future planning policy, we recommend basing any supply targets on the higher growth paradigm outlined in the Growth Strategy to avoid the risk of unintended housing construction shortages due to limiting policy.



7.3 Renter Households in Fredericton

A renter household refers to a private household where no member owns their dwelling. The dwelling is considered to be rented even if no cash rent is paid. Over the course of a decade (2006 to 2016), the number of renter-occupied dwellings in the City of Fredericton jumped 23% (8,650 to 10,660), faster than overall household growth during the same time (17%, or 22,050 to 25,770 households). About 41% of Fredericton households rented in 2016, up from 39% in 2006.

The following subsections briefly show the composition of these renter households by the age of their primary maintainer, the household type, and the household size.

7.3.1 Household Type

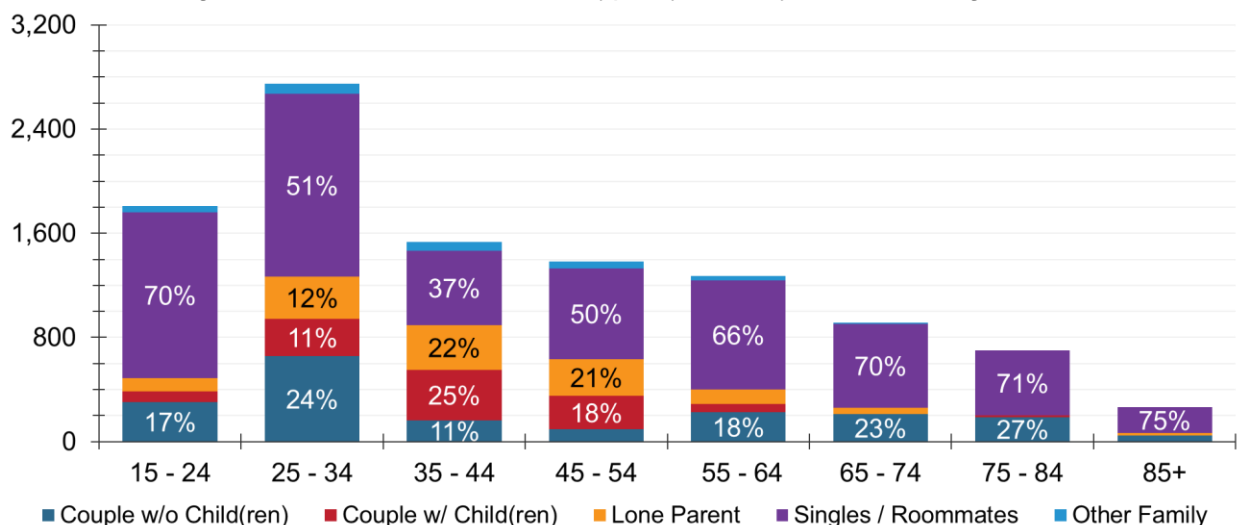
Household type refers to the type of “census-family” that occupies a dwelling (see **Definitions**). **Figure 7.15** depicts the most appropriate types, being: (1) couples without children, (2) couples with children, (3) lone parents, or (4) non-census families (herein known as single people or roommate households) by primary maintainer age.

As of the 2016 Census, 17% of Fredericton’s renter households were couples without children, 10% were couples with children, 12% were lone parent households, and 58% were either single person or roommate households.

Single person / roommate households retained the highest share of renter households across all 2016 maintainer age cohorts. Their lowest proportions occurred between 25 to 54 years old.

Close to 56% of lone parent households rented in 2016, up from 52% in 2006. About 20% of couples with children rented, up from 16%.

Figure 7.15: Renter Household Type by Primary Maintainer Age, 2016



Source: Statistics Canada

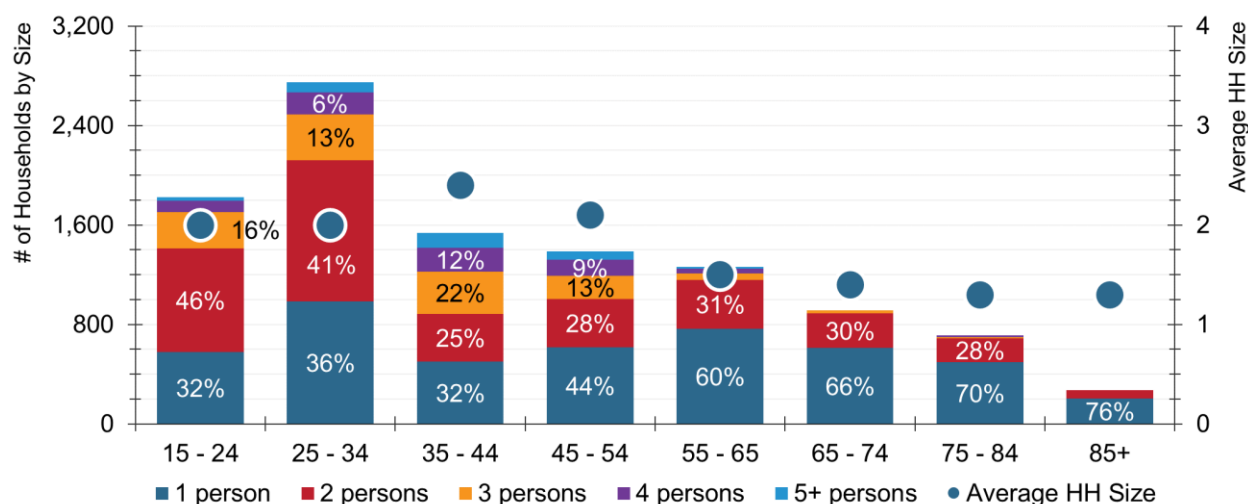


7.3.2 Household Size

Overall, about 79% of renter households are 2 or fewer persons large. Households with more than 2 people peak for those with a maintainer aged 25 to 44, representing greater prevalence of families. It is rare that a senior household (65+) would have more than 2 people.

In 2016, the average renter household size was at or above 2 people for households with primary maintainers aged 15 to 54. This is consistent with the greater proportions of larger households discussed above.

Figure 7.16: Renter Household Size by Primary Maintainer Age, 2016



Source: Statistics Canada

Overall, the average rented dwelling housed 1.9 persons in 2016. Cohorts with maintainers 55 or older average no more than 1.5 persons per household.

7.4 Owner Households in Fredericton

An owner household refers to a private household where some member of the household owns the dwelling, even if it is still being paid for. Over the course of a decade (2006 to 2016), the number of owner-occupied dwellings in the City of Fredericton increased 13% (13,375 to 15,105). About 59% of households were owner occupied in 2016, down from 61% in 2006.

The following subsections briefly show the composition of these owner households by the age of their primary maintainer, the household type, and the household size.

7.4.1 Household Type

As of the 2016 Census, 34% of Fredericton's owner households were couples without children, 29% were couples with children, 7% were lone parent households, and 27% were either single person or roommate households.

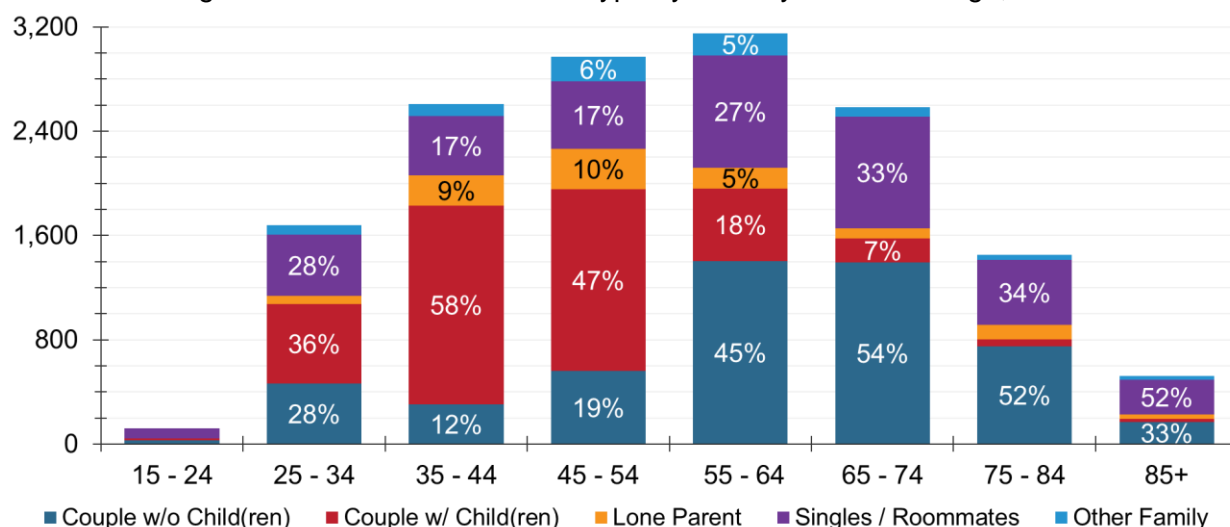
Few owners were aged 15 to 24 (135 total). From there, ownership prevalence steadily increases from cohort to cohort until about 65 years old. The numerical decrease among senior cohorts represents both downsizing to rentals and the generally smaller cohort sizes of those senior



populations (particularly for those 75 or older). About 80% of couples with children in 2016 owned the home they lived in. This is down from close to 84% in 2006. The actual number of owning couples with children increased only 1%.

Couples with children are the main occupier of owned homes until retirement (children have grown and moved out). Over time, the predominant prevalence transitions to couples without children. This group then transitions to greater single person homes due to aging. Historical Statistics Canada provides support to these transitions. Between 2006 and 2016, owned housing shifted largely to single person and couples without children household, growing 26% and 16%, respectively.

Figure 7.17: Owner Household Type by Primary Maintainer Age, 2016



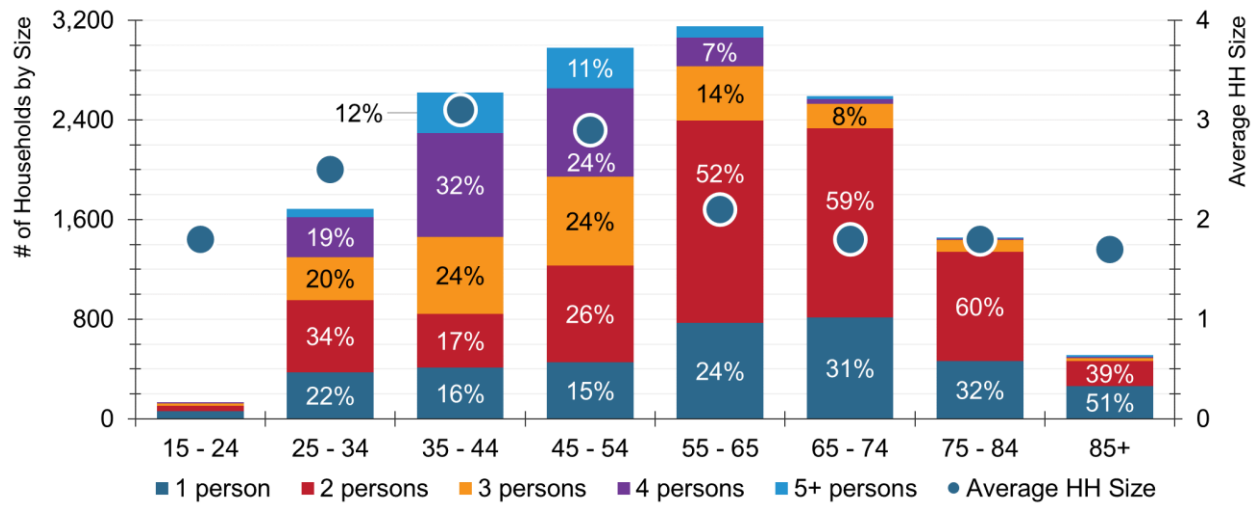
Source: Statistics Canada

7.4.2 Household Size

Overall, about 64% of owner households are 2 or fewer persons large, though this trend only presents itself in earnest in older maintainer cohorts. About 58% of owner households with a primary maintainer below 55 years old had 3+ people in the home. This is consistent with the prevalence of couples with children reported by the previous section. Like rented accommodations, it is rare that a senior household would be more than 2 people large.



Figure 7.18: Renter Household Size by Primary Maintainer Age, 2016



Source: Statistics Canada

In 2016, the average owner household size was about 2.4 persons. The peak average occurs for maintainers between 35 and 44 (3.1 average), after which there is a gradual decline into older age cohorts. By 65 years old, the average household has 1.8 or fewer people in the home.



8 Economic Trends in Fredericton

8.1 Employment

Economic development, and the resulting employment opportunities, is a key contributor to the overall demand and supply of housing within a community. Consequently, it is important to understand what trends may be occurring across the labour force.

8.1.1 Labour Force Statistics

The **Definitions** section defines participation, employment, and unemployment in regards to summarizing labour force activity.

In 2016, Statistics Canada reported a total City of Fredericton labour force of 31,505 people (those working or actively seeking work, and who are 15+ years old), equating to a 65.2% participation rate. In other words, many more people are contributing to the local or broader economy via employment than otherwise.

Figure 8.1: City of Fredericton, Labour Force Statistics & Percent Change

	2016			% Change '06-'16		
	Total	Male	Female	Total	Male	Female
Total Pop (15+ yrs old)	48,335	22,865	25,470	13.6%	15.1%	12.3%
In Labour Force	31,505	15,725	15,775	9.2%	7.6%	10.9%
Employed	28,730	14,190	14,545	6.6%	4.0%	9.4%
Unemployed	2,770	1,535	1,240	46.2%	58.2%	33.3%
Not in Labour Force	16,835	7,140	9,690	22.7%	35.9%	14.5%
Participation Rate (%)	65.2	68.8	61.9	-2.6	-4.7	-0.8
Employment Rate (%)	59.4	62.1	57.1	-3.9	-6.6	-1.5
Unemployment Rate (%)	8.8	9.8	7.9	+2.2	+3.2	+1.4

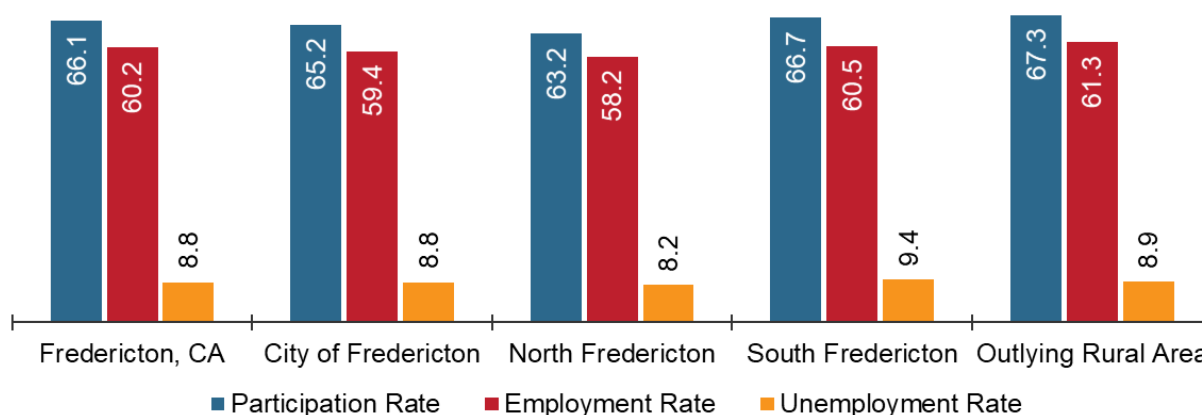
Source: Statistics Canada

Fredericton's labour force grew from 2006 to 2016, demonstrating an increase in the people working or seeking work. Conversely, the total people not in the labour force rose by more than double the pace of the labour force. This substantially higher percent change highlights the impact of retirement on labour force statistics, including both residents retiring locally and new residents moving to Fredericton as part of their retirement.

Although the female population that is eligible to work grew slower than that of males, their relative growth in members of the labour force and employed persons rose faster, while increases of non-labour force females grew slower. Women are either remaining in the economy longer or have relatively consistent levels of new entrants to the workforce.

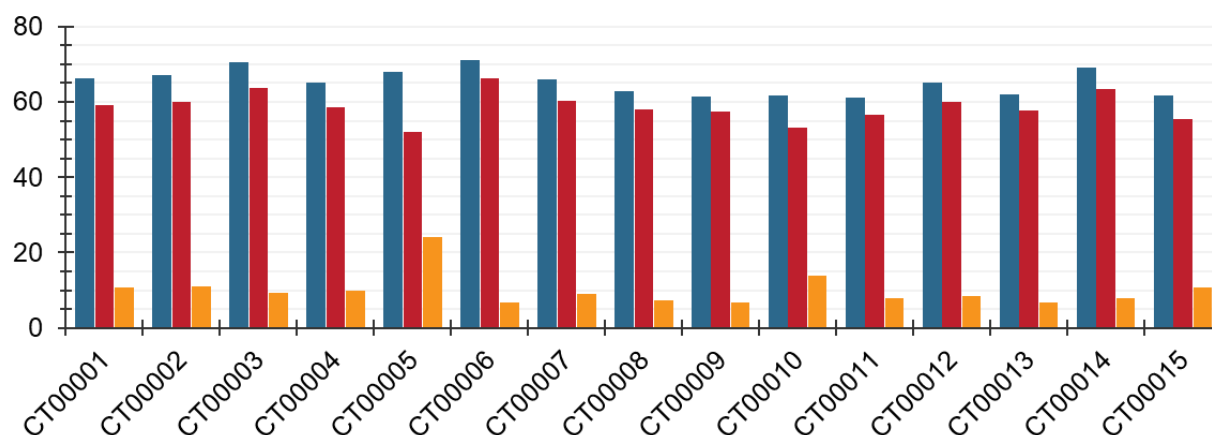


Figure 8.2: Labour Force Statistics (%) by Geography, 2016



Source: Statistics Canada

Figure 8.3: Labour Force Statistics (%) by Census Tract, 2016



Source: Statistics Canada

As of 2016, South Fredericton showcases higher rates of participation (66.7%) than the North (63.2%), with peak participation occurring in CT00006 (Southwood Park / Lincoln Heights). Nevertheless, South Fredericton had higher rates of unemployment (9.4%), with special mention of CT00005 (College Hill) at 24%.

Typically, urban areas exhibit higher participation and unemployment than nearby rural communities. In this instance, the Outlying Rural Area demonstrated a higher participation rate (67.3%) and unemployment rate (8.9%). Given the more rapidly aging population outside the City, rural participation should decrease faster than within Fredericton.

8.1.2 Participation by Age & Sex

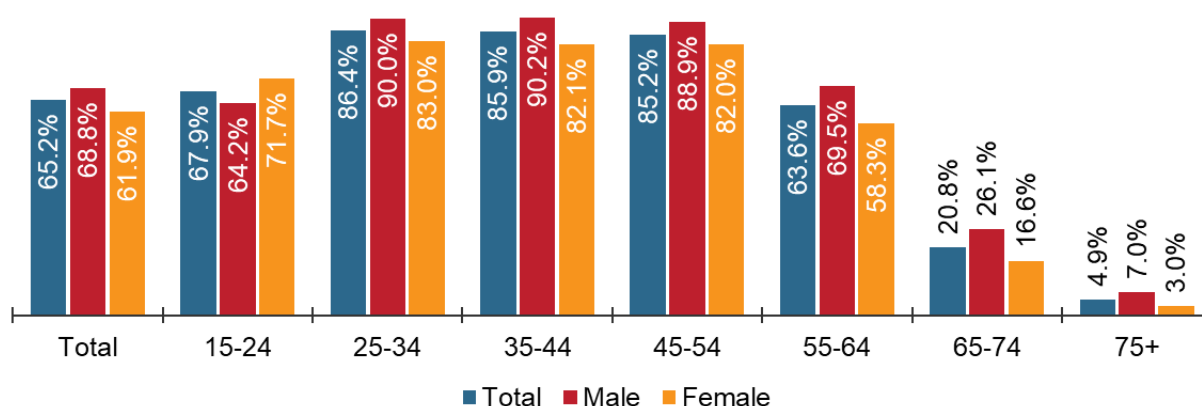
Two types of work are fundamental to capitalist societies: paid employment associated with the waged economy, and unpaid domestic labour (like child, elder, and home care). For a variety of reasons, women tend to spend more time on unpaid work than do men. According to 2015's



General Social Survey (GSS) on Time Use, women in Canada spent an average of 3.9 hours per day on unpaid work as a primary activity—1.5 hours more than men (2.4 hours).²⁷

While women tend to spend more time on unpaid work than men, they are less likely to participate in the labour market and, when they do, they are more likely to be employed on a part-time basis.²⁸ Based on data from the 2016 Census, 61.0% of Canadian women participated in the labour market, compared with 69.6% of men. This difference exists also in the City of Fredericton. About 61.9% of women participated in the labour force, versus 68.8% of men.

Figure 8.4: City of Fredericton, Rate of Participation (%) by Age & Sex, 2016



Source: Statistics Canada

Based on 2015 GSS results, employed women usually spent an average of 5.6 fewer hours per week on all jobs than did men (35.5 versus 41.1 hours). Women spent an average of 3.9 hours per day on paid work, while men spent an average of 5.2 hours per day on paid work.

The total work burden of women and men was equivalent in 2015 (7.8 and 7.6 hours, respectively). However, when unpaid work performed as a simultaneous activity was included, women's total work burden was an average of 1.2 hours greater per day than men's in 2010 (9.1 versus 7.9 hours).

These findings highlight increased probability of lower earnings for female workers, as they are more likely to take on the burdens of unpaid labour than male workers, which translates to reduced capacity to reasonably affordable shelter. This is particularly noticeable for female lone parents (discussed in the **Income** section).

8.1.3 Industries of Employment

The North American Industry Classification System (NAICS) was developed by North American federal statistical agencies for the standardized collection, analysis, and publication of economic

²⁷ Moyser, Melissa. 2018. "Time Use: Total work burden, unpaid work, and leisure." Women in Canada: A Gender-based Statistical Report. Statistics Canada Catalogue no. 89-503-X.

²⁸ Moyser, Melissa. 2017. "Women and paid work." Women in Canada: A Gender-based Statistical Report. Statistics Canada Catalogue no. 89-503-X.



data. **Figure 8.5** summarizes the City of Fredericton's distribution of employment across NAICS industries, with a focus on workforce's sex and housing tenure type.

Figure 8.5: City of Fredericton, NAICS Industry of Employment by Tenure Type & Sex, 2016

NAICS Code	Industry Title	Total People	% Share	By Tenure		By Sex	
				Owners	Renters	Female	Male
91	Public Administration	4,850	14.4%	78%	22%	45%	55%
44-45	Retail Trade	4,260	12.6%	53%	46%	53%	47%
61	Educational Services	4,010	11.9%	67%	33%	60%	40%
62	Health Care & Social Assistance	3,910	11.6%	65%	35%	81%	19%
72	Accommodation & Food Services	2,845	8.4%	42%	58%	58%	42%
54	Professional Services	2,725	8.1%	70%	30%	39%	61%
56	Administrative & Support	1,550	4.6%	46%	55%	45%	55%
81	Other Services (excl. Public Admin)	1,470	4.4%	63%	37%	61%	39%
23	Construction	1,385	4.1%	68%	33%	12%	88%
51	Information & Cultural Industries	1,015	3.0%	55%	45%	39%	61%
48-49	Transportation & Warehousing	970	2.9%	58%	42%	22%	78%
52	Finance & Insurance	900	2.7%	69%	31%	59%	41%
31-33	Manufacturing	875	2.6%	57%	43%	48%	52%
41	Wholesale Trade	775	2.3%	70%	30%	22%	78%
71	Arts, Entertainment, & Recreation	585	1.7%	56%	45%	44%	56%
53	Real Estate and Rental & Leasing	580	1.7%	69%	31%	39%	61%
22	Utilities	555	1.6%	90%	11%	33%	67%
11	Agriculture, Forestry, & Fishing	285	0.8%	67%	33%	28%	72%
21	Resource Extraction	85	0.3%	76%	24%	19%	81%
55	Management of Companies	45	0.1%	78%	22%	33%	67%
	Total Industries	33,690		63%	37%	50%	50%

Source:

Statistics Canada

The three largest industries in the City of Fredericton based on employment (2016) were:

- (1) Public Administration – 4,850 (14.4%);
- (2) Retail Trade – 4,260 (12.6%); and
- (3) Educational Services – 4,010 (11.9%).

The three industries with the greatest proportion of employees in rental housing (2016) were:

- (1) Accommodation & Food Services – 1,650 (58%);
- (2) Administrative & Support – 920 (55%); and
- (3) Retail Trade – 1,980 (46%).

The three industries with the greatest proportion of female employees (2016) were:

- (1) Health Care – 2,935 (81%);
- (2) Educational Services – 2,135 (60%); and
- (3) Finance & Insurance – 500 (59%).



8.2 Income

Overall, the City of Fredericton's median before-tax household income grew about 25% from 2005 to 2015, or \$48,844 to \$60,922. The increase is largely due to a substantial rise in households earning more than \$150,000. About 2,760 households earned above that threshold in 2015, versus 1,115 in 2005 (an increase from a 5% share of total households to 11%).

Figure 8.6: City of Fredericton, Median Before-Tax HH Income by Census Tract, 2015

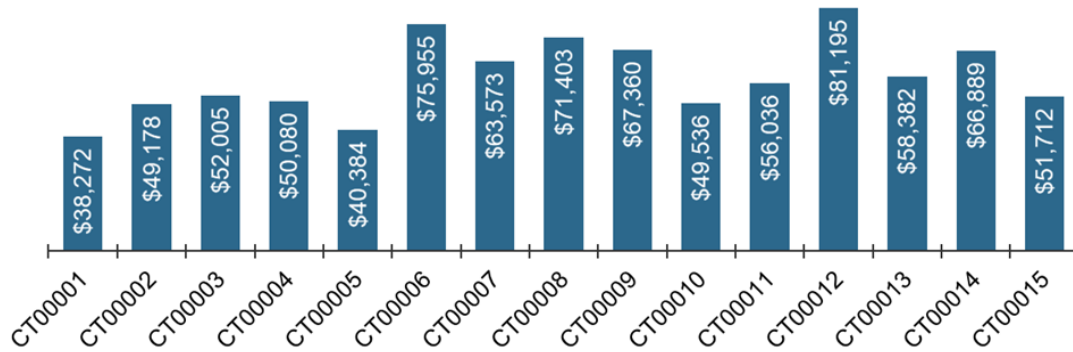
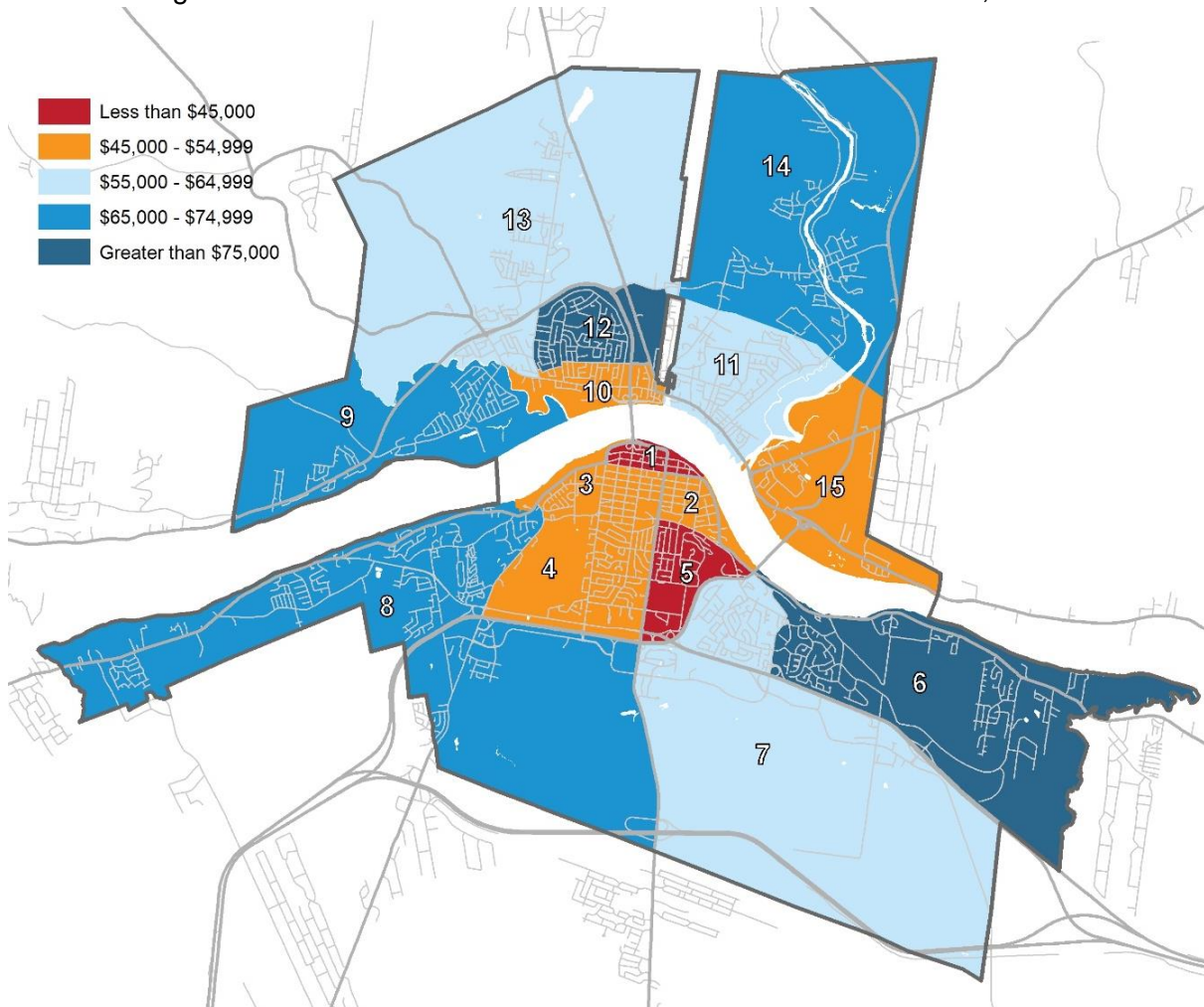


Figure 8.7: Median Before-Tax Household Income in Fredericton, 2015



Source: Statistics Canada



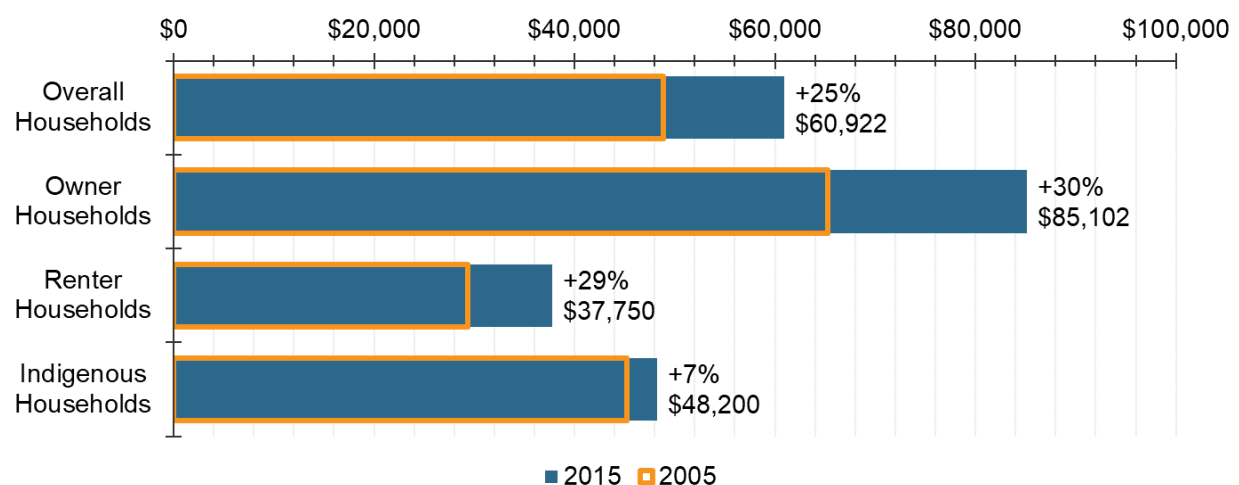
South Fredericton's 2015 median income was slightly lower than its northern counterpart (\$60,065 versus \$62,265). Census tracts 00001 through 00005 (all in South Fredericton) showcased higher rates of single person and roommate households. As predominantly single income households, annual earnings are lower than elsewhere.

Please note that income data refers to one year prior to a Census. For instance, income in the 2006 and 2016 censuses would reflect incomes from the 2005 and 2015 tax years.

8.2.1 Household Income by Tenure

Figure 8.8 illustrates the household earnings of owner, renter, and Indigenous households within the City of Fredericton. In 2015, the median owner household earned \$85,102 before tax, the median renter household earned \$37,750, and the median Indigenous household earned \$48,200. All represent increases (though of varying magnitudes) from a decade prior (30%, 29%, and 7%, respectively).

Figure 8.8: City of Fredericton, Median Before-Tax HH Income by Tenure & Indigenous Identity



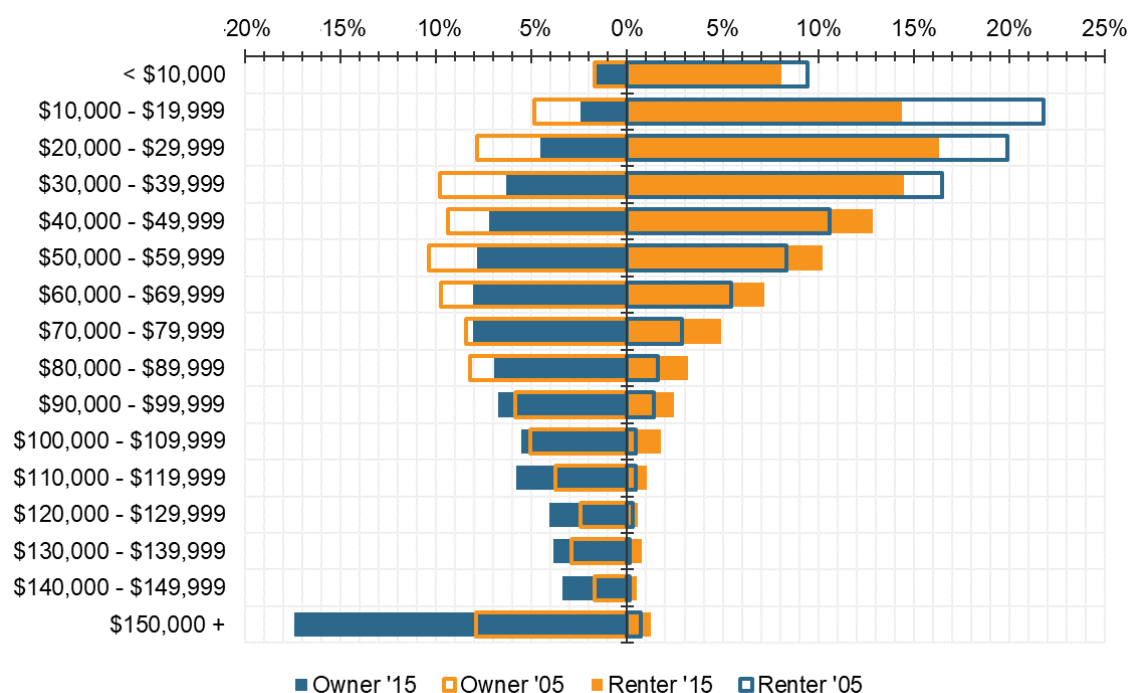
Source: Statistics Canada

Figure 8.9 illustrates the distribution of how many households fall within each income range based on their tenure in a given year. In 2015, 53% of renter households earned less than \$40,000, compared to 15% of owners. In 2005, these shares were 68% and 24%, respectively, suggesting that households are transitioning to higher income brackets.

Alternatively, 40% of owner households earned above \$100,000 (up from 24% in 2005), compared to 6% of renter households (up slightly from 2% in 2005).



Figure 8.9: City of Fredericton Median, Before-Tax Household Income Distribution by Tenure

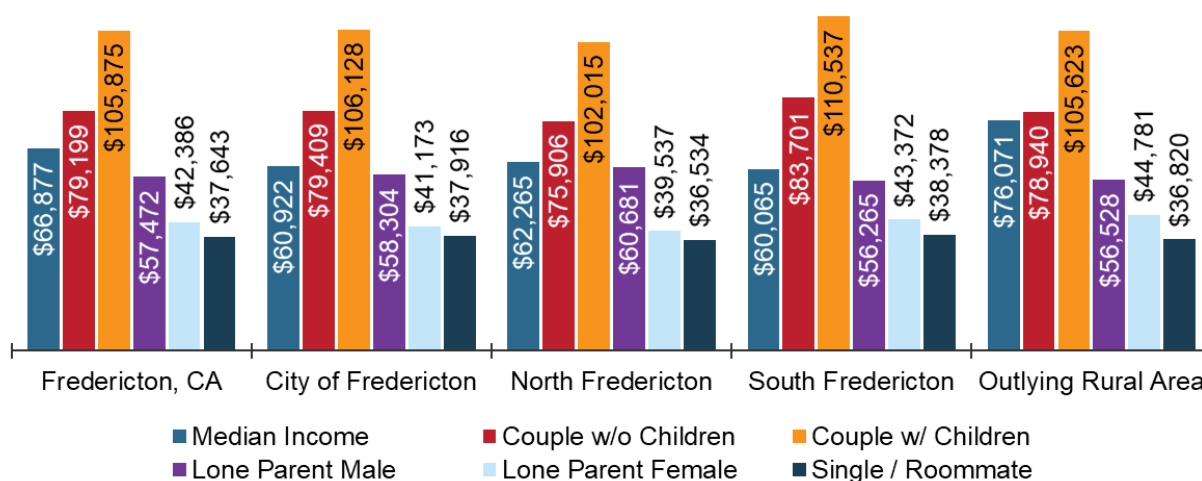


Source: Statistics Canada

8.2.2 Household Income by Household Type

Statistics Canada provides income statistics for the different household structures, categorizing them by their “census family” types (see **Definitions**), as discussed in earlier sections. As a refresher, the family types are as follows: couples without children, couples with children, lone parents, and non-census families (referred to here as single persons or roommate households).

Figure 8.10: Median Before-Tax Household Income by Household Type, 2016



Source: Statistics Canada



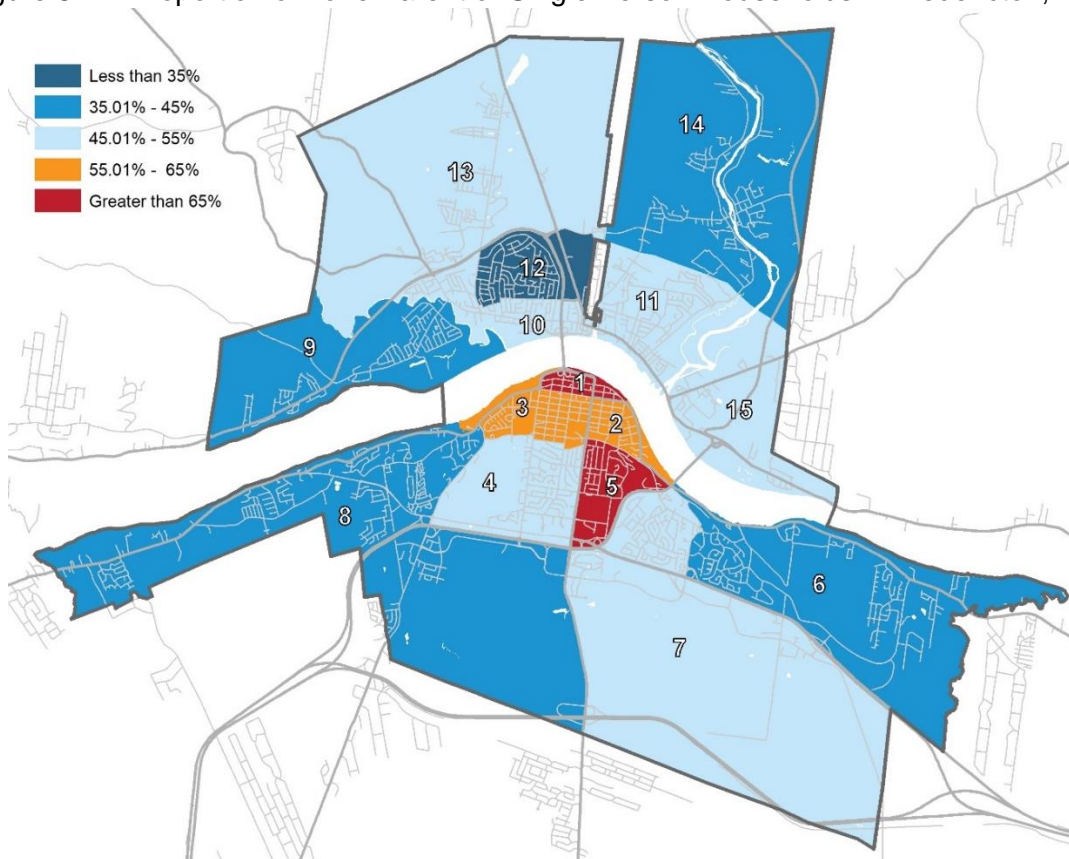
Statistics Canada data from 2015 reports that the median Fredericton couple with children earned the greatest income (\$106,128), followed by couples without children (\$79,409), lone parent households (\$44,160), and single / roommate households (\$37,916). The median means that half of the households in each category earn more than the median amount and half earn below.

Couples with children often earn more than their counterparts because they are more likely to include dual income earners at times in their lives where they are earning reasonably high incomes based on experience in their fields. The median couples without children includes young couples at the onset of their careers and retired couples who live off investments and savings. Both scenarios typically result in lower household incomes.

In 2016, there were about 2,285 lone parent households in the City (about 9% of all households). Fewer than one fifth of lone parents were male (380 total). Female lone parents represented close to 73% of lone parent households (1,905) and earned 29% less than males (\$41,173 versus \$58,304), highlighting the impact of unpaid labour burdens on female populations.

Single income households gravitate towards South Fredericton, specifically around the Downtown area where there are increased volumes of student and young professional populations. As such, housing preference skews towards smaller, more affordable housing types. As you move further from the Downtown (both southwards and northwards), median earnings increase, shifting preferences to lower density, less affordable typologies.

Figure 8.11: Proportion of Lone Parent or Single Person Households in Fredericton, 2016



Source: Statistics Canada

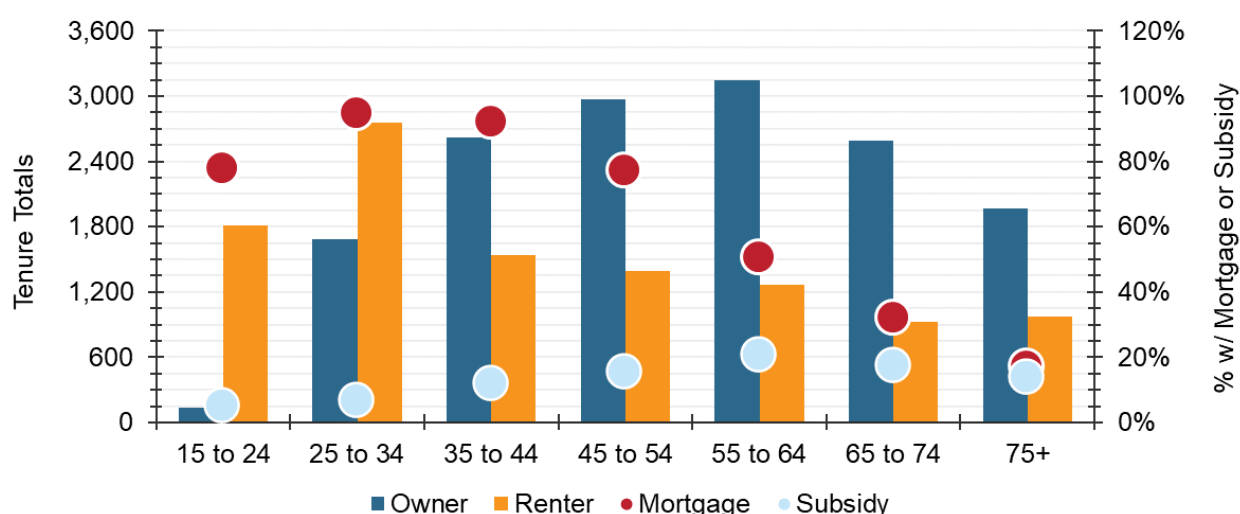


8.3 Mortgage & Subsidy Prevalence

Statistics Canada reports on the number and percentage of renter households that rely on a subsidy or subsidies to acquire and maintain full-time accommodation, such as rent supplements, rent geared to income, or housing allowances (see Subsidized Housing in **Definitions**). Also reported is the prevalence of mortgages. **Figure 8.12** illustrates how the proportion of renter households with a subsidy and owner households with a mortgage across maintainer age cohorts.

Overall, about 11% of renter households in the City of Fredericton received a form of subsidy to meet their shelter needs in 2016, this is lower than both the provincial and national rates of 14% and 13%, respectively. Rental subsidy prevalence is greatest for older cohorts. Close to 20% of households with a maintainer aged 55 to 64 use a subsidy and 17% of those 65 to 74+.

Figure 8.12: City of Fredericton, Tenure Totals vs. Proportions of Mortgages & Subsidies, 2016



Source: Statistics Canada

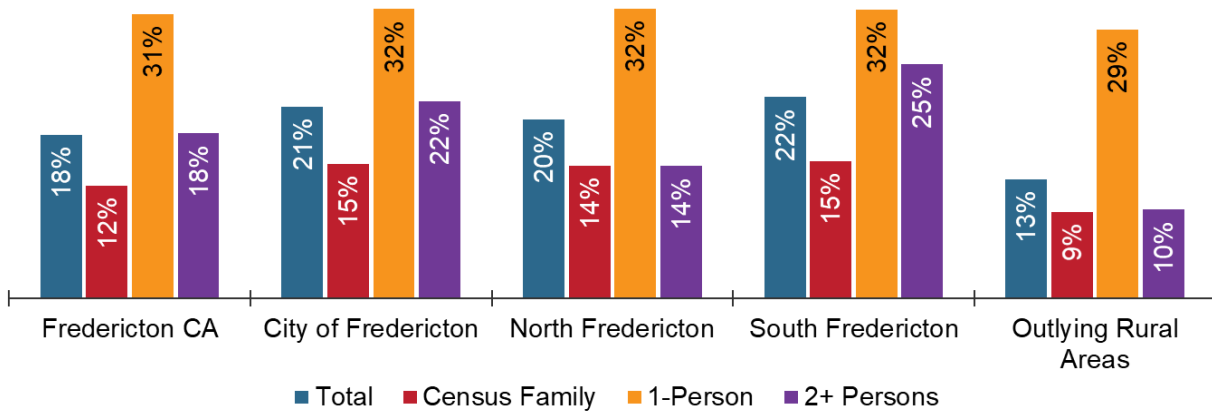
About 61% of Fredericton owner households had and were paying off a mortgage in 2016 which is higher than the provincial average of 56%, but in line with the national average. Mortgage prevalence peaked for maintainers aged 25 to 34 (95%), declining gradually into old age as homeowners build equity and own their homes outright.

8.4 Low-Income Households

The Low-Income Measure After-Tax (LIM-AT) is a set of thresholds calculated by Statistics Canada that identifies Canadians belonging to a household whose overall incomes are below 50% of median adjusted household income. “Adjusted” refers to the idea that household needs increase as the number of household members increase. Statistics Canada emphasizes that the LIM is not a measure of poverty, but that it identifies those who are substantially worse off than the average.



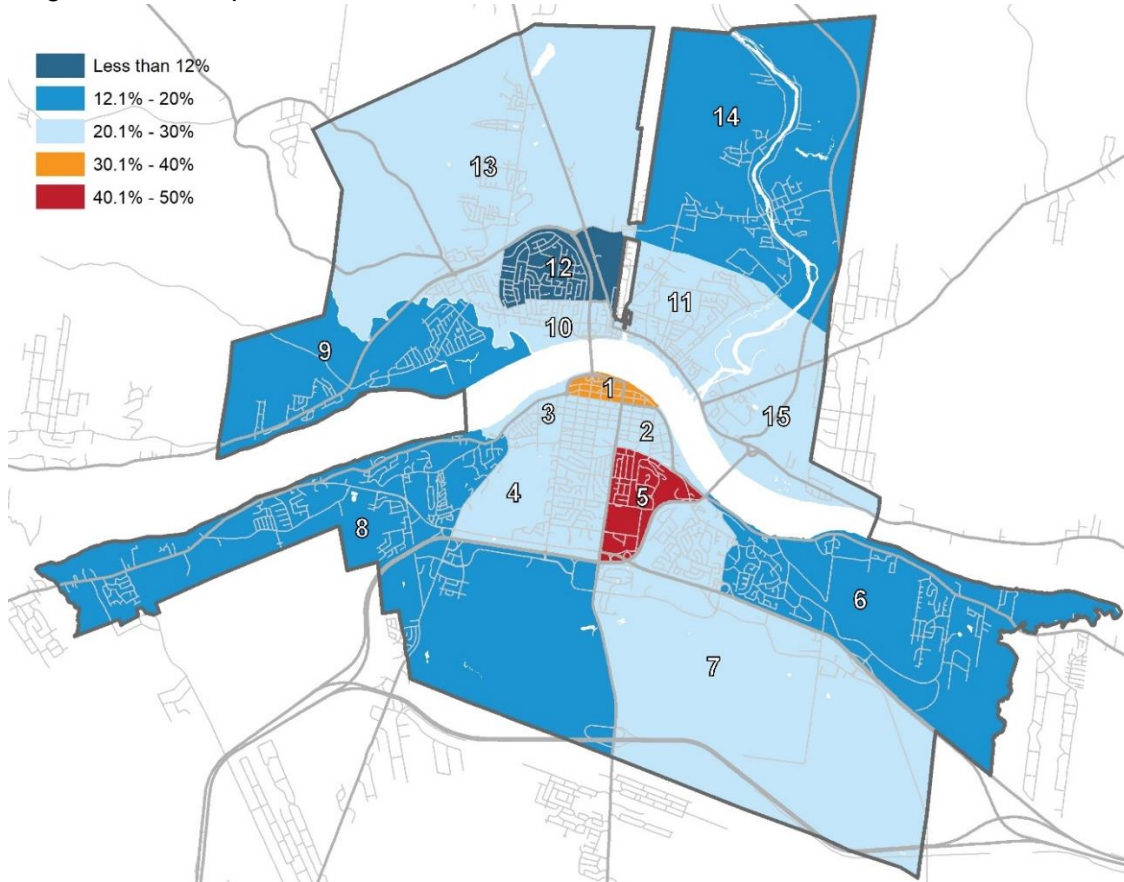
Figure 8.13: LIM-AT Prevalence by Household Type & Geography, 2015



Source: Statistics Canada

About 21% of City of Fredericton households (about 7,540) are below the LIM-AT threshold. Non-census family households report higher rates; specifically, 1-person households (32%, or 2,660) who rely on only an individual income. The Outlying Rural Areas report noticeably lower rates than the City of Fredericton.

Figure 8.14: Proportion of Households Below LIM-AT Threshold in Fredericton, 2015



Source: Statistics Canada

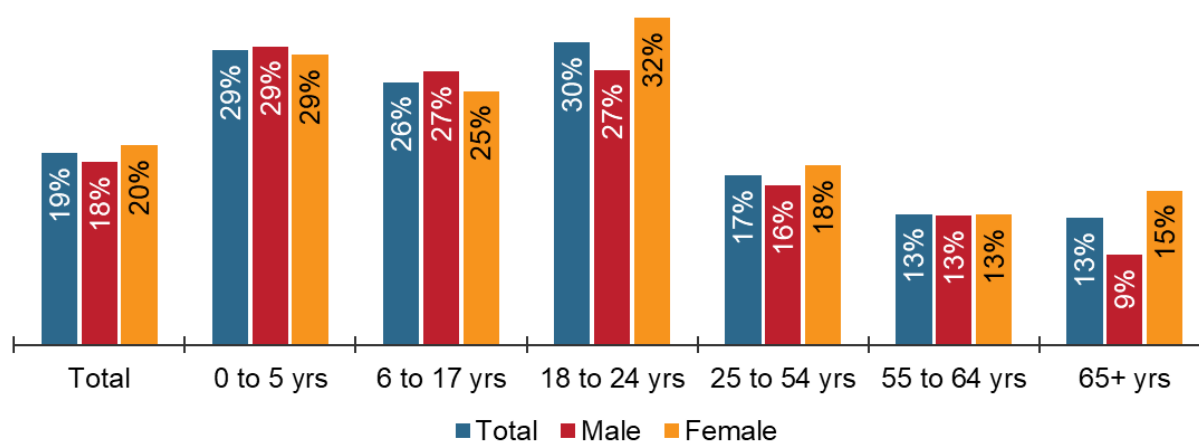


South Fredericton reports higher rates of low-income households, driven predominantly by census tracts related to or adjacent to the Downtown. CT00005 (College Hill) reports the highest at 42% (or 240 of 565 households). College Hill has the highest proportion of 20- to 24-year-old people among Fredericton census tracts with 37% of its 1,360 total population.

In the City, around 1,025 children younger than 6 years old (29% of the cohort's population) belong to a household below the measure. Rates of low-income do generally decrease among older age cohorts (except for 18 to 24 where there is a slight increase). About 1,200 Fredericton seniors (13% of all people over 65 years old) belonged to a low-income household.

Overall, low-income prevalence is equal or greater for female residents than male, across most defined age cohorts (as shown in **Figure 8.15**). The discrepancy of prevalence between sexes is greatest among 65-year-old persons, largely related to the fact that women often outlive men and are more often responsible with adapting to less retirement income in older senior cohorts.

Figure 8.15: LIM-AT Prevalence by Population Cohort & Sex, 2015



Source: Statistics Canada



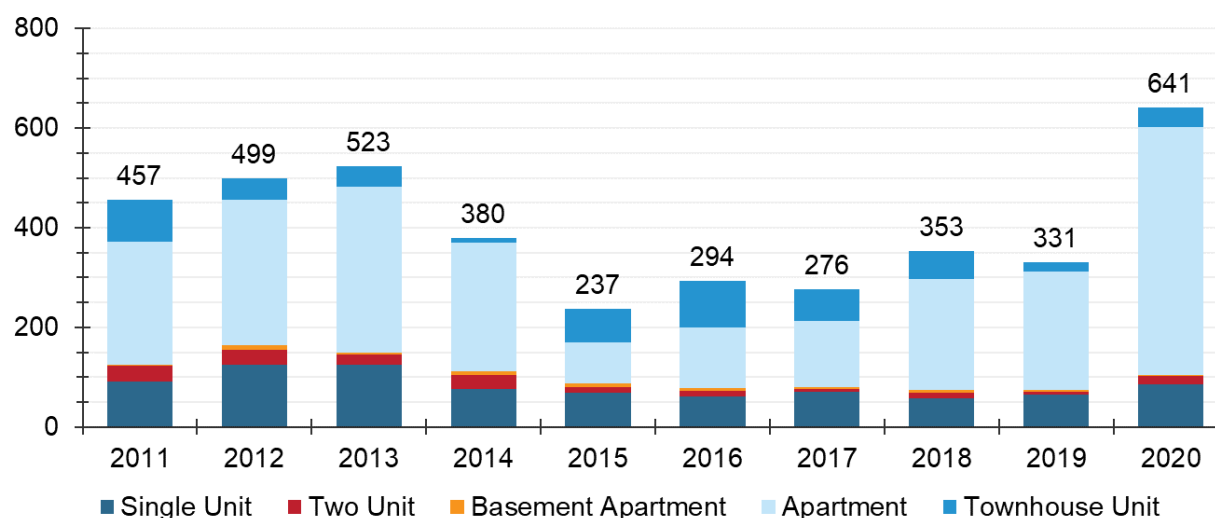
9 Housing Inventory

9.1 Residential Construction Activity

Over the last decade, the construction industry has started building an average of 399 dwelling units annually, with peak unit starts occurring in 2020 with 641. Construction activity was generally higher at the beginning of the decade, experienced a lull from 2014 to 2019 (on average 312 starts annually) until the sudden jump in 2020.

The rise in construction activity is mostly centred around contributions from new multi family dwellings. Since 2011, apartment units have made up about 61% of new starts, reaching nearly 78% in 2020. The construction of single units (single-detached homes) remained relatively stable over the last ten years. Townhouse units fluctuated, with peak total starts of 94 occurring in 2016 (32% of that year's activity).

Figure 9.1: Residential Construction Activity (New Dwelling Starts), '11-'20



Source: City of Fredericton

9.2 Overall Inventory

In 2016, Statistics Canada reported that the City of Fredericton had about 28,431 dwellings (up 17% from 2006), but of those, detailed data is only available for the 25,957 homes occupied by a permanent or usual resident (see **Definitions**). Accordingly, there is a gap in data related to about 2,474 units. This represents 8.7% of the total 2016 inventory, which is about the Canadian average and slightly lower than the 2006 figure of 10.2%. Dwellings not occupied by a usual resident are typically either properties that are occupied seasonally or infrequently by families who reside elsewhere, or occupied by residents who report a different residence on the census such as students who often report their parent's home as their primary address.

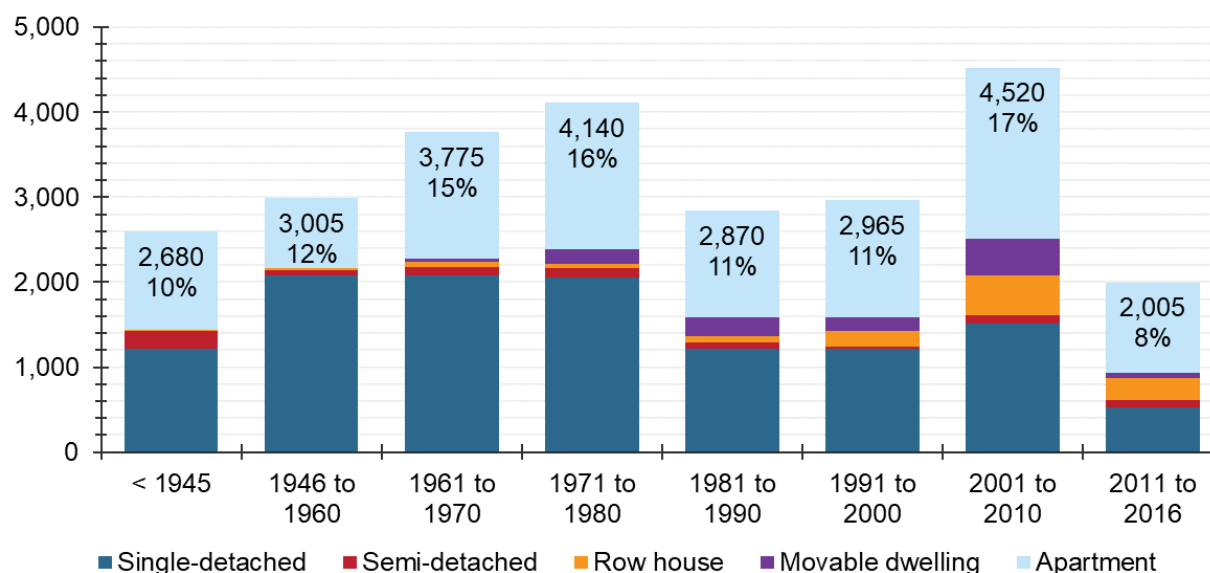
According to the 2016 Census, about 25% of the City's dwelling stock (occupied by a usual resident) was built between 2001 and 2016. **Figure 9.2** illustrates the distribution of construction activity over the last century, as well as the total dwelling units by type constructed in each period.

The greatest volume of construction occurred in the 2000s, reaching about 4,520 units (44% of which were apartment units and 34% were single-detached dwellings). Around 2,680 dwellings



were built prior to the end of World War II, after which there was a consistent increase in construction from 1946 to 1980. Construction in the 80s and 90s slowed down to close to 70% of dwellings brought to market in the 70s.

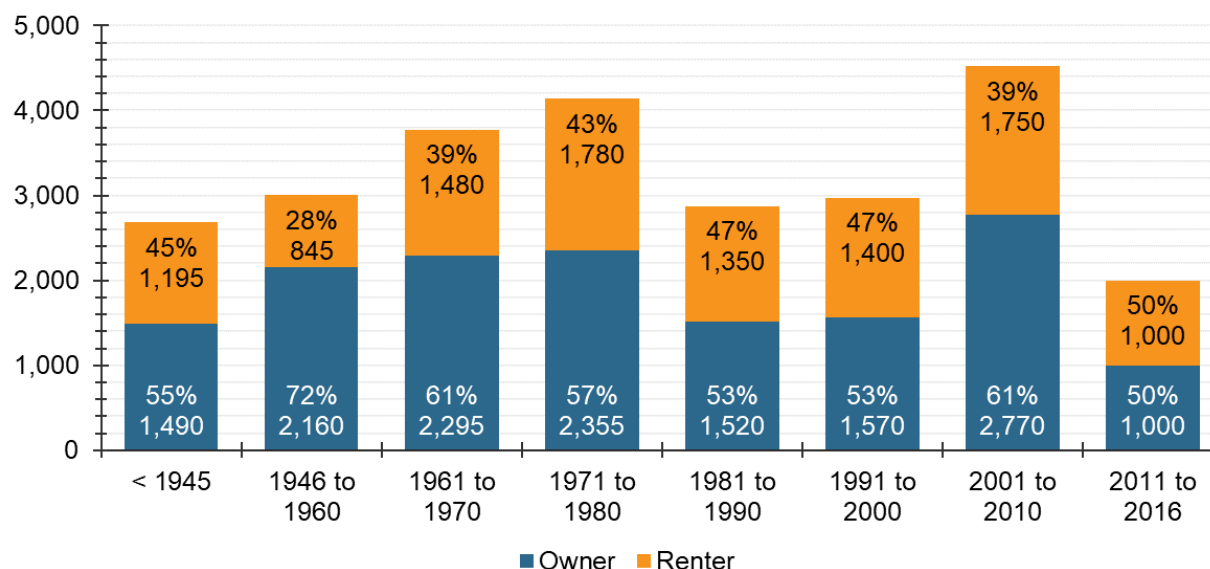
Figure 9.2: City of Fredericton, Dwelling Type by Age of Construction, 2016



Source: Statistics Canada

Figure 9.3 illustrates the same total construction volume by age of construction, but separates the units out by the tenure type reported in 2016. Overall, 42% of City of Fredericton usual resident occupied dwelling units were rented in 2016.

Figure 9.3: City of Fredericton, Household Tenure by Dwelling Age of Construction, 2016



Source: Statistics Canada



Dwellings built between 2011 and 2016 had the greatest proportion of rental tenure (50%), followed by 47% for dwellings built in the 80s and 90s. The greatest share of owner-occupied dwellings was in homes built between 1946 and 1970. Unsurprisingly, periods of greater rental prevalence closely follow the volume and share of apartment unit construction.

9.3 Primary Rental Inventory

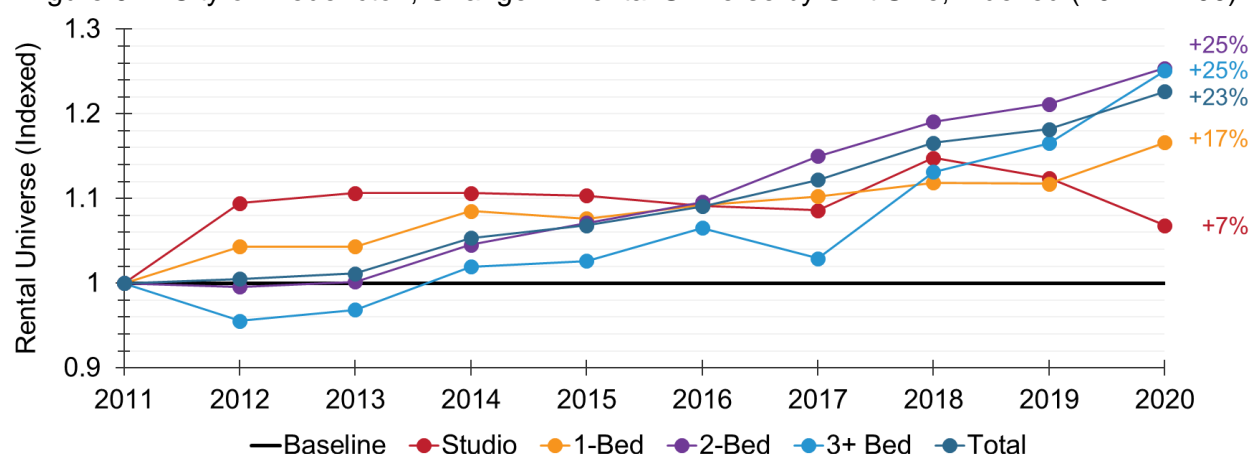
The Canadian Housing & Mortgage Corporation (CMHC) conducts an annual Rental Market Survey to estimate rental market trends. The survey collects samples from all urban areas with populations greater than 10,000 and targets only private apartments with at least three rental units (known as the Primary Rental Market,). This inventory of rental housing is referred to by CMHC as the “Rental Universe”, and properties that make it up are considered to be purpose-built rental housing.

CMHC defines Fredericton’s total primary market area as the equivalent of the Fredericton Census Agglomeration (CA). Within it are the same 17 communities introduced earlier in the report. For this section, the main focus is on the City of Fredericton.

As of October 2020, the City of Fredericton had 8,982 primary rental units that were available or occupied. About 4% were studios, 20% were 1-bedroom apartments, 63% were 2-bedroom, and 13% were 3+ bedroom.

Figure 9.4 illustrates the change in the rental unit inventory from 2011 to 2020. Unit volumes are indexed to 2011 to better compare rates of change between unit types. The figure also includes a graphic illustrating the distribution of unit sizes in 2020. Since 2011, Fredericton’s inventory grew close to 23% (1,658 additional units). Percent and absolute growth have mostly come from 2-bedroom units, which alone contributed to 69% of new dwellings over the decade.

Figure 9.4: City of Fredericton, Change in Rental Universe by Unit Size, Indexed (2011 = 100)



2020 Rental Universe Distribution



Source: CMHC



Studio unit totals have historically been a small portion of the rental inventory, and continue to represent a negligible portion of unit construction. Only 1% of new units since 2011 were studios.

Studios are most prevalent in the Downtown and adjacent census tracts, which is also a function of the rental inventory being mostly concentrated within those same areas. Census tracts 00001 through 00004 represented about 74% of Fredericton studios. One-bedroom units are also in higher volume within the same areas.

Figure 9.5: Rental Universe by Unit Size & Census Tract in Fredericton, 2020

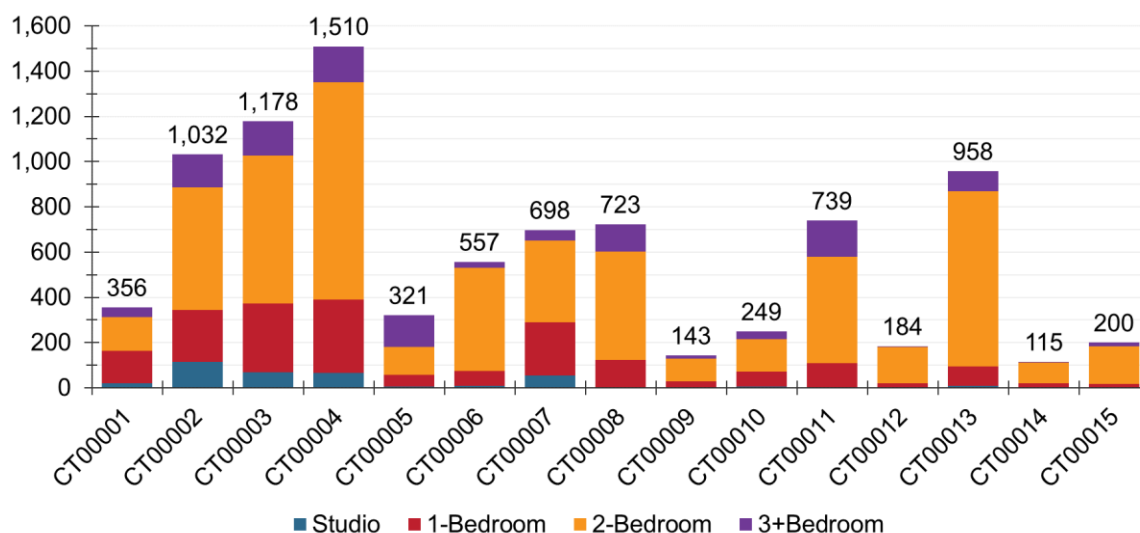
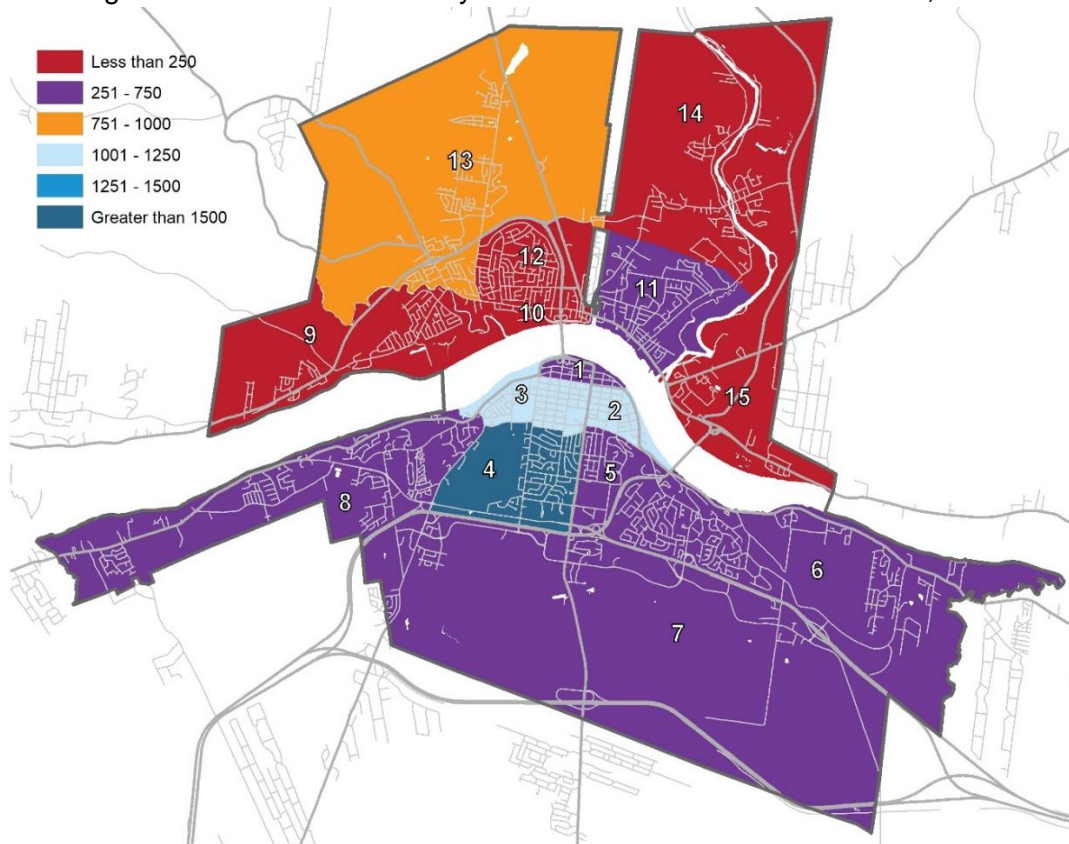


Figure 9.6: Number of Primary Rental Market Units in Fredericton, 2020



Source: CMHC

Between 2011 and 2020, CMHC reported that the Fredericton CA constructed about 490 dwelling units annually (on average), of which 39% were rentals. **Figure 9.7** shows completion totals over the decade by geography, with special attention to the total that are rentals. In this instance, rental totals include both the primary and secondary rental market.

According to CMHC, close to 68% of the last decade's construction activity occurred within the City of Fredericton. Of the 3,322 units added to the City during that time, 1,867 (or 56%) were rentals. South Fredericton, with the denser urban fabric centred around the Downtown, has had more rental completions than those geared towards homeownership.

Figure 9.8: Total Housing Unit Completions & Proportion that are Rental, 2011-2020

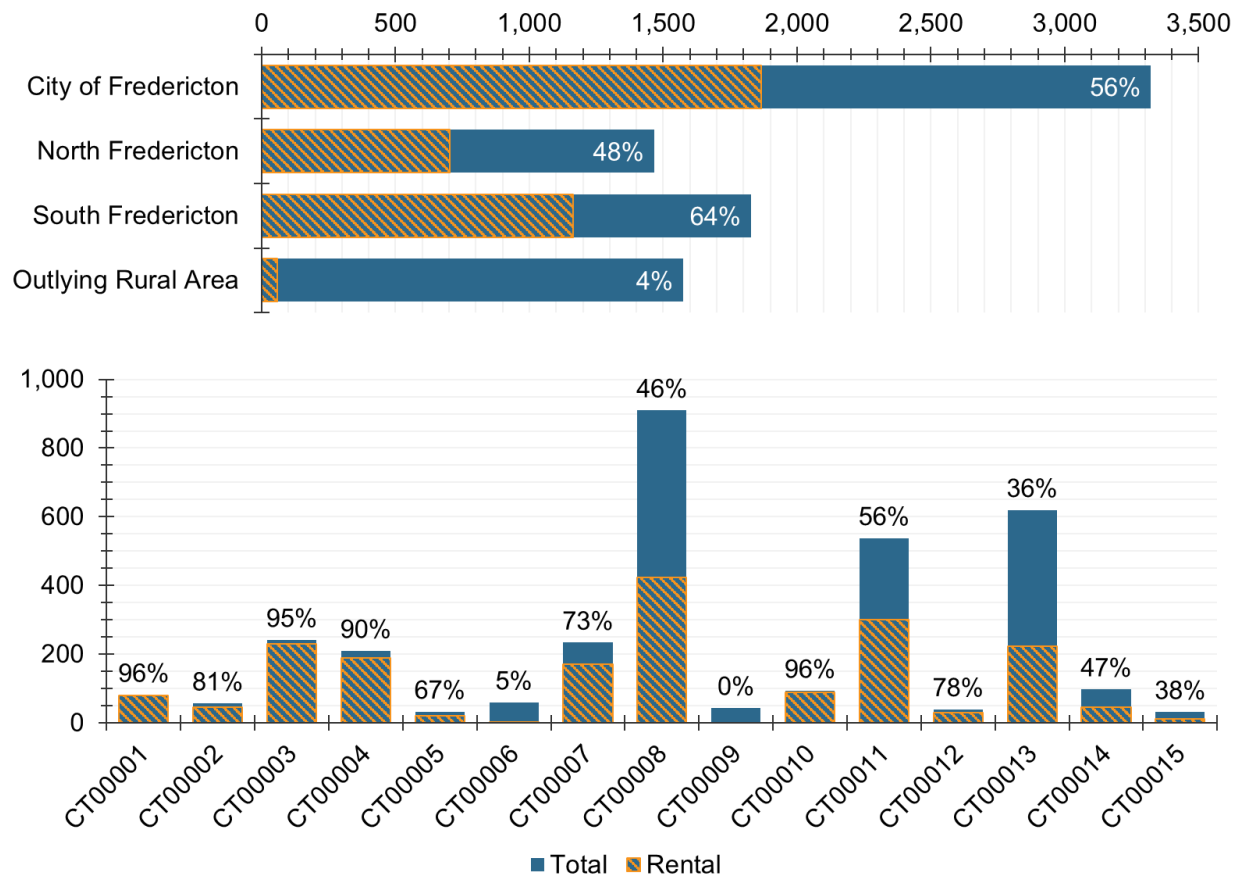
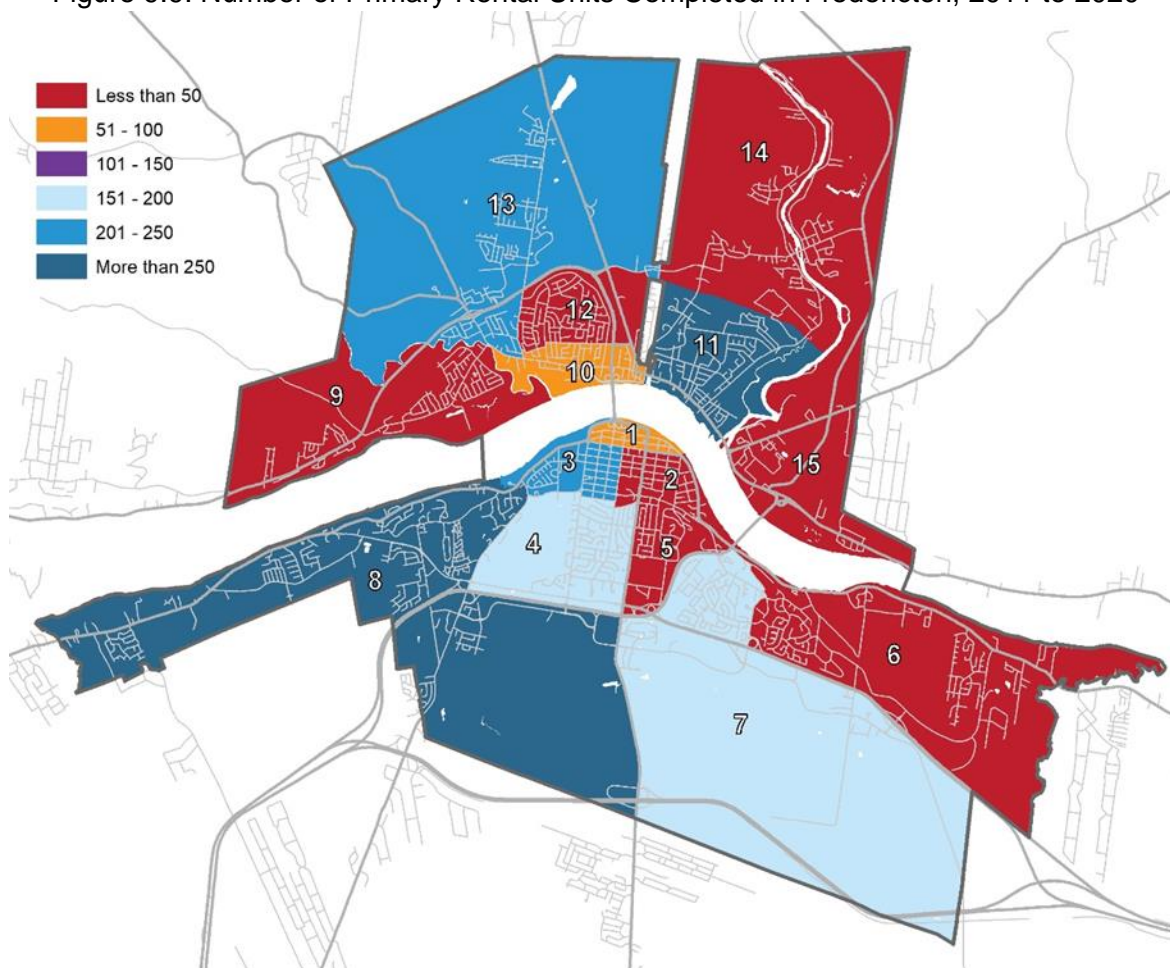


Figure 9.9: Number of Primary Rental Units Completed in Fredericton, 2011 to 2020



Source: CMHC

9.4 Secondary Rental Inventory

CMHC's definition of secondary-market rental is any building that has fewer than three rental units. By process of elimination, this refers to rented condominium apartments, duplexes, townhouses, semi-detached homes, single-detached homes, and any apartments that are accessory to a main dwelling (e.g. basement suite). Unfortunately, data is sparse about what proportion of the rental stock belongs to the secondary market as this is not studied intensely by CMHC, and units can easily shift between owner and renter occupancy over time.

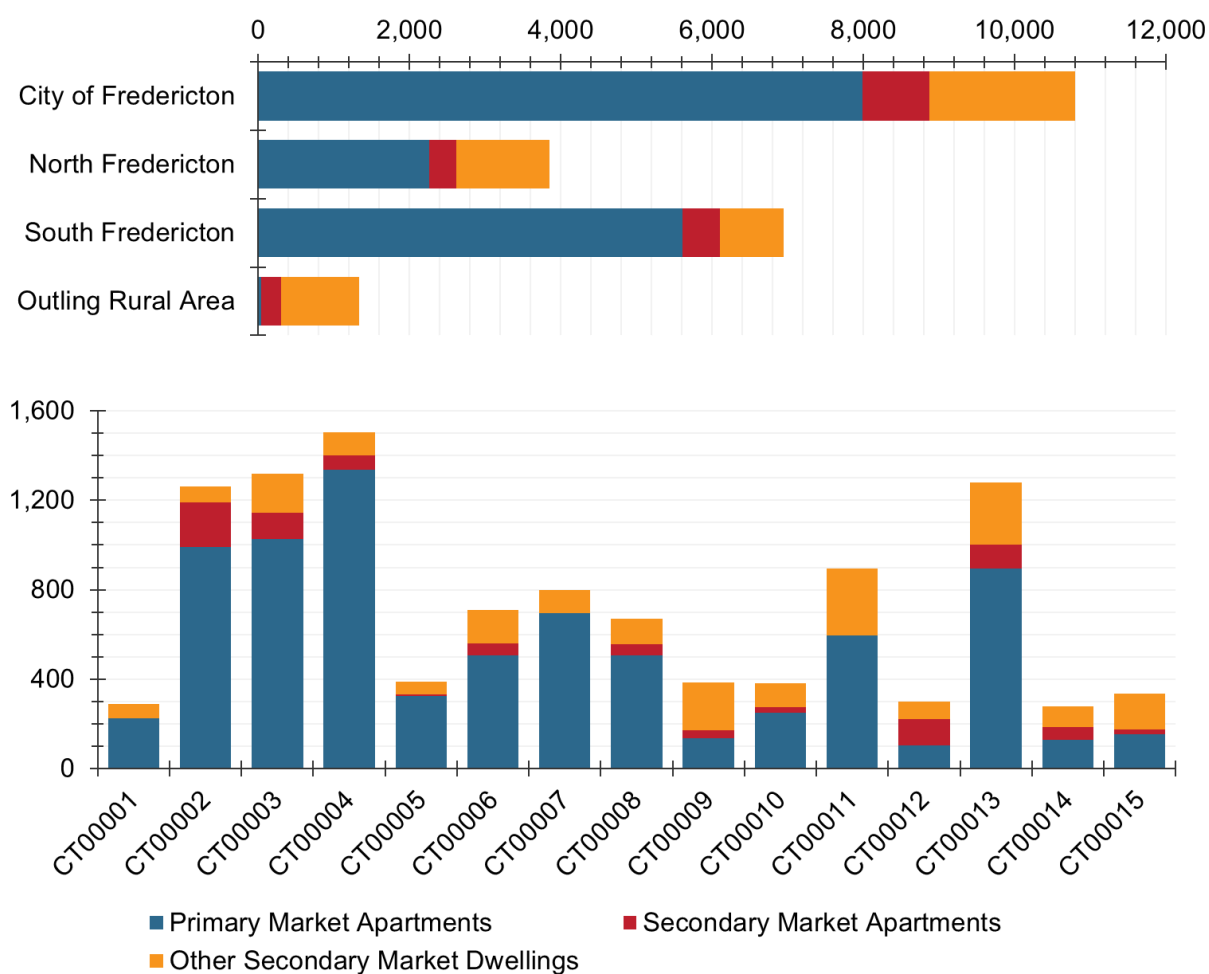
In 2016, CMHC reported that the City of Fredericton had 7,989 primary rentals. In the same year, Statistics Canada reported that about 10,795 dwelling units were rentals. With the two numbers we can roughly estimate that about 2,806 dwellings were in the secondary market, making up close to 26% of the City's rental stock.

Figure 9.10 summarizes how many rental dwellings existed per geography in 2016. The total is the combination of primary market apartments (as per CMHC), secondary market apartments (the difference between CMHC and Statistics Canada), and other secondary market dwellings (singles, semis, etc.). Based on these estimates, about 26% of Fredericton rentals make up the



secondary market, 41% of North Fredericton, 19% of South Fredericton, and 97% of the Outlying Rural Area.

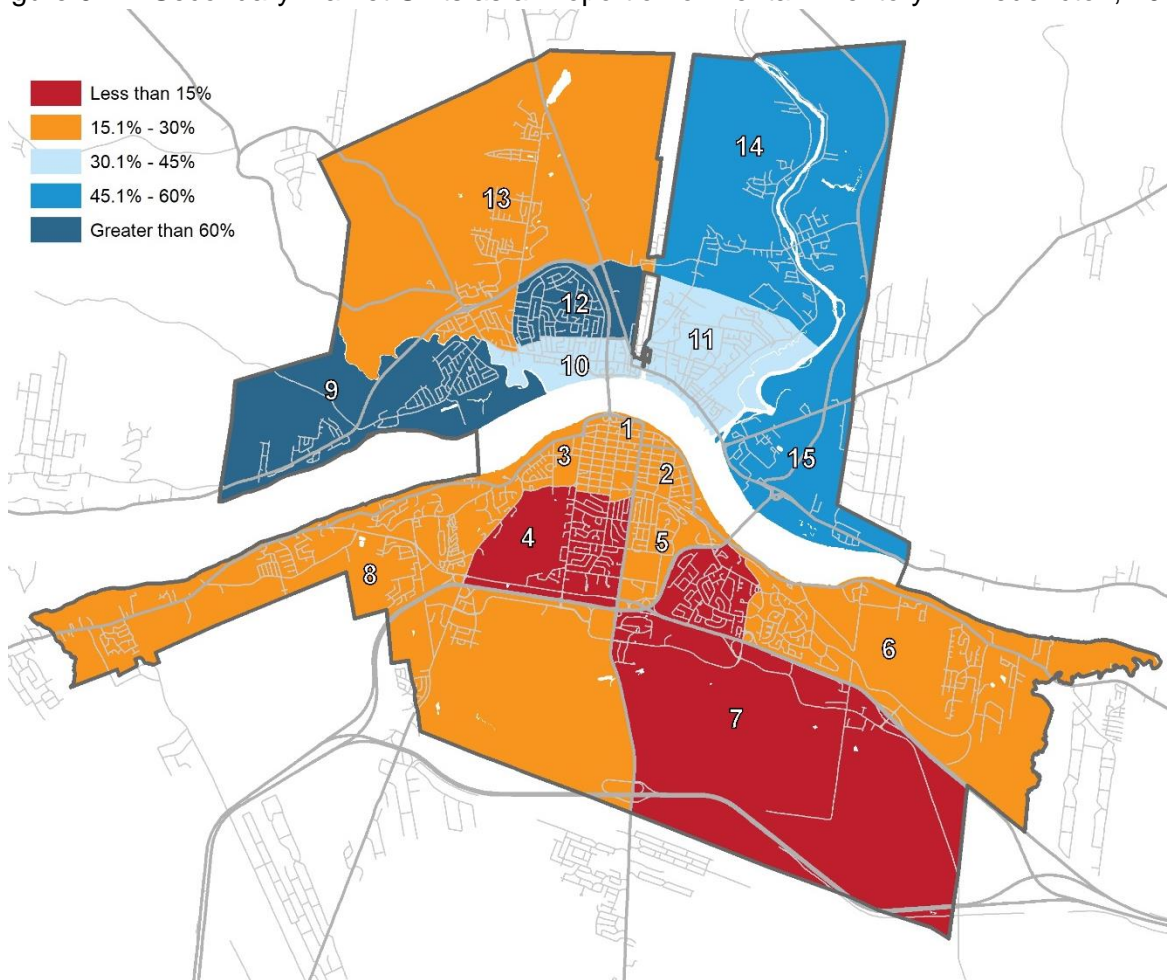
Figure 9.10: Primary & Secondary Market Rental Inventory, 2016



Source: CMHC & Statistics Canada



Figure 9.11: Secondary Market Units as a Proportion of Rental Inventory in Fredericton, 2016



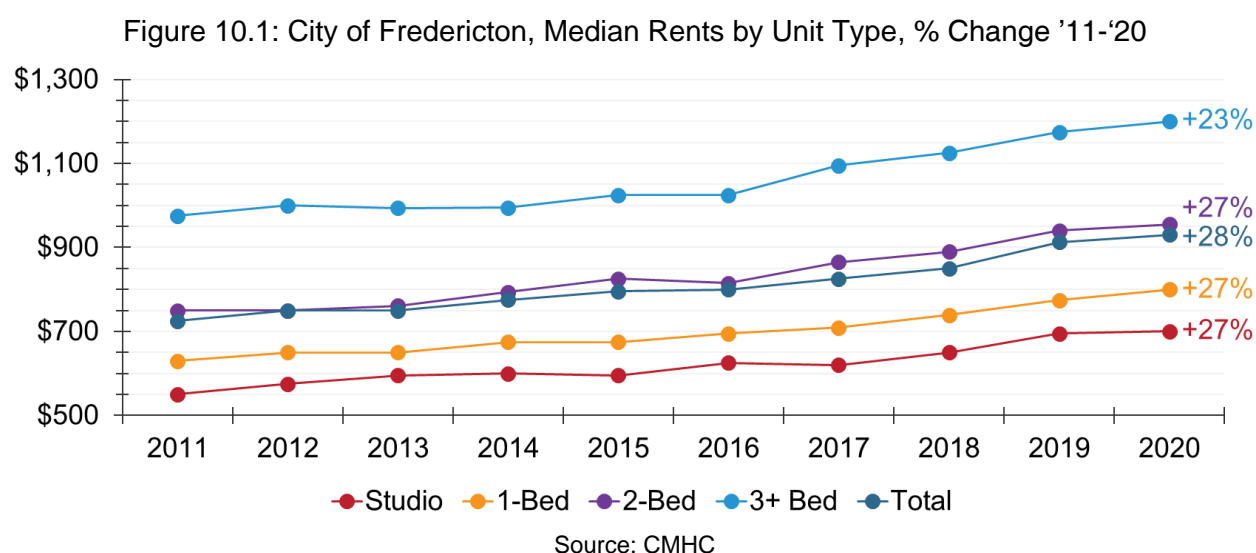
Source: CMHC & Statistics Canada

10 Rental Market Trends

10.1 Primary Market Rents

Figure 10.1 highlights how City of Fredericton primary market median rents changed over the last decade. This document reports prices and rents in nominal dollars. In other words, the figure's reported percent changes (from 2011 to 2020) represent growth or decline in median rents without accounting for inflation adjustments.

It is important to note that the CMHC survey covers all rental units, whether currently occupied or vacant and available. As a result, the inclusion of long-term tenancies whose rents are comparatively low and relatively stable tends to drive down the median. Therefore, this data reflects the overall cost of rental housing, and likely understates the current asking rent for a unit that has recently become available (which represents the true cost to people entering or moving within the rental market). Nevertheless, the percent changes over time provide a glimpse into what magnitude of rent changes tenants might be facing.



From 2011 to 2020, median rents in the Fredericton grew about 28% (\$725 to \$930). Accounting for inflation, growth was about 13%, meaning that almost 54% of the rent increase relates to the overall increase in the New Brunswick prices over the decade.

Increases were relatively similar across most unit sizes, with minor fluctuations; studios went from \$550 to \$700, 1-bedrooms from \$630 to \$800, and 2-bedrooms from \$750 to \$952. Three-or-more bedroom units grew slowest at 23% (or \$975 to \$1,200). Regardless of the unit size, rents grew in excess of inflation.



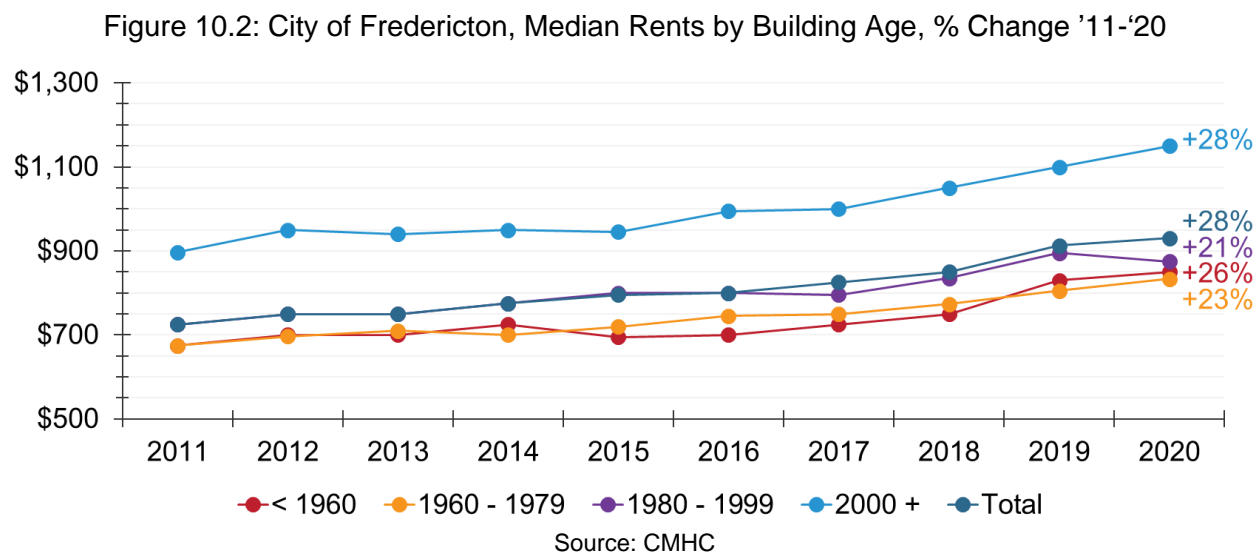


Figure 10.2 compares the median rents of different building ages. Not surprisingly, newer construction (built after the year 2000) command noticeably higher rents (about \$200 more than the next highest category). Since 2011, buildings from the '80s and '90s have rented for more than those older than 1980. As of 2020, all categories below the year 2000 had a median rent of around \$850.

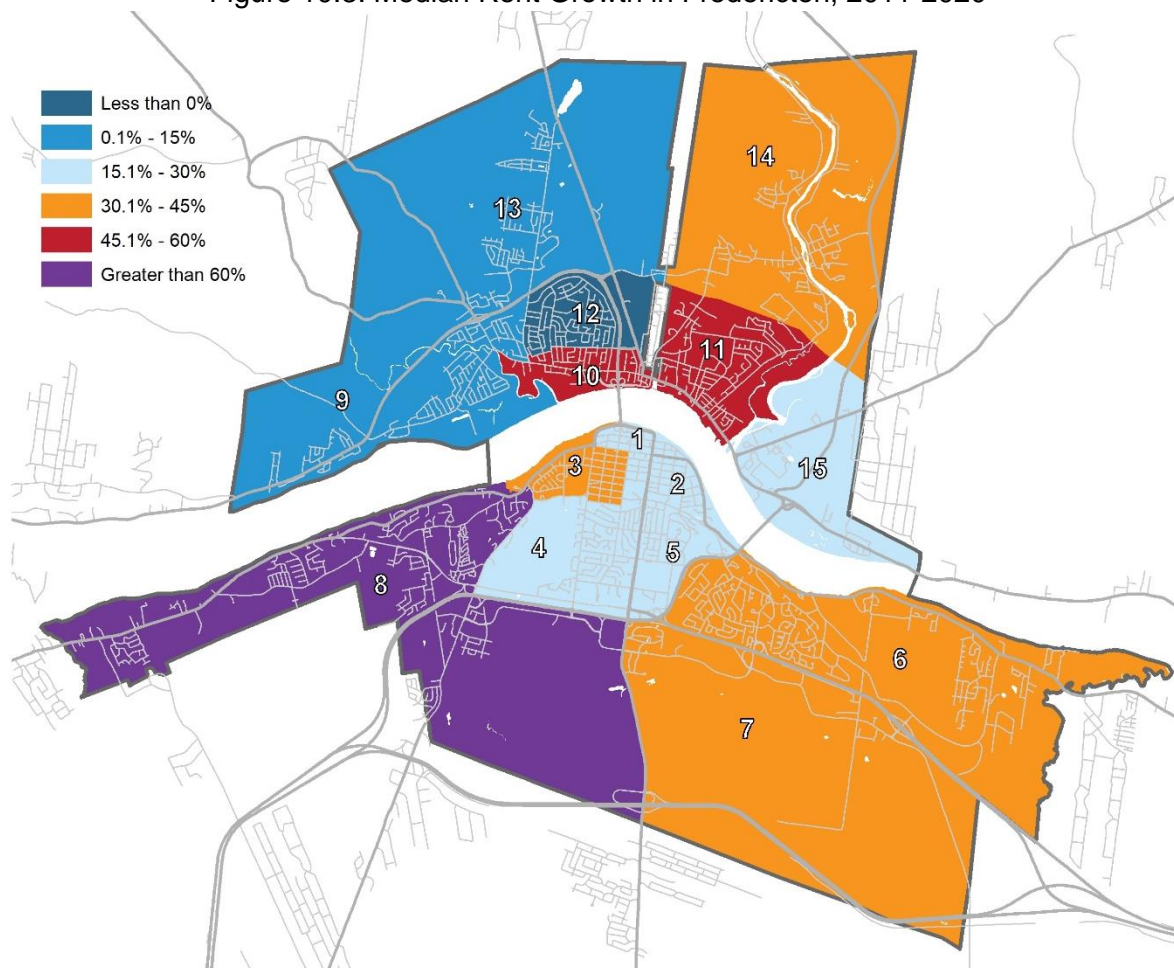
Figure 10.3 illustrates how overall median rents have changed across each Fredericton census tract from 2011 to 2020. Solid black lines indicate either South or North Fredericton, which represent the aggregate of the census tracts that are within them.

South Fredericton's median rents grew 29% over the decade. Growth among its census tracts have been relatively similar, closely following the aggregate. However, CT00008 (Garden Creek / Silverwood / Bishop Drive) has shown significant change. Over the decade, its inventory more than doubled, driving median rents up from \$750 to \$1,210.

North Fredericton's median rents grew 24% since 2011. Its census tracts have shown greater rent volatility than South Fredericton, but data does not indicate an outlier as obvious as CT00008.



Figure 10.3: Median Rent Growth in Fredericton, 2011-2020



Source: CMHC

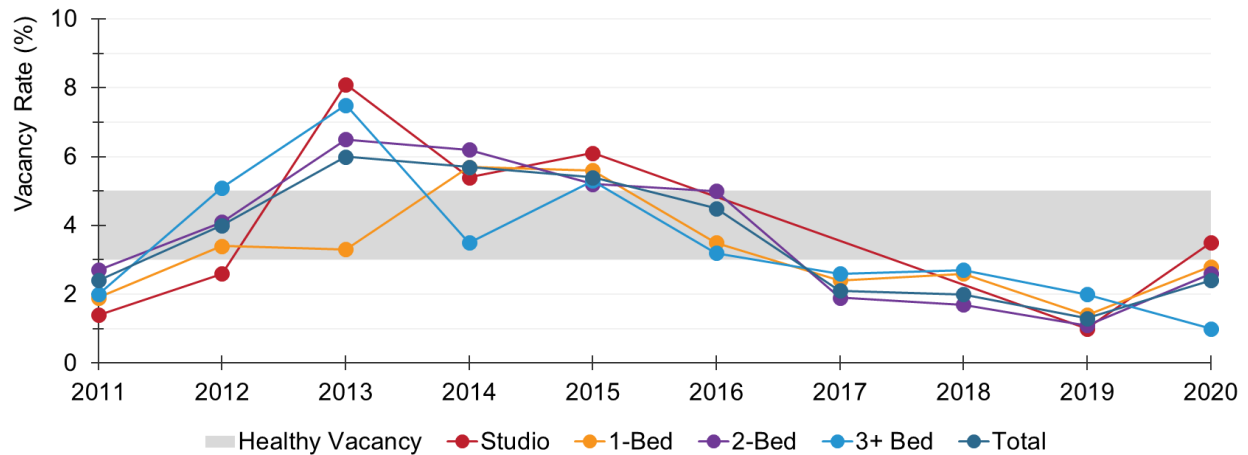
10.2 Primary Market Vacancy

CMHC defines a vacant unit as one that is unoccupied but available for immediate rental. For context, the generally accepted healthy vacancy falls between 3% and 5%.

Overall, the vacancy rate reached a low of 1.3% in 2019 (shown in **Figure 10.4**). Since 2011, the overall rental market has had healthy vacancy twice: 2012 (4.0%) and 2016 (4.5%). The higher vacancies of 2013 to 2015 would suggest that the marginal increases in supply were higher than that of demand; whereas, since 2015 the marginal increase in demand has surpassed that of supply, reducing the vacancy rate below the healthy threshold.

Only studio apartments returned to between 3% and 5% in 2020 (even while the studio inventory hardly grew), with increases in vacancy to 1- and 2-bedroom units as well (still below the healthy threshold). The 3+ bedroom unit market continued to tighten.

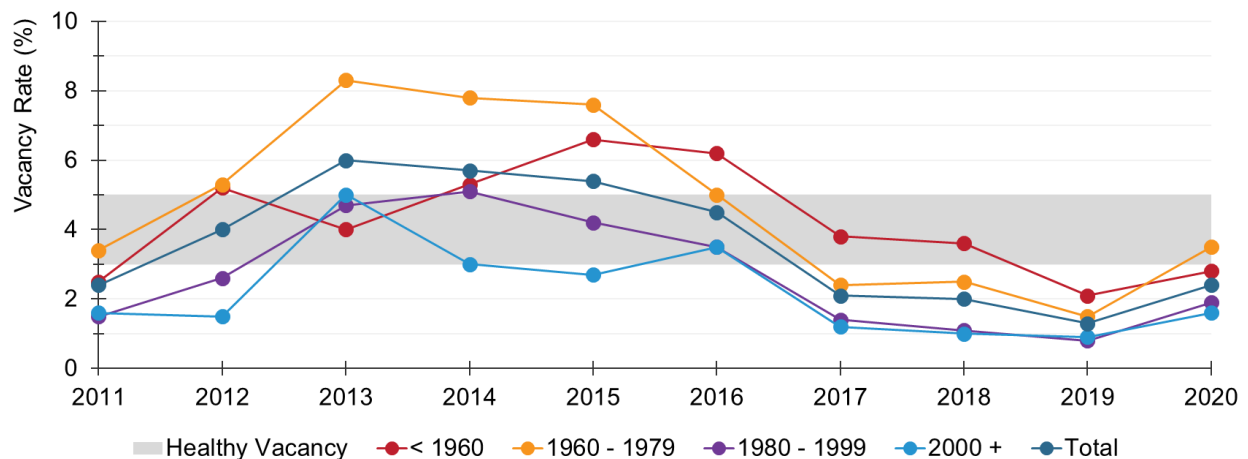
Figure 10.4: City of Fredericton, Primary Market Vacancy by Unit Type



Source: CMHC

Vacancy by building age suggests that there is a spillover of demand across different the rental unit stock. For instance, households seeking newer construction face the tightest market (1.6% vacancy, shown in **Figure 10.5**), which may cause them to search for older alternatives. As higher income households demand older units, their available stock decreases while prices increase. Consequently, the search for affordable and available units for lower incomes households becomes more difficult.

Figure 10.5: City of Fredericton, Primary Market Vacancy by Building Age

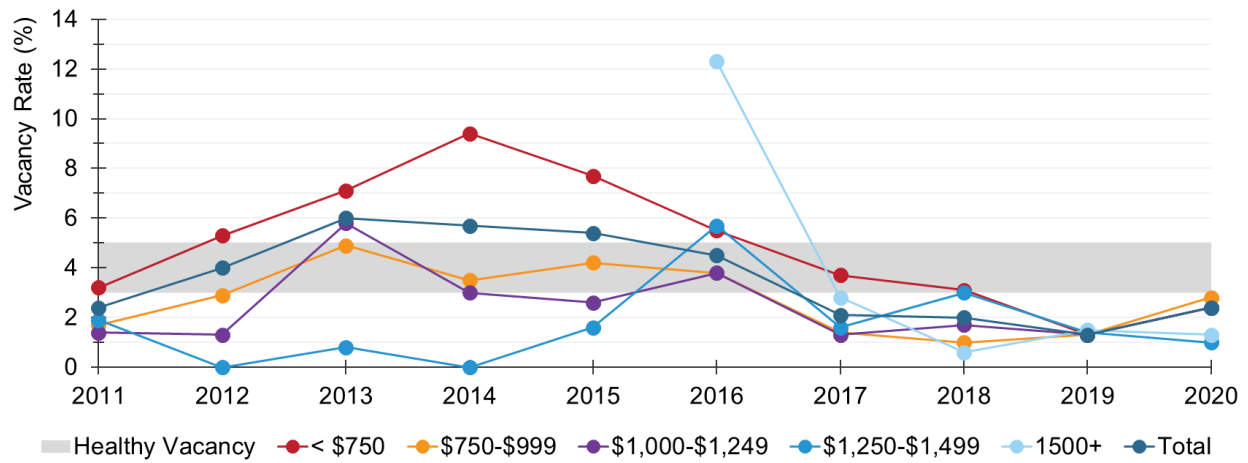


Source: CMHC

Generally, all unit rent ranges report vacancy rates below that of the healthy range, even for those renting above \$1,500 dollars. As the market for expensive units tightens, we would expect that cheaper alternatives would also tighten, as market participants filter downwards where units may be available. Nevertheless, the vacancy rate for units renting for less than \$1,000 improved between 2019 and 2020.



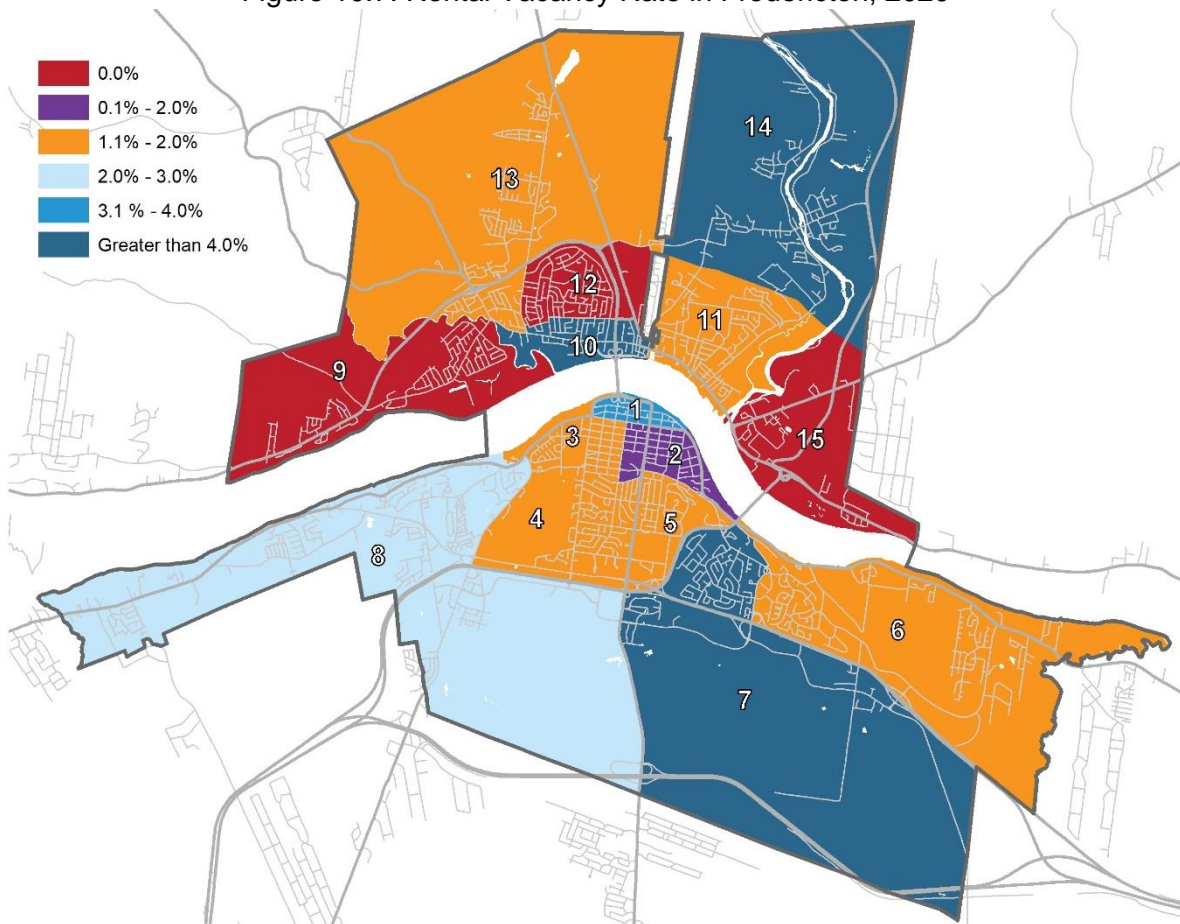
Figure 10.6: City of Fredericton, Primary Market Vacancy by Rent Range



Source: CMHC

Figure 10.7 illustrates how overall vacancy rates have changed across each Fredericton census tract from 2011 to 2020. Solid black lines indicate either South or North Fredericton, which represent the aggregate of the census tracts that are within them.

Figure 10.7: Rental Vacancy Rate in Fredericton, 2020



Source: CMHC



Both South & North Fredericton follow the overall trend for vacancy, with higher rates in the earlier part of the decade and recent market tightening. Both display significant variation over time, but more so on the north side. The North's census tract outliers appear to pull the overall vacancy away from the healthy range; whereas, the South's aggregate vacancy suggest a healthy market between 2012 and 2016, which has since worsened.



11 Owner-Occupied Market Trends

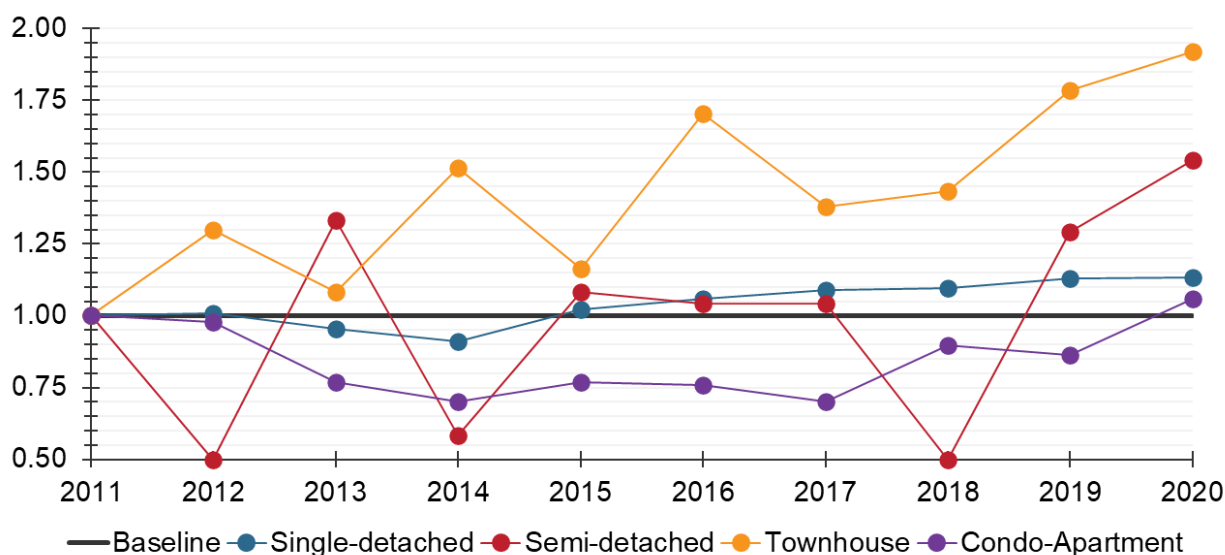
The real estate market refers to the buying and selling of land and buildings, mostly by individuals or companies who seek stable, permanent tenancy or investment opportunities. Many factors play into the health of the market, including dwelling prices and sales volumes. With access to Multiple Listings Service ® (MLS ®) data, we are able to report on these two topics at the local level.

11.1 Sales Activity

Sale volumes across the City of Fredericton have overall remained about the same from 2011 to 2020, mostly supported by similar single-detached home sale volumes (the dwelling type most purchased/put up for sale). This trend is shown in Figure 11.1, which indexes sale volumes from the base 2011 base year to 2020. This is done to better visualize the change in activity among dwelling types, particularly since single-detached homes made up 76% of sales in 2020.

Semi-detached home sales fluctuated greatly from year to year. Townhouses have seen a gradual increase in activity over the decade.

Figure 11.1: City of Fredericton, Historical Sales Volumes by Dwelling Type, Index (2011=100)



Source: New Brunswick MLS ®

Figure 11.2 illustrates where 2020 sales activity has occurred in Fredericton relative to the census tracts within city boundaries. During that year, 884 dwellings sold in North Fredericton, versus 768 in South Fredericton.

Greatest activity (thanks to high volumes of condo-apartment sales) occurred in CT00008 (Garden Creek / Silverwood / Bishop Drive). Single-detached homes were the most sold dwelling type across all CTs. Save for CT00008, greatest diversity of housing sales mostly came from North Fredericton communities.



Figure 11.2: Fredericton Census Tracts, Sale Volumes by Dwelling Type, 2020

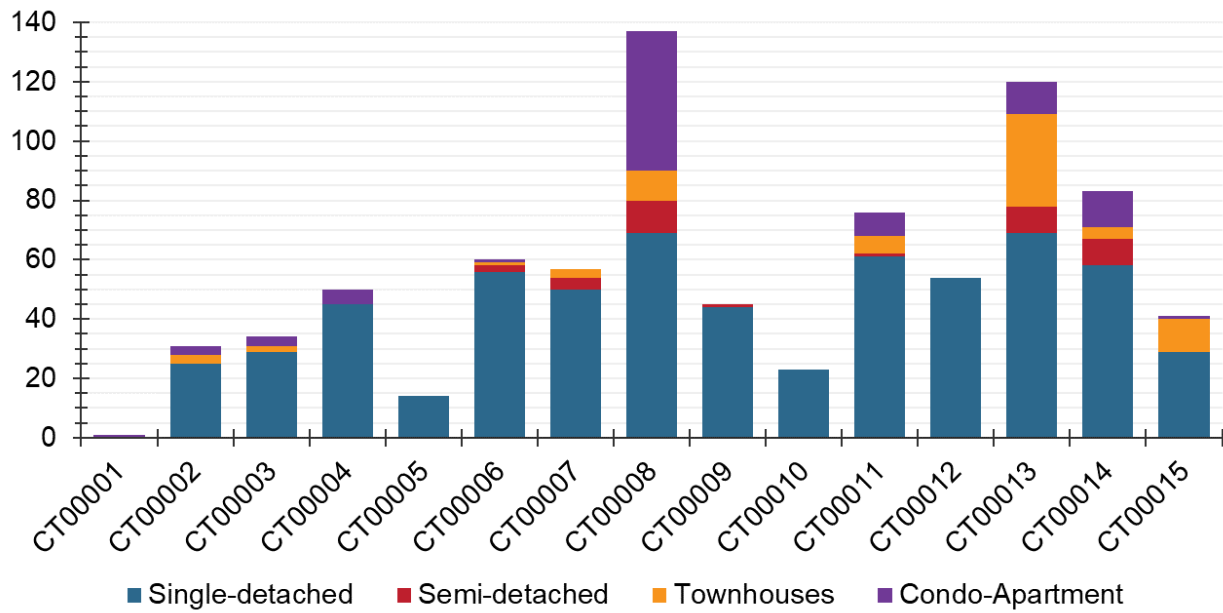
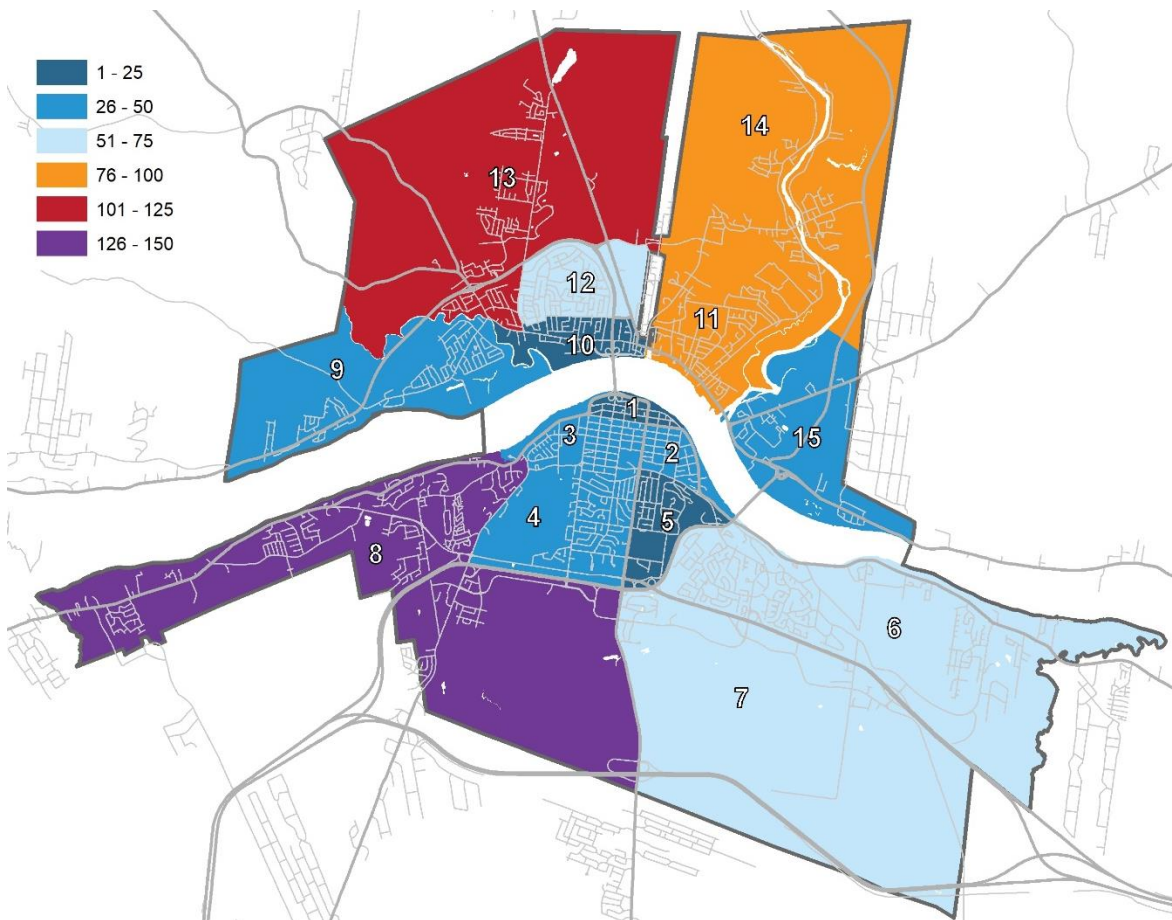


Figure 11.3: Total Number of Property Sales in Fredericton, 2020



Source: New Brunswick MLS ®



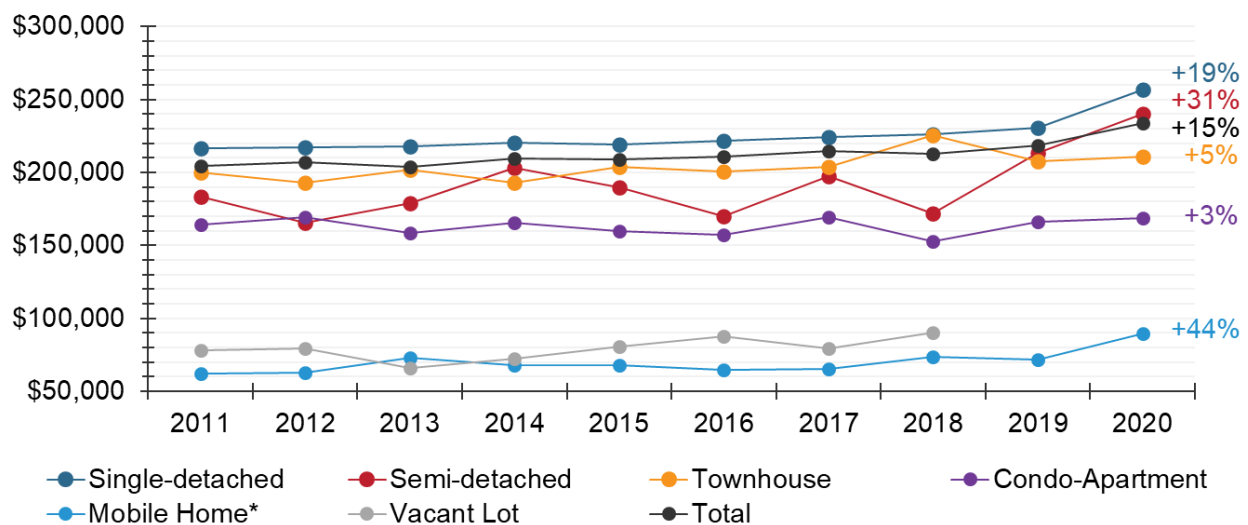
11.2 Sale Prices

The MLS ® reports sale prices for multiple dwellings types. **Figure 11.4** illustrates how overall prices changed over the decade for each community within the City of Fredericton. **Figure 11.6** shows what the average price per dwelling type by community, and the percent change (in 2020 dollars) from 2011 to 2020.

Overall Fredericton home prices rose 15% since 2011 (about \$204,500 to \$234,000). Semi-detached homes experienced greatest price growth at 31% over the decade, followed by single-detached homes at 19%. Much of this growth has been concentrated in 2020, indicating that price growth has been heavily influenced by the pandemic and its numerous disruptions to socioeconomic trends. **Figure 11.5** shows how price trends have affected different areas of the City over the past 2 years, showing some local areas of significant price change.

Note that mobile home prices grow 44% over the decade; however, mobile home sales data could not be isolated to city boundaries. Prices reflect trends across the Fredericton CA.

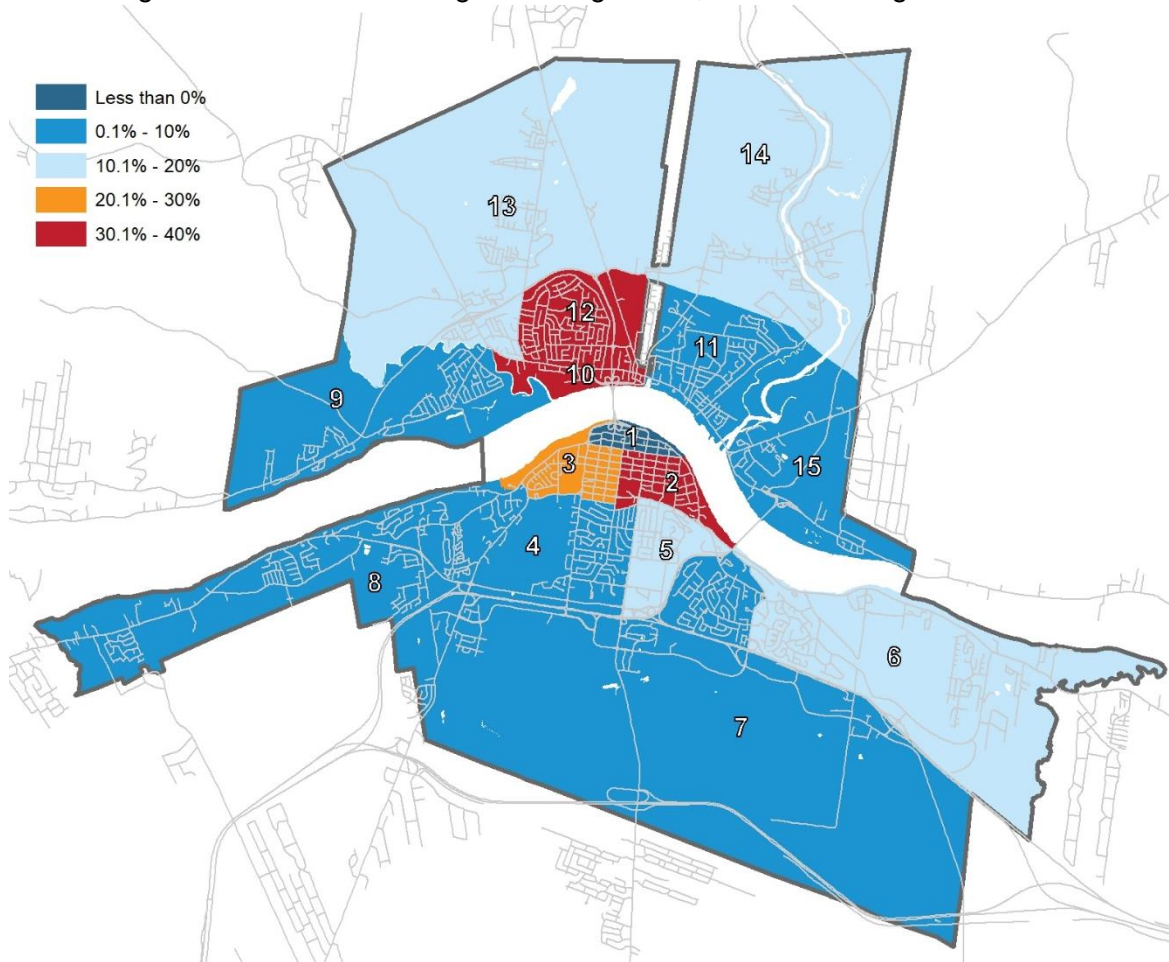
Figure 11.4: Historical Overall Average Dwelling Prices, Percent Change 2011-2020



* Mobile homes could not be isolated to the City of Fredericton boundaries and thus reflect mobile homes across the Census Agglomeration.



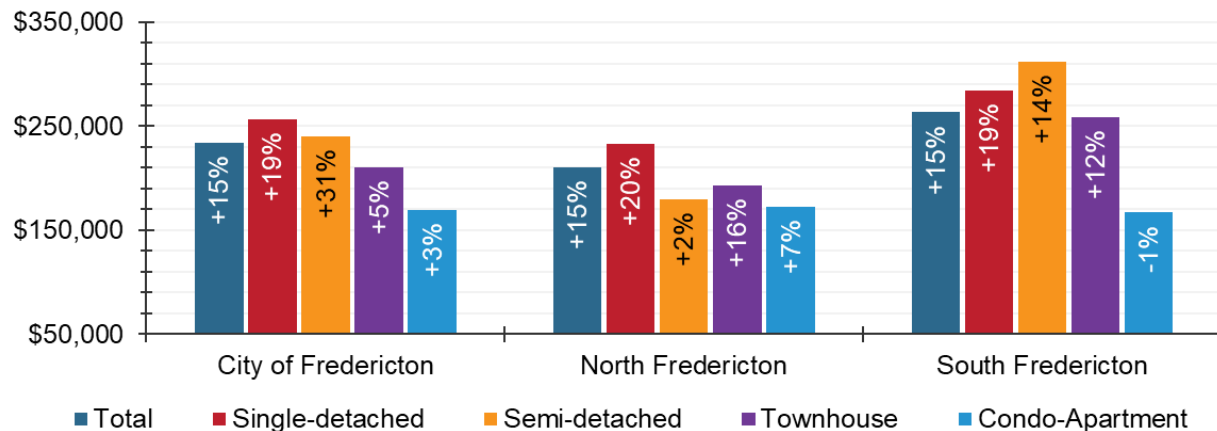
Figure 11.5: Overall Average Dwelling Prices, Percent Change 2018-2020



Source: New Brunswick MLS®

As of 2020, you could purchase the average City of Fredericton single-detached home for about \$256,500. South Fredericton singles sold for about \$51,500 more than North Fredericton. Semis and townhouses also sold more south of the Saint John River.

Figure 11.6: Average Dwelling Prices (2020), Percent Change 2011-2020



Source: New Brunswick MLS®



12 Short-Term Rentals

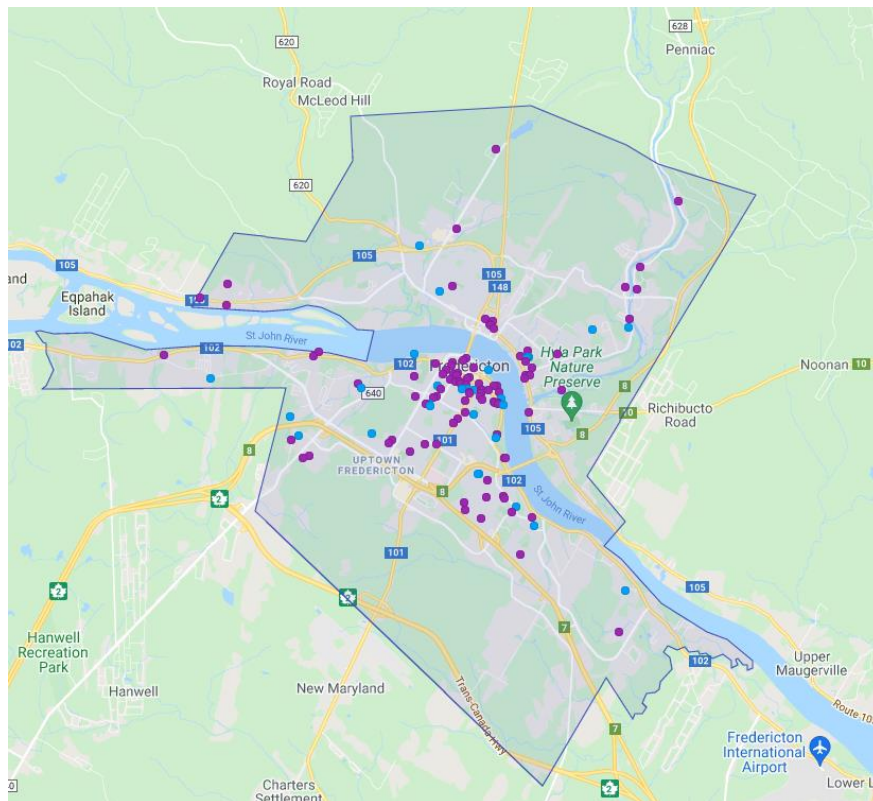
Short-term rentals (STRs) have grown as a more fluid and flexible use of residential dwelling space for temporary accommodations that blurs the line between rental housing and a commercial hospitality use. Alongside this market growth is concern about the impact of STR units on traditional residential market sectors; specifically, whether STRs are removing permanent tenure homes from the market, reducing supply and increasing the difficulty for households to find suitable places to live.

The following discussion presents information derived from the company AirDNA, which generates monthly data on STR markets, scraped from the public-facing websites of several STR platforms (including AirBnB).

12.1 Geography of STRs

In Fredericton, short-term rental units are concentrated in the downtown area within Census Tracts 0001-0005. There is a small cluster of STR units in CT 0006 and across the St. John River in CT 00011. This distribution largely reflects the areas of Fredericton that have a dense housing supply, and central locations close to amenities that would be attractive to visitors.

Figure 12.1: Approximate Location of Short-Term Rental Units in Fredericton, 2021
(Purple denotes entire-home listing types while Blue denotes listings for private rooms)



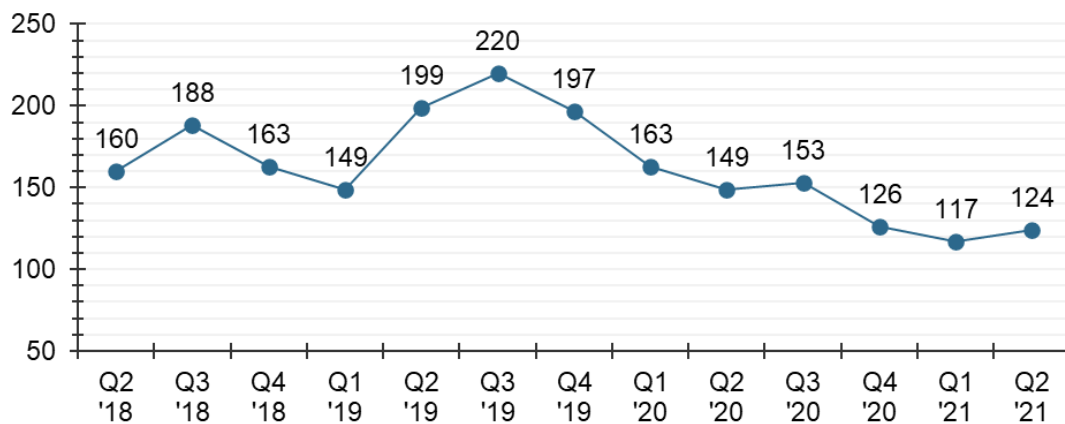
Source: derived from AirDNA

12.2 Historical Activity

From Quarter 2 (April – June) in 2018 to Quarter 2 in 2021, the amount of short-term rental units in Fredericton has decreased by 36. This decrease in STR units is likely a reflection of COVID-19 and the subsequent travel restrictions in New Brunswick. This has reduced the amount of tourism and business travel, and in turn demand for accommodations.

It should be noted on the figure below that 2019 marks a peak in STR market activity. It is anticipated that the demand for STR units will return and grow as the pandemic concludes and travel restrictions are lifted. Therefore, readers should examine trends with an eye for both the overall trend, as well as the pre-pandemic context which better reflects what can be expected going forward.

Figure 12.2: Active Short Term Rental Inventory by Quarter, 2018 – 2021

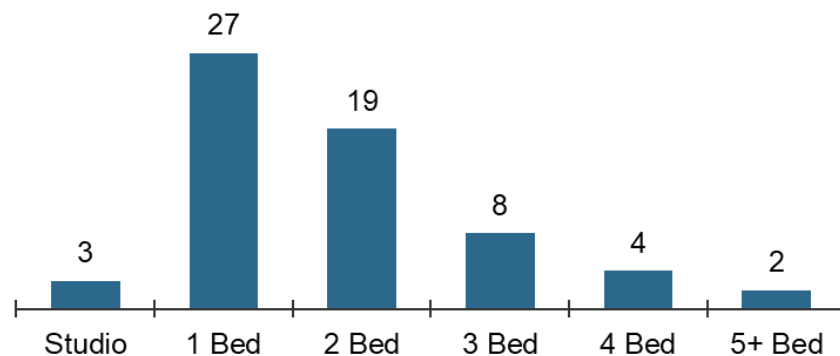


Source: derived from AirDNA

12.3 Current Inventory

In July 2021, Fredericton had 86 active STRs, of these 27% were private rooms within a larger home. 73% of the rental options were entire homes, of these the housing stock was primarily 1 bedroom and 2-bedroom units.

Figure 12.3: Active Entire Home STRs by Unit Size, July 2021

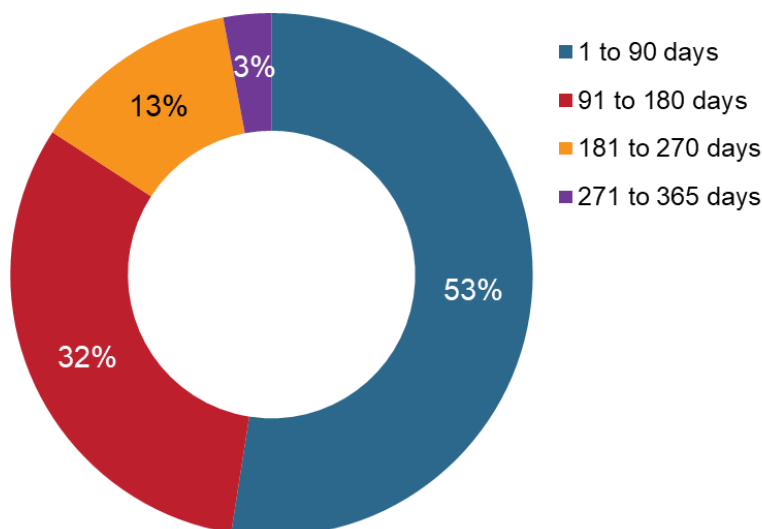


Source: derived from AirDNA



Of all listings active in Fredericton in 2021 15% appear to operate primarily as full time STR units (i.e. available for 181+ days in the calendar year). This means 22 of the 149 unique listings available in Fredericton in 2021 could potentially be considered commercialized units that detract from the long-term housing supply.

Figure 12.4: Available Rental Units by Time Period, as of July 2021



Source: derived from AirDNA, figures may not sum to 100% due to rounding

We refer to these as “potential” commercial full-time units as the data reviewed does not allow for identification of whether these are entire-home or private room listing types. Only the former are likely to represent lost housing inventory, therefore assuming all 22 units are commercialized represents a worst-case scenario for potential impacts.

12.4 Impact to Affordability

Use of residential real estate for short-term rental operations is a relatively new and understudied issue. STR units can have positive, neutral, and negative implications for housing availability and affordability, depending on their context. Overall, concerns posed by STR units with respect to housing affordability and availability are a function of the number of units that operate on a commercial basis. STR units that are individual room listings, or a secondary use of an otherwise traditionally occupied home, are unlikely to have the same impacts.

In areas of stagnant or declining housing demand where availability and cost are not concerns, the conversion of existing residential properties to STR use can be a unique opportunity to generate revenue from otherwise surplus housing stock. Additionally, this can be a needed injection of demand into a market where long-term oversupply conditions often result in the slow devaluation of existing households’ home equity. In more balanced areas, STR units in low concentrations can probably exist without a material impact to housing conditions while providing the same income-generating benefits to the people that operate them. In higher-demand areas, or if STR units become overly concentrated in an otherwise balanced area, they can represent a material reduction in housing supply, creating upward pressure on rents and purchase prices and making opportunities for permanent housing much more difficult to find at any cost.



Research on the impacts of STR activity on traditional residential rents or purchase prices exists, but is limited and generally focusses on the effect of concentrated STR activity within larger urban centres. For example, a study in Boston found that each 12 Airbnb listings in a census tract resulting in a 0.4% increase to market rents while another in New York found that a 10% increase in STR listings within a zip code area was associated with a 0.42% increase in rents and a 0.76% increase in purchase prices²⁹.

Based on this, STR activity is not believed to have impacted housing availability or affordability in the study area as the overall scale of this activity is low. Assuming all full-time listings are indeed commercial units which detract from housing supply, we calculate that only 0.08% of the City of Fredericton's housing stock has been lost to fulltime commercial STR operation. This is an order of magnitude less than the 0.8% identified by researchers for the Halifax Regional Municipality in 2019³⁰.

This notwithstanding, STRs are a new and fast-evolving trend which present a clear risk to affordability and availability even if they are currently a negligible issue. Growth in STRs has been clearly blunted by the impacts of the pandemic, but prior to this the number of STR units was growing; peak listing activity in 2018 and 2019 was 188 and 220 units, respectively. This represents a 17% year-over-year growth rate.

²⁹ Economic Policy Institute. (2019). The Economic Costs and Benefits of Airbnb. Retrieved from <https://files.epi.org/pdf/157766.pdf>

³⁰ David Wachsmuth. (2019). Short-term Rentals in Halifax: UPGO City Spotlight. Retrieved from <https://upgo.lab.mcgill.ca/2019/11/12/short-term-rentals-in-halifax-report/>



13 Non-Market Housing

13.1 Social Housing Inventory

In New Brunswick, all of the property assets of the Department of Social Development (DSD) are held by the New Brunswick Housing Corporation (NBHC). Assets of the social housing and rural and native housing (RNH) portfolios, as well as undeveloped land, are also held and administered by NBHC. A Home for Everyone: New Brunswick Housing Strategy 2019 – 2029³¹ contains several high-level strategies and goals which are to be met over a 10-year period.

The Province provides social housing through a combination of owned/operated housing units, and rent supplement programs (described in the following section) that assist households directly or allow for subsidized rent in a number of units under agreements with private market providers:

Publicly-Owned Social Housing

- 126 Family Units: located in 4 areas in North Fredericton, containing a mixture of 2-, 3-, and 4-Bedroom units.
- 225 Senior Units: located in 11 complexes spread evenly between North and South Fredericton, and the surrounding area.
- Undisclosed, but comparatively small number of standalone homes across the region (all outside of Fredericton City) for rural and Indigenous households.

Rent Supplemented Units

- 809 Supplemented Units: 400 in North Fredericton, 390 in South Fredericton, with 19 in the surrounding region. These are mostly 1 Bedroom (432 units), 2 Bedroom (255 units), and 3 Bedroom (92 units) in size, although a small number of units also exist in 4-6 Bedroom configurations mostly in South Fredericton (30 units).
- 29 households are also assigned rent supplements (as opposed to those totalled above which are attached to the units themselves). This is generally done in cases where households have unique challenges that require specific accommodations not otherwise provided in the social housing stock.

13.2 Social Housing Waitlist

The most direct measure of demand for publicly-owned housing is the size of current waitlist for existing units. However, in reviewing this data, it must be kept in mind that it is likely to be an underestimation of true need as households may have disincentives to apply for the waitlist based on their urgency of need, attitudes towards the waitlist based on previous experience, etc.

The Province operates a unified waitlist for both its social housing inventory and rent supplemented units. Family and Senior applicants are eligible for either social housing or rent supplemented units, while non-elderly single applicants are eligible for rent supplemented units

³¹ New Brunswick. (2018). New Brunswick Housing Strategy 2019 – 2029.
<https://www2.gnb.ca/content/dam/gnb/Departments/sd-ds/pdf/Housing/HousingStrategy2019-2029.pdf>



only. Placement of households from the waitlist are done on the basis of need, not in order of application. Therefore, it is not accurate to estimate a typical wait-time.

As of July 2021, the number of households on the waitlist is:

Family:	606 [5 require an accessible unit]
Senior:	264 [1 requires an accessible unit]
Non-Elderly Single:	630 [9 require an accessible unit]

As both dedicated public units and rent supplemented private units are used to accommodate those on the waitlist, it is complex to express these family-specific figures as a percent of the system capacity. Taken overall, this waitlist represents 129% of the total capacity represented by the existing social housing inventory and private-market units operated under rent subsidisation agreements.

13.3 Government Housing Supports

The following outlines the programs offered by the Provincial government through the Department of Social Development as well as the Federal Government, typically through the Canada Mortgage and Housing Corporation. These cover a broad range of programs with goals ranging from incentivising rental and affordable housing development, directly providing non-market housing, supporting non-profit providers, and assisting households directly with their shelter costs and saving for purchase. While some programs overlap in their targeted recipients, each works together to assist in providing housing supports to residents of New Brunswick.

13.3.1 Provincial Supports

- **Rent Supplement Program³²**

The Department of Social Development provides assistance to obtain affordable, adequate, and suitable rental accommodations by subsidizing rents in privately owned buildings. To qualify, a rental household must have an income below “income ceilings” which vary by the size of the household and by areas within the province. Once a household has qualified, their rent will be reduced to 30% of the adjusted household income. Landlords will receive this difference in rent paid by the tenant and the agreed upon market rent. These agreements are renewed on an annual basis.

- **Rural and Native / Basic Shelter Rental Program³³**

Similar to New Brunswick’s Rent Supplement Program, this program assists households in need to obtain affordable, adequate, and suitable rental housing in rural communities. Further, it assists off-reserve indigenous and non-indigenous households to obtain housing in rural communities with a population of fewer than 2,500 residents. Eligible tenants will have their rents reduced to 30% of the adjusted household income.

³² New Brunswick. (n.d.). Social Development. <https://www2.gnb.ca/content/dam/gnb/Departments/sd-ds/pdf/Housing/publichousing-e.pdf>.

³³ New Brunswick. (n.d.). Rural and Native / Basic Shelter Program. https://www2.gnb.ca/content/gnb/en/services/services_renderer.8715.html



- **Rental Residential Rehabilitation Assistance Program³⁴**

This program provides financial assistance to owners / landlords for mandatory repairs to self-contained units that are substandard and rented to low-income households. The property must be owned by a private entrepreneur, non-profit corporation or housing co-operative that is not receiving any government assistance. The amount received is based on the cost of mandatory repairs and the number of eligible self-contained units. The assistance is a maximum of \$24,000 and owners must contribute 25% of the cost of mandatory repairs.

- **Affordable Rental Housing Program³⁵**

This program is specifically designed for the construction, acquisition and rehabilitation, conversion, and operation of rental housing projects. Assistance is in the form of a forgivable loan and is based on the cost of eligible work and the number of eligible self-contained units or bed units within a project. The maximum forgivable contribution for projects sponsored by non-profit groups is \$40,000 per unit and may include 100% of the units within a project. Private entrepreneurs are eligible for a maximum forgivable contribution of \$40,000 per unit, limited to no more than 50% of the total units within a project. Borrowers will enter into a Mortgage Agreement with the DSD to ensure that units remain affordable to low and moderate income households.

- **Housing Assistance for Persons with Disabilities³⁶**

For homeowners and landlords who are in need of disabled accessible modifications assistance is available in the form of a forgivable loan up to a maximum of \$10,000. Additional assistance may be available in the form of a repayable loan based on a household's ability to repay. The maximum forgivable loan for the creation of a secondary/garden suite or an extension to an existing dwelling is \$24,000.

- **Shelter Enhancement Program³⁷**

Provides assistance to repair/rehabilitate emergency shelters and second stage housing for victims of family violence, and attempts to increase the number of emergency shelters and second stage housing units available to women and children or youth. Eligible new project costs may include: Land acquisition; Municipal servicing; Landscaping; Construction, Acquisition and rehabilitation, or conversion; Hard furnishing; Soft costs; and Appropriate building security provisions. Assistance is in the form of a forgivable loan and is based on the cost of the Eligible Work. The maximum forgivable loan per unit is \$24,000.

³⁴ New Brunswick. (n.d). Rental Residential Rehabilitation Assistance Program.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.8795.html.

³⁵ Ibid.

³⁶ New Brunswick. (n.d). Housing Assistance for Persons with Disabilities.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.19576.html

³⁷ New Brunswick. (n.d). Shelter Enhancement Program.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.8695.html



- **Rental Conversion Program³⁸**

Provides financial assistance to owners/landlords to convert non-residential properties into affordable self-contained rental housing units and/or bed-units to be occupied by low-income households. The amount you may receive is based on the cost of eligible work and the number of eligible units within the project. The assistance is in the form of a forgivable loan. The maximum amount you may receive for each self-contained unit is \$24,000. The maximum forgivable loan per bed unit is \$16,000. With the exception of non-profit organizations, owners must contribute 25% of the total mandatory repairs. All approved applicants must enter into a rental agreement to ensure that rents remain affordable to low-income occupants during the earning period of the loan.

- **Rooming House Rehabilitation Assistance Program³⁹**

Provides financial assistance to owners/landlords for mandatory repairs to rooming houses with bed units that are affordable to low-income occupants. The amount you may receive is based on the cost of the mandatory repairs and the number of eligible beds in your rooming house or hostel. The assistance is in the form of a forgivable loan. The maximum amount you may receive for each bed unit is \$16,000. With the exception of non-profit organizations owners must contribute 25% of the total cost of mandatory repairs.

- **Home Ownership Program⁴⁰**

Provides financial assistance to low and modest income families to help them buy or build a modest first home. Families or individuals with total household incomes below \$40,000, and who can obtain private financing such that when combined with DSD funding would result in the total acquisition/construction of the unit. The DSD will provide assistance in the form of a repayable loan for 40% of the purchase price of the unit, if the family is purchasing a home. If the family is building the house, the DSD will provide basic assistance in the form of a repayable loan to a maximum of \$75,000. The Department's financial contribution is not to exceed 50% of the total house costs.

- **Homeowner Repair Program⁴¹**

For homeowners in need of major repairs, disabled accessible modifications, and/or adaptations to facilitate seniors' independent living, assistance is in the form of a loan, a portion of which may not have to be repaid. The maximum forgivable loan per housing unit is \$15,000 for homeowner repairs. The amount of forgivable loan is based upon a sliding income scale and the amount of required repairs.

³⁸ New Brunswick. (n.d). Rental Conversion Program.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.8775.html

³⁹ New Brunswick. (n.d). Rooming House Rehabilitation Assistance Program.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.8755.html

⁴⁰ New Brunswick. (n.d). Home Ownership Program.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.8315.html

⁴¹ New Brunswick. (n.d). Homeowner Repair Program.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.8735.html



- **Housing Assistance for Persons with Disabilities⁴²**

For homeowners in need of disabled accessible modifications assistance is in the form of a forgivable loan up to a maximum of \$10,000. Additional assistance may be available in the form of a repayable loan based on a household's ability to repay.

- **Provincial Property Tax Exemption for Non-profit Low Rental Housing⁴³**

Since Jan. 1, 2005, qualifying non-profit low-income housing organizations in New Brunswick no longer pay the provincial component of property taxes for their low-income rental housing facilities. Interested organizations wishing to benefit from this property tax exemption need to complete an initial application through the DSD. Once a property has been identified as qualifying for the exemption, no further applications by the organization will be required.

13.3.2 Federal Supports

- **Rental Construction Financing Initiative**

The Rental Construction Financing Initiative from CMHC offers financing under more generous terms than other traditional sources of development capital – longer amortization periods, less restrictive debt coverage ratios, higher leverage. In exchange for these benefits, the projects financed are obligated to meet energy efficiency and accessibility requirements, as well as affordability commitments for a period of at least 10 years. The program targets traditional rental tenured housing, and affordability requirements are that at least 20% of the units must have rents below 30% of the median total income of families in the area, and the total residential income of the building must be 10% below its gross maximum (i.e. full market rate).

- **Co-Investment Fund**

This CMHC program serves projects that create affordable housing units either through new construction or renovation of non-residential buildings, including specialised housing types such as shelters or transitional housing. Support comes in the form of both forgivable and repayable loans, on generous terms, but the exact mix and level of support can vary based on project evaluation. Support is prioritised towards projects which offer deeper affordability, target vulnerable or underserved groups, are well located in proximity to transit, necessities, and amenities, and have financial support from at least one other level of government (i.e. Municipal, Provincial, or Indigenous).

- **Rapid Housing Initiative**

The Rapid Housing Initiative is a newer program from CMHC intended to support projects led by government or non-profit organizations in the creation of new affordable housing units that are either standard rental, transitional, permanent supportive, single room occupancy or seniors housing. A defining characteristic of the RHI program is that projects must be able to achieve occupancy within 12 months, and this is evaluated on the basis of the project status itself, as well as the experience of the applicant. Units can be created

⁴² New Brunswick. (n.d). Housing Assistance for Persons with Disabilities.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.19576.html

⁴³ New Brunswick. (n.d). Provincial Property Tax Exemption for Non-Profit Low Rental Housing.
https://www2.gnb.ca/content/gnb/en/services/services_renderer.16296.html.



though new construction or renovation/conversion of non-residential buildings. Funding contributions can be up to 100% of project capital cost depending on the evaluation of the project; program criteria prioritize deeper affordability, and targeting the most vulnerable groups of society who are experiencing homelessness or at risk of falling into it. This program was introduced in October 2020 and was expanded in the most recent Federal Budget to continue for the next two fiscal years.

- **CMHC Mortgage Loan Insurance⁴⁴**

If you want to buy a home with a down payment of less than 20%, you'll need mortgage loan insurance. This protects your lender in case you can't make your payments. CMHC mortgage loan insurance lets you get a mortgage for up to 95% of the purchase price of a home. It also ensures you get a reasonable interest rate, even with your smaller down payment. Mortgage loan insurance helps stabilize the housing market, too. During economic slumps when down payments may be harder to save, it ensures the availability of mortgage funding.

To get mortgage loan insurance, you'll need a minimum down payment. The amount depends on the home's purchase price:

- If the home costs \$500,000 or less, you'll need a minimum down payment of 5%.
- If the home costs more than \$500,000, you'll need a minimum of 5% down on the first \$500,000 and 10% on the remainder.
- If the home costs \$1,000,000 or more, mortgage loan insurance is not available.

Your lender pays an insurance premium on mortgage loan insurance. It's calculated as a percentage of the mortgage and is based on the size of your down payment. Your lender will likely pass this cost on to you. You can pay it in a lump sum or add it to your mortgage and include it in your payments.

- **First-Time Homebuyers Tax Credit⁴⁵**

To assist first-time homebuyers with the costs associated with the purchase of a home, including legal fees, disbursements and land transfer taxes, the Government of Canada introduced a tax credit for first-time homebuyers in 2009. It represents a \$5,000 non-refundable income tax credit amount on a qualifying home acquired during the year. For an eligible individual, the credit will provide up to \$750 in federal tax relief.

- **Home Buyers' Plan⁴⁶**

⁴⁴ CMHC. (2018, June 3). What is CMHC Loan Insurance?

<https://www.cmhc-schl.gc.ca/en/consumers/home-buying/mortgage-loan-insurance-for-consumers/what-is-mortgage-loan-insurance>

⁴⁵ CMHC. (2019, June 17). Government of Canada Offers Homeownership Incentives.

<https://www.cmhc-schl.gc.ca/en/professionals/industry-innovation-and-leadership/industry-expertise/resources-for-mortgage-professionals/government-of-canada-offers-homeownership-incentives>

⁴⁶ Ibid.



This plan allows you to withdraw up to \$35,000 in a calendar year from your registered retirement savings plans (RRSPs) to buy or build a qualifying home for yourself or for a related person with a disability.

- **First-Time Homebuyers Incentive⁴⁷**

Under the National Housing Strategy, CMHC has implemented the new First-Time Home Buyer Incentive. With this incentive, the Government of Canada offers:

- 5% or 10% for a first-time buyer's purchase of a newly constructed home,
- 5% for a first-time buyer's purchase of a resale (existing) home, or
- 5% for a first-time buyer's purchase of a new or resale mobile/manufactured home.

The Incentive's shared-equity mortgage is one where the government has a shared investment in the home. As a result, the government shares in both the upside and downside of the property value. By obtaining the Incentive, the borrower may not have to save as much of a down payment to be able to afford the payments associated with the mortgage. The effect of the larger down payment is a smaller mortgage, and, ultimately, lower monthly costs.

The homebuyer will have to repay the Incentive based on the property's fair market value at the time of repayment. If a homebuyer received a 5% Incentive, they would repay 5% of the home's value at repayment. If a homebuyer received a 10% Incentive, they would repay 10% of the home's value at repayment.

13.4 Emergency & Supportive Housing

Through research and stakeholder engagement, the following inventory of emergency and supportive housing facilities was compiled. It totals:

- 37 Emergency Shelter spaces, with an additional 24 under development
- 55 Transitional & Supportive spaces, with an additional 32 under development

This inventory is comprised of the following facilities.

Fredericton Homeless Shelters Inc.	<ul style="list-style-type: none"> • 3 separate homes • 23 Men's beds (27 pre-COVID) • 10 Female beds • 1x 4-bedroom mixed gender transitional house 	65 Brunswick Street, Fredericton E3B 1G5 [St John's House] (506)-450-1102 https://www.theshelters.ca/
Women in Transitions	<ul style="list-style-type: none"> • 8 room facility (individual or family) with 19 beds for women and their children • Stays for up to 30 days • 24-hour crisis line 	PO box 1143, Fredericton E3B 5C2 (506)-457-2770 http://www.womenintransitionhouse.ca/with-aboutus
Youth in Transition – Chrysalis House	<ul style="list-style-type: none"> • Supportive living arrangement for youth while combining a program aimed at increasing their self-esteem and independent living skills 	PO Box 22005 Fredericton NB E3A 5T6 (506)-451-3483

⁴⁷ CMHC. (2018, June 3). The First-Time Home Buyer Incentive.
<https://www.cmhc-schl.gc.ca/en/consumers/home-buying/first-time-home-buyer-incentive>



	<ul style="list-style-type: none"> 10 youth beds 	https://www.yitfredericton.ca/food-shelter
John Howard Society	<ul style="list-style-type: none"> 20 Supportive and 2 Transitional housing units. Currently leading a project to convert the former City Motel to have 20 housing-first apartments, 12 peer-supported units, and a 24-bed shelter 	294 Main St, Fredericton NB E3A 1C9 (506)-450-2750 https://www.johnhowardfredericton.ca/

13.5 Community-Based, Specialized, and other Non-Market Housing

Through research and stakeholder engagement, the following inventory of various non-market long term housing facilities was compiled. It totals:

- 1,102 non-profit housing units, of which 496 are located within the City proper. About 90 units of the regional total are dedicated to Indigenous-led households.
- 39 units from a single housing co-operative
- 42 non-profit constructed units for owner-occupiers, with 7 under development
- 1,590 post-secondary student housing units

This inventory is comprised of the following:

New Brunswick Non-Profit Housing	<ul style="list-style-type: none"> Represents numerous non-profit housing operators across the province Expertise and support for the non-profit and affordable housing sector in New Brunswick Association members total 1,012 units across Greater Fredericton with 496 in the City. 	PO Box 3001, Fredericton E3A 5G8 (506)-451-4772 https://www.nbnonprofithousing.ca/
Fredericton Non-Profit Housing	<ul style="list-style-type: none"> 89 units (included in the above total) 	618 Queen St, Fredericton E3B 1C2 (506)-452-8175 www.nbnonprofithousing.ca
Skigin Elnoog Housing Corporation	<ul style="list-style-type: none"> Assists on and off-reserve indigenous peoples in finding and maintaining housing Utilizes existing provincial programs Operates about 90 units in the Fredericton area, out of the 400 units operated throughout the province 	366 Gibson Street, Fredericton E3A 4E6 (506)-459-7161 https://nbapc.org/skigin-elnoog-housing-inc/
Habitat for Humanity	<ul style="list-style-type: none"> help families build strength, stability and independence through affordable homeownership 42 families housed in the region Plans to house seven new families in 2021 	800 Saint Mary's Street, Fredericton E3G 8S8 (506)-474-1520 https://habitatfrederictonrestore.com/home-1
Co-operative Housing	<ul style="list-style-type: none"> 39 units 	Pine Valley Housing Co-operative
St. Thomas University	<ul style="list-style-type: none"> 490 units, down 300 during the pandemic 	



University of New Brunswick	• 1,100 beds, down 50% during the pandemic
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13.6 Care Homes

Nursing and special care homes are a critical source of housing for the elderly as well as those living with special needs that require the support of care providers. These facilities are licensed by the Province of New Brunswick, whose inventory in the Fredericton Area totals:

- 456 Licensed Nursing Home Spaces
- 399 Special Care Home Spaces

It is comprised of the following facilities:

Licensed Nursing Homes⁴⁸

Pine Grove 521 Woodstock Road, Fredericton	Shannex RLC Ltd. – Thomas Hall 375 Rainsford Lane Fredericton	Shannex RLC Ltd. – Frederick Hall 379 Rainsford Lane Fredericton
70 beds	72 beds	36 Beds
Shannex RLC Ltd. – Neill Hall 610 Cliff Street Fredericton	York Care Centre 100 Sunset Drive Fredericton	
60 beds	218 Beds	

Special Care Homes⁴⁹

All Needs Special Care Home 152 Douglas Avenue, Fredericton	Barries Special Care Home Ltd. 1459 Route 101, Nasonworth	Bartlett Gardens Care Home 14 Craig Street, Fredericton
8 approved spaces	10 approved spaces	8 approved spaces
Brunswick Hall 55 Patience Lane, Fredericton	Carlisle Special Care Home 173 Carlisle Road, Douglas	Donnelly Home 89 Jaffrey Street, Fredericton
60 approved spaces	10 approved spaces	6 approved spaces

⁴⁸ New Brunswick. (n.d.) Licensed Nursing Homes: Region 3 Fredericton.
https://www2.gnb.ca/content/gnb/en/departments/social_development/nursinghomes/content/region3.html

⁴⁹ New Brunswick. (n.d.) Special Care Homes.
https://www2.gnb.ca/content/gnb/en/departments/social_development/special_care_homes/special_care_home_s.html



Downing Place 21 Downing Street, Fredericton 7 approved spaces	Eden's Garden Special Care Home Ltd. 4001 Route 620 12 approved spaces	Eden's Retirement Villa 21 Harold Doherty Court, Fredericton 54 approved spaces
Hanwell Special Care and Seniors Home 2434 640 Highway, Hanwell 20 approved spaces	Hearne Street Residence 210 Hearne Street, Fredericton 10 approved spaces	Hillside Lodge 155 Tilley Drive, Fredericton 9 approved spaces
Hillsley Care Home 734 Dobie Street, Fredericton 7 approved spaces	Lohnes Special Care Home 234 Smythe Street, Fredericton 7 approved spaces	Lois' Special Care Home 14 Eaton Court, Hanwell 6 approved spaces
McKay Residence 319 Canada Street, Fredericton 3 approved spaces	New Brunswick Community Residence 530 Needham Street, Fredericton 8 approved spaces	Paradise Villa Inc. 665 Clements Drive, Fredericton 60 approved spaces
Slow Current Special Care Home 1126 Route 148, Nashwaak 8 approved spaces	Southside Special Needs Home Inc. 156 Beaconsfield Street, Fredericton 10 approved spaces	Swanhaven Adult Residential Facility 1915 Route 3, Harvey Station 28 approved spaces
The Guardians Special Care Home 203 Macfarlane Street, Fredericton 12 approved spaces	Underhill Residence 118 Linden Crescent, Fredericton 5 approved spaces	Victoria Villa Inc. 566 East riverside Drive, Perth-Andover 24 approved spaces
Victory House 30 Victory Avenue, Fredericton 7 approved spaces		



14 Housing Need in Fredericton

This report section examines the breadth and depth to which households in the Fredericton Area are unable to secure and reasonably afford shelter. The most severe and literal measure of housing need is the number of people experiencing homelessness. In examining those housed, need is measured in a number of ways using three criteria established by Statistics Canada: suitability, adequacy, and affordability. The **Definitions** section provides definitions for each of these; however, a quick guide is that unsuitable means overcrowded, inadequate means a home requires major repair, and unaffordable is when shelter costs exceed 30% of before-tax household income. These indicators speak to the household's current housing situation only. Statistics Canada and CMHC also collaborate to evaluate the ability for households to reasonably find a suitable alternative that would alleviate these challenges, and classifies those who can't as living in "Core Housing Need," a catch-all metric for housing hardship.

14.1 Homelessness

Homelessness can be a temporary, recurring, or chronic situation in which an individual or household finds themselves without access to appropriate, stable, safe, and permanent shelter, nor the means or prospect to immediately acquire it. Within this broad definition, individual experiences can vary widely. Homelessness is experienced differently depending on who it is happening to (e.g. Indigenous, Youth, Single Parent, Individual), the form of homelessness (e.g. unsheltered, emergency sheltered, provisionally/inconsistently housed, at risk of homelessness), as well as the location of those experiencing it (e.g. urban or rural).

The concept of homelessness that includes unsheltered individuals sleeping rough in public spaces is the most commonly understood because of its social visibility, however it typically applies to only a minority of the population that experiences homelessness. A significant proportion of the issue is considered invisible or "hidden homelessness", such as being temporarily accommodated by friends or relations, engaging in "couch surfing" or other means of stringing together multiple temporary shelter opportunities, or living in cars, RVs, or other makeshift shelters in low-profile locations.

In all cases, homelessness prevents individuals and families from achieving a stable living situation. Beyond basic physical protection, stable housing is fundamental to one's ability to access further supports and essential services such as consistent healthcare, and ultimately provides a platform from which to exercise agency over one's life and participate fully in society. Many misconceptions exist about the causes of homelessness and nature of those experiencing it. Often homelessness is viewed as a personal failure, caused by laziness or unwillingness to work, or the individual's lifestyle preferences. More charitably, homelessness is sometimes viewed as predominantly a consequence of addiction and mental health issues.

Many misconceptions exist about the causes of homelessness, especially the view that is only a consequence of personal choices or a lack of personal responsibility. In reality, homelessness is often the result of many factors accumulating over time rather than a single cause. While addictions and mental health issues are often intertwined with it, this is not the case for many. Further, those issues can be caused by the experience of homelessness itself, rather than a cause for it in the first place. Poverty, including working poverty, is closely linked with homelessness. The cost and availability of housing is also a critical factor. Many social issues are



also driving forces for homelessness; notably income inequality, domestic violence, and the ongoing consequences of colonisation. Too often, homelessness is the end point of a series of cascading economic, social, and individual events, and those affected often describe the experience as “falling through the cracks” and express surprise that it happened to them in the first place.

14.1.1 Homelessness in Fredericton

The most recent homelessness estimation survey was conducted in the spring of 2021 and utilised a Point-in-Time (PIT) count method. A PIT count is a measure of the number of people experiencing homelessness on a specific day as identified by a team of volunteer counters who visit shelters, service agencies, and public spaces. Therefore, a PIT count captures a snapshot of the number of individuals staying in emergency shelters, transitional housing, or sleeping rough on the day of the count.

Measuring homelessness is a challenging task, and while conducting PIT counts is a best practice, it does not adequately capture various forms of “hidden homelessness” nor how homelessness rates may fluctuate over short time spans (i.e. seasonally). For this reason, counts should be viewed as an underestimation of the true level of homelessness in a community. Nevertheless, comparison of PIT counts over time can help communities assess trends in the issue or progress in addressing it, even if the number itself may not adequately capture the scale of need.

On this basis, homelessness appears to be a growing issue in Fredericton, though the most recent count reflects a slower increase in homelessness than observed in the late 2010s. Of those counted in 2021, 54 were surveyed to collect additional insights and data.

PIT Count Results⁵⁰

- 2021: 73
- 2018: 70
- 2016: 50

2021 Insights

- 65% identify as male, 31% female, 2% non-binary, and 2% transgender
- 85% identify as heterosexual, 6% bisexual, 2% pansexual, and 2% asexual
- 23% identify as Indigenous (compared to 6.7% of the general population)
- 39% have previous involvement in foster care of youth group homes
- 9% are veterans
- Most cite conflicts with co-habitants or landlords, the experience of abuse, or intolerable property conditions as the reason for losing housing. Only 13% cited inadequate income. This suggests that homelessness is most directly a result of complicating factors that lower income households are more vulnerable to, rather than simply being unable to pay shelter costs without any other contributing issues.

⁵⁰ 2021 results provided by the Human Development Council; historical data retrieved from the Canadian Observatory on Homelessness via www.homelesshub.ca



- However, the cost of rent and present income levels were overwhelmingly cited as the reason for being unable to secure adequate housing after becoming homeless. In consideration of the previous point, this suggests the existence of a trade-off between affordability and personal health and safety, with many viewing active homelessness as the better of two bad options.

In addition to PIT counts, agencies working with homeless populations in Fredericton use a By-Name-List (BNL) in order to track the changes in homelessness on a monthly basis, and coordinate efforts to house and support those experiencing it. While these figures cannot be compared directly to the PIT count, BNL data provides some valuable insights into the level of support required by the homeless population:

BNL Insights

- 112 individuals actively experiencing homelessness as of July 2021
 - 96 Chronically Homeless
(have experienced homelessness for 180 consecutive nights in the past 12 months)
 - 16 Episodically Homeless
(have experienced three or more episodes of homelessness in the past 12 months)
- Of those experiencing Chronic Homelessness
 - 31% are classified as High Acuity
(requires intensive case management support)
 - 56% are classified as High Acuity+
(deemed to have needs which existing supports cannot adequately provide for)
 - 13% are classified as Low and Mid Acuity
(require fewer supports)

The BNL data highlights the fact that most individuals being assisted by Fredericton's service agencies have needs which go beyond the capacity or capability of available support programs. This corroborates the situation as described by service providers in direct interviews; the current system is stretched beyond its limits, and as a result, staff working for service agencies are increasingly at risk of burn-out and other mental health impacts as they struggle to support those in greatest need.

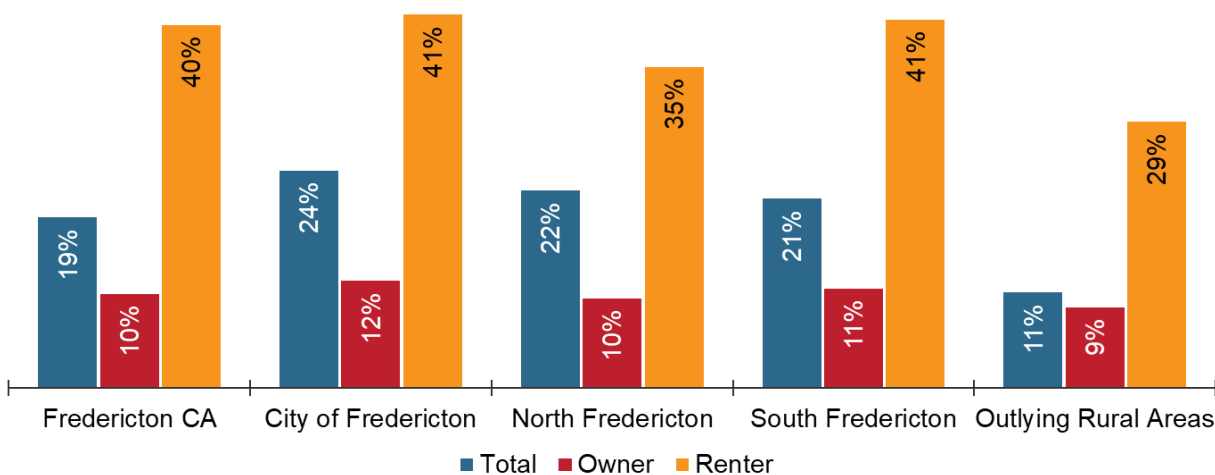
14.2 Housing Need Criteria

14.2.1 Affordability

In 2016, Statistics Canada reported that about 6,170 City of Fredericton households lived in a home that put them outside their financial means. In other words, 24% of households allocated more than 30% of their before-tax household income to shelter costs.



Figure 14.1: Unaffordable Housing by Household Tenure, 2016



Source: Statistics Canada

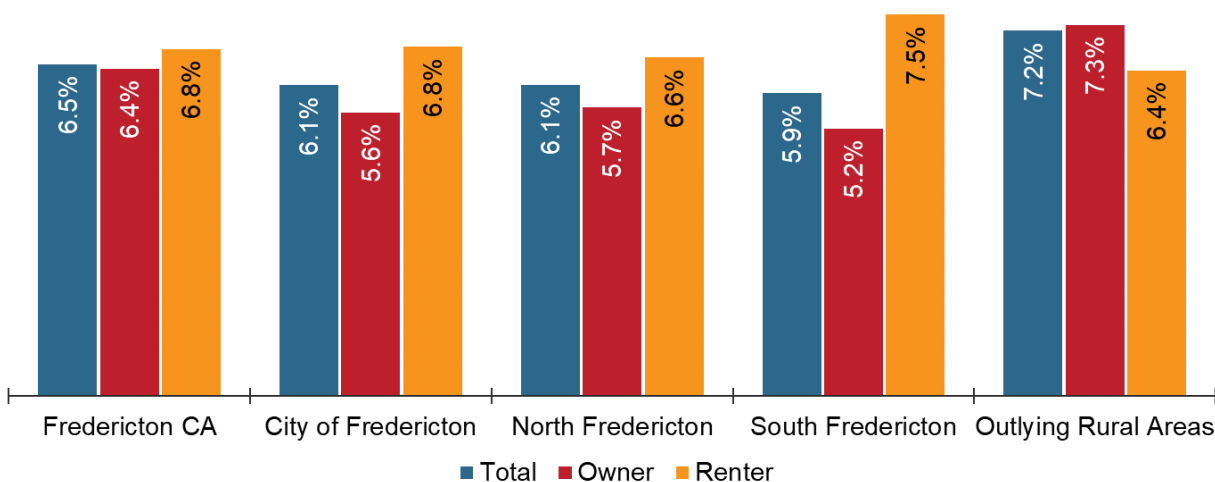
Renter households are more likely to deal with the burden of unaffordable housing. About 41% of renter households (4,390) paid more than 30% of their income versus 12% of owners (1,780). This hardship largely stems from the higher proportion of renting, single income households (like lone parents or single persons).

About 29% of Indigenous households in the City of Fredericton reported needing to budget more than 30% of their finances towards shelter in 2016.

14.2.2 Adequacy – Prevalence of Major Repairs

In 2016, Statistics Canada reported that 1,570 households in the City of Fredericton lived in a home that needed major repairs, or 6% of total households.

Figure 14.2: Inadequate Housing by Household Tenure, 2016



Source: Statistics Canada



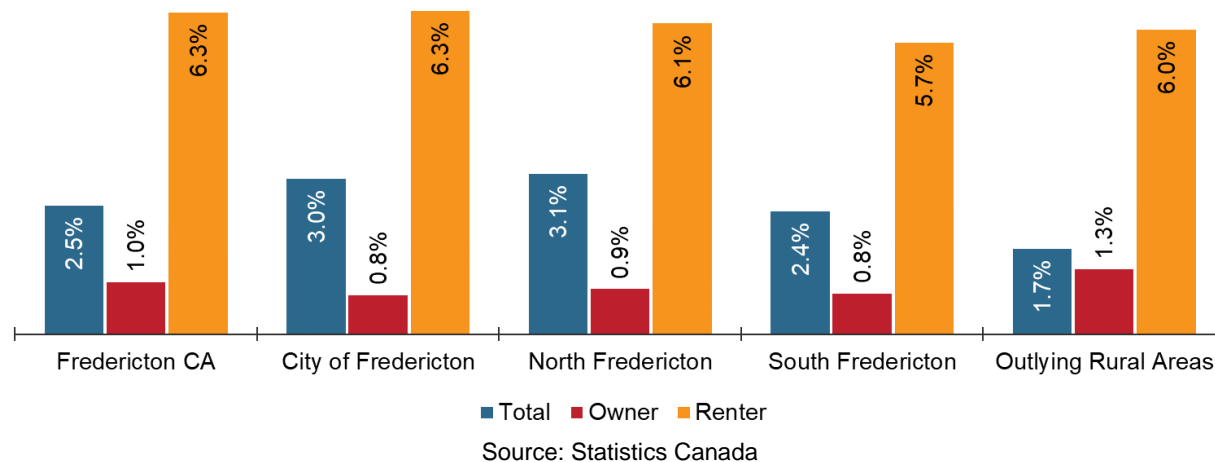
Housing inadequacy is predominantly a function of the housing stock's age (the older the property, the greater likelihood of needing repair). In the City of Fredericton, dwelling quality was relatively similar across tenure types. About 10% of Indigenous households reported living in a home requiring major repair.

14.2.3 Suitability – Overcrowding

In 2016, 740 households lived in a home that was too small for their needs, or 3% of total households.

Suitability is a greater concern for renter. In 2016, 6% of rented dwellings were too small for their occupants (675 homes), versus 1% of owner-occupied housing (115). About 7% of homes (125) occupied by Indigenous households were unsuitable.

Figure 14.3: Unsuitable Housing by Household Tenure, 2016



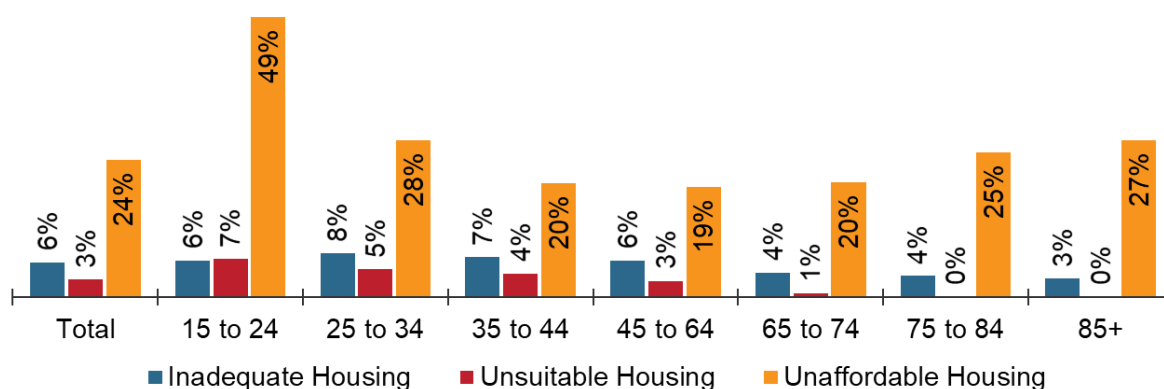
14.2.4 Housing Criteria by Maintainer Age

The aforementioned housing criteria impact each resident or household differently. **Figure 14.4** illustrates how inadequacy, unsuitability, and unaffordability rates differ across primary maintainer age cohorts in the City of Fredericton.

Dwellings in need of repair are most prevalent among 25- to 34-year-old maintainer households (8%, or 340), possibly due to consumers within this age group having to compromise more between price and quality. Young adults earn less on average and those within the prior cohort (15 to 24) may perceive inadequacy differently. Rates of inadequacy gradually decline across older cohorts.



Figure 14.4: City of Fredericton, Housing Criteria by Maintainer Age, 2016



Source: Statistics Canada

Overcrowded housing is at its highest among 15- to 24-year-old households (7%, or 130 homes). This is again possibly a compromise between price and size as a function of lower incomes, and also the impact of student populations. Housing suitability appeared to improve with age.

Lastly, housing is particularly unaffordable for youth/young adults as well (49% of households with a maintainer between 15 to 24, or 955 homes). Rates of unaffordability decline up until the 65 year threshold, after which it gradually rises again. The older the resident, the more likely that they have exhausted retirement investments/savings and are more reliant on fixed government transfers such as the Canada Pension Plan or Old Age Security.

14.2.5 Housing Criteria by Household Type

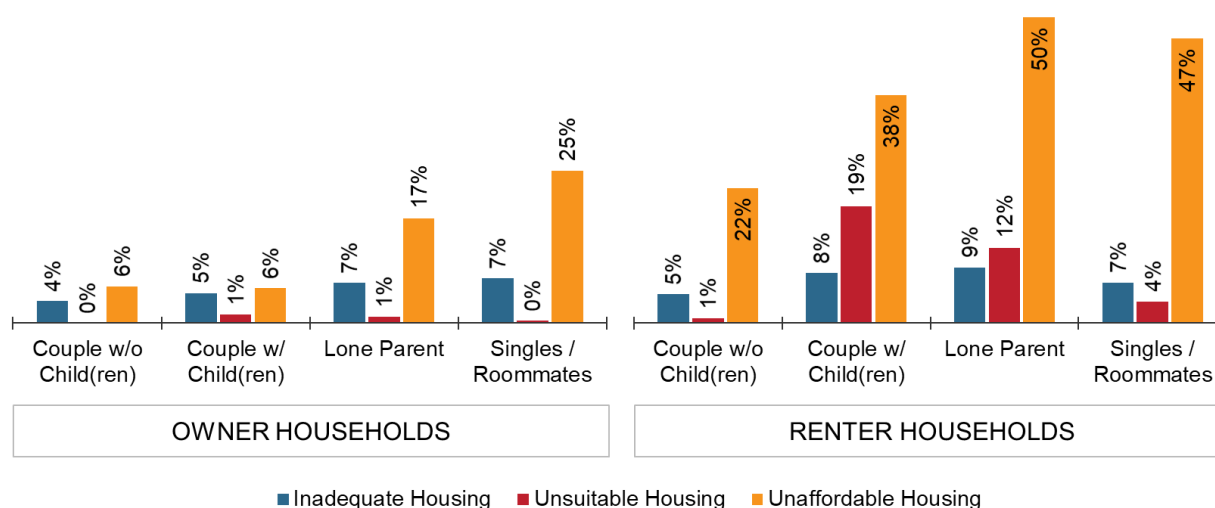
Figures 14.5 and 14.6 illustrate how households of the City of Fredericton measure against Statistics Canada's housing criteria. Owner households (across most household types) generally fair better than their renter household counterparts. For example, couples with children who own demonstrate less need for major repairs, have more space, and can better afford their shelter expenses compared to couples with children who rent.

Renting lone parents are almost 3 times more likely to not reasonably afford their shelter (which is also more often too small and in greater need of major repair). Similar trends between renting and owning households present themselves among couples with children, couples without children, and single person households.

Most notable is the substantial proportional increase in unsuitable housing for parents with children (whether couples or single parents) who rent. This suggests that the City of Fredericton's rental stock, particular larger units, are not accessible to those who need them most.



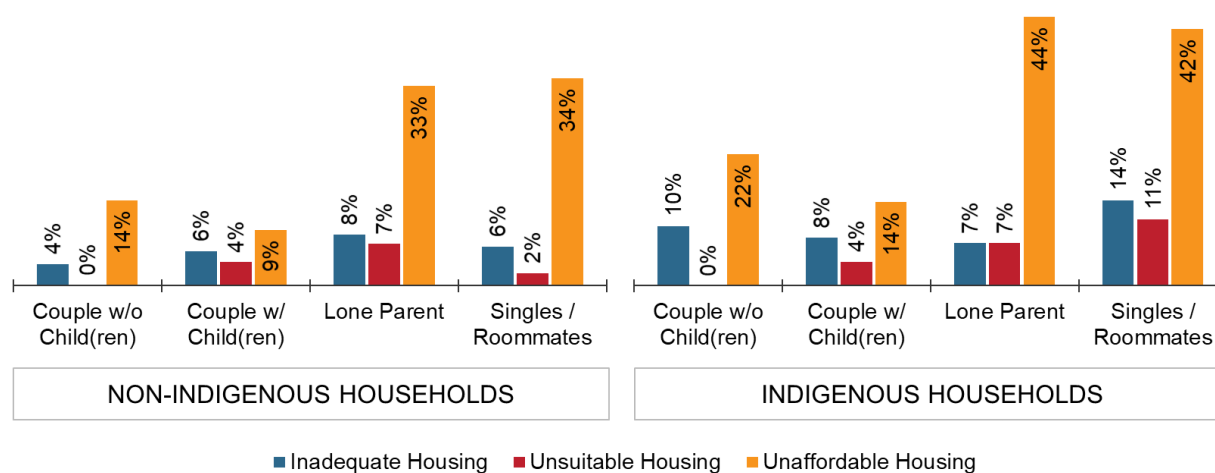
Figure 14.5: City of Fredericton, Housing Criteria by Tenure & Household Type, 2016



Source: Statistics Canada

Similar increases in the proportion of unaffordable homes are observed when comparing non-Indigenous to Indigenous households living in the City of Fredericton. However, unsuitability and inadequacy rates do not jump as significantly as they do between owners and renters. Increases to these two criteria are most noticeable among single person households.

Figure 14.6: City of Fredericton, Housing Criteria by Indigenous Identity & Household Type, 2016



Source: Statistics Canada

14.3 Core Housing Need

If a household is in Core Housing Need, it means that they experience at least one of the previously mentioned hardships, but with one major difference: affordability challenges are identified not only when expenses surpass the 30% threshold, but also if an affordable alternative option does not exist. Put simply, Core Housing Need attempts to filter out those who voluntarily spend more on housing because their means (generally) allow them to, or those who choose to



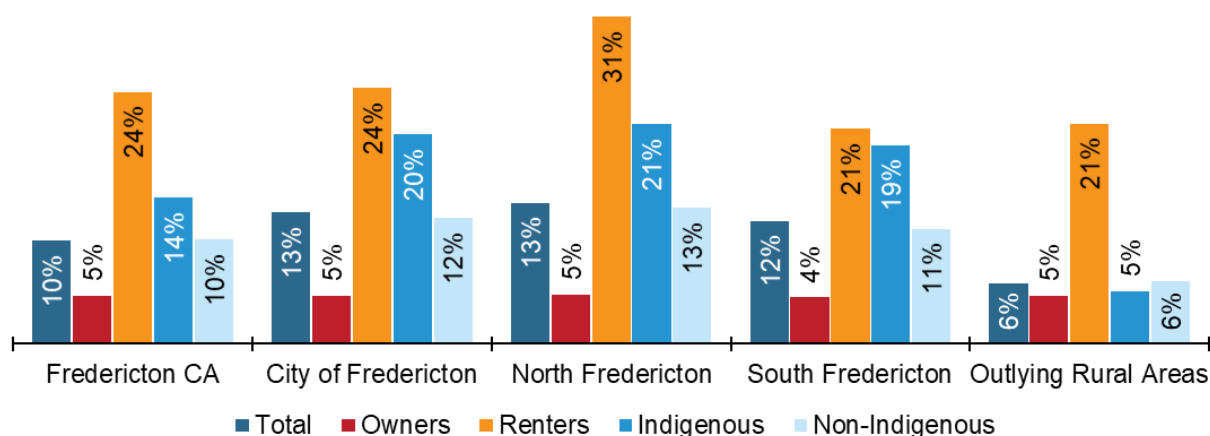
live in unsuitable and inadequate housing when their incomes could facilitate otherwise. For example, a household earning \$300,000 could easily spend more than half of their income on housing when cheaper options are available, without seriously impacting their ability to afford other basic necessities. Conversely, households may strain their budgets to secure owner-occupied housing due to an expected financial benefit associated with property ownership, while a more affordable alternative for housing in the rental market may be available if their circumstances truly required it.

Core Housing Need therefore identifies more intractable housing challenges in comparison to the baseline criteria discussed in the foregoing section. As a consequence, it tends to show lower levels of need among owner households compared to renter households as the latter typically has fewer alternatives available.

14.3.1 Overall Core Housing Need

In 2016, 13% of the City of Fredericton households (3,130) lived in Core Housing Need, higher than the provincial average of 9% but about equal to the national average. Among owner households, the rate was 5% (680 households), while renter households experienced elevated proportions of need (24% or 2,450 households). About 210 Indigenous households lived in Core Housing Need (about 20% of total Indigenous households).

Figure 14.7: Unaffordable Housing by Household Tenure & Indigenous Identity



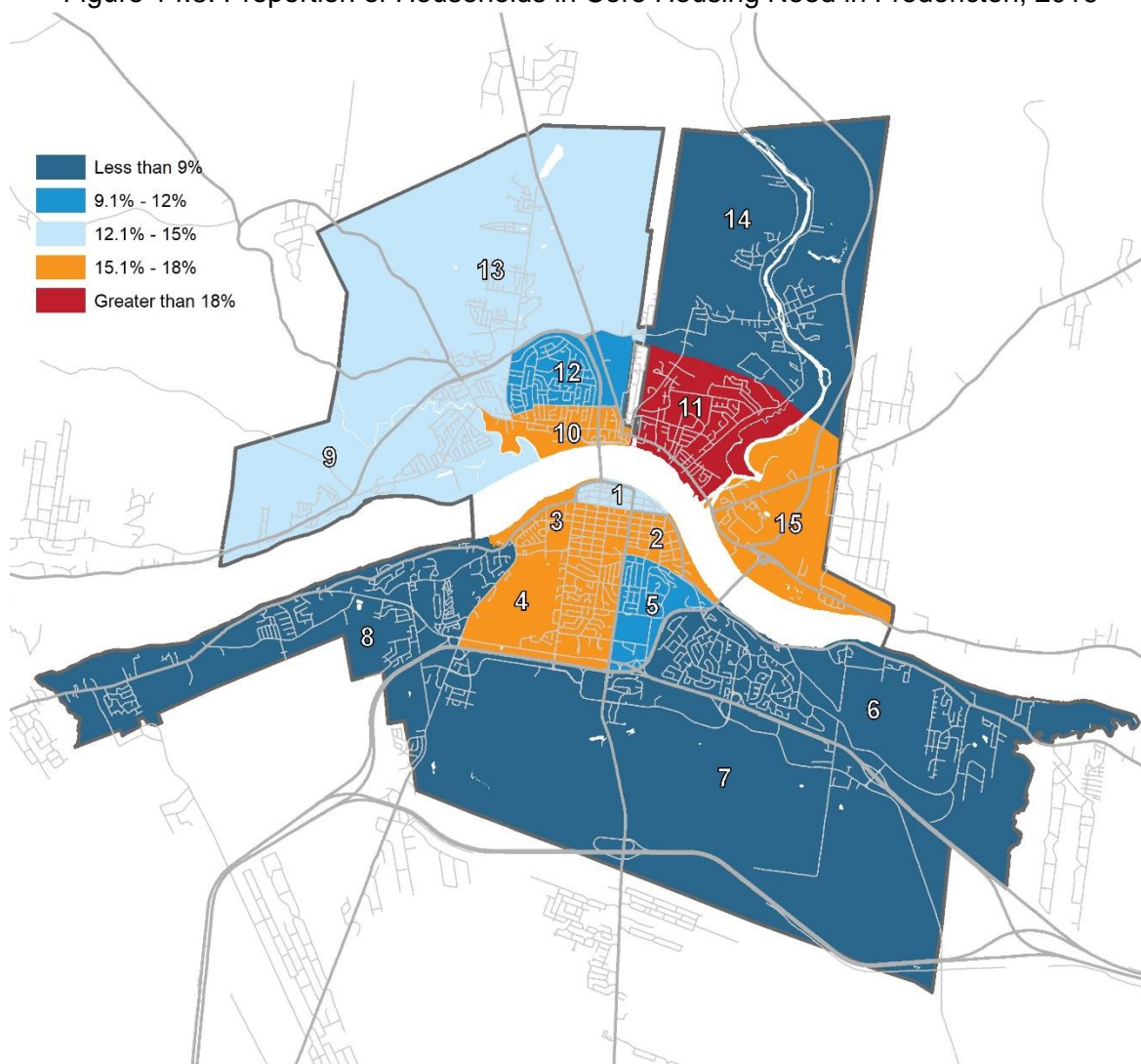
Source: CHMC

In 2015, City of Fredericton households in core need earned a median before-tax income of \$20,473 (about 33% of the City's overall median income). The average percent of income that a Core Housing Need household allocated to shelter costs was 49%.

Rates of Core Housing Need are not uniform across the City of Fredericton, with certain census tracts reporting noticeably higher rates than others. Notably, CT0011 (Murray Avenue / South Devon) reported that 20% of its households (390 total) lived in either an inadequate, unsuitable, or unaffordable dwelling (or a combination thereof).



Figure 14.8: Proportion of Households in Core Housing Need in Fredericton, 2016



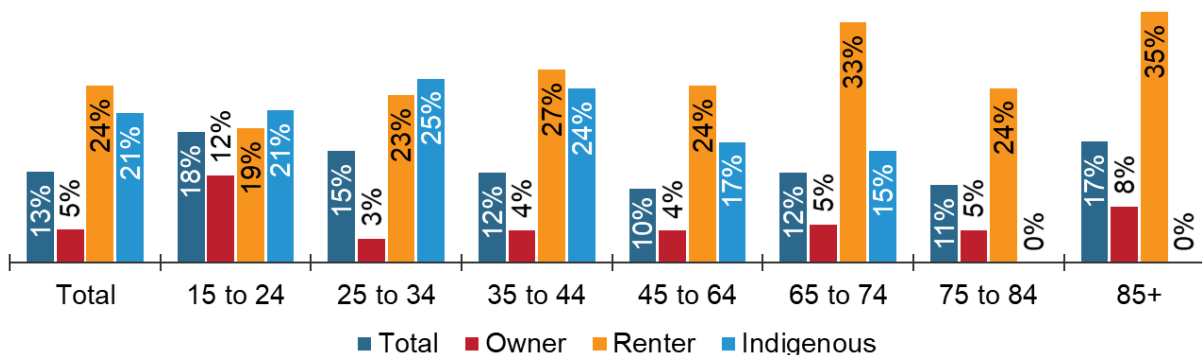
Source: Statistics Canada

14.3.2 Core Housing Need by Maintainer Age

Figure 14.9 breaks down rates of Core Housing Need by primary maintainer age in the City of Fredericton, similar to what was produced for housing criteria.

Overall, households with a primary maintainer between 15 and 24 years old in 2016 were most likely to experienced Core Housing Need (18%, or 325 households – largely a function of lower earnings earlier in adulthood). Renter Core Housing Need appears to increase (with variations) into old age. This could suggest that as people age, their increased incomes allow them to transition to homeownership, reducing the total number of households in the renter category. Those that remain are more likely to be chronically in core need.

Figure 14.9: City of Fredericton, Core Housing Need by Maintainer Age, 2016



Source: Statistics Canada

Indigenous peoples were over 50% more likely to experience Core Housing Need than the overall population, particularly for younger households.

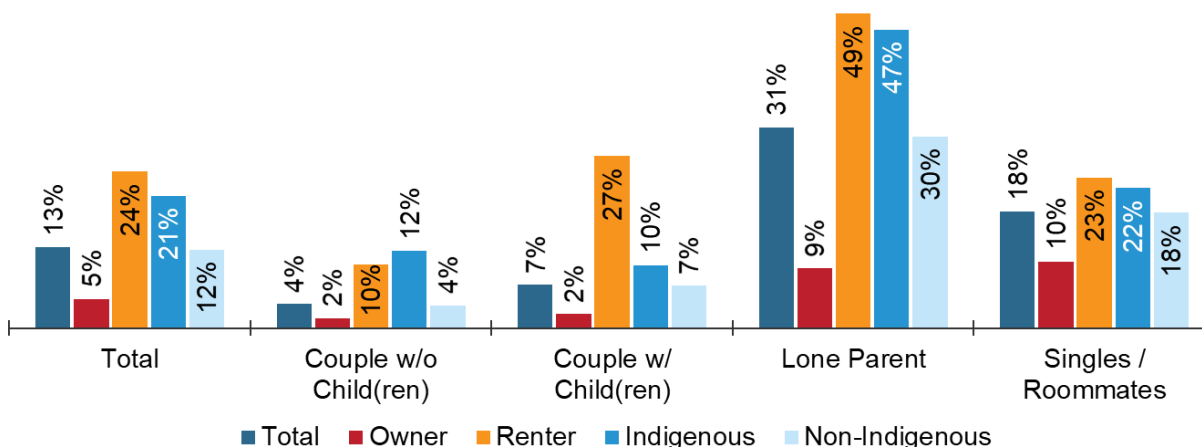
14.3.3 Core Housing Need by Household Type

Figure 14.10 illustrates how different household types living in the City of Fredericton relate to the hardship of Core Housing Need, with consideration of household tenure and Indigenous identity.

Proportionate to their respective total, more lone parents experience Core Housing Need than all other household types; a function of single incomes and the need for larger unit sizes to accommodate a parent and child(ren). Single person / roommate households are next highest (also a function of reliance on single incomes).

Generally, the rate among renting households in core need is about 5 times that of owners. Renters are more likely to live alone, resulting in less household earnings on average, and thus increasing the probability of financial strain or compromises on housing quality.

Figure 14.10: City of Fredericton, Core Housing Need by Household Type, 2016



Source: Statistics Canada

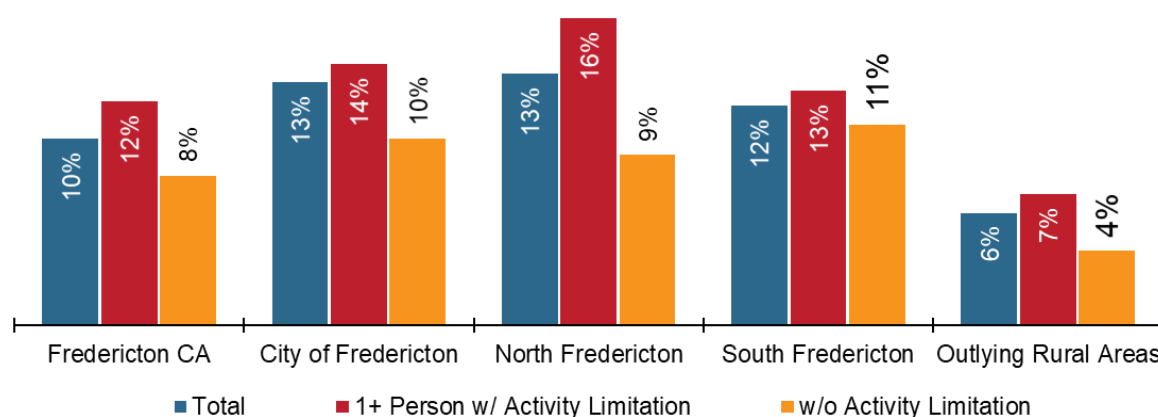


According to CMHC, about 18% of male lone parents living in the City of Fredericton lived in Core Housing Need, while nearly 34% of female lone parents did. This represents about 55 of 305 male lone parent households tested for core need and 610 of 1,805 for female lone parents.

14.3.4 Core Housing Need by Activity Limitation

Figure 14.11 illustrates the rate at which residents who experience at least one activity limitation are in Core Housing Need compared to those not. Briefly, an activity limitation refers to difficulties that people have when carrying out daily activities, such as impediments to hearing, seeing, communicating, and/or walking.

Figure 14.11: Core Housing Need by Activity Limitation, 2016



Source: CHMC

In 2016, about 59% of households (14,755) had at least one person that reported an activity limitation there were about 14,755. Of these households, about 14% (3,130) reported being in Core Housing Need. In 2006, around 47% of households (7,215 total) reported an activity limitation, demonstrating that an increase occurred over the proceeding decade, likely tied to expanding total senior/retired households.

14.4 Extreme Core Housing Need

Extreme Core Housing Need applies the same methodology as Core Housing Need, with one additional adjustment. The Extreme definition adjusts the original 30% threshold to 50% in an effort to determine how many households are facing substantial financial hardship.

14.4.1 Overall Extreme Core Housing Need

In 2016, 7% of City of Fredericton households (1,635) lived in Extreme Core Housing Need. Among owner households, the rate was 3% (445 households), while renter households experienced elevated proportions of need (12% or 1,195 households). About 95 Indigenous households lived in Extreme Core Housing Need (close to 8%).

In 2015, City of Fredericton households in extreme need earned a median before-tax income of \$18,144 (about 29% of the City's overall median income). The average percent of income that an Extreme Core Housing Need household allocated to shelter costs was 66%.

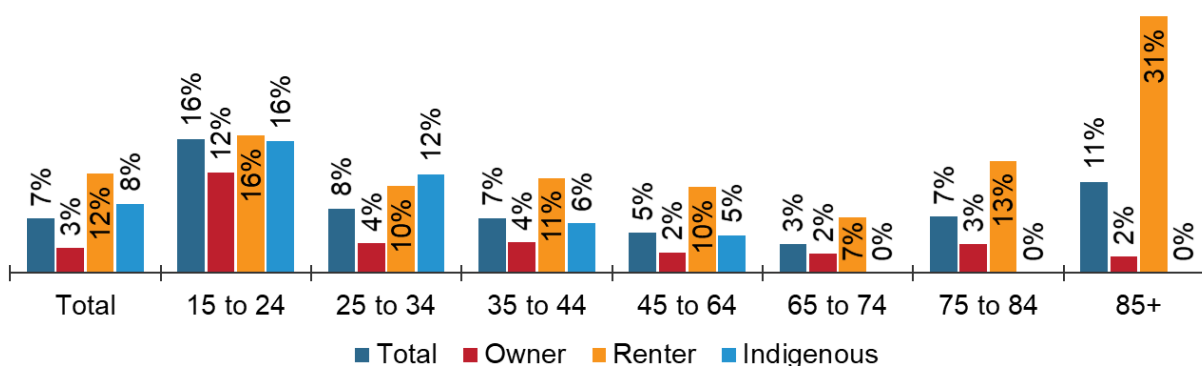


14.4.2 Extreme Core Housing Need by Maintainer Age

Figure 14.12 breaks down rates of Extreme Core Housing Need by primary maintainer age in the City of Fredericton, similar to what was produced for housing criteria, with consideration of household tenure and Indigenous identity.

Overall, households with a primary maintainer between 15 and 24 years old in 2016 were most likely to experienced Extreme Core Housing Need (16%, or 290 households). The highest rates of owner need also fell within the 15- to 24-year-old cohort (12%, 15 households), while rates for renters peaked within the 85+ year old bracket (31, or 80 households).

Figure 14.12: City of Fredericton, Extreme Core Housing Need by Maintainer Age, 2016

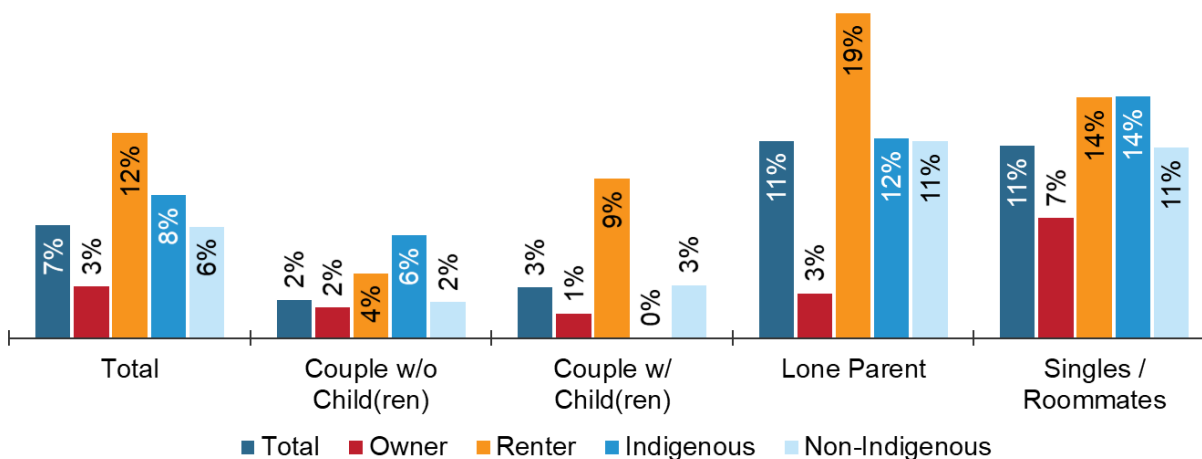


Source: Statistics Canada

14.4.3 Extreme Core Housing Need by Household Type

Figure 14.13 illustrates how different household types living in the City of Fredericton relate to the hardship of Extreme Core Housing Need, with consideration of household tenure and Indigenous identity.

Figure 14.13: City of Fredericton, Extreme Core Housing Need by Household Type, 2016



Source: Statistics Canada



Proportionate to their respective total, single persons and lone parents experience Extreme Core Housing Need more than couples. Both are a function of reliance on single incomes, but the latter is often combined with the need for larger spaces to accommodate children.

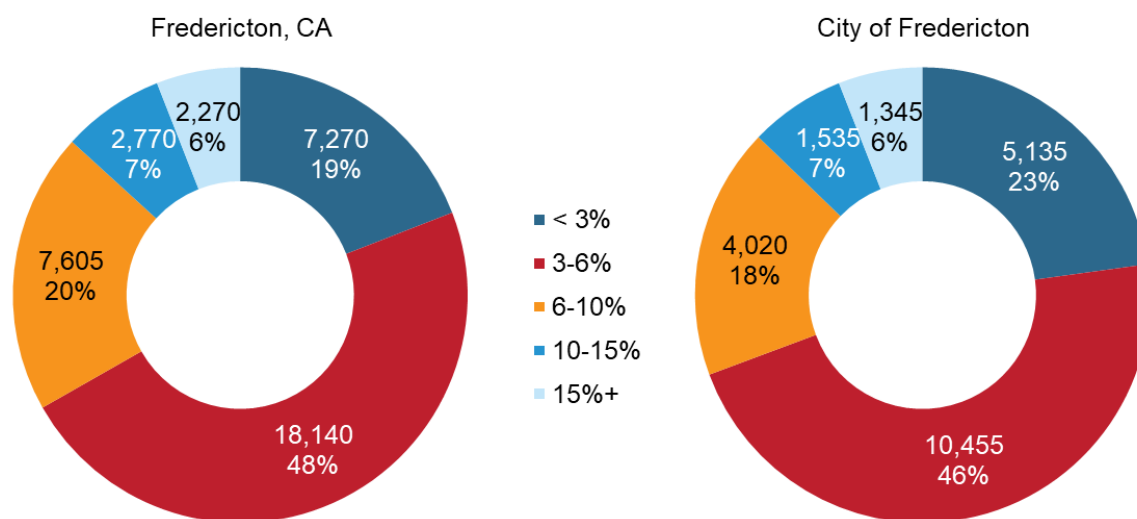
Generally, the rate among renting households in core need is about 4 times that of owners. Renters are more likely to live alone, resulting in less household earnings on average, and thus increasing the probability of extreme financial strain or compromises on housing quality.

14.5 Energy Poverty

According to the Canadian Urban Sustainability Practitioners (CUSP), energy poverty refers to the experience of households or communities that struggle to heat and cool their homes and power their lights and appliances. Canadian academics consider those households that take on a disproportionate energy cost burden relative to their average after-tax income are said to be experiencing energy poverty. Three thresholds exist for energy poverty: (1) 6% of after-tax income when considering utilities only,⁵¹ (2) 4% of after-tax income for fuel used for transportation, and (3) 10% of after-tax income for the combined of (1) and (2).⁵² The Canadian average utility expense as a share of after-tax income is about 3%.

CUSP energy poverty initiative includes an “Energy Poverty and Equity Explorer Tool,”⁵³ which provides 2016 estimates on how many households spend a particular portion of their income on energy costs (not including vehicle gas). **Figure 14.14** summarizes the results for the Fredericton CA and its sub-geographies.

Figure 14.14: Household Utility Expenses as a % of After-Tax Income, 2016



Source: Canadian Urban Sustainability Practitioners

⁵¹ Canadian Urban Sustainability Practitioners. (2021). The Many Faces of Energy Poverty in Canada. <https://energypoverty.ca/>

⁵² Fraser Institute. (2016, March 15). Energy Costs and Canadian Households: How Much Are We Spending? <https://www.fraserinstitute.org/studies/energy-costs-and-canadian-households-how-much-are-we-spending#>

⁵³ Canadian Urban Sustainability Practitioners. (2021). Energy Poverty & Equity Explorer. <https://energypoverty.ca/mappingtool/>



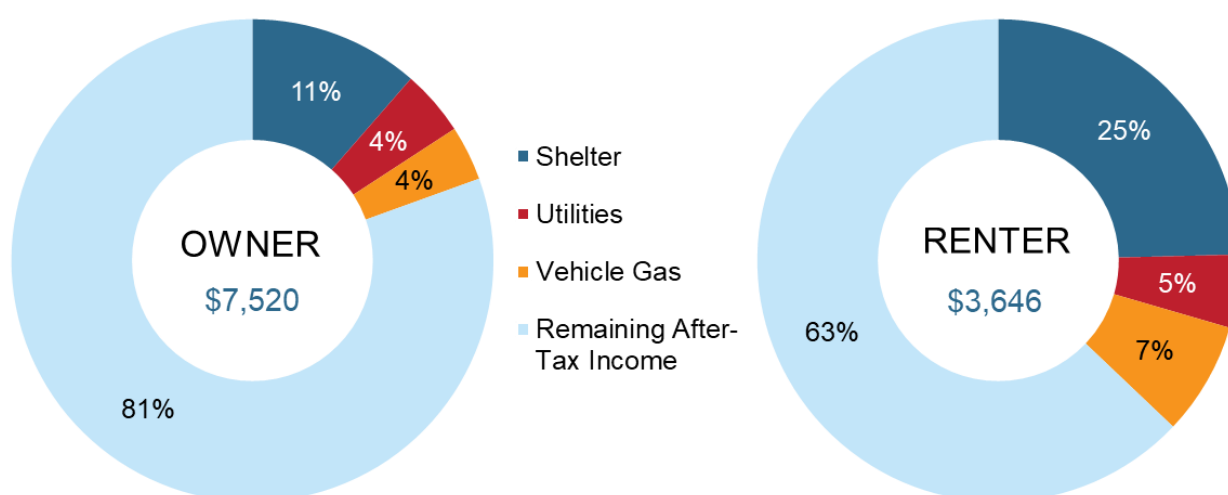
Based on the 2016 estimates, about 33% of Fredericton CA households spend more than 6% of their after-tax income on utility expenses. The City of Fredericton demonstrates a lower proportion at 31%, possibly attributed to lower energy distribution fees and economies from denser housing typologies.

Figure 14.15 show internally produced tenure estimates for the City of Fredericton using combinations of data from Environics Analytics and Statistics Canada. It shows what the average owner and renter household earns after-tax every month and what percentage of that income is likely allocated to shelter, utilities, and gas.

The average homeowner potentially spends around 11% of their income on shelter (including mortgage payments, taxes, and insurance), 4% on utilities, and 4% on gas (for leisure, work, or errands). Readers may consider the 11% for shelter as small – in this case it reflects the average across all owners (those who have and do not have a mortgage).

Although renters generally pay smaller utility bills (efficiencies from many units in a building or utilities included in rent), they must often allocate greater shares of their income towards energy. After general shelter expenses (rent and insurance), gas takes up a considerable portion of the budget. Renters often need to drive just as far as owners, while earning less.

Figure 14.15: Shelter and Energy Costs as % of Average Monthly After-Tax Income by Tenure, 2020 Estimates



Source: derived from Environics Analytics & Statistics Canada

The City's overall estimated average falls below the utility specific energy poverty threshold (6%), but higher than Canada's 3% average. When we include gas in the calculation, the average owner household's energy remains affordable (about 8%), while renter households surpass the 10% energy poverty threshold.

14.6 Community Survey and Housing Need

The community survey is not a randomized representative sample and is therefore subject to selection bias. This means that results may overrepresent certain segments of the population,



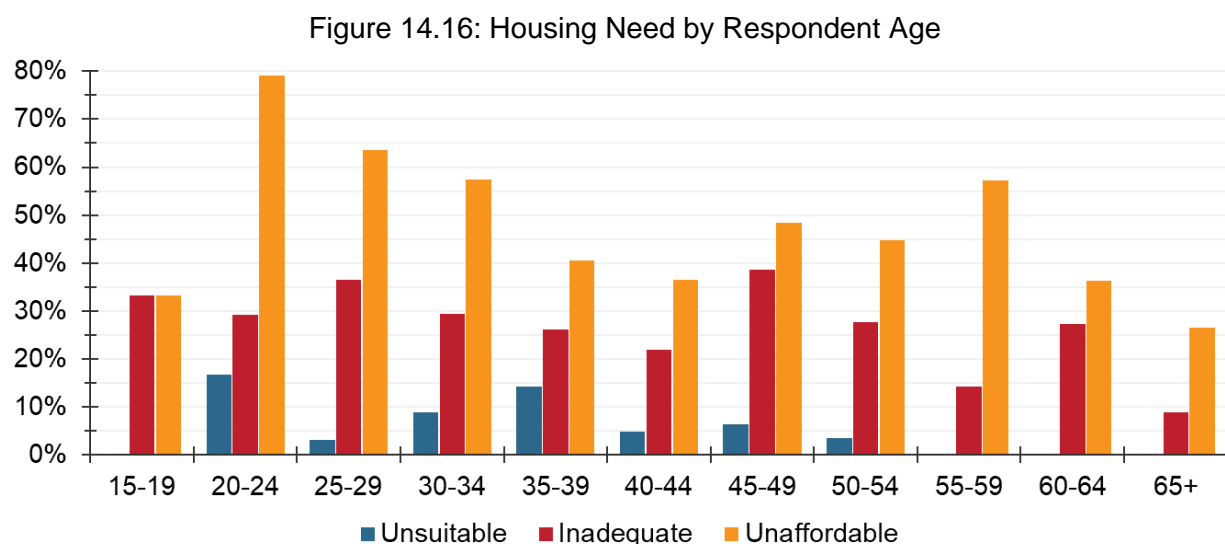
particularly those that are more likely to self select as experiencing housing challenges and thus are motivated to engage with the issue. This bias is most noticeable in the first subsection (Housing Need) where results may significantly differ from overall trends reported by Statistics Canada.

While Statistics Canada provides a more reliable reflection of housing need for the community overall, survey results are an important tool for giving additional context about those who are facing housing challenges, the trade-offs it requires, and the personal experience of living with them. It also provides a more up-to-date view of housing need, having been conducted in 2021, compared to the most recent data available from Statistics Canada reflects the conditions in 2016, prior to much of the recent degradation of housing cost and availability.

14.6.1 Community Housing Need

This section breaks down housing need by similar variables discussed in earlier sections, being unsuitability, inadequacy, and unaffordability. “Inaccessibility” and “Isolation” were additional data points collected. The former refers to whether the respondent’s home meets their physical accessibility needs. The latter refers to whether the home is reasonably close to necessary amenities and/or transportation. Overall, the community survey indicates that:

- 6% of respondents live in unsuitable housing (overcrowded);
- 28% of respondents live in inadequate housing (need major repair);
- 49% of respondents live in unaffordable housing;
- 11% of respondents live in housing they find inaccessible; and
- 9% of respondents live in housing that is isolated from necessary amenities.

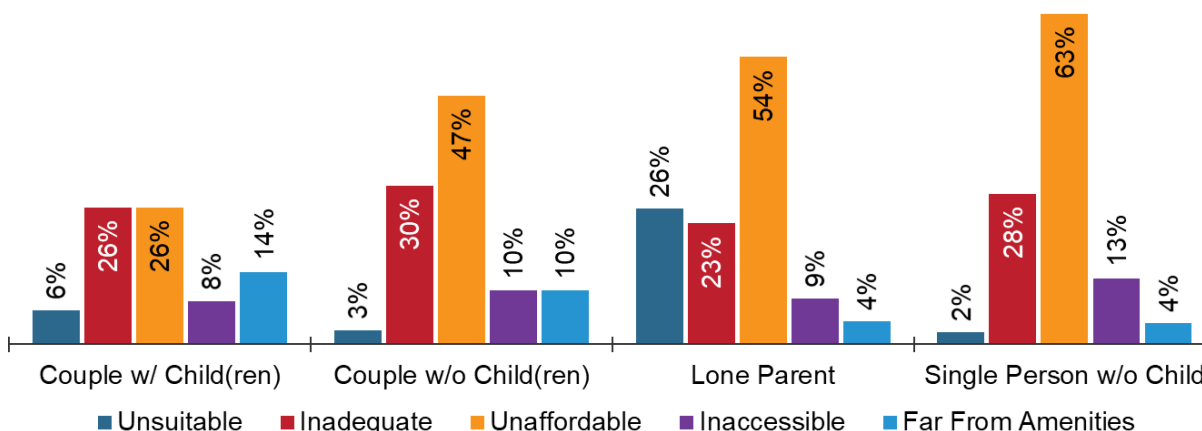


As shown in **Figure 14.16**, housing unaffordability is most prevalent among younger age cohorts and gradually decreases in older age until increasing again in the late 50s. Inadequate housing fluctuates across age cohorts, with no discernable trend. Unsuitable housing (overcrowding) is most prevalent for persons aged 20 to 24, followed by a sudden drop and gradual increases to the late 30s as the likelihood of children in the home increases. Note that rates for 15- to 19-year-old persons reflect percentages calculated from a small number of responses.



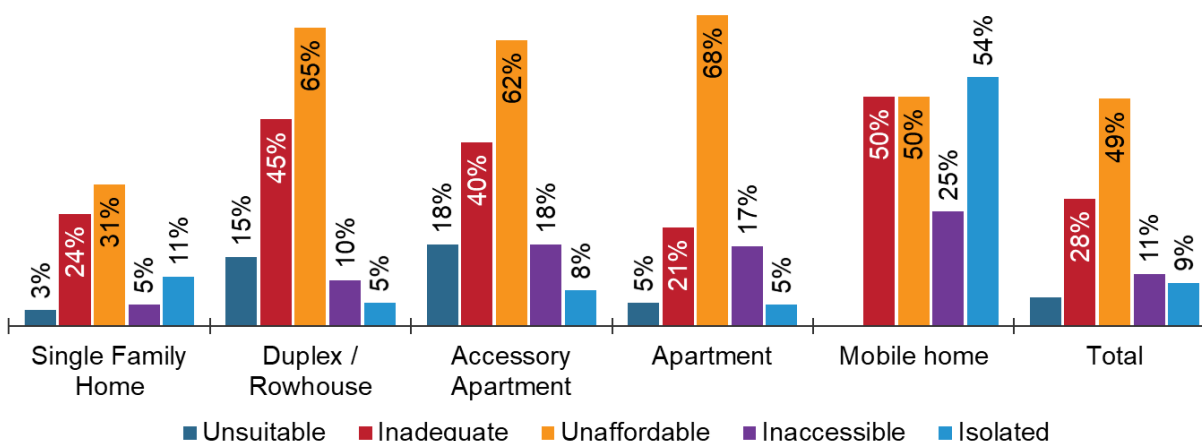
Trends in housing need relative to household type mirrors that of respondent age, with affordability as the greatest housing concern. **Figure 14.17** illustrates the experience of housing need by each type. Single persons (without children) reported the greatest financial burden related to housing and that their housing was the least physically accessible, couples with children felt they were the most isolated from amenities, lone parents experienced greatest prevalence of overcrowded housing, and couples without children were the most likely to live in a home needing major repair.

Figure 14.17: Housing Need by Respondent Household Type



According to **Figure 14.18**, residents living in mobile homes and similar dwellings reported the highest prevalence of most collected housing need variables, except for unsuitability and unaffordability. Those living in apartment buildings reported the highest rates of unaffordability, followed by duplexes and accessory apartments. Accessory apartments (e.g. basement suites) had noticeably high occurrence of being reported as unsuitable, inadequate, and inaccessible.

Figure 14.18: Housing Need by Respondent Dwelling Type

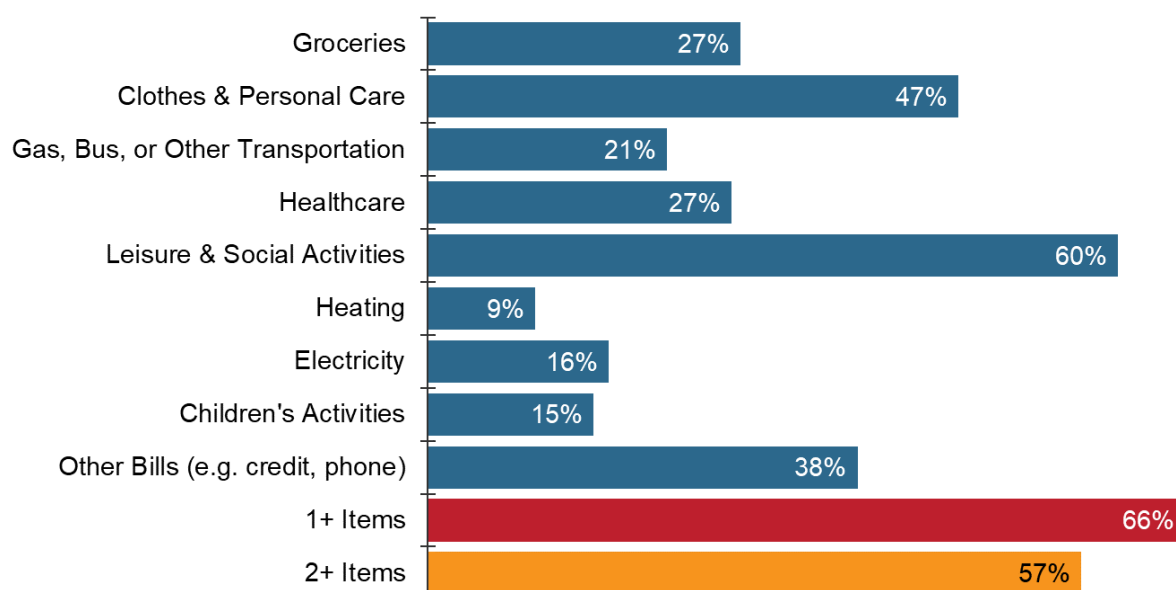


14.6.2 Required Compromises

Every day, individuals and households must make compromises between what they can and cannot purchase based on their financial capacity. For those who are lucky, the compromise is between two “wants,” or items that have a negligible impact on a person’s quality of life. The reality for many who struggle with housing affordability is that compromises must be made between needs. When these compromises persist and snowball over time, a person’s quality of life can drastically diminish, which can lead to physical and psychological trauma.

Figure 14.19 illustrates a key question of the community survey: has a respondent ever had to make a compromise between paying essential bills to maintain their housing, and other important expenses? The percentages reflect to the proportion of those who answered yes to forgoing the described expense to pay for housing.

Figure 14.20: Have You Ever Had to Forgo Other Expenses to Pay for Housing? Answer: Yes



Of the 372 respondents, 27% indicated that they have had to reduce their grocery expenses in exchange for paying for housing, 27% had to forgo healthcare, and about 16% had to decrease or eliminate their electricity expenses. The most likely expenses to be scaled down were those related to leisure and social activities (60%).

Overall, about 66% of respondents reported forgoing at least one necessary expense to pay for shelter. About 57% have had to forgo at least two.

14.6.3 Discrimination and Housing

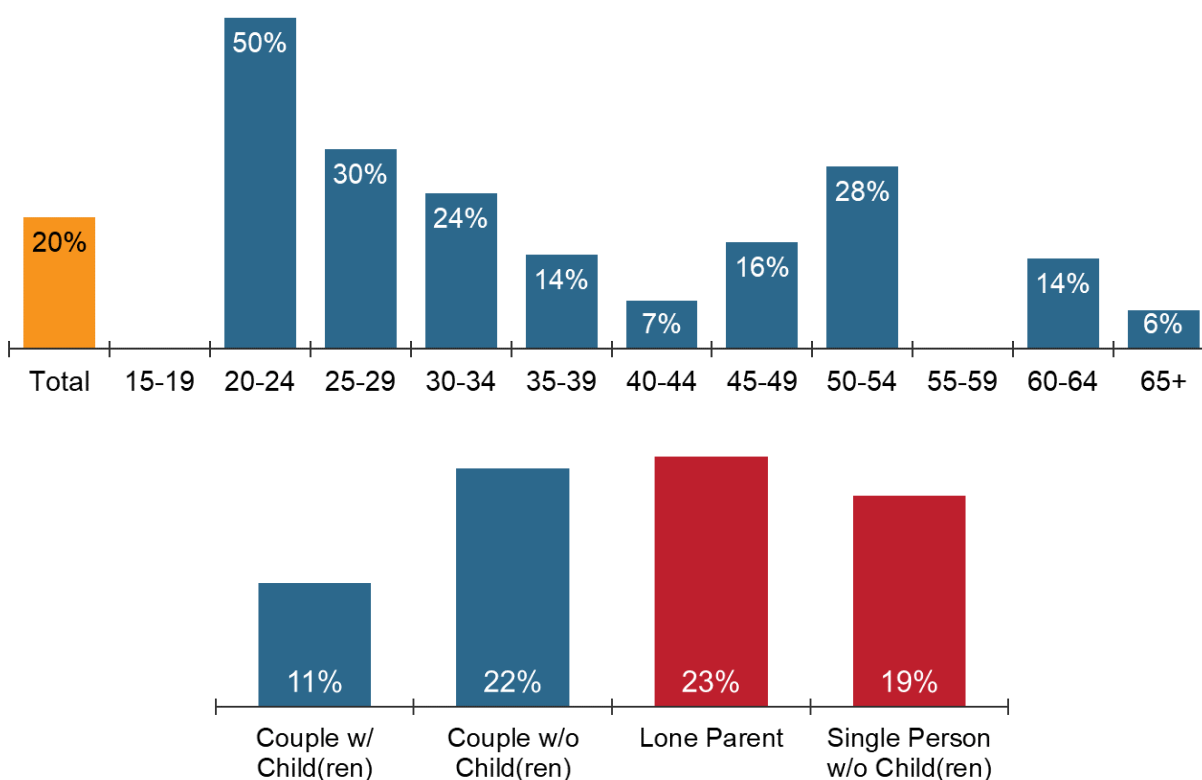
Housing challenges do not solely revolve around the state of the dwelling that an individual or household occupies, but also the experiences around the access to reasonable housing. While access to housing may more often be related to cost, many people report that discrimination has played a significant role in hindering them as well. About 20% of respondents reported that they have experienced housing discrimination due to their race, age, sexual orientation, gender



identity, or appearance – 19% of women and 17% of men. Sample sizes were not large enough to confidently report on discrimination related to each specific item. Notwithstanding, about 63% of a small sample size of individuals identifying as non-binary reported being refused housing due to discrimination on the basis of their gender identity.

Figure 14.20 illustrates how discrimination distributes across different age cohorts and household types. Generally, younger people report higher prevalence of discrimination. The rate decreases to about 40 years old and then increased towards the early 50s.

Figure 14.20: Have You Been Refused Housing or Discriminated Against? Answer: Yes



As for household structures, lone parents report the highest prevalence of housing discrimination. Based on the high proportions of female respondents, discrimination is likely most widespread among female lone parents. About 54% of female lone parents reported discrimination related to having children, and this was a common point of comment in open-ended survey questions as well. An unwillingness by landlords to accommodate pets was a similar issue highlighted in the survey response.

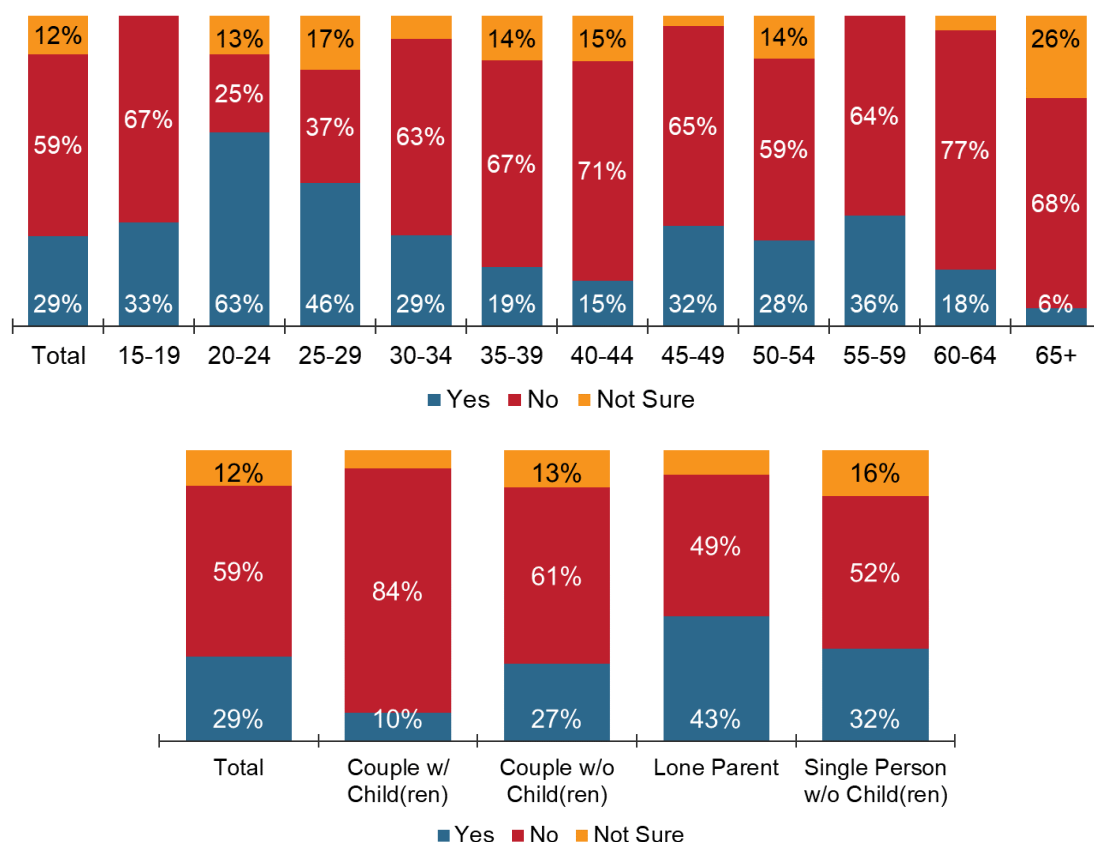
14.6.4 Considering Leaving

When faced with housing challenges, people must make the decision about whether they are better to remain within the community where they are experiencing issues or seek better conditions elsewhere. Many factors must be considered when deciding, like the availability of work, the conditions of other communities, proximity to family, etc.



Figure 14.21 illustrates what percentage of the population are truly considering moving out of the community because of their experience with housing issues. Unsurprisingly, young people, lone parent, and single person households reported the greatest likelihood of moving elsewhere. These groups are most likely to be living in challenging circumstances like overcrowding, inadequate dwelling quality, and unaffordability. Satisfaction with current housing circumstances is greatest for couples with children and those aged between 35 to 44 and 60+.

Figure 14.21: Considered Leaving Community Due to Housing-Related Issues



In total, 108 respondents (29% of the total) said “Yes” they are considering leaving the community. While this question is forward-looking, open-form comments received on the survey provided many examples of households describing being forced to consider this option and the uncertainty they live with as a result, as well households had moved from the city to outlying rural areas.

14.6.5 The Experience of Housing Need

In addition to the quantitative results from the survey, we can better understand the experiences and implications of housing need in the Greater Fredericton Area through commentary collected from open-form survey questions. Below is a selection of excerpts that illustrate how housing affordability issues colour the experience of those struggling, as well as those who observe the struggle. Responses have been lightly edited for readability.

“Rent is insanely high - it is impossible to save up money for a down payment when rent is already half your income - and especially with the post-covid rush locals are being massively outbid by out of province buyers at prices impossible to match on New Brunswick wages.”



“Thank you for looking into housing issues in Fredericton. It really is a huge problem. I have lived here since 1995 and I don't want to move back to my hometown because I couldn't afford to stay here. I see homelessness on a daily basis and I don't want to be one of the people lined up outside the shelter...”

“I live in a [rented] 180-year-old house that's falling apart and paying so much is ridiculous. My downstairs neighbours are on the verge of homelessness. The girls upstairs were told they had to pay over \$300 in extra (illegal) fees if they wanted to move. A lot of these big landlords are taking advantage of their tenants.”

“Lack of places to rent; lack of affordable housing; lack of standards; lack of modernized landlord tenant agreements/legislation; lack of inspections of apartments (not once since I've lived in this city has anyone changed the batteries in my smoke detector for example. This didn't happen in my home province and landlords would be fined thousands of dollars for this infraction).”

“House assessment value has grown too high based on sales of other homes in the neighborhood. I'm afraid our property taxes will increase to the point that we won't be able to afford them.”

“I see homeless and severely mentally ill people in the neighborhood without proper help. Our university aged son is unable to live in an apartment, our 25-year-old until recently, lived in our basement. Very difficult for young people to get a little apartment, costs way too high.”

“If you have two working parents working at Walmart, they can not afford to live with 2 children. ... The math doesn't work for housing, food and childcare.”

“Coworkers and friends in the city that once could afford to live here are now finding that with rising rents they must acquire roommates or move out of the actual city. Before moving to this house, I lived in a home with many members of my extended family in order to be able to afford to live near the university as we didn't have vehicles.”

“...as a single mother some years ago, I was forced to live in some very run-down conditions in some less savoury areas because I could not afford better. I've had to put one of my children in an upstairs hallway because there were not enough bedrooms in the house I rented. I've had to endure faulty wiring and leaky roofs... I've awakened to a drunk passed out in my living room because the door did not lock properly... Because of these conditions, I've had to move with my children countless times, meaning that they had rather unstable childhoods... I am grateful that my partner and I have a wonderful landlady now, but I feel bad for those people who struggle to find decent, affordable housing for themselves and their children. I worry that if the day comes when my partner is no longer with me, that I will struggle to find appropriate, affordable, quiet housing for myself.”

“We are in our 30s already and may never have the financial security to own a home or have children, and we are both working professionals with full time jobs. I can only imagine how difficult it is for others less fortunate than us.”



"I have a good, stable job for the government and I can't afford to pay rent and bills. Mortgages are considerably cheaper than renting, but it's impossible to save enough money to purchase a house because rent is so high. Anyone trying to pull themselves out of poverty is at an extreme disadvantage."

"Half of my monthly income is eaten up by my rent alone, and I have groceries, car costs, insurance, and daycare fees to pay for in addition to that. My husband is working and drawing EI to supplement while I make \$19.65/hour and we cannot afford to save for a down payment."

"I worked with so many individuals and families who suffered greatly because of lack of affordable housing, poor housing conditions. I worked with people who were homeless or couch surfing whose needs and health issues were never addressed fully. I know the challenges. I know how deep and complicated the needs are. Everyone has a story to tell. Everyone deserves to be safe and well and housed."

"The low vacancy rate makes it challenging for many people, and those who are the hardest to find housing for do not stand any chance of being housed... Our community pays in many other ways for this lack of suitable housing."

"Unless you have someone to live with and split bills, it is impossible to rent or own anything in the Fredericton area. Anything that is affordable is not healthy to live in. Friends of mine were denied an apartment because there would have been 5 of them living in the 2-bedroom apartment, but it's the only way that their combined full-time incomes would have been able to afford it."

"We have enough for income to pay the bills (so I am grateful) but there is little to be able to repair or upgrade so the condition of the house just degrades over time."

"My next-door neighbor is a 70-year-old man who works 2 delivery jobs. He has no teeth - he can't afford to see a dentist if he wants to keep his house. My friends who rent have a harder and harder time finding apartments that are affordable, and the lack of tenant protections in the province mean that they face random exorbitant rent increases that reflect no actual change in their landlord's expenses or work done to the building. My friends with pets and children have an even harder time - almost no apartments in this city will accept dogs, and landlords are so unconcerned with human rights law that "no children" is a common bullet in apartment ads here."

"I am trying to keep my home, but with my health and the needed repairs it is almost impossible. The difficult part is even if I could sell my home, I can not afford to rent with even basement apartments are asking \$900 a month plus utilities. I am going back to Saint John for further heart treatment and if I have to go on long term disability my income will be decreased and it doesn't cover all my expenses at full wages. It is very hard and I have a son (22 years old) with mental health issues presently living with my retired parents."

"As a young woman starting out in the work force, everyone tells me I should save money... But that's hard to do when you barely have any money left over at the end of the month. Some months, I'm dipping into what little savings I have just to make ends meet."



"I am not able to leave my relationship because I cannot afford to rent an apartment in the city, and even if I could, I wouldn't be able to take my pets with me. I know other women who are in similar situations."

"I have come close to being homeless with every single move I make in this city. I spend almost 80% of my income on my rent and utilities. I can only eat a meal or two a day now. There's no support for me. The complications applied to my life due to the lack of rent control are having a significant impact on my physical and mental health. I cannot afford to eat well. I cannot afford medication. I cannot afford to have fun."

"I am fortunate to be able to afford to live as I do, but can see every day, people who are not so fortunate. This is an issue that affects every citizen directly or indirectly in that we are all harmed by not providing for more vulnerable individuals."

"I am fortunate to be financially secure so cost was not a main issue [in finding a rental dwelling], however having a pet and young child was. I was refused a number of apartments due to the fact I have a young child and/or pet. Due to the low vacancy in the city the landlords can hand pick the tenants... If I cannot find a rental in this city the issue is only more complex and urgent for those who are less fortunate than I have been."

"No accessible, healthy and affordable housing available. The few places that are accessible are being rented to persons without disabilities."

"In the past I have been on our church's benevolent committee and we would get requests from people to help with their NB Power bill. Especially the people in the downtown area renting from landlords and having to pay for utilities separately have little to no control over upgrades that would decrease their heating bills and landlords have no incentives to do so. This is part of a larger problem, where people have to make choices between shelter and heat and feeding their family."

"It's scary to think that I – a senior lady who has always worked and raised my family – could be homeless due to the lack of affordable places to live in Fredericton. This is the first time in my life that this could happen."

"I live knowing that missing a pay cheque or two will force me to deal with losing my existing shelter, my connections with neighbours, and the probability of moving away due to the lack of affordable housing here. At my age, it will be difficult to find new employment and being self employed means having no pension plan to rely on. It means contending with an ever-present feeling of helplessness and powerlessness."

"I have set up my tent in a friend's living room for a year. I have rented a friend's unheated sunporch as a bedroom for two years... I know so many people in their 30s who are constantly shuffling between shared accommodations and roommates that tends to not last longer than 1-3 years per home."



15 Affordability Gap Analysis

In order to perform an affordability gap analysis, this report compares real estate sales and rental data to household types and defined income categories. The income categories reflect those used by the U.S. Department of Housing and Urban Development as a means of establishing designating thresholds to identify the financial capacity of households.⁵⁴ The categories are as follows:

- **Very low income** – making less than 50% of median income
- **Low income** – making between 50 and 80% of median income
- **Moderate income** – making between 80 and 120% of median income
- **Above moderate income** – making between 120 and 150% of median income
- **High income** – those making above 150% of median income

The report applies the following steps to calculate affordable house and rental prices:

- (1) determine the maximum achievable income in a particular income category range;
- (2) calculate an affordable monthly rent or dwelling price for said category using CMHC's maximum Gross Debt Service ratio (35%);⁵⁵
- (3) compare these calculations to median market rents and median house prices.

The tables and figures within the following sections combine multiple data sources (CMHC, Statistics Canada, Environics Analytics, and New Brunswick MLS®). Each source uses different ways to collect, organize, or define its data. Although efforts have been taken to make the data as compatible as possible, results should not be taken as absolute fact; rather, they are estimates intended to illustrate a high-level trend. The following rules and assumptions were used for this exercise:

- values are rounded for readability;
- rental rates are based CMHC reported rents (new rental market participants would have to likely pay more);
- estimated dwelling values derived from an affordable mortgage payment and assumes a 10% down payment, a 25-year amortization period, and that interest rates equate to the Bank of Canada prime rate of that period (2.85% in 2015 and 2.45% in 2020);
- the ratio of owner to overall income remains the same over time to estimate incomes in 2020 (the same goes for the ratio of renter to overall income); and
- ancillary household shelter costs (e.g. utilities and insurance) will make up about 42% of total owner shelter costs and 14% of renter shelter costs (based off household spending estimates from Environics Analytics).

The analysis is based on different median incomes, which means that results cannot speak to the experience of every household. That said, the analysis should be read with the understanding

⁵⁴ U.S. Department for Housing & Urban Development. (FY 2021). Methodology for Determining Section 8 Income Limits. <https://www.huduser.gov/portal/datasets/il/il21/IncomeLimitsMethodology-FY21.pdf>

⁵⁵ Canada Mortgage & Housing Corporation. (2018, March 31). Calculating GDS/TDS. <https://www.cmhc-schl.gc.ca/en/professionals/project-funding-and-mortgage-financing/mortgage-loan-insurance/calculating-gds-tds>



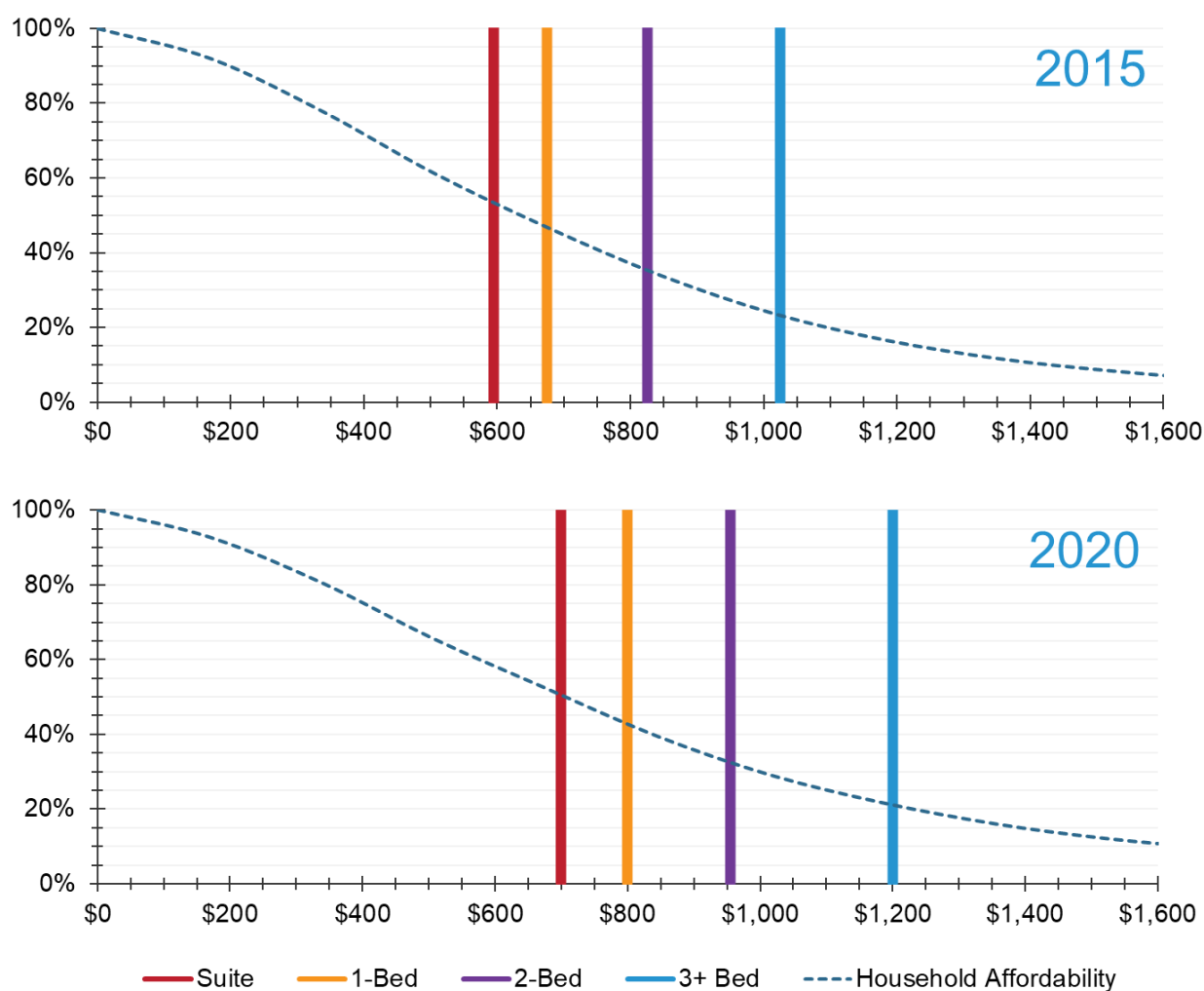
that median figures may mask the true hardships faced by some segments of the population; this is more effectively shared through the study's engagement process and results.

15.1 Renting

Anecdotally, the cost of shelter has risen over the last decade across most jurisdictions. In markets of unchanging demand and supply dynamics, one would expect prices to increase by about the rate of inflation.

As prices have increased, the accessibility of rental housing has diminished. **Figure 15.1** illustrates what proportion of total renter households (y-axis) can afford to rent at any given rent price (x-axis) in 2015 and 2020. The vertical lines represent the median cost of a rental unit for that given year. The intersection point of the dashed line with each vertical line indicates what proportion of renter households can reasonably afford each unit type.

Figure 15.1: Percent of Renter HHs that can Afford Median Fredericton Rents, '15 vs '20



Source: derived from CMHC & Statistics Canada



A rough observation of 2015 indicates that almost 55% of households could afford the median studio apartment in Fredericton. Conversely, 45% could not. Given that the median represents the centre point of rents, this means that about 45% of households could not afford at 50% of rental units. By 2020, estimates suggest that this share has fallen from 55% to 50%.

Between 2015 and 2020, renter accessibility for 1-bedroom apartments fell from 46% to 42%, 2-bedrooms fell from 35% to 32%, and 3+ bedrooms fell from 23% to 21%.

The shift in the vertical bars that represent the median cost of the defined unit sizes suggests a more significant change in affordability than what may be occurring. The lower changes in percentages from 2015 to 2020 than perhaps expected is because income estimates approximate that households will generally earn more than five years ago, keeping up (to some degree) with changes to shelter costs.

The high-level label “Renter” does not adequately reflect the experiences of different household types or income categories. As such, **Figures 15.2 and 15.3** estimate the surplus or deficits of shelter budgets for these two variables. In either table, the first column highlights the variable being measured, the first set of columns describes the difference between the median budget and the typical rental cost (**blue** means there is budget leftover, while **red** means costs surpass the budget), and the last set of columns the overall estimated change in rental costs from 2015 to 2020. Budgets are based on owner incomes.

Figure 15.2: Household Budgets vs. Median Rents and Changes to Affordability, 2020 Estimates

	2020 Affordable Budget minus Rent					Changes to Affordability (2015 to 2020)				
	Median Unit	Suite	1-Bed	2-Bed	3+ Bed	Median Unit	Suite	1-Bed	2-Bed	3+ Bed
Median Rental Income	-\$45	\$185	\$85	-\$70	-\$315	-\$295	-\$265	-\$285	-\$290	-\$335
Couples w/o child(ren)	\$315	\$545	\$445	\$290	\$45	-\$355	-\$325	-\$345	-\$350	-\$395
Couples w/ child(ren)	\$470	\$700	\$600	\$445	\$200	-\$385	-\$355	-\$375	-\$380	-\$425
Lone Parent - Male	\$95	\$325	\$225	\$70	-\$175	-\$315	-\$285	-\$305	-\$310	-\$355
Lone Parent - Female	-\$160	\$70	-\$30	-\$185	-\$430	-\$270	-\$240	-\$260	-\$265	-\$310
Singles / Roommates	-\$300	-\$70	-\$170	-\$325	-\$570	-\$245	-\$215	-\$235	-\$240	-\$285
Median Rent Payment	\$930	\$700	\$800	\$955	\$1,200					
Min. Income Req'd	\$37,076	\$27,907	\$31,894	\$38,073	\$47,841					

Source: derived from CMHC, Environics Analytics, & Statistics Canada

In 2020, the median female lone parent and single person could not reasonably afford the median rental; specifically, neither could afford the median 1-bedroom unit or larger. Male lone parent incomes suggest that only the median 3+ bedroom unit is out of financial reach.

While some family types can reasonably afford their shelter more than others, the degree at which they can afford shelter is changing for all. In 2020, shelter budgets for families living in the median rental unit tightened over a half decade.



Although median couple families (with or without children) demonstrate a surplus for their shelter budget, this surplus has fell by more than half over five years. A half decade ago, the median female lone parent had a shelter surplus more so for lone parent and single persons.

Very low- and low-income households experience the greatest financial hardship when accessing housing, often paying more than their reasonable shelter budget would allocate. Overall, units have likely become more expensive relative to budgets for all income levels.

Figure 15.3: Income Category Max Budgets vs. Median Rents and Changes to Affordability, 2020 Estimates

	2020 Affordable Budget minus Rent					Changes to Affordability (2015 to 2020)				
	Median Unit	Suite	1-Bed	2-Bed	3+ Bed	Median Unit	Suite	1-Bed	2-Bed	3+ Bed
Med.Rental HH Income	-\$45	\$185	\$85	-\$70	-\$315	-\$295	-\$265	-\$285	-\$290	-\$335
Very Low	-\$485	-\$255	-\$355	-\$510	-\$755	-\$210	-\$180	-\$200	-\$205	-\$250
Low	-\$220	\$10	-\$90	-\$245	-\$490	-\$260	-\$230	-\$250	-\$255	-\$300
Moderate	\$135	\$365	\$265	\$110	-\$135	-\$320	-\$290	-\$310	-\$315	-\$360
Above Moderate	\$400	\$630	\$530	\$375	\$130	-\$370	-\$340	-\$360	-\$365	-\$410
High	Not available because no upper limit to high category					Not available because no upper limit to high category				
Median Rent Payment	\$930	\$700	\$800	\$955	\$1,200					
Min. Income Req'd	\$37,076	\$27,907	\$31,894	\$38,073	\$47,841					

Source: derived from CMHC, Environics Analytics, & Statistics Canada

15.2 First-Time Home Buyers

Rents have not been alone in their increase; real estate sale prices have grown rapidly over the last decade, with a notable rise over the course of 2020. Demand appears to have and be growing while supply lags behind.

Figure 15.4 illustrates what proportion of total renter households (y-axis) can afford to buy a home at any given purchase price (x-axis) in 2015 and 2020. The vertical lines represent the average cost of a dwelling type for that given year. For simplicity, this exercise does not consider whether a household has saved or can save for a down payment.

A rough observation of 2015 indicates that about 46% of households could afford the mortgage costs of the typical condo/apartment. By 2020, estimates suggest that this share increased to around 52%.

As for other dwelling types, the proportion of households that could afford the median semi-detached fell from 37% to 31%, townhouses rose from 34% to 40%, and single family homes decreased marginally from 29% to 28%.



Figure 15.4: Percent of Renter HHs who could Afford Fredericton House Prices, '15 vs '20



Source: derived from New Brunswick MLS® & Statistics Canada

15.3 Homeownership

An alternative way to discuss the change in real estate affordability is what percentage of dwellings for sale in 2015 and 2020 were affordable based on income category limits. **Figure 15.5** shows this relationship at every \$10,000 interval, using earlier mentioned mortgage assumptions.

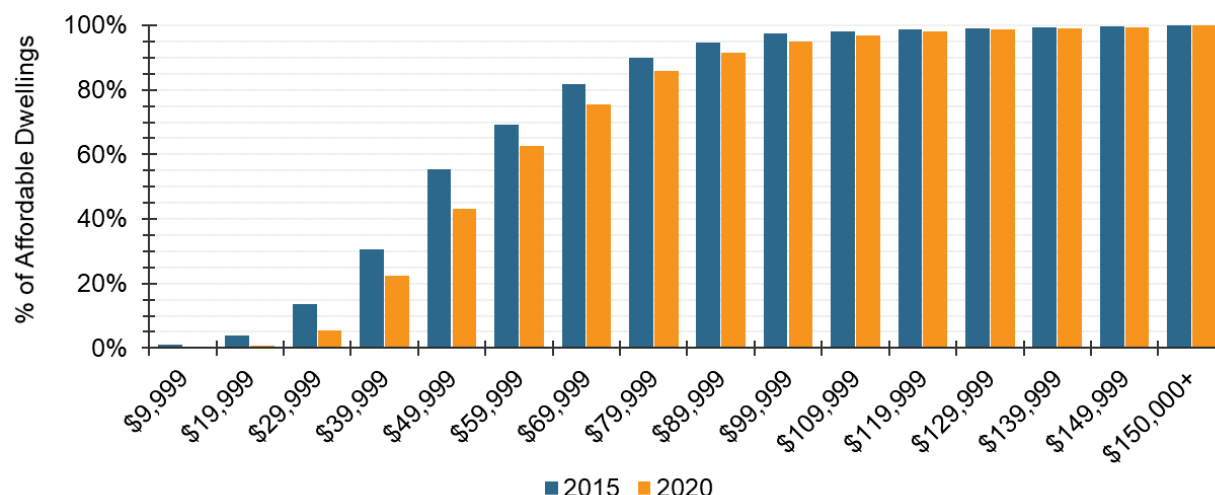
In 2015, an income of at least \$39,999 could afford the mortgage of 31% of the dwellings sold in Fredericton. By 2020, the same income could now afford only 22% of sales.

The percent of affordable dwelling stock by income category jumps from category to category. To build from the previous example, with \$10,000 more (\$49,999), 21% more dwellings become affordable in 2020. By \$59,999, another 20% become available.



It is important to re-iterate that mobile/manufactured/mini homes are not contemplated by this analysis due to obstacles isolating their locations within the City of Fredericton boundaries. These housing typologies are often less expensive and thus more accessible to lower income categories.

Figure 15.5: Percent of Dwellings for Sale that are Affordable per Income Threshold, '15 vs '20



Source: derived from MLS®, & Statistics Canada

The high-level label “Owner” does not adequately reflect the experiences of different household types or income categories. As such, **Figures 15.6** and **15.7** estimate the surplus or deficits of shelter budgets for these two variables. In either table, the first column highlights the variable being measured, the first set of columns describes the difference between the median budget and the typical mortgage cost (**blue** means there is budget leftover, while **red** means costs surpass the budget), and the last set of columns the overall estimated change in mortgage costs from 2015 to 2020. Budgets are based on owner incomes.

Figure 15.6: Household Budgets vs. House Prices and Changes to Affordability, 2020 Estimates

	2020 Affordable Budget minus Mortgage					Changes to Affordability (2015 to 2020)				
	Median House	Single	Semi	Town-house	Condo Apartment	Median House	Single	Semi	Town-house	Condo Apartment
Median Owner Income	\$285	\$190	\$260	\$385	\$560	-\$335	-\$385	-\$440	-\$255	-\$265
Couples w/o child(ren)	\$240	\$145	\$215	\$340	\$515	-\$330	-\$380	-\$435	-\$250	-\$260
Couples w/ child(ren)	\$800	\$705	\$775	\$900	\$1,075	-\$425	-\$475	-\$530	-\$345	-\$355
Lone Parent - Male	\$245	\$150	\$220	\$345	\$520	-\$330	-\$380	-\$435	-\$250	-\$260
Lone Parent - Female	-\$60	-\$155	-\$85	\$40	\$215	-\$275	-\$325	-\$380	-\$195	-\$205
Singles / Roommates	-\$295	-\$390	-\$320	-\$195	-\$20	-\$230	-\$280	-\$335	-\$150	-\$160
Est. Mortgage Payment	\$985	\$1,080	\$1,010	\$885	\$710					
Min. Income Req'd	\$58,227	\$63,842	\$59,704	\$52,315	\$41,970					

Source: derived from Environics Analytics, MLS®, & Statistics Canada



In 2020, the median couple with or without children could afford the median cost of any dwelling type (a function of often being dual income earning). Male and female lone parents could also afford each type, though the latter's surplus was lower. Single persons had the greatest difficulty, with estimates suggesting the median dwelling would surpass their affordable shelter budget

Although most family types can reasonably afford their shelter, the degree at which they can afford shelter is changing. In 2020, all median family types would spend more on the median home than they did a half-decade prior. The absolute change was starkest for families with children (yet they still held a surplus for their budget). Relative change was most significant for female lone parents and single persons. The half decade change for the former transitioned them from a budget surplus to a budget deficit.

Not surprisingly, very low-income households experience the greatest financial hardship when accessing housing. Generally, all income levels experienced an increase in housing costs from 2015 to 2020.

Figure 15.7: Income Category Max Budgets vs. House Prices and Changes to Affordability, 2020 Estimates

	2020 Affordable Budget minus Mortgage					Changes to Affordability (2015 to 2020)				
	Median House	Single	Semi	Town-house	Condo Apartment	Median House	Single	Semi	Town-house	Condo Apartment
Med. Owner HH Income	\$285	\$190	\$260	\$385	\$560	-\$335	-\$385	-\$440	-\$255	-\$265
Very Low	-\$350	-\$445	-\$375	-\$250	-\$75	-\$225	-\$275	-\$330	-\$145	-\$155
Low	\$30	-\$65	\$5	\$130	\$305	-\$290	-\$340	-\$395	-\$210	-\$220
Moderate	\$540	\$445	\$515	\$640	\$815	-\$380	-\$430	-\$485	-\$300	-\$310
Above Moderate	\$920	\$825	\$895	\$1,020	\$1,195	-\$450	-\$500	-\$555	-\$370	-\$380
High	Not available because no upper limit to high category					Not available because no upper limit to high category				
Est. Mortgage Payment	\$985	\$1,080	\$1,010	\$885	\$710					
Min. Income Req'd	\$58,227	\$63,842	\$59,704	\$52,315	\$41,970					

Source: derived from Environics Analytics, MLS®, & Statistics Canada

15.4 Minimum Wage

The minimum wage is the lowest wage rate that an employer can legally pay its employees for an hour of their time. According to an Issue Paper written by Employment and Social Development Canada, about 6% of Atlantic Canadians earned the minimum wage in 2017,⁵⁶ many of whom expect to pay for shelter and other expenses.

Figure 15.8 summarizes how the New Brunswick minimum wage compares to the wage needed to “reasonably” afford the median rental units by type/size. “Reasonably” affordable refers to the earnings necessary to avoid feeling financially burdened by where you live. Calculations consider

⁵⁶ Employment & Social Development Canada. (2019, January). Federal Minimum Wage: Issue Paper. <https://www.canada.ca/content/dam/esdc-edsc/documents/services/reports/SPAWID-SPLR-IssuePaper-MinWage-FINAL-EN.pdf>



the same assumptions introduced earlier in the Affordability Gaps section and is based on a 35-hour work week.

Overall, the minimum wage is sufficient to comfortably access smaller unit size. Note that the required wage refers to the median of all units (occupied and available) and likely underrepresents the true cost of rental housing.

To afford larger units, it is possible to extend oneself financially to afford a place to live; this is often a necessity to achieve housing stability. In 2020, an individual earning minimum wage would need to allocate approximately 62% and 80% of total wages to pay for the median 2-bedroom or 3+ bedroom unit, respectively.

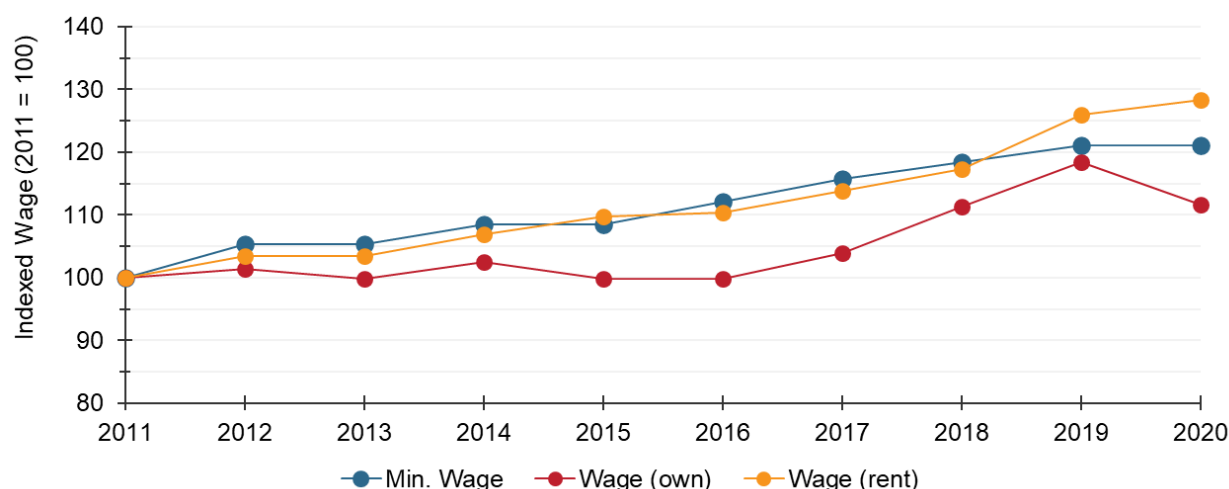
Figure 15.8: Minimum Wage vs. Req'd Wage to Reasonably Afford Rent by Unit Type

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Minimum Wage	\$9.50	\$10.00	\$10.00	\$10.30	\$10.30	\$10.65	\$11.00	\$11.25	\$11.50	\$11.50
Req'd Wage to Rent:										
Suite	\$12.05	\$12.60	\$13.03	\$13.14	\$13.03	\$13.69	\$13.58	\$14.24	\$15.22	\$15.33
1-Bedroom	\$13.80	\$14.24	\$14.24	\$14.79	\$14.79	\$15.22	\$15.53	\$16.19	\$16.95	\$17.52
2-Bedroom	\$16.43	\$16.43	\$16.67	\$17.39	\$18.07	\$17.85	\$18.95	\$19.50	\$20.59	\$20.92
3+ Bedroom	\$21.36	\$21.91	\$21.77	\$21.80	\$22.45	\$22.45	\$23.99	\$24.64	\$25.74	\$26.29

Source: derived from CMHC & Statistics Canada

Again, this all assumes a 35-hour work week. Most who earn minimum wage work fewer hours, often part-time, which pushes much of market rental housing out of reach.

Figure 15.9: Indexed (2011) Minimum Wage (New Brunswick) vs Required Wage to Own or Rent



Source: derived from CMHC, MLS®, & Statistics Canada



Although dollar increases to the minimum wage have not kept up with increases to wages required to reasonably afford median shelter, its rate of change has generally kept on track. From 2011 to 2020, the minimum wage and the cost to rent in Fredericton grew by similar percentages, though the two have diverged in recent years. For most of the 2010s, percent changes to wages surpassed the cost to own, which brought mortgage payments closer within reach. These gains appear to tighten in 2019 but grow again in 2020, likely associated with a fall in mortgage rates.

15.5 Housing Wheelhouse

The Housing Wheelhouse contains 6 key housing areas. It is difficult to estimate the demand that exists within each of these. Best practice suggests that determining the total households that exist within particular income categories is a first step to understanding this demand. The thresholds for these categories follow the same framework as previously discussed, with the addition of another category: “little to no income.” **Figure 15.10** summarizes these categories and how they relate to the key housing areas. The methodology has been adapted from several housing reports produced in British Columbia, with greater emphasis on the work in the Capital Region Housing Data Book & Gap Analysis for the Greater Victoria area.⁵⁷

Figure 15.10: Income Categories & Key Housing Areas

Income Category	Category Boundaries	Key Housing Area (Modified)
Little to no income	0% to 20% of median income	Emergency Shelter AND Short-Term Supportive Housing
Very low income	20% to 50% of median income	Long-Term Supportive Housing
Low income	50% to 80% of median income	Subsidized Rental Housing
Moderate income	80% to 120% of median income	Affordable Rental Housing
Above moderate income	120% to 150% of median income	High Market Rental AND Affordable Homeownership
High income	150%+ of median income	Homeownership

Source: adapted from the Community Social Planning Council of Greater Victoria

These categorizations are imperfect and ignore the nuances of individual circumstances. Most noteworthy is that they only consider those households that are identifiable through the Census; people without housing are often overlooked based on census methodology. Consequently, estimates underrepresent the total persons or households requiring emergency shelter or short-term supportive housing.

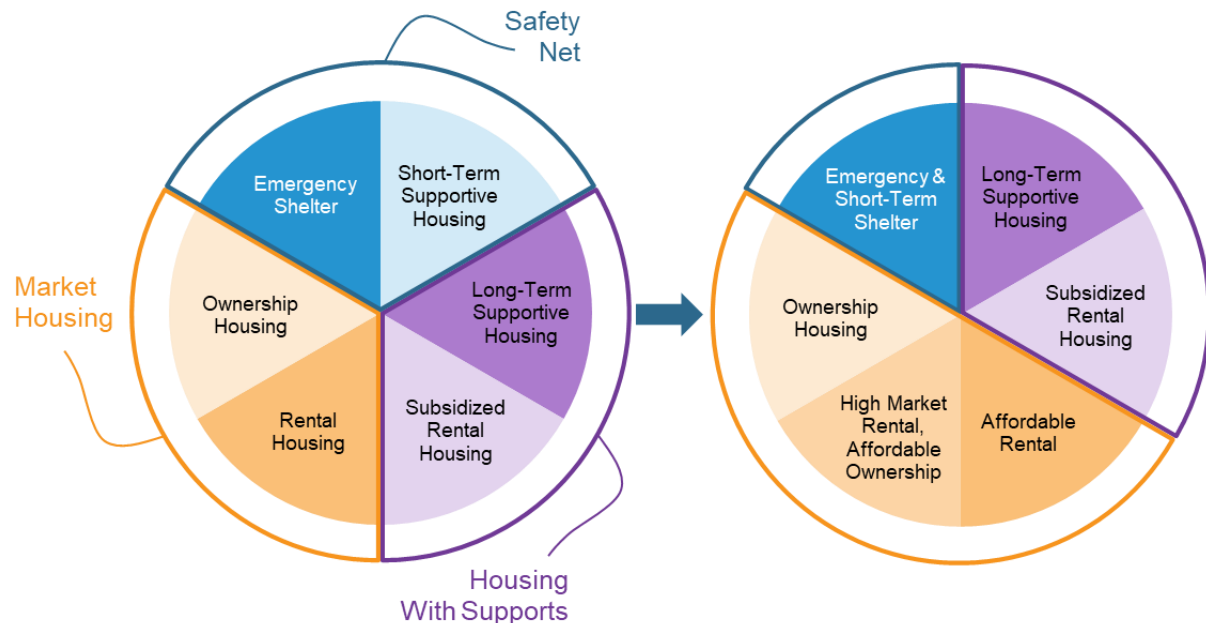
Readers will notice that the key housing areas listed and shown in **Figures 15.10** and **15.11** differ from those originally presented earlier in this report. Specifically, emergency shelter and short-

⁵⁷ Community Social Planning Council of Greater Victoria. (2015, August). Capital Region Housing Data Book & Gap Analysis. Capital Regional District.
<https://www.crd.bc.ca/docs/default-source/regional-planning-pdf/capital-region-housing-data-book-and-gap-analysis-2015.pdf>



term supportive housing have been grouped together as they will often apply to the same range of disposable income. Furthermore, market housing has been expanded to three categories (Ownership, High Market Rental & Affordable Ownership, and Affordable Rental) instead of two (Ownership and Rental).

Figure 15.11: The Modified Housing Wheelhouse



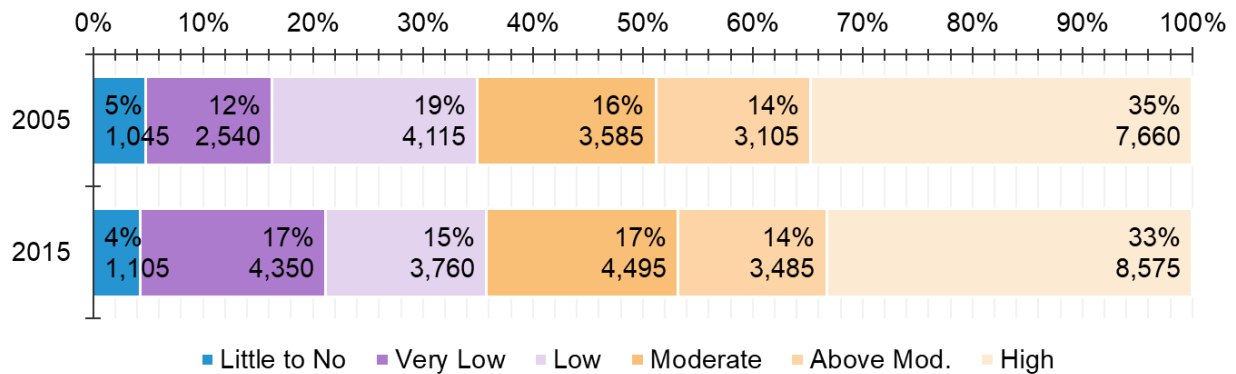
Source: adapted from the City of Kelowna

Figure 15.12 shows key housing demand estimates for 2005 and 2015 as a function of their totals and share of total private households. Notably, households who would demand subsidized rental and affordable rental housing decreased. The demand for emergency shelters and short-term supportive housing also decreased, though the true demand for these services is underrepresented by the exercise.

The number of very lower income households increased the most dramatically between 2005 and 2015. Given that this income category has higher tendencies to require long-term supportive housing, the growth would suggest that the need for said programs has been historically on the rise in the City of Fredericton.



Figure 15.12: City of Fredericton, Historical Key Housing Demand Estimates

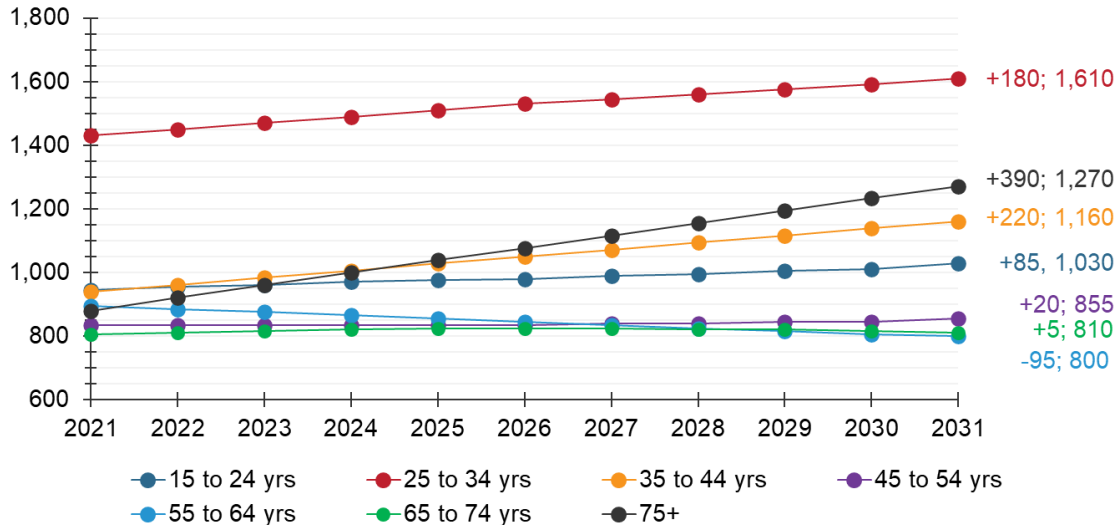


Source: Community Social Planning Council of Greater Victoria & Statistics Canada

15.6 Affordability Burden by Age Cohort

Not only are population and household projections possible, but so are projections for how many households may experience affordability challenges in the future. The process is simple and uses historical rates of unaffordability by maintainer age. Like household projections, outputs come from determining the ratio of households facing financial hardship by cohort to total population within said cohort (in 2016). These ratios are then multiplied into the anticipated cohort populations to estimate the number of unaffordable circumstances.

Figure 15.13: Anticipated Change in Unaffordable Dwellings by Primary Maintainer Age, '21-'31



Source: derived from Statistics Canada

Projections suggest that older senior households (75+ years old) could experience a notable increase in the total households facing financial hardship. From 2021 to 2031, unaffordability for said cohort may rise by 335 households, reflecting the overall trend of higher magnitudes of change for senior populations. Growth is expected among most maintainer cohorts, young adult cohorts included. Projections anticipate that only 55- to 74-year-old households may see a fall in households facing financial hardship.



16 Key Insights

16.1 From Stakeholders

Interviews and focus groups were held with service providers, non-profit and community housing operators, market-rate housing developers and landlords, and other stakeholders throughout the City of Fredericton in the summer of 2021. These discussions demonstrated the complexity of housing issues in the area and how various factors are intertwined.

16.1.1 Housing Affordability & Availability

The state of housing affordability is described by service providers as a crisis. At some point in each interview and focus group, most service providers moved from a professional explanation to a more emotional and expressive tone, and strong statements such as “it’s a terrible situation”. Many service providers are aware of people living on the tipping point of survival, sacrificing basic daily necessities in an attempt to keep a roof over their heads. For those earning minimum wage or accessing income assistance, it can be impossible to find affordable housing. There is a gap between non-market housing and market housing, with market rents so high that people are unable to make the jump. This is having a spill-over effect, where emergency housing is being used as mid and long-term housing. Organizations are struggling, as many are not set up to provide permanent or semi permanent housing. This has caused an increase in the number of people on waitlists for affordable and subsidized housing.

Service providers describe how many clients are living on the edge as rents continue to increase, with many people having to leave their homes due to rent increases that cannot be afforded. Much of the lower rent housing that comes available is located in the North Side where there is less access to services and amenities compared to the city core where these are more abundant, but rents are higher. Service providers struggle to find housing and apartments that are suitable for large families, with many running into landlords that are discriminating against children, people of diverse ethnic backgrounds and also pets.

The unavailability of housing makes it challenging for people across the economic spectrum to find housing. It is a competitive market, and housing comes on and off the market so quickly that snap decision making and assertive action is required, without the time or impetus for due diligence inspections or inquiries about the condition of the housing or reputation of the landlord. There are people who live in AirBNBs, hotels, or with family and friends because nothing is available. Housing unavailability has made it increasingly difficult for service providers to find units for clients. Clients who use rent subsidies or have low income lack the ability to put deposits down immediately, and units are often not available long enough for the paperwork to go through. The unavailability of housing has created a situation where the limited housing options available are often given to the person able to pay the most, and who asks the least questions.

16.1.2 Housing Suitability & Sacrifice

Another issue raised by service providers is that affordable market housing is often not well-maintained housing. For people who are desperate for housing there is a willingness to sacrifice suitability and quality. Service providers were emphatic, describing how clients are living in places that are “not fit for human habitation”, and are only there because of survival, as “nobody would choose to live in those types of conditions”. Service providers are seeing clients sacrifice healthy food, or food in general, heat and electricity. Recreation and leisure activities that support



community inclusion and well-being are out of the question. People are acquiring credit card debt just to cover the basics in order to pay their rent. The inability to afford daily necessities and access to stable and suitable housing has led to people returning to unsafe spaces, such as domestic violence situations, and unsafe family situations.

16.1.3 Youth and Young Adults Housing

Youth and young adults accessing housing in Fredericton face various challenges. Many have never rented before, and not everyone has family or community to help navigate the process of renting for the first time. Students who are finding housing before moving to Fredericton have been asked to provide damage deposits then not given the unit upon arrival, or have been locked into a lease in a home that is poorer condition compared to what the landlord had shared. Students, youth and young adults are unlikely to have previous landlord references, and if they have only lived at home or in student housing, they are unable to receive these.

Some of the most vulnerable youth in the community have had negative experiences with institutions and youth services that have left them with trauma and distrust of social service systems. For these youth, the path to stable housing will require facilities and programs that do not currently exist in Fredericton. Service providers would like to see the creation of a Youth Hub in the central area where youth can go if they are hungry, in trouble or need housing support, and workers can direct them to the appropriate services.

Students and youth are ending up in precarious housing situations, and are sacrificing their mental health, daily necessities and course work to maintain employment to put a roof over their heads. Students find themselves missing class in order to work, resulting in lower academic performance for many in this situation. The universities are often unaware of specific housing struggles among students until grades begin to suffer. Students can find themselves at risk of couch surfing or returning to unsafe family or domestic violence situations in order to have a place to stay.

These situations are often exacerbated for those LGBTQ+ youth and young adults who are unable to rely on their families because of their identity and often struggle to find gender-inclusive living spaces. Roommates are not always an option as LGBTQ+ youth and young adults do not know if they will be safe, resulting in them often paying more to live alone. Safety, affordability, and availability were said to be the biggest housing struggles for LGBTQ+ youth and young adults. Homeless shelters, many rental ads, and student housing are based on gender, making these unsafe and inaccessible.

16.1.4 Linking Housing & Mental Health

In each interview and focus group, participants highlighted the link between housing issues and social issues, such as mental health, addictions, domestic abuse, and discrimination. Service providers agreed that when people are unable to be housed, housed well, and housed safely it deeply undermines the conditions to be mentally well. This in turn affects how well a person can function in other areas of work and life. People are having to choose whether to live in unsuitable housing and feel awful about where they are living, or pay more for housing in better condition and sacrifice daily necessities.



The stigma around mental health and the experience of homelessness, mental illness, addictions and poverty all being synonymous was highlighted as an issue in public opinion. While not unique to Fredericton, there is a stereotype in the community that wealthy people are mentally well, and low-income people are not, and that people with mental illness are not safe neighbours. This then reinforces a stigma that low-income people are a safety risk. In reality, mental health and housing are affecting people across the economic spectrum. Service providers have spoken with skilled professionals who are struggling to find stable and suitable housing, and the stress of this is affecting their employment and relationships. Certain geographic areas also have stigmas, and people can be afraid of moving because of the ideas people may have, or fear they won't have a good quality of life - all based on negative stigmas that remain for long periods. This was noted as an important opportunity for public education.

Service providers have also shared how a majority of their clients who are substance users are people who struggle with mental health and trauma, and have turned to substance to self-medicate. The homeless and underhoused populations are not the only demographic experiencing addiction; it is found in various demographics, but it is exacerbated and made visible by housing inadequacy. Stable housing was described as a fundamental prerequisite to reduce stress and improve mental health. Resources to provide wrap-around services and housing supports, and better connect to organizations in the community, was highlighted as an important need.

The housing crisis is also affecting the mental health of service providers. As they navigate housing with clients, they are left with feelings of stress, fatigue, and sadness as they work in crisis mode. With one group stating that “exhausted is a great word to describe us”. Many programs are stretched thin and feel as though their mandate is forced to change as they navigate housing challenges. There is also frustration with the lack of concerted immediate support and empathetic understanding by governments.

16.1.5 Gaps in the Housing Ecosystem

Emergency Housing

There are no emergency or crisis beds for youth to access, and adult shelters are not suitable places for youth. Without moving through emergency supports first, transitional houses can be a big adjustment for youth in unstable situations. Youth emergency shelters provide a place to introduce programs and build relationships. Unhoused youth end up couch surfing, sleeping in abandoned buildings, or living with extended family, friends or acquaintances. Living with family and friends should not be considered stable, as they are there at the discretion of the family, and can be evicted on the spot if something goes wrong.

There are also no emergency housing options available for fathers and their children, as well as specifically for the LGBTQ+ community.

Second Stage Housing

Both youth and adult service providers stressed the need for formalized long-term supportive housing that provides time, skills, and support for clients to help them prepare to move into market housing. Ideally this housing would provide independence in a living space that provided in-home support. The City Motel project is one example of second stage housing, and service providers



stress the need for more long-term supportive housing for various demographics such as youth, adults, and women and children.

Permanent Supportive Housing

Service providers describe seeing people in emergency shelters, people sleeping rough, or are not interested or unable to follow rules in shelters. Special forms of care are needed for those not suited to standard care homes or do not fit the criteria, such as homeless individuals who may have chronic health issues, or substance using individuals.

Market Housing

Service providers described how working individuals and families are unable to afford market housing. Working professionals are having to couch surf until they can find a place within their budget, while others are stuck living in unsuitable housing situations as they cannot afford increasing market rents. As rents have increased, working individuals and families are having to access food banks and other resources they have not had to in the past in order to cover housing costs. Service providers described how there has been a great focus on homelessness, which is important, but the working people are at risk of slipping further into precarious housing and homelessness, with many living pay cheque to pay cheque.

Developers and landlords made similar comments. Landlords indicated they have experienced an explosion in demand for their older, more modestly priced rentals. Anything advertised in the \$800-\$1,000 per month range receives enormous interest. Competition is fierce and renters know it, often potential tenants offer to sign a lease at higher prices than advertised in the hopes of coming out ahead of other applications for the same unit. Their offices are receiving increasingly desperate cold-calls from households looking for rental accommodation, even when no vacancies are listed. They noted examples of long-term tenants, employed full time but in lower paying industries, having increasing difficulty with inflation-level rent increases. Some landlords internally manage rents in buildings to help cut slack to tenants they see struggling while looking for opportunities to make up that difference by spreading it over multiple other tenants they feel aren't as vulnerable. There are limits to this strategy, it is more difficult to do in smaller buildings, and obviously many landlords do not take this step at all. Developers see significant demand for "middle market" units around the \$1,250 per month range but are increasingly challenged to make new projects viable at that price, especially since the onset of the pandemic which has disrupted supply chains and resulted in significant construction material cost increases. Both see minimum wage and social supports lagging trends in the costs associated with constructing and operating residential buildings. They recognise that soon, many working households they used to be able to serve will need non-market housing as the gap between household budgets and market costs widen.

Indigenous Housing

Service providers highlighted the importance of Indigenous housing, operated by people who understand their experience. Currently there is a long waitlist for Indigenous housing. Service providers asked how the community could support and partner with off reserve Indigenous housing, and do better as a community. It was also noted that Indigenous people disproportionately experience homelessness and struggles with traumatic experiences; a direct result of the legacies of colonialism and discrimination. Reconciliation involves making amends for harms, including access to housing.



16.1.6 Development

Non-profit housing providers feel that the purpose of the organizations is not considered in the development process, as their applications are considered the same as every other for-profit developer. The high construction costs, and risks of running into zoning issues deter non-profits from pursuing land and properties. Service providers would like to see disincentives on underutilized high value locations. They would also like to see the Community Planning Act modernized with inclusionary zoning, and for an equity lens to be used to determine who gets the priority for time and attention of municipal resources.

Most service providers do not blame developers and recognise the nature of their operations within the supply and demand driven market development paradigm; it does not make sense to build deeply affordable as a for-profit business. At the same time, it was felt that the community should not be relying on developers for affordable housing when their objectives are not aligned. Service providers also feel that there are some good existing programs and affordable housing incentives, but they are not adequate to construct what is needed, and are still within the system of reliance on for-profit developers to provide housing. Service providers highlighted the core issue or underlying cause of the current housing crisis as a rapid decline in investment in public housing over the past 30 years.

Private-sector developers largely echoed this sentiment, indicating that most of the cost drivers which dictate the minimum economically feasible price of new housing are beyond their control; planning, engineering and building codes dictate many design decisions, construction material and labour costs are set by regional and global markets, financing terms and financial requirements to qualify for loans are set by capital markets and underwriting standards, and property taxes are set by municipal and provincial governments (notably targeting rental housing with higher tax burdens representing 18%-25% of the rent charged to tenants). They actively recognise that private sector development is not well suited to deliver non-market housing, and that is where much of the need is. They view their role as serving the demand within the market to the best of their ability, in order to minimise the pressure that is placed on the non-market sector. As private-sector development is the most common and visible form of housing production in Fredericton, they feel that at the public, staff, and political level, developers are viewed as responsible for meeting the needs of all residents when this is functionally impossible.

To its credit, there were surprisingly few comments about Fredericton's planning approval processes and timelines – developers felt that the planning process itself has improved in recent years and is no longer a bottleneck on new supply. This is corroborated by their reported land costs which, despite significant increases in recent years, remain relatively low as a proportion of project budgets in comparison to other markets we are familiar with. However, there was some discussion about planning policy itself and the limits of its effectiveness with regards to affordability. For example, the lowering of parking requirements has not resulted in cost-savings to new development projects as public transit is not robust enough to allow for lower levels of car ownership, so parking provision remains a market-driven requirement even if the policy-driven pressure has been removed. Prospective policies, notably inclusionary zoning which has been discussed within the community recently, was viewed as an incomplete solution noting it will further add costs to development that will result in less supply and higher prices for occupants, unless significant offsetting incentives are part of the program.



Given the level of demand for both owner and renter occupied housing, developers indicated that the industry was currently focussed heavily on trying to respond to the market that little capacity remains to explore how they could contribute to below-market projects. All developers consulted had experience participating in Provincial incentive programs and have delivered rent-supplemented units in the past. However, the complexity and delay that comes along with participation in those programs, and the fact that incentive values have remained static in recent years compared to project costs and the growing gap between market and required “affordable” rents, mean these programs have become less attractive over time. In many cases they are a net-negative addition to the development equation. There was less familiarity with federal incentive programs under the National Housing Strategy, indicating there may be opportunities there, but again the industry is principally focussed on the basic task of simply trying to keep up with demand.

16.1.7 Opportunities and Recommendations

Overall, service providers indicated that changes and investments are needed throughout the housing continuum. Affordable, small one-bedroom apartments, family-sized units that welcome children, supportive living options, pet-friendly housing, and housing close to transportation and amenities were all mentioned. Service providers would like to see longer-term supportive housing that can give people the foundation and support needed to transition into market housing. Regulations on the condition of market housing and rent control were highlighted as a necessity for mitigating the housing crisis.

Service providers recommend allowing for backyard and secondary units. They would like to see the City have people and resources available to prioritize non-profit housing developers through the development process, and put in incentives that make it easier to access development opportunities. Service providers would like to see the City create a list of what lands are available and who owns them, highlighting land that would be suitable for affordable housing, and guide non-profit developers through the process of acquiring the land.

Service providers would like to see the City form partnerships to offer education surrounding the ins and outs of leases and rentals, including how utility bills work, with links to housing resources - preferably in multiple locations and available in public places where people can access it. While there was agreement on the need for education for people transitioning from affordable housing to market housing, there was also recognition that education will not solve the problem until the gap between affordable and current market housing rates is filled. Service providers would also like to see the City play a leadership role in fostering compassion and reducing stigma in the community around affordable housing and living next to people with different experiences, abilities and needed supports.

Service providers would like a better systems approach to help clients better navigate systems within and between support services. Currently, people are struggling to navigate systems, and are being referred between services; where linking services directly to housing is a stronger approach. Clients who have been homeless, or have not accessed support services for a while, can find themselves confused, with no clear path to access housing, mental health, education, health care, social development, etc. Service providers describe clients who access services and



are either given an appointment at a later date or added steps that increase stress and make it hard to figure out.

16.2 From Community

The public survey provided an opportunity for community members to answer open-ended questions about their housing experience, and housing challenges in the community. These open-ended questions were reviewed, analyzed, and categorized based on recurring themes found throughout open-ended responses. These themes are broken down into primary themes and secondary themes. Many responses are categorized under more than one primary theme and secondary theme, but for this summary, they will be discussed under a single primary theme. Respondents had the choice to skip open-ended questions if they preferred not to answer.

The four primary themes found within the responses include:

- Housing Availability
- Barriers
- Social Factors
- Government

In addition to the direct experiences shared, we note that a number of responses were received from individuals who indicated they are housing-secure, but see or know others that are impacted and want to see action on this issue. In our experience, the proportion of responses that fall into this “secure-but-concerned-for-others” category was high on this survey, indicating that there is a latent constituency for this issue in Fredericton.

16.2.1 Cost and Quality

Cost

Of the 376 open-ended responses, there were 245 comments relating to the cost and affordability of housing in Fredericton. Cost and affordability is a concern for both renters and owners, with many commenting on the influx of out of province buyers of both homes and apartment buildings. Respondents feel that affordable housing options are diminishing and that there is no middle housing between subsidized or low-income housing and market housing and new developments. Adult children are living at home longer, students are living with higher numbers of roommates, and seniors are worried about “retiring on the streets” if their rents continue to increase.

Respondents are concerned with the rate at which rents are increasing, and those across the economic spectrum are worried about affordability. One respondent stated that “People are being priced out of the housing market; even homes that would have been affordable a year or two ago are going for very high prices that can’t be met by most middle-income people”. Another respondent commented “Rent is way too expensive right now. Someone I know is attempting to leave an abusive situation but is finding it difficult to find an apartment within their budget.”

Quantity and Quality

There are 68 comments relating to the quantity and 74 comments relating to the quality of housing in Fredericton. Respondents stressed that the quantity and quality of the housing stock in Fredericton are drastically decreasing. Respondents feel as though what is available for affordable housing is not suitable for people to live in, with people commenting on the influx of



mice, bugs, mold, and overall disrepair of many rental properties. Respondents described both rental and market housing going on and off the market within 24 hours. Families and individuals looking to sell their homes or move from their rental are afraid they won't be able to find anything available, affordable or in good condition. With the housing supply being so low, respondents feel as though landlords and property owners are not obligated to maintain the property because they will be able to find someone to live there regardless of the condition. One respondent commented that "I know several people that are living in rented spaces that do not fit their needs and require major repairs (mold, broken appliances, etc.), but are hesitant to approach the landlord in fear that their rent will be increased and that they will have nowhere to live."

Accessibility

15 comments touched on the lack of accessibility in the Fredericton housing market. Respondents felt there was little motivation for developers or landlords to take into consideration members of the community that face different challenges because of a physical or intellectual disability. Older buildings with stairs create barriers for seniors and those with a physical disability, and some seniors feel stuck in homes that aren't accessible as they are no longer able to afford to move.

16.2.2 Discrimination and Other Barriers

Discrimination

There are 56 comments that describe people's experience with discrimination relating to children, pets, gender, race and ethnicity. Respondents share their experiences being denied housing for having children or pets, with one respondent noting that housing search time is lengthened because even if a landlord does not outright refuse children or pets, because with the volume of competition for housing they will choose singles or couples first. One respondent cited an incident where they were attacked by a neighbour because of their race and ethnicity and were told to "go back to their country".

Transportation Barriers

Respondents describe frustration with the transportation system in Fredericton, specifically a lack of diverse times and routes. 25 respondents felt transportation affected their housing or ability to work to pay for their housing. Respondents commented on the lack of subsidized rates for low-income residents who use transit as a main mode of transportation, as well as the hours that are suited to a general 9 to 5 work schedule. There were concerns about the accessibility of affordable housing units to public transportation.

Income Barriers

There were 68 respondents who mentioned that income levels are not being maintained in relation to housing and living costs. Respondents that expressed concern were both renters and homeowners. Renters felt as though they are unable to keep up with the rental increases each year, on top of utility bills, groceries and other necessities. Homeowners expressed concern with rising house taxes and the costs of repairs to their homes. Respondents shared that they were barely getting by, having to give up necessities and were afraid that if rent were to increase, they would end up homeless. Those on government support such as income assistance described how they were not given enough to even cover rent, while those working full-time jobs or in two-income households were still living paycheck to paycheck. One respondent shared "one missed paycheck and my bills will fall behind so I cannot take sick days".



16.2.3 Social Factors and Housing Challenges

Mental Health

There were 39 comments regarding mental health and homelessness. Respondents spoke from personal experience, and on behalf of those they know or see in the community. Many feel as though there is not enough support for those experiencing homelessness or suffering from mental health-related issues.

Landlord-Tenant Relationships

There are numerous responses regarding landlord-tenant relationships. Many tenants feel as though landlords are taking advantage of the low housing stock, allowing their rentals to be in disrepair. Respondents relayed struggles of getting things fixed in their units, or having damage deposits held without cause once after they have moved out. Respondents express concern over “renovictions”, drastic rent increases, and concern over losing their apartment if they speak up. There was a feeling of overall lack of trust between landlords and tenants.

16.2.4 Government Responsibilities and Policy

There were 83 comments regarding government responsibilities and policy. A large portion of responses highlighted the need for rent control, and the lack of federal, provincial or and municipal oversight in regard to rent increases or housing provision system generally. Respondents also commented on housing being developer-driven, and the need for the government to step in to ensure new development suits the needs of the community, and include affordable housing units. Renters would like to see more work on developing tenants’ rights, and updates to the Residential Tenancy Act. Overall, they would like to see all levels of government take a more active role in pursuing affordable housing, as well as increasing support for those accessing government assistance.

Homeowners and landlords described frustration with property taxes and how this puts them in a position of either losing money or increasing rents for tenants. Commenters noted that they feel unsafe in their current housing situation if property taxes continue to increase, and are worried that the out of province influx of buyers is only going to exacerbate the issue. High property taxes were also cited as barriers to homeownership.



17 Summary of Findings and Housing Need

17.1 Summary

This report explores many facets of Greater Fredericton's housing conditions in detail. This report section synthesises that information into a succinct and accessible summary of key issues which explain the big picture; what has been happening, where are the challenges, and who is affected? For further detail on any individual point, please refer to the appropriate report section.

Population

Fredericton has been growing at a faster pace than its long-term historic average and this is expected to continue. This is primarily driven by an increase in international immigration since 2016. At the same time, its population has been, and will continue to age. However, aging will be most dramatic in the outlying rural areas while the city itself should remain relatively stable in this regard.

Economy and Income

The biggest employment sector in Fredericton is Public Administration, which includes many decision makers and public servants that craft housing policy, and workers in this sector are overwhelmingly home owners. However, other significant sectors include service industries which typically pay lower wages and have a comparatively heavier weighting of home renters within its workforce, such as Retail Trade (2nd largest sector), Accommodation & Food Service (4th largest), and Administrative & Support (7th largest).

Home owner and home renter households both saw similar rates of growth in median incomes between 2005 and 2015, but renters started from a lower point and therefore saw lower increases in income in actual dollar terms. The median renter household earns less than half of the income earned by median owner households. The distribution of income has become flatter, indicating widening income inequality. This is especially notable among home owner households where an enormous increase in the proportion of households earning more than \$150,000.

Single person and lone parent households (female-led lone parent households in particular) earn significantly less than the median and are often at the forefront of housing vulnerability for this reason. Indigenous households also experience these conditions.

Housing Inventory & Construction

Adding recent construction data to the 2016 Census dwelling counts, the Fredericton Area is estimated to have a total residential inventory of just over 30,000 dwelling units, the vast majority of which are privately owned and are either market rental or owner-occupied dwellings. Through research and stakeholder consultation, we have identified an inventory of about 1,400 social and non-market housing units, and another 800 rent-supplemented units.

Housing construction has lagged population growth; while population accelerated from 2016, dwelling starts were low from 2014-2019 but picked up significantly in 2020. Most housing built in the Fredericton Area over the past decade has been rental apartments. Virtually all housing construction has been via market-rate private sector led developments. For market-rate rental housing, growth has been stronger in 2 Bedroom and 3+ Bedroom unit sizes. Smaller apartments have lagged and studio/bachelor style units in particular have not grown much (i.e., +7% over the



past decade compared to +23% for the overall inventory). Owner-occupied housing production has been focussed mostly on detached housing, though attached types such as semi-detached and row housing has become more common.

Market Housing Availability & Cost

As population growth has outpaced housing construction, availability of housing has decreased. The rental market experienced a period of high vacancy (i.e. around or above 5%) for the first half of the last decade, but as growth has accelerated since 2016 it has decreased steadily and reached less than 2% in 2019. With the pandemic disruptions since 2020, vacancy has increased slightly, but this is expected to be temporary, resulting from restriction of travel and migration. Newer and more expensive rental units tend to have the lowest vacancy, showing the demand for new development.

Rental prices have changed in step with vacancy, being largely flat for the first half of the last decade, allowing for stable and sustained affordability. As vacancy has decreased, rents have grown, now sitting at +28% over the last decade, though most of this price increase happened after 2016, which explains the public feedback regarding a new and troubling trend of declining affordability in recent years. However, after taking into account inflation, the real rental increase in the Fredericton market over the past decade is only 13% which is modest when considering housing operating costs tend to increase faster than the general rate of inflation. This indicates that the rental affordability challenge is a product of both escalation in housing costs, but a lack of growth in household incomes

Both the pace of sales, and the sale price, of owner-occupied market rate housing has been slow and steady over most of the last decade. Combined with increasingly affordable mortgage rates, this has helped Fredericton develop a reputation for being a cheap and abundant ownership market. This also indicates that most of the pressure from immigration-driven population growth has been applied to the rental housing stock, but may shift more toward owner-occupied tenures as time goes on and newcomers become more established. However, market trends have changed significantly since the onset of the pandemic, leading to a significant increase in sale prices compared to only a few years ago. The suddenness and significance of this price trend has contributed to pressure in the rental market and disrupted the plans of many households who had previously felt owner-occupied housing was reasonably attainable, but now see costs far outpacing their own income growth.

Below and Non-Market Housing Availability

Market-rate housing represents the vast majority of the housing inventory, and virtually all of the additions to that inventory over recent decades. As the incomes of an increasing number of households have failed to keep up with recent changes in the cost and availability of market rate housing, they have no option other than non-market housing if they hope to find reasonably affordable shelter.

This has resulted in a significant growth in demand for non-market housing which has overwhelmed the existing inventory available. Government run social housing and rent supplemented privately-owned units that tailor housing costs to household incomes have a waiting list that is 130% the size of the inventory available to serve it. There are few initiatives underway to increase the stock of non-market/non-profit housing. While there are a number of



incentive programs that exist to create below-market housing in private sector projects, they are becoming less and less effective as they have not kept pace with changes in market conditions.

The failure of the non-market inventory to keep up with demand has kept an increasing number of households trapped in unaffordable housing at the cheaper end of the rental market as well as other undesired living arrangements (e.g., with conflict-prone roommates or abusive partners who control housing access). This leaves them vulnerable to personal and financial exploitation, substandard living conditions, and housing precariousness among a host of other issues for lack of any viable alternatives. On the other side of the gap, it has also pushed people into emergency and supportive housing options for lack of affordable alternatives, and this takes away resources to support those with housing needs that go beyond mere affordability challenges.

Emergency and Supportive Housing

Homelessness has increased in recent years (e.g. approximately 50% increase between the 2016 and 2021 Point-in-Time counts) and this has received public attention and action. However, this need is still underserved, especially as it relates to particular groups like youth, and is growing faster than the capacity and resources available to mitigate it.

While attention has been focussed on the issue of homelessness itself, other critical elements of the system required to help shift individuals and households into stable, long-term living situations have not received the same consideration. Transitional and Supportive housing is necessary to fill this gap, and is currently a bottle neck that helps to perpetuate homelessness and housing insecurity. The adequate combination of emergency shelter capacity with medium and longer-term housing that includes other social supports is critical for any viable strategy to end homelessness.

Mental health, behavioural, and addictions issues are not uncommon within the housed population in the low end of the rental market. The lack of non-market and supportive housing options force these residents into the lowest-priced market housing that is available. This impedes their access to necessary support services, and means that day-to-day management of those with complex needs is falling on the shoulders of private landlords who are not properly trained or equipped for the task. This exacerbates homelessness and housing-precariousness issues as these challenges, when not properly supported, make accessing and maintaining housing more difficult.

This is also a challenge for other residents of the same housing structures who are put at risk, or experience additional stress, as a result of living in proximity to those with undiagnosed or unmanaged issues. A further effect is that relegating difficult-to-house individuals to a poorly equipped private housing sector tends to drive higher property operating expenses (e.g., increased maintenance, security, and rental arrears) which in turn can reduce affordability for others as landlords look to make up those costs.

Housing Need

The most recent data available on core housing need (i.e., overcrowding, substandard conditions, and affordability relative to income) is from the 2016 Census and therefore predates much of the recent increase in cost and decrease in availability. It is therefore important to note that the following information likely reflects a much happier picture of housing need than exists today.



With that in mind, as of 2016, about 24% of all renter households in the Fredericton area and 5% of owner households were in Core Housing Needs as a result of spending more than 30% of their pre-tax income on shelter costs with no affordable alternative reasonably available to them. For both tenures, unaffordability was most prevalent for single person, lone parent, and Indigenous-led households as they tend to have lower incomes overall which compounds the problem of housing costs. Extreme core housing need (which is the same except counts only those spending more than 50% of income) affects 12% of renters and 3% of owners and is again most acute for lone parent and single person households.

Due to these affordability challenges, renter households were far more likely to live in overcrowded situations (6.3%, compared to 1.0% of owner households). This is driven by the presence of children; many households can not afford a large enough rental home to avoid room-sharing that exceeds the National Occupancy Standards. Property condition was less of an issue in the census data, and affected both renter and owner households at similar rates. However, the community survey results pointed to much higher rates of dissatisfaction with property conditions among renters. This indicates that there are likely issues with rental housing conditions that fly under the radar of the census (i.e., major structural issues are rare, but basic sanitary conditions and maintenance may be more common problems), and especially when viewed in comparison to the rents charged.

In addition to occupying undersized dwelling units, households are coping with affordability issues by reducing their spending on other items. According to the survey, housing costs most commonly displace household spending on leisure and social activities, followed by essential items such as clothing and personal care products, and then by core necessities such as groceries, healthcare, and other utilities. Most households that curtail their spending have to do so across more than one budget category.

Due to housing challenges, 30% of survey respondents indicated they were actively considering leaving the Fredericton area, and this was most prevalent in younger age groups (63% and 46% of 20- to 24-year-olds and 25- to 29-year-olds, respectively). Some responses to the community survey were received from individuals who already had left the community due to affordability challenges, and wanted to share their experience.

Affordability Gaps

When examining the affordable housing budget of various renter household types and incomes against the median rent charged for various unit sizes, a familiar pattern emerges. Female-led single parent households, single person households, low-income (earn between 50% and 80% of median income) and very-low-income (earn less than 50% of median income) all cannot reasonably afford virtually any unit type. Other household types and incomes were not burdened, however when examining the degradation of affordability between 2015 and 2020, trends are on pace to begin affecting these other households within the next 5 years.

The same analysis among owner households and housing sale prices showed similar results, with very low income and female-led single parent, and single person households struggling the most. However, the affordability gap was less severe compared to those in rental housing as mortgage rates have declined over recent years to maintain some affordability as prices have



risen. The challenge is not as much the affordability of owner-occupied housing in itself, but the lack of options available; in the past 5 years, there has been a notable decrease in the proportion of sales that are attainable at incomes below \$50,000/year. For example, in 2015 about 15% of home sales occurred at a price that would be affordable to a household earning \$30,000/year, but by 2020 this proportion had dropped to 5%

When examining the proportion of renters that could afford a mortgage – potential first-time buyers in other words – affordability of mortgage payments has not degraded significantly in the past 5 years despite recent price increases. This is again attributable to the decline in typical interest rates over this time period. However, required down payment amounts will have grown and are likely a more significant barrier than historically.

17.2 What Housing is Needed and by Who?

Shelters & Short-Term Supportive Housing

Based on changes in the income distribution, demand for “safety net” housing types should be stronger for short- and long-term supportive units, while emergency shelters should be more modest or even declining. However, because the supply of these supportive housing units has stagnated, this demand gets redirected towards the shelter system, leaving an increasing number of households with instability as they cycle in and out of temporary emergency housing and between homelessness and housing precariousness, without the ability to move on to these important stepping stones.

This is putting considerable strain on shelters, so there is an immediate need to increase capacity to address what is described by service providers as a dire crisis situation. However, it must also be recognised that increasing the supply of supportive “housing first” units will help alleviate the demand pressure on shelters over the longer term. In both cases, it is difficult to quantify the magnitude of units or beds required. Currently the John Howard Society is leading a project to convert a former motel into several “safety net” type housing units, including a 24-bed shelter. This will increase the existing shelter capacity by 65%. This will make a positive impact, but stakeholders do not feel it alone is sufficient, especially given worsening trends across the housing ecosystem. Comparing the total shelter system capacity to the number of individuals on the By Name List in July suggests an additional 50 shelter spaces may be required.

Housing serving independent youth, and women fleeing domestic violence and exploitation is particularly needed. Service providers indicate a greater need for live-in supports and greater counselling and skills-development programming that does not currently exist within the network of service providers

Deeply Affordable Rental Units

Heavily subsidized rental housing, including Rent-Geared-to-Income units or units affordable at current social assistance rates, is in dire need. Current waitlists for public and social housing suggest at least 1,500 additional units are required, and especially for families and non-elderly single persons who are both underserved by a public housing system that is predominantly focused on seniors. However, core housing need data from 2016 suggests that at least 1,635 units would be required to house those who are currently spending more than 50% of their gross income on shelter costs.



Modestly Affordable Rental Units

Below market housing (i.e., units that are typically created through provincial or federal incentive programs which target a discounted-rent metric rather than an income-fraction metric) are needed to improve affordability for households that are more modestly cost-burdened (i.e., spending more than 30%, but less than 50% of gross income). Core housing need data suggests that at least an additional 2,450 units are required.

Affordable Home Ownership

Affordability challenges in the ownership market are lower and have only grown in very recent times (i.e., past 18 months as a consequence of the pandemic). Nevertheless, affordability has been an issue for some household types. Data for homeowners indicates that 680 owner households were in core housing need in 2016, and more than half of these (445) were in extreme core housing need (i.e., spending 50% of their gross income or more). Owner-occupied core housing need is an issue that disproportionately affects the 15-24 and 85+ age groups, and also tends to be focussed on lone-parent and lone individual households. This likely represents younger households that are stretching too far to achieve ownership, or older households that struggle with property operating costs while on a fixed income. Smaller, more attainable forms of housing may lower this burden.

Affordable rental housing is a secondary factor in this situation, as some core housing need among owners is likely driven by a lack of otherwise affordable rental options; owners may be stuck in a home that they own outright but struggle to maintain, or have stretched to obtain a home they weren't intending to purchase. This is not because of preference, but a lack of alternatives. Only anecdotal evidence of this dynamic was collected via the community survey so the magnitude of this dynamic cannot be reasonably quantified.

Market Rate Rental Housing

The housing market can be thought of as a giant game of musical chairs, except a household's financial resources dictate the order in which players are given an opportunity to grab a seat. The role of new market rate housing in a discussion of affordable housing, then, is primarily to absorb demand from households who do not experience affordability challenges and therefore reduce the pressure of competition for other, more affordable housing options.

Overall, there is a significant amount of market rate development underway, though its delivery is lagging demand as indicated by declining vacancy rates. Given the supply under construction the constraint is not so much about the speed and quantum of development approval, but the types of housing that are enabled and other regulatory factors which inflate the minimum economically viable price at which new housing can be delivered.

It is the private sector itself that matches new supply to demand in the short term, and the actual quantity of units that make it to market is always lower than the number approved for development, or existing as zoned capacity. Municipalities should view the approval of housing beyond what household growth forecasts suggest as a critical objective that increases competition within the private market, as well as improves the supply response of the market to increases in demand, which are both important factors for ensuring the most reasonably affordable market conditions that can be influenced at the local level.



Beyond the sheer quantity of units approved, there is clear need for more affordable forms of market-rate housing than is currently being delivered; e.g., back yard or accessory dwelling units, townhouses, multiplexes, cottage courts, mobile homes, and single-room occupancy facilities. The affordability gap analysis suggests that the upper half of renter households could afford ownership options if they could be delivered at a purchase price of approximately \$150,000.



18 Definitions

“activity limitation” refers to difficulties that people have in carrying out daily activities such as hearing, seeing, communicating, or walking. Difficulties could arise from physical or mental conditions or health problems;

“bedrooms” refer to rooms in a private dwelling that are designed mainly for sleeping purposes even if they are now used for other purposes, such as guest rooms and television rooms. Also included are rooms used as bedrooms now, even if they were not originally built as bedrooms, such as bedrooms in a finished basement. Bedrooms exclude rooms designed for another use during the day such as dining rooms and living rooms even if they may be used for sleeping purposes at night. By definition, one-room private dwellings such as bachelor or studio apartments have zero bedrooms;

“census” means a census of population undertaken under the *Statistics Act* (Canada);

“census agglomeration (CA)” Area consisting of one or more neighbouring municipalities situated around a core. A census agglomeration must have a core population of at least 10,000;

“census dissemination area (CA)” is a small, relatively stable geographic unit composed of one or more adjacent dissemination blocks. It is the smallest standard geographic area for which all census data are disseminated. DAs cover all the territory of Canada;

“census dissemination block (DB)” is an area bounded on all sides by roads and/or boundaries of standard geographic areas. The dissemination block is the smallest geographic area for which population and dwelling counts are disseminated. DBs cover all the territory of Canada;

“census division (CD)” means the grouping of neighbouring municipalities, joined together for the purposes of regional planning and managing common services (e.g. York County);

“census family” is defined as a married couple and the children, if any, of either and/or both spouses; a couple living common law and the children, if any, of either and/or both partners; or a lone parent of any marital status with at least one child living in the same dwelling and that child or those children. All members of a particular census family live in the same dwelling. A couple may be of opposite or same sex;

“census subdivision (CSD)” is the general term for municipalities (as determined by provincial/territorial legislation) or areas treated as municipal equivalents for statistical purposes;

“child” refers to any unmarried (never married or divorced) individual, regardless of age, who lives with his or her parent(s) and has no children in the same household;

“commuting destination” refers to whether or not a person commutes to another municipality (i.e., census subdivision), another census division or another province or territory. Commuting refers to the travel of a person between his or her place of residence and his or her usual place of work;

“components of demographic growth” refers to any of the classes of events generating population movement variations. Births, deaths, migration, marriages, divorces, and new widowhoods are the components responsible for the variations since they alter either the total population or the age, sex, and marital status distribution of the population.:



“emigrant” refers to a Canadian citizen or immigrant who has left Canada to establish a permanent residence in another country.

“immigrant” refers to a person who is, or who has ever been, a landed immigrant or permanent resident. Such a person has been granted the right to live in Canada permanently by immigration authorities;

“interprovincial migration” refers to movement from one province or territory to another involving a permanent change in residence. A person who takes up residence in another province or territory is an out-migrant with reference to the province or territory of origin and an in-migrant with reference to the province or territory of destination;

“intraprovincial migration” refers to movement from one region to another within the same province or territory involving a permanent change of residence. A person who takes up residence in another region is an out-migrant with reference to the region of origin and an in-migrant with reference to the region of destination;

“non-permanent residents” refers to persons who are lawfully in Canada on a temporary basis under the authority of a temporary resident permit, along with members of their family living with them. Non-permanent residents include foreign workers, foreign students, the humanitarian population and other temporary residents;

“core housing need” is when housing falls below at least one of the adequacy, affordability or suitability standards and it would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that meets all three housing standards;

“adequate housing” means that, according to the residents within the dwelling, no major repairs are required for proper use and enjoyment of said dwelling;

“affordable housing” means that household shelter costs equate to less than 30% of total before-tax household income;

“suitable housing” means that a dwelling has enough bedrooms for the size and composition of resident households according to National Occupancy Standard (NOS) requirements;

“dissemination area (DA)” refers to a small, relatively stable geographic unit composed of one or more adjacent dissemination blocks with an average population of 400 to 700 persons based on data from the previous Census of Population Program. It is the smallest standard geographic area for which all census data are disseminated. DAs cover all the territory of Canada;

“dwelling” is defined as a set of living quarters;

“dwelling type” means the structural characteristics or dwelling configuration of a housing unit, such as, but not limited to, the housing unit being a single-detached house, a semi-detached house, a row house, an apartment in a duplex or in a building that has a certain number of storeys, or a mobile home;

“single-detached house” means a single dwelling not attached to any other dwelling or structure (except its own garage or shed). A single-detached house has open space on



all sides, and has no dwellings either above it or below it. A mobile home fixed permanently to a foundation is also classified as a single-detached house;

“semi-detached house” means one of two dwellings attached side by side (or back to back) to each other, but not attached to any other dwelling or structure (except its own garage or shed). A semi-detached dwelling has no dwellings either above it or below it, and the two units together have open space on all sides;

“row house” means one of three or more dwellings joined side by side (or occasionally side to back), such as a townhouse or garden home, but not having any other dwellings either above or below. Townhouses attached to a high-rise building are also classified as row houses;

“duplex” (also known as apartment or flat in a duplex) means one of two dwellings, located one above the other, may or may not be attached to other dwellings or buildings;

“apartment in a building that has five or more storeys” means a dwelling unit in a high-rise apartment building which has five or more storeys;

“apartment in a building that has fewer than five storeys” means a dwelling unit attached to other dwelling units, commercial units, or other non-residential space in a building that has fewer than five storeys;

“mobile home” means a single dwelling, designed and constructed to be transported on its own chassis and capable of being moved to a new location on short notice. It may be placed temporarily on a foundation pad and may be covered by a skirt;

“economic family” refers to a group of two or more persons who live in the same dwelling and are related to each other by blood, marriage, common-law union, adoption or a foster relationship. A couple may be of opposite or same sex. By definition, all persons who are members of a census family are also members of an economic family;

“employment rate” means, for a particular group (age, sex, marital status, geographic area, etc.), the number of employed persons in that group, expressed as a percentage of the total population in that group;

“equity seeking groups” are communities that face significant collective challenges in participating in society. This marginalization could be created by attitudinal, historic, social and environmental barriers based on age, ethnicity, disability, economic status, gender, nationality, race, sexual orientation and transgender status, etc. Equity-seeking groups are those that identify barriers to equal access, opportunities and resources due to disadvantage and discrimination and actively seek social justice and reparation;

“extreme core housing need” has the same meaning as core housing need except that the household has shelter costs for housing that are more than 50% of total before-tax household income;

“family size” refers to the number of persons in the family;

“full-time equivalent (FTE) student” represents all full-time and part-time enrolments, converted to represent the number of students carrying a full-time course load. One student whose course load is equal to the normal full-time number of credits or hours required in an academic year would



generate 1.0 Student FTE. A student taking one-half of a normal course load in one year would be a 0.5 Student FTE;

“household” refers to a person or group of persons who occupy the same dwelling and do not have a usual place of residence elsewhere in Canada or abroad;

“owner household” refers to a private household where some member of the household owns the dwelling, even if it is still being paid for;

“renter household” refers to private households where no member of the household owns their dwelling. The dwelling is considered to be rented even if no cash rent is paid;

“household maintainer” refers to whether or not a person residing in the household is responsible for paying the rent, or the mortgage, or the taxes, or the electricity or other services or utilities. Where a number of people may contribute to the payments, more than one person in the household may be identified as a household maintainer. In the case of a household where two or more people are listed as household maintainers, the first person listed is chosen as the primary household maintainer;

“household size” refers to the number of persons in a private household;

“household type” refers to the differentiation of households on the basis of whether they are census family households or non-census-family households. Census family households are those that contain at least one census family;

“Indigenous identity” refers to whether the person identified with the Aboriginal peoples of Canada. This includes those who are First Nations (North American Indian), Métis or Inuk (Inuit) and/or those who are Registered or Treaty Indians (that is, registered under the Indian Act of Canada), and/or those who have membership in a First Nation or Indian band;

“labour force” refers to persons who, during the week of Sunday, May 1 to Saturday, May 7, 2016, were either employed or unemployed;

“living wage” means the hourly amount that each of two working parents with two young children must earn to meet their basic expenses (including rent, childcare, food, and transportation) once government taxes, credits, deductions, and subsidies have been taken into account;

“low-income measure, after tax,” refers to a fixed percentage (50%) of median adjusted after-tax income of private households. The household after-tax income is adjusted by an equivalence scale to take economies of scale into account. This adjustment for different household sizes reflects the fact that a household's needs increase, but at a decreasing rate, as the number of members increases;

“migrant” refers to a person who has moved from their place of residence, of which the origin is different than the destination community they reported in. Conversely, a non-migrant is a person who has moved within the same community;

“mobility status, one year” refers to the status of a person with regard to the place of residence on the reference day in relation to the place of residence on the same date one year earlier;

“NAICS” means the North American Industry Classification System (NAICS) Canada 2012, published by Statistics Canada;



“NAICS industry” means an industry established by the NAICS;

“participation rate” means the total labour force in a geographic area, expressed as a percentage of the total population of the geographic area;

“primary rental market” means a market for rental housing units in apartment structures containing at least 3 rental housing units that were purpose-built as rental housing;

“precarious housing” means housing that is not affordable, is overcrowded, is unfit for habitation, or is occupied through unstable tenancy;

“Rental Market Survey” refers the collection of data samples from all urban areas with populations greater than 10,000 and targets only private apartments with at least three rental units. Among the information provided are median rental prices for units within the primary rental market;

“secondary rental market” means a market for rental housing units that were not purpose-built as rental housing;

“shelter cost” refers to the average or median monthly total of all shelter expenses paid by households that own or rent their dwelling. Shelter costs for owner households include, where applicable, mortgage payments, property taxes and condominium fees, along with the costs of electricity, heat, water and other municipal services. For renter households, shelter costs include, where applicable, the rent and the costs of electricity, heat, water and other municipal services;

“short-term rental (STR)” means the rental of a housing unit, or any part of it, for a period of less than 30 days;

“STR – commercial market” refers to all short-term rental units that were active within a given time period, but are available and/or reserved more than 50% of the days that they have been active. The 50% cut off is meant to separate residents using the service to generate supplemental income from non-resident STR operators operating income/investment properties. The commercial market only considers entire homes or apartments, not listings that are hotels, private rooms, or other;

“STR – total market” refers to all short-term rental units that were active (meaning, reserved or available at least one day in a month) within a given time period. The total market only considers entire homes or apartments, not listings that are hotels, private rooms, or other;

“subsidized housing” refers to whether a renter household lives in a dwelling that is subsidized. Subsidized housing includes rent geared to income, social housing, public housing, government-assisted housing, non-profit housing, rent supplements and housing allowances;

“tenure” refers to whether the household owns or rents their private dwelling. The private dwelling may be situated on rented or leased land or be part of a condominium. A household is considered to own their dwelling if some member of the household owns the dwelling even if it is not fully paid for, for example if there is a mortgage or some other claim on it. A household is considered to rent their dwelling if no member of the household owns the dwelling;

“unemployment rate” means, for a particular group (age, sex, marital status, geographic area, etc.), the unemployed in that group, expressed as a percentage of the labour force in that group;



“vacancy” means a unit that, at the time of the CMHC Rental Market Survey, it is physically unoccupied and available for immediate rental.

