



Study on Housing in the Territory of the Northwest Regional Service Commission

FINAL REPORT

August 23, 2024





Raymond Chabot
Grant Thornton

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Mrs. Mélanie Ruest
Acting Chief Executive Officer
Northwest Regional Service Commission (NWRSC)
36 Court Street
Edmundston, New Brunswick
E3V 1S3

**Raymond Chabot
Grant Thornton LLP**

507 Victoria Street
Edmundston, New Brunswick
E3V 2K9

T 506-739-1144

Subject: Study on Housing in the Territory of the Northwest Regional Service Commission

Madam,

We are pleased to submit our report on the above-mentioned mandate. We hope that our findings on the current situation, our analyses and our recommendations will help you achieve your goals.

We would like to emphasize the excellent cooperation and transparency of all the people we met during the completion of the mandate.

We thank you for the trust you have placed in us and we remain at your disposal for any further assistance or to accompany you in the pursuit of your objectives.

For more information, please contact Jean-Philippe Brosseau at 418-647-5413.

Hoping to have the opportunity to share your challenges, please receive, Madam, our most distinguished greetings.

A handwritten signature in blue ink that reads "Raymond Chabot Grant Thornton & Co. SEIKRL".

Nicolas Plante
Partner – Management Consulting

Jean-Philippe Brosseau
Vice-President of Practice – Management Consulting

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Background, mandate and methodology



The Northwest Regional Service Commission (NWRSC) is currently facing housing issues

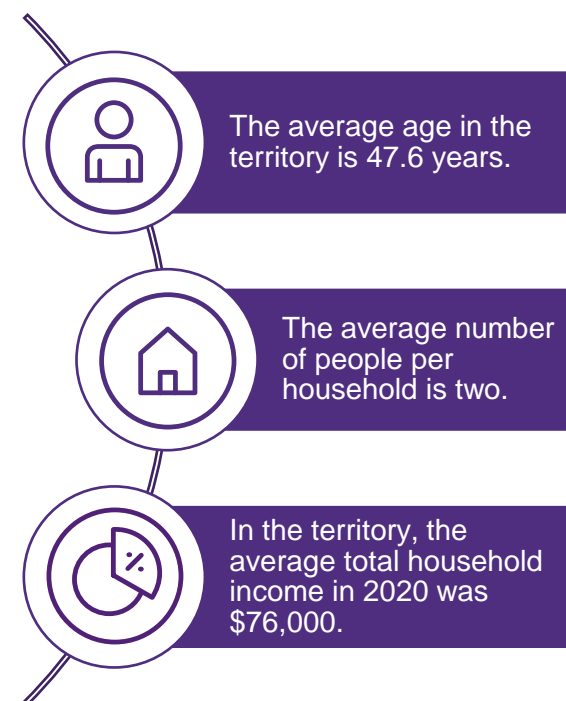
Context of the study

Located in northwestern New Brunswick, the territory covered by the NWRSC is the main gateway to the Atlantic provinces. The economy is based in part on the exploitation of natural resources and manufacturing, while the service sector is constantly evolving, particularly in terms of health and education. Since the recent amalgamations, the region has grown to include five cities, one rural district and one First Nation, with a population of 45,000.

The NWRSC was created in 2013 to facilitate collaboration between municipalities, rural communities and local service districts in the region. The NWRSC offers multiple services on the territory, particularly in the areas of urban planning, regional cooperation, economic development and community development.

In recent years, the region covered by the NWRSC has been grappling with significant housing-related issues. The scarcity of housing, a phenomenon observed throughout Canada, is felt in the region and creates difficulties with regard to attracting and retaining workers as well as housing students and foreign workers. A study conducted for the Edmundston territory revealed the existence of glaring needs in this regard and established a list of actions to be implemented in the short term by local decision-makers.

Given that the availability of affordable housing that meets the needs of various population groups (workers, families, students, vulnerable people) is a central issue in the region, the NWRSC wishes to commission a study that will establish a portrait of housing in the territory it serves, with the exception of Edmundston, which was covered in a previous study.



Source : RCGT analysis.

The purpose of this report is to provide a portrait of housing in the NWRSC's territory

Details of the mandate

It is in this context that the NWRSC mandated the firm Raymond Chabot Grant Thornton (RCGT) to paint an independent portrait of the housing situation on the territory.

The portrait was established based on the collection of statistical data as well as consultations with various stakeholders active in the housing sector.

Ultimately, the portrait made it possible to identify courses of action that will equip the NWRSC and local entities in their actions against the housing shortage.

Specifically, the objectives of the mandate were to:

- analyze the current housing situation for each of the municipalities on the territory, including a demographic and territorial description, the presentation of housing statistics, the identification of housing stakeholders as well as the description of current trends and issues related to housing;
- assess the housing needs for each of the municipalities located on the territory, including an analysis by type of clientele and the challenges related to the development of new housing;
- formulate concrete findings and recommendations to promote the development of an adequate housing offer on the territory of the NWRSC.

Source : RCGT analysis.

Socioeconomic profile



The NWRSC includes six entities

Entities and communities represented by the NWRSC

In New Brunswick, Regional Service Commissions (RSCs) were created to facilitate collaboration and communication between communities and to promote planning. There are twelve RSCs in the province.

Each RSC is represented on the board of directors by the mayor of a local government. The RSCs do not have taxing powers, but they do charge for the services provided. They are not another level of government. Decisions within the RSCs are made by the communities through their representatives on the Board of Directors.

The RSCs are responsible for providing certain services and facilitating agreements and cooperation between the various communities in the province. Services provided by local governments include recreation, street construction and maintenance (snow removal, pothole patching), fire protection, policing and animal control.

For the purposes of the analyses that follow, the NWRSC is defined as being composed of the following entities: Haut-Madawaska, Edmundston, Vallée-des-Rivières, Grand Falls, Saint-Quentin and the rural districts.

Entities	Former municipalities
Haut-Madawaska	Village of Lac Baker
	Rural Community of Haut-Madawaska
Edmundston	City of Edmundston
	Village of Rivière-Verte
	Part of the Saint-Jacques and Saint-Joseph local service districts (LSD)
Vallée-des-Rivières	Village of Sainte-Anne-de-Madawaska
	City of Saint-Léonard
	Part of the LSD of Sainte-Anne, Notre-Dame-de-Lourdes, Saint-Léonard and Rivière-Verte
Grand Falls	City of Grand Falls
	Village of Drummond
	Rural Community of Saint-André
	Part of the Drummond LSD
	Grand Falls LSD
Saint-Quentin	Saint-Quentin
	Part of the Saint-Quentin LSD
	Saint-Martin-de-Restigouche LSD
Rural districts	Saint-Basile LSD
	Madawaska LSD
	Part of the LSD of Saint-Jacques, Saint-Joseph, Rivière-Verte, Saint-Quentin, Notre-Dame-de-Lourdes, Sainte-Anne and Saint-Léonard

Sources: Government of New Brunswick, NWRSC

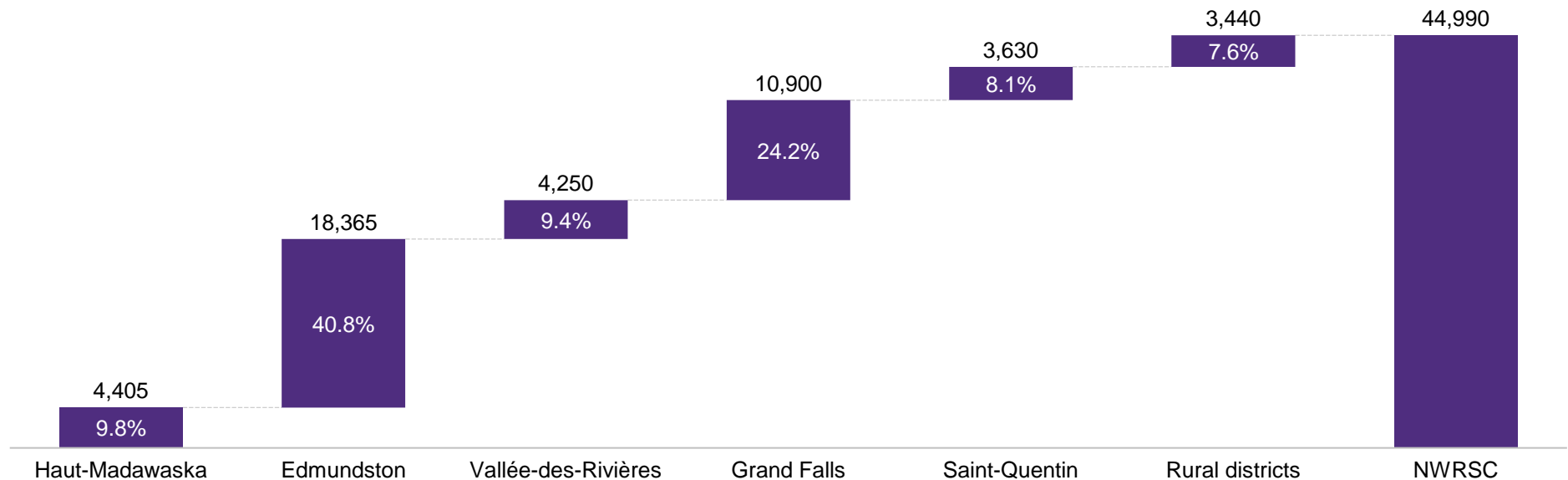
The NWRSC has a population of 45,000 in six municipalities, in addition to the rural districts

Distribution of the population by municipality

Edmundston represents nearly 41% of the total population, or more than 18,000 people. In terms of population, the second largest municipality is Grand Falls, which is home to nearly a quarter of the NWRSC's population (approximately 10,900 residents).

Distribution of the population by municipality

NWRSC, 2021, in number of persons



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

The population in the NWRSC is slightly older than the one of New Brunswick

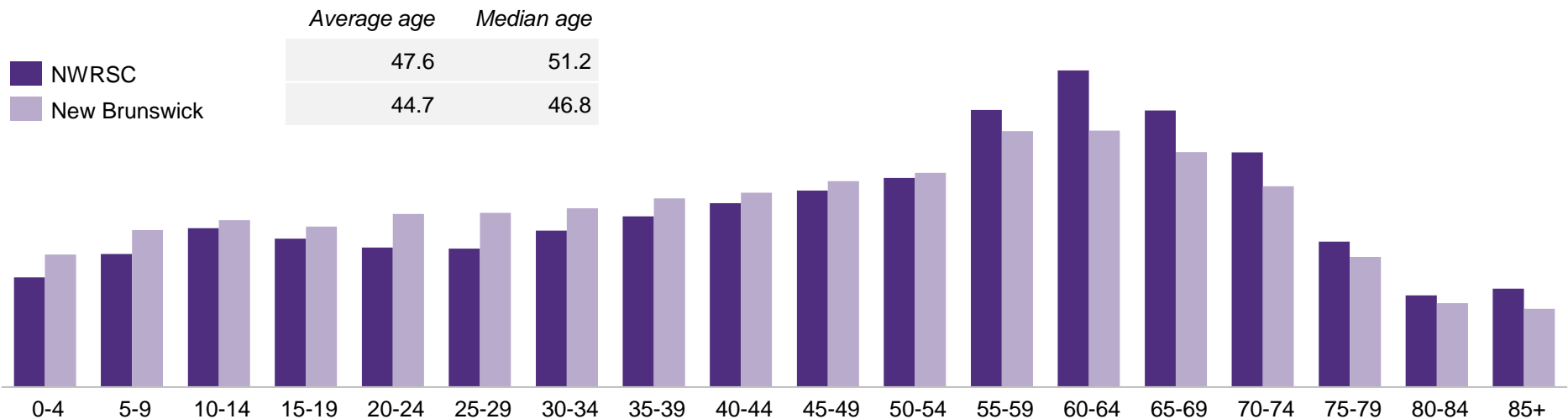
Age pyramid

The NWRSC is facing some of the challenges of an aging population, as is the case for Canada. In the NWRSC, half of the population is over 51.2 years old, while for New Brunswick, the median age is just under 47 years old.

In addition, the population aged 55 and over is over-represented in the area covered by the NWRSC compared to New Brunswick. This segment of the population corresponds to 45% of the total for the NWRSC and 39% of the total for the province.

Age distribution of the population

NWRSC, 2021, in number of persons



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

The NWRSC is characterized by an older population than the New Brunswick average

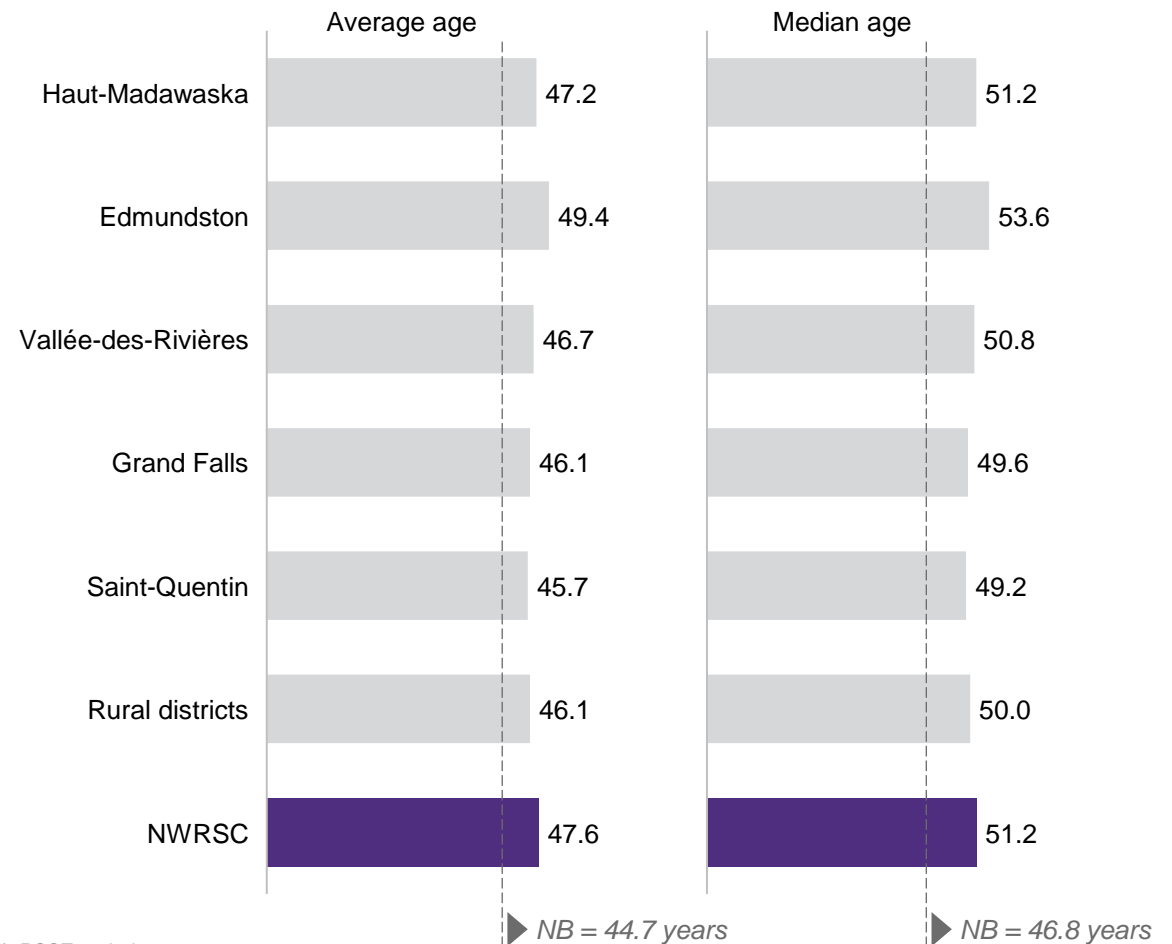
Average and median age by municipality

While the average age of the population is 44.7 years in New Brunswick (NB), it is 46.5 years in the NWRSC territory, almost two years older.

Excluding Edmundston, the aging of the population is more pronounced in the municipality of Haut-Madawaska, where the average age is 47.2 years, followed by Vallée-des-Rivières, where it is 46.7 years. Saint-Quentin is the municipality with the lowest average age in the NWRSC, although it is still higher than the provincial average.

Average and median age of the population by municipality

NWRSC, 2021



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

The demographic structure suggests some difficulties for the years to come

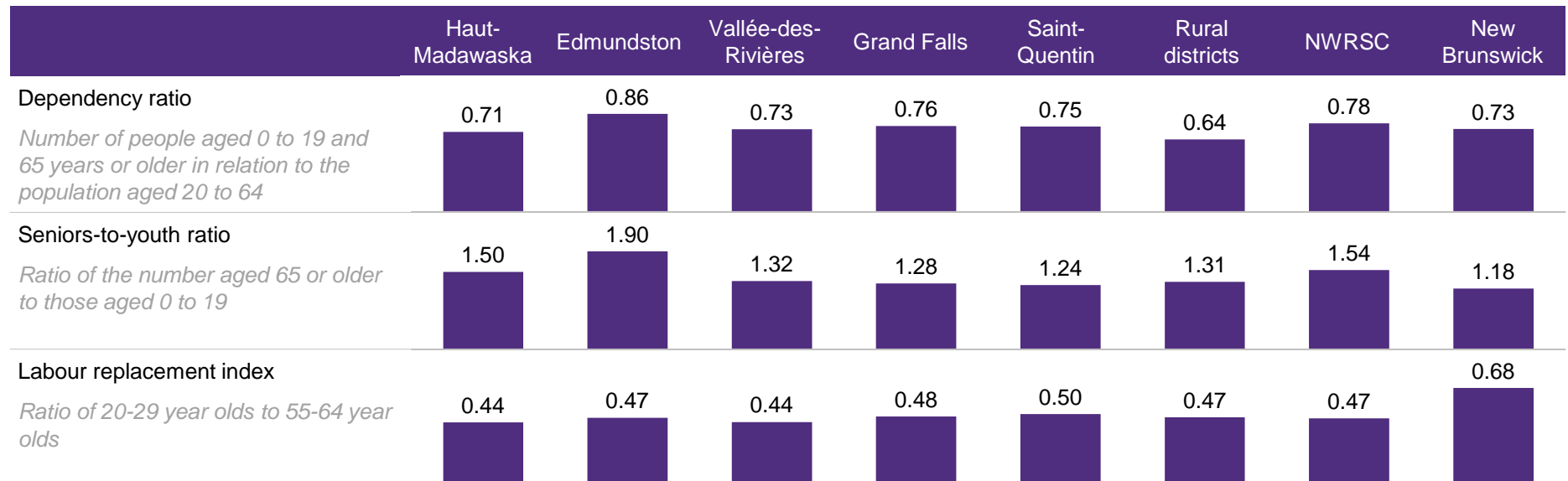
Indicators of demographic dependence

The analysis of the different demographic ratios makes it possible to situate the municipalities in relation to the demographic changes that will be coming to their respective territories.

Although the demographic dependency ratio in the NWRSC's territory is similar to that of the province, the replacement index illustrates the fact that the NWRSC may have more difficulty than the rest of the province in replacing the workforce that will soon be retiring. In addition, the ratio between the number of seniors and the number of young people is higher than that of the province, which indicates that the proportion of seniors in some municipalities is relatively high.

Indicators of demographic dependence

New Brunswick, NWRSC, 2021-2033, in %



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

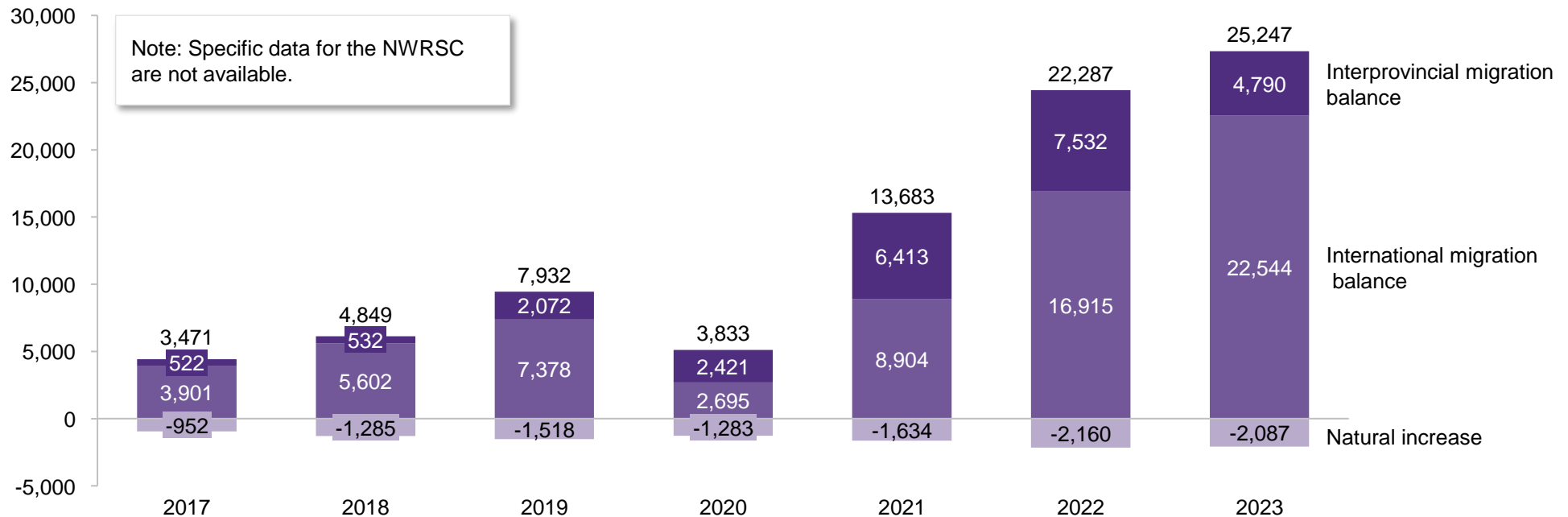
International and interprovincial migration fuels population growth in the province

Demographic outlook

In recent years, international migration has been the main driver of population growth in New Brunswick. Over the past three years, New Brunswick's net migration has been more than 61,000 people. Since the beginning of the pandemic, New Brunswick has exerted a significant pull force compared to other Canadian provinces, and interprovincial migration has peaked.

Trends in population growth by type

New Brunswick, 2017-2023, in number of people



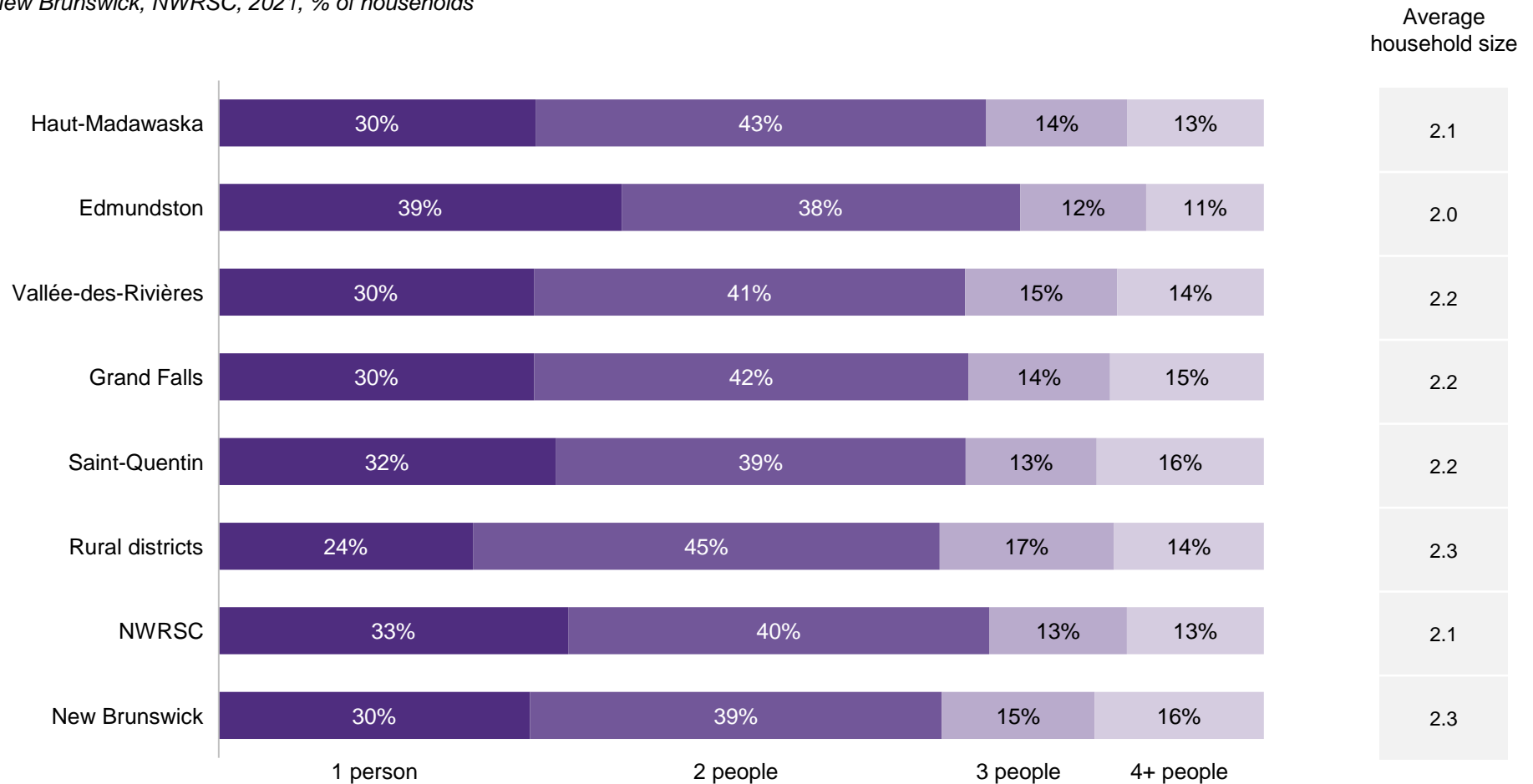
Sources: Statistics Canada; RCGT analysis.

The majority of households in the NWRSC are composed of two or fewer people

Composition of households by number of persons

Household composition

New Brunswick, NWRSC, 2021, % of households



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

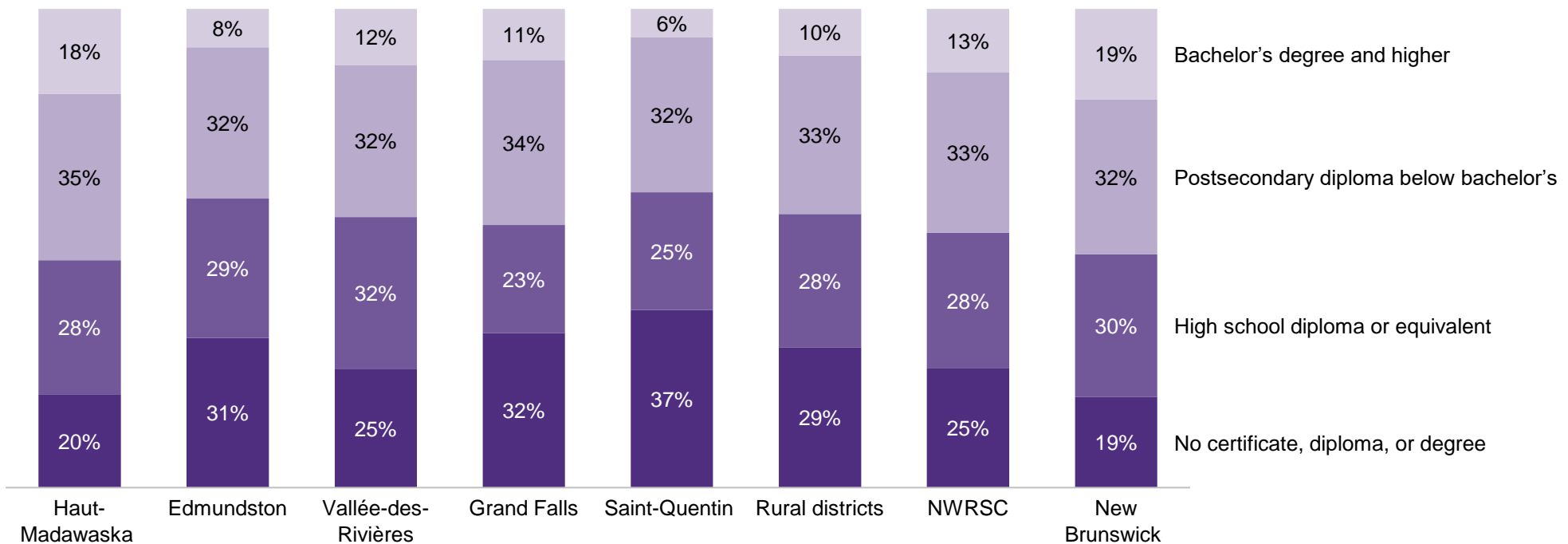
The population of the NWRSC has a slightly lower level of education than the one of New Brunswick

Level of education

In fact, 25% of those aged 15 and over have no certificate, diploma or degree, compared to 19% for New Brunswick. The university graduation rate is 13% in the NWRSC's territory, while it is 19% for New Brunswick.

Education level of 15 years and older

New Brunswick, NWRSC, 2021, % of population aged 15 and older



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

The average household income in the NWRSC is lower than in the province of New Brunswick

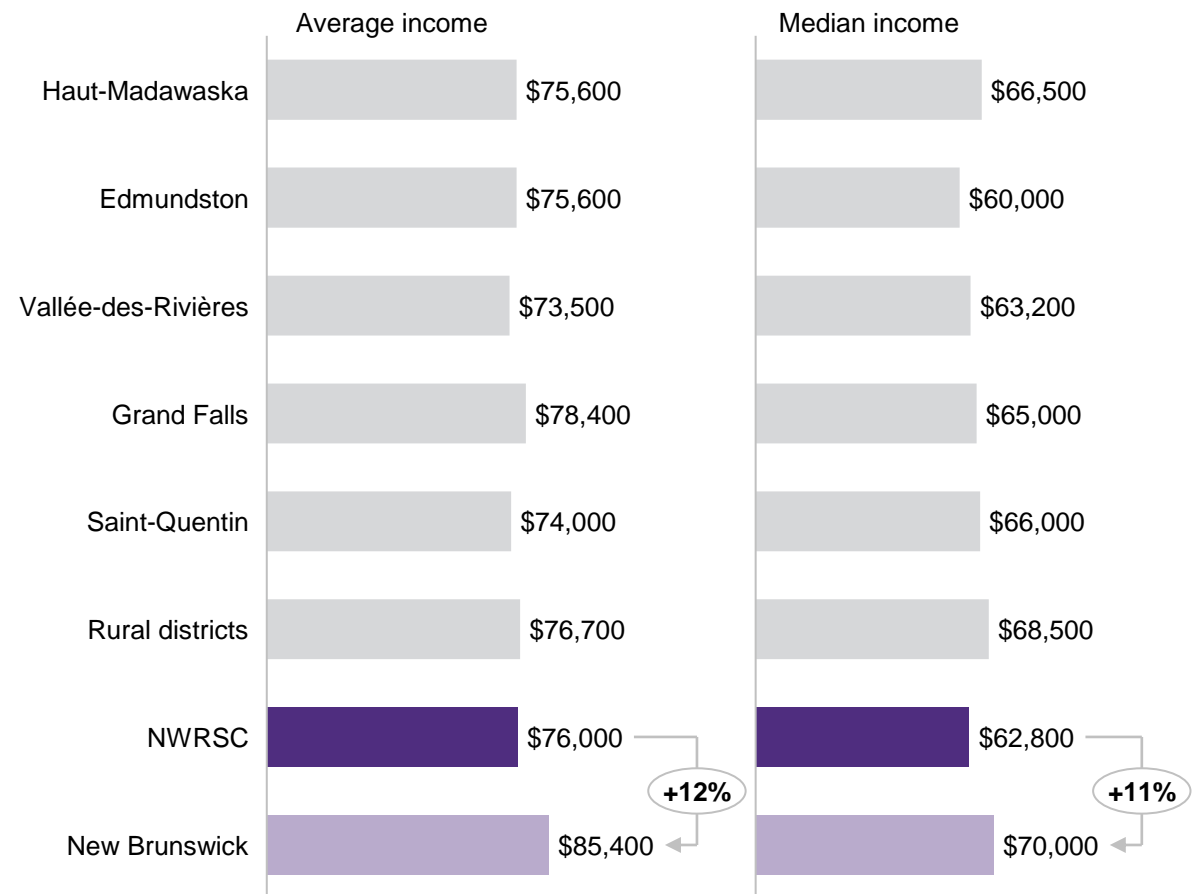
Average and median household income

Households residing in the NWRSC earned an annual income of \$76,000 in 2021, which is slightly lower than the average household income for the province, that is \$85,400.

In addition, the population of the NWRSC has a higher proportion of low-income households compared to the province of New Brunswick.

Average and median household income

NWRSC, 2021



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

Low-income households are over-represented in the NWRSC territory compared to the province

Average household income

More specifically, the proportion of households with an income of less than \$60,000 is 53% in the NWRSC, while it is 42% for the entire province of New Brunswick, which is 11 percentage points less. In addition, in the province, nearly one third of households have an income of \$100,000 or more, while for the NWRSC, this proportion is much lower (18%).

Average annual income per household

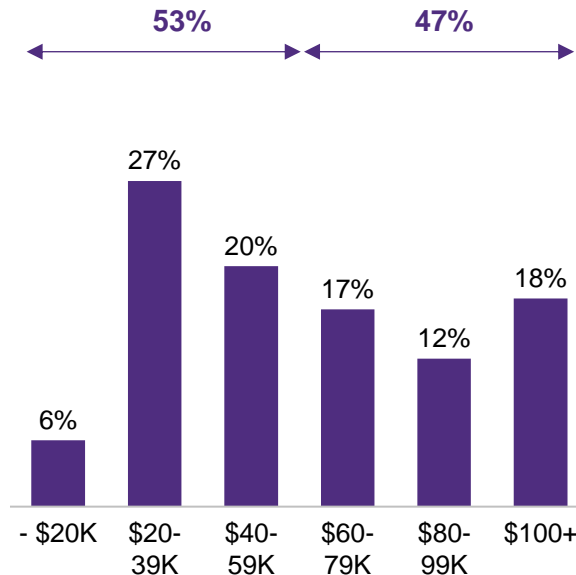
New Brunswick, NWRSC, 2021, \$ per year



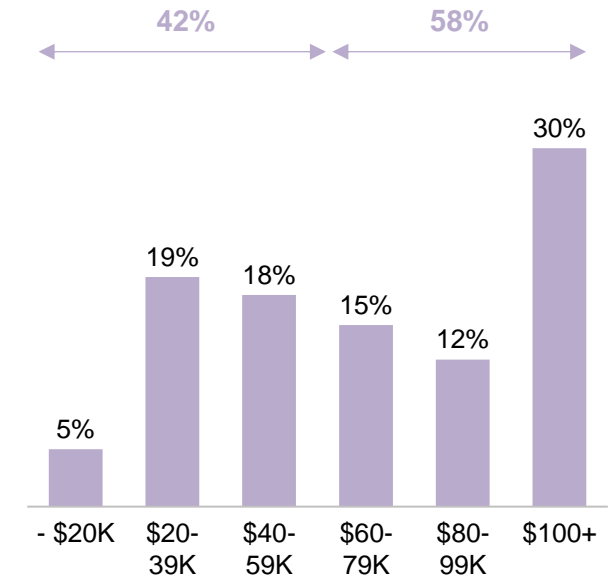
Distribution of households by annual income

New Brunswick, NWRSC, 2021, % of households

NWRSC



New Brunswick



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

More than one in five workers work in sales and service in the NWRSC

Distribution of workers by occupation

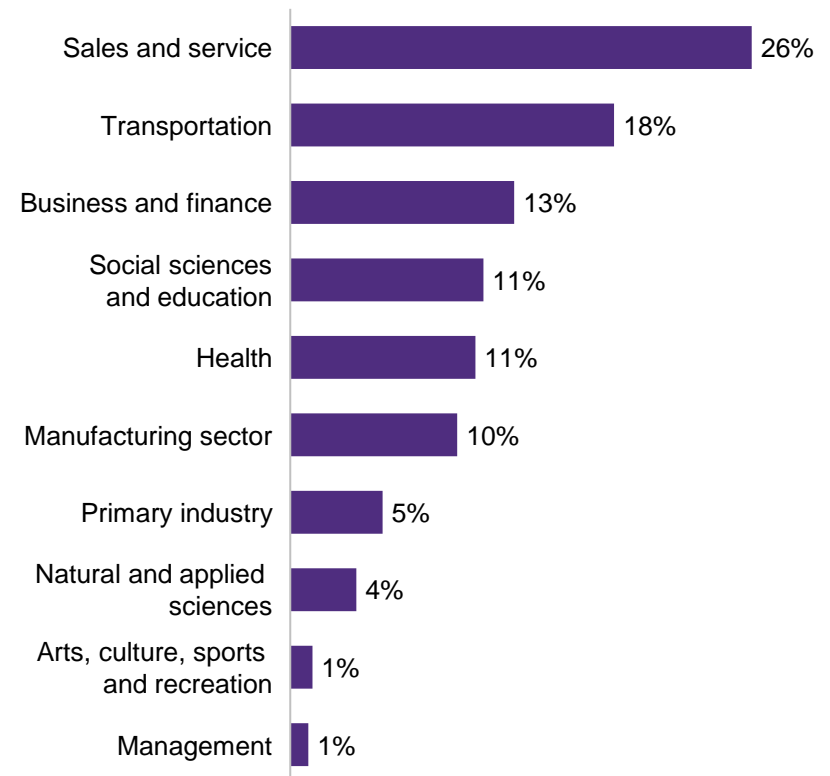
There are 21,370 people aged 15 and over who are employed in the NWRSC's territory.

In the NWRSC's territory, the sales and service sector dominates, employing 26% of workers. It is followed by the transportation industry, with 18% of the workforce. The business and finance sector and the social sciences and education sector account for 13% and 11% of the workforce, respectively.

The particularities associated with each of the municipalities are presented on the following page.

Distribution of workers by occupation

NWRSC, 2022, % of employed



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

Some municipalities have industrial particularities that result in a high proportion of jobs

Distribution of workers by occupation

For example, a large proportion of the population of Haut-Madawaska works in occupations related to the manufacturing sector, while the percentage of the population of Saint-Quentin employed in the primary industry is significantly higher than in other municipalities.

Distribution of workers by occupation

NWRSC, 2021, % of employed

Municipalities	Management	Business and finance	Natural and applied sciences	Health	Social sciences and education	Arts, culture, sports and recreation	Sales and service	Transportation	Primary industry	Manufacturing
Haut-Madawaska	0.7%	10.7%	3.4%	9.4%	8.4%	0.0%	20.3%	20.3%	6.8%	19.9%
Edmundston	1.4%	13.8%	4.7%	13.8%	11.4%	1.5%	29.6%	14.1%	2.1%	7.8%
Vallée-des-Rivières	0.8%	9.0%	2.6%	10.2%	11.3%	1.3%	26.9%	22.8%	5.6%	9.7%
Grand Falls	0.8%	13.8%	4.0%	7.0%	11.5%	1.1%	26.3%	22.5%	6.5%	6.5%
Saint-Quentin	1.1%	10.3%	1.6%	7.7%	10.8%	1.6%	22.8%	18.8%	12.4%	13.0%
Rural districts	0.9%	14.2%	2.6%	10.8%	11.0%	1.5%	21.8%	20.1%	6.7%	10.5%
NWRSC	1.0%	12.8%	3.8%	10.6%	11.0%	1.3%	26.3%	18.5%	5.3%	9.5%
New Brunswick	1.0%	15.3%	6.3%	9.1%	13.4%	2.0%	26.5%	17.7%	3.6%	5.0%

Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

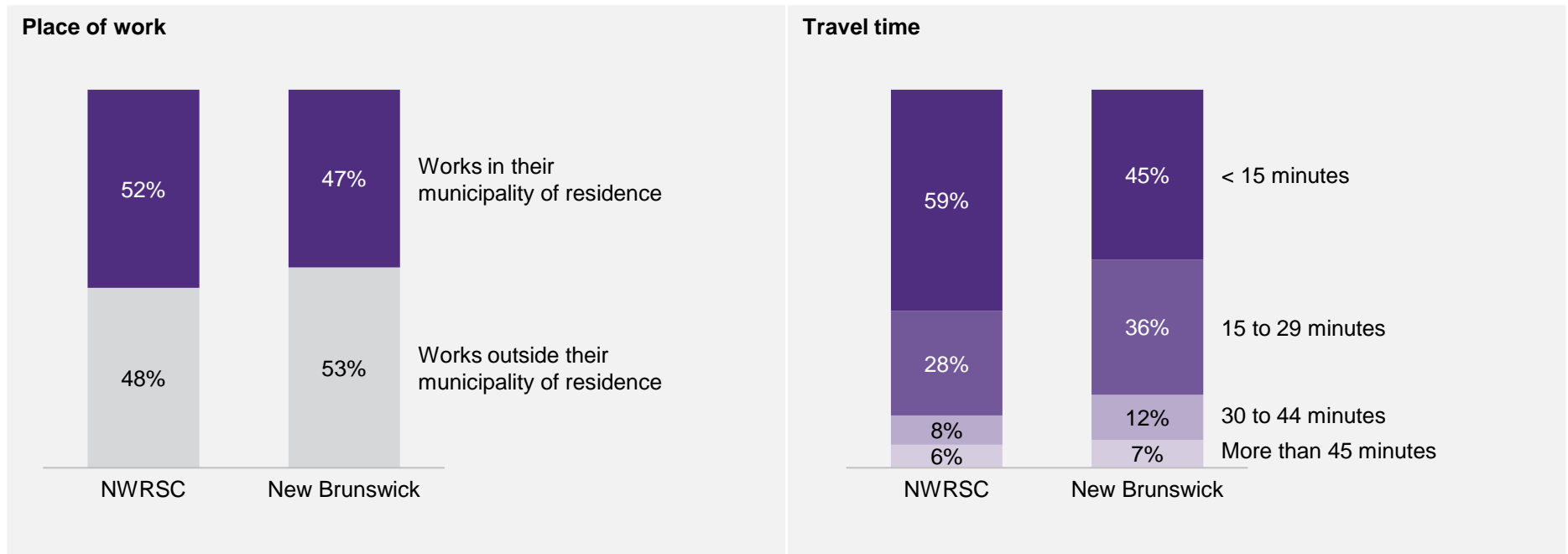
The majority of people work in the city where they live

Level of worker mobility

In the NWRSC, 48% of workers are employed outside their municipality of residence, while this proportion is 53% in New Brunswick. The commute time for workers in the NWSB and New Brunswick remains relatively short, less than 15 minutes for nearly 60% of workers. Finally, 94% of workers go to work with their vehicle.

Distribution of workers by place of work and travel time

New Brunswick, NWRSC, 2021, % of the number of workers



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

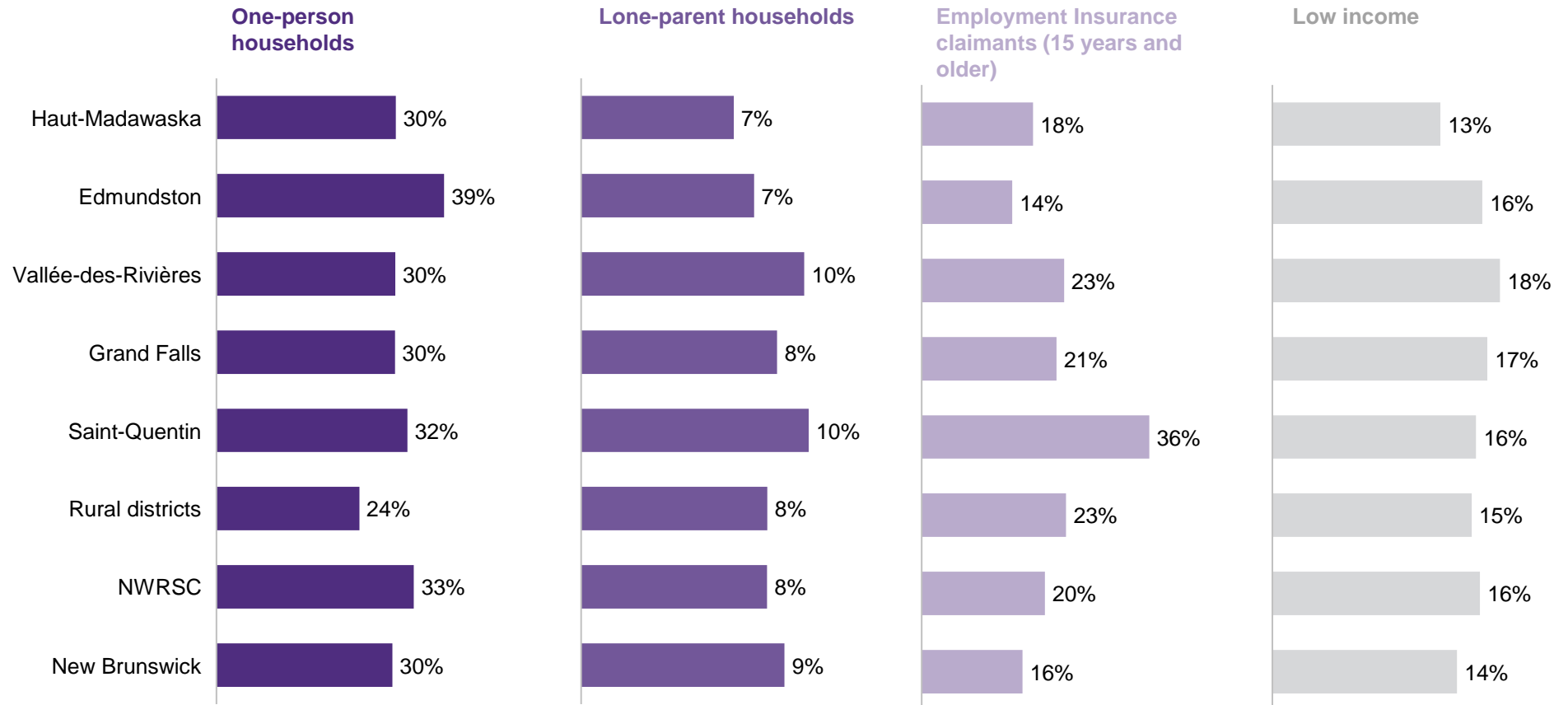
The portrait of vulnerable populations also helps guide housing needs

Proportion of vulnerable populations by type

Note: The low-income population rate is calculated using the after-tax low-income measure. This threshold is equal to 50% of the median adjusted after-tax income of private households. However, the low-income cut-off by municipality is not available.

Share of vulnerable populations by type and municipality

New Brunswick, NWRSC, 2021, in %



Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

Overall, the NWRSC has a higher proportion of low-income households

Representation of vulnerable populations by municipality



One-person households

Compared to the New Brunswick average, municipalities in the NWRSC have a similar rate of one-person households.



Lone-parent households

Two of the four municipalities in the NWRSC are below the New Brunswick average for the rate of single-parent households. While the rate of lone-parent households in New Brunswick is 16%, in the municipalities of Vallée-des-Rivières and Saint-Quentin, the proportion of lone-parent households is higher than or equal to the provincial average, with rates of 17% and 19%, respectively.



Low-income situation

In general, the rate of people living in low-income situations in the NWRSC (16%) is relatively higher than the average for New Brunswick (14%). In fact, three of the four municipalities in the NWRSC have a rate higher than or equal to the New Brunswick average. Vallée-des-Rivières has the highest rate (18%).



Employment Insurance claimants

In New Brunswick, 17% of people aged 15 and over are receiving Employment Insurance, according to the latest census. In the NWRSC territory, Employment Insurance recipients are over-represented in the majority of municipalities. The highest rate is 33% for the municipality of Saint-Quentin, 16 percentage points higher than the New Brunswick average. The nature of jobs in the NWRSC's territory could explain this phenomenon. It should also be noted that the pandemic context may have had an upward impact on the number of EI beneficiaries.

Sources: Statistics Canada (2021 Census – Statistics Canada Special Compilation), RCGT analysis.

Housing overview



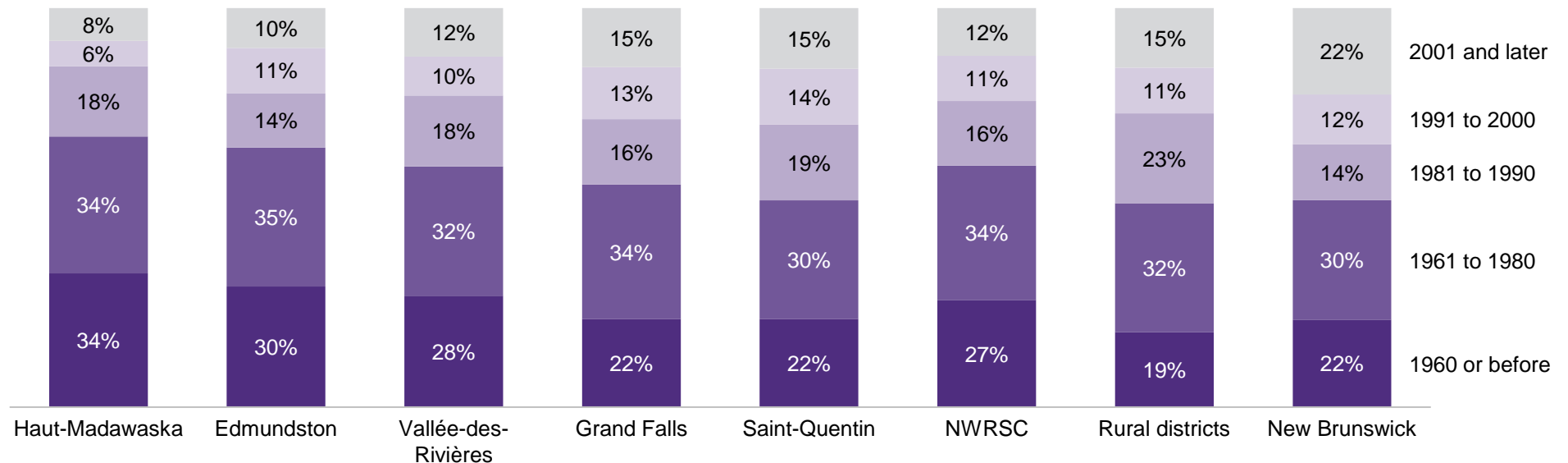
The NWRSC's housing stock is aging compared to the province of New Brunswick

Distribution of dwellings by year of construction

In most municipalities located on the territory of the NWRSC, more than half of the housing units were built before the eighties. Vallée-des-Rivières and Haut-Madawaska are the municipalities with the highest rate of old homes. It should be noted that the NWRSC's housing stock is relatively older than that of New Brunswick.

Distribution of dwellings by year of construction

New Brunswick, NWRSC, 2021, % of dwellings



Note: Due to the lack of available information, the data for the housing portrait may differ slightly from those for the sociodemographic portrait. In fact, the data for the sociodemographic portrait comes from a special Statistics Canada compilation with the actual territorial boundaries, while the data for the housing portrait come from a mapping of the territory via Sitewise.

Sources: Statistics Canada (2021 Census – Compilation via Sitewise), RCGT analysis.

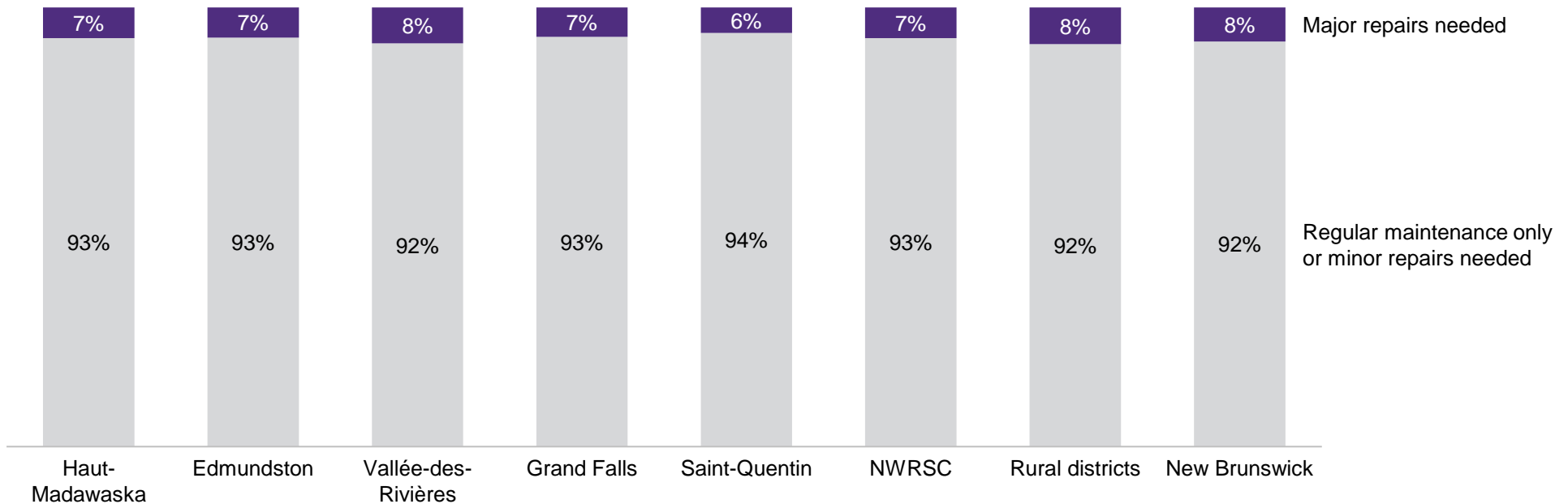
Just under one in 10 homes in the NWRSC requires major repairs

Distribution of housing according to maintenance required

The state of the housing stock is relatively similar from one municipality to another in the territory covered by the NWRSC. According to the latest census, Vallée-des-Rivières is the municipality with the highest proportion of dwellings in need of major repairs in the NWRSC (8%). This proportion is relatively similar in the other municipalities of the NWRSC, ranging from 6% to 7%, one to two percentage points lower than for the province.

Distribution of housing according to maintenance required

New Brunswick, NWRSC, 2021, % of dwellings



Sources: Statistics Canada (2021 Census – Compilation via Sitewise), RCGT analysis.

More than three out of four households in the NWRSC live in a single-family home

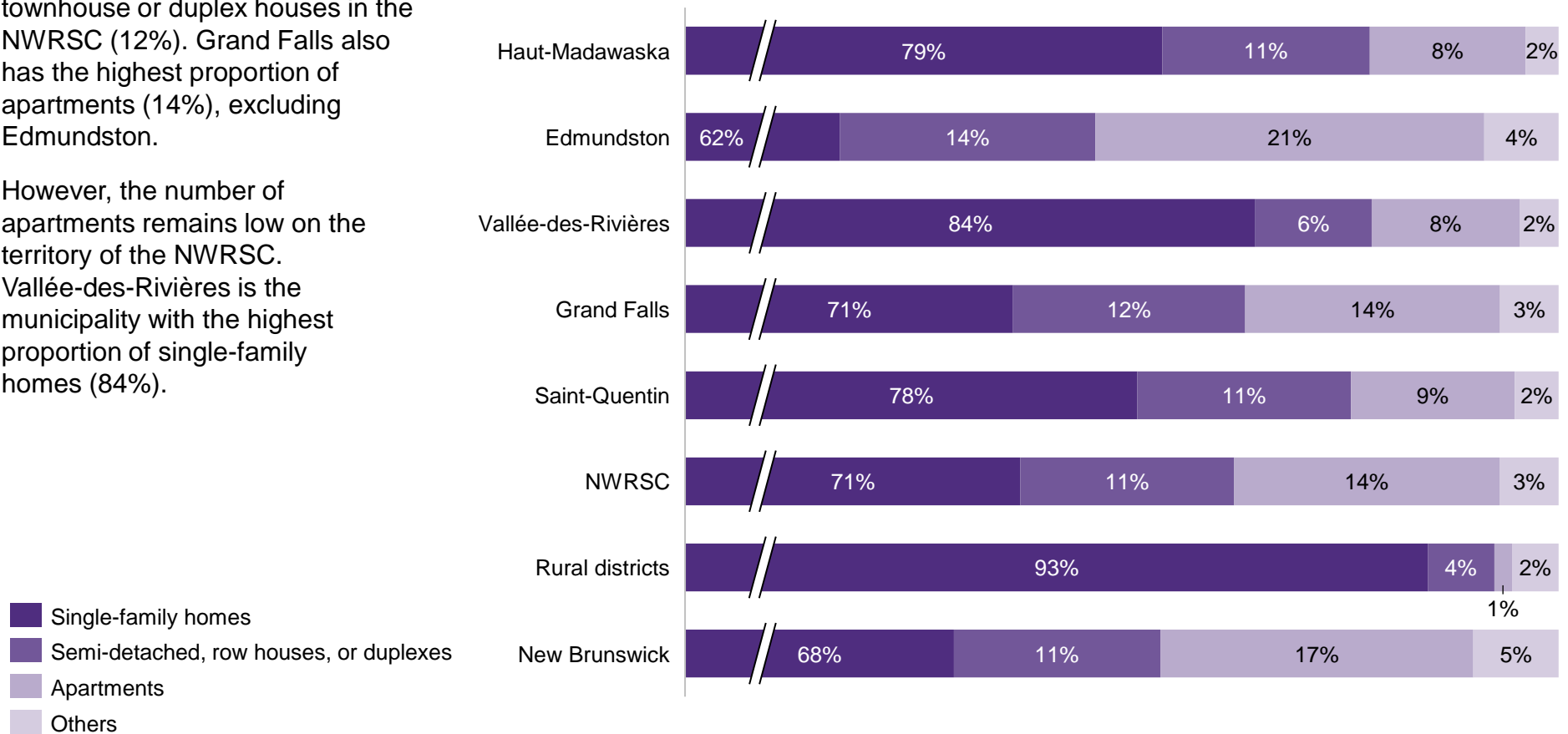
Composition of the building stock

After Edmundston, Grand Falls is the municipality with the highest proportion of semi-detached, townhouse or duplex houses in the NWRSC (12%). Grand Falls also has the highest proportion of apartments (14%), excluding Edmundston.

However, the number of apartments remains low on the territory of the NWRSC. Vallée-des-Rivières is the municipality with the highest proportion of single-family homes (84%).

Composition of the building stock

New Brunswick, NWRSC, 2021, in %



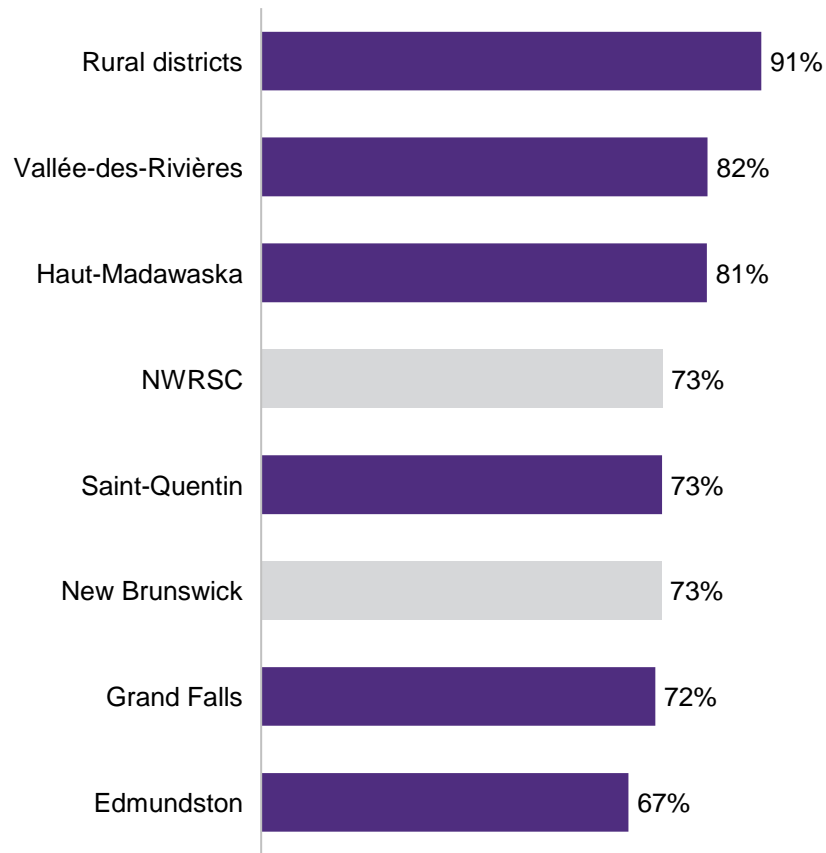
Sources: Statistics Canada (2021 Census – Compilation via Sitewise), RCGT analysis.

The rate of household owners for the NWRSC is higher than the one of New Brunswick

Rate of household owners

Rate of household owners

New Brunswick, NWRSC, 2021, % of households



The average rate of household owners is 73% for New Brunswick, as for the NWRSC.

Among the municipalities studied, Vallée-des-Rivières and Haut-Madawaska have the highest rates of household owners in the NWRSC, at 82% and 81% respectively.

The highest rate of owner-occupied households is found in rural districts due to the presence of a high proportion of homes with owner-occupiers.

Sources: Statistics Canada (2021 Census – Compilation via Sitewise), RCGT analysis.

The proportion of secondary residences is important for Haut-Madawaska

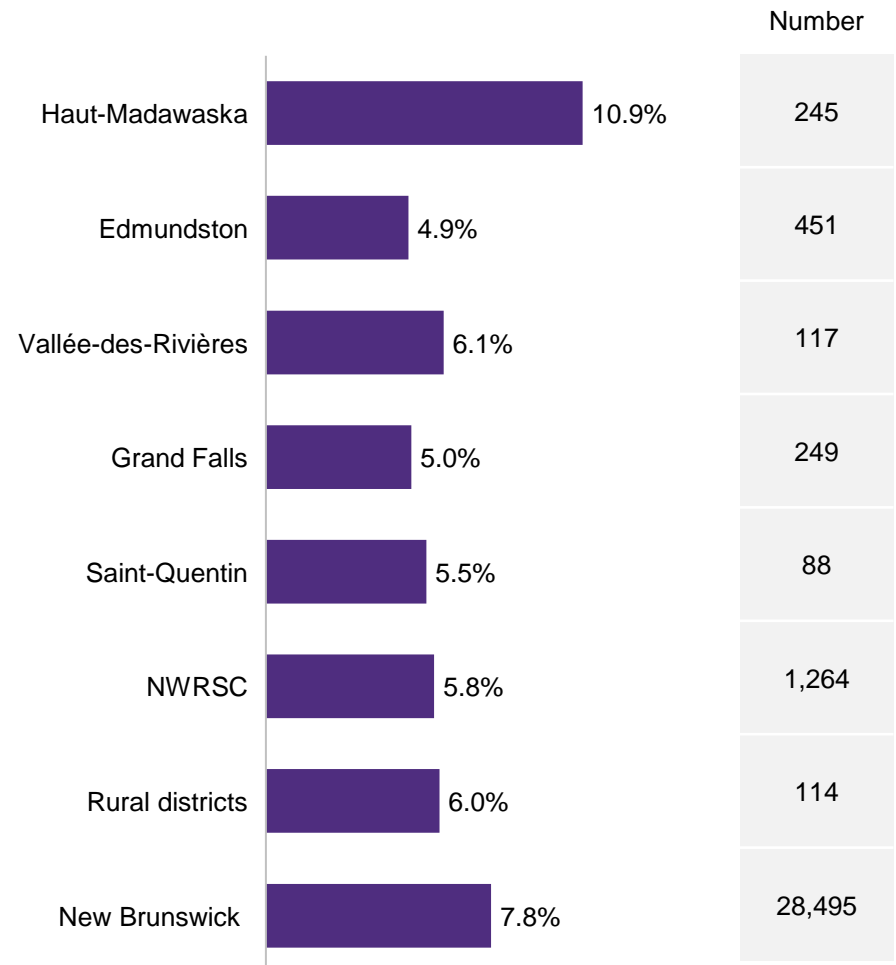
Proportion of secondary residences

The municipality of Haut-Madawaska has a significant rate of second homes, about 11%.

By comparison, the average share of secondary residences is 7.8% in New Brunswick and 5.8% in the NWRSC territory. Apart from Haut-Madawaska, the other municipalities have a rate more similar to the NWRSC average.

Share of secondary residences

New Brunswick, NWRSC, 2021, % of private dwellings



Sources: Statistics Canada (2021 Census – Compilation via Sitewise), RCGT analysis.

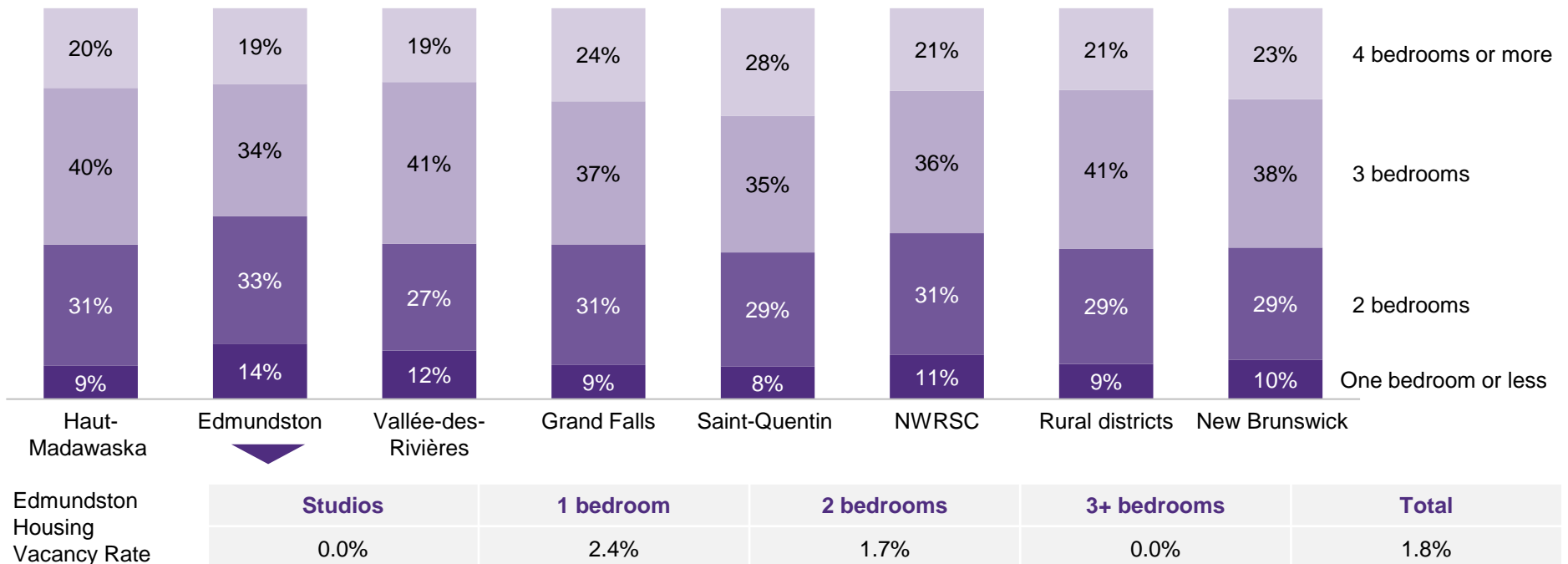
The vast majority of housing units have two or three bedrooms and studios are rare on the territory of the NWRSC

Size of dwellings on the territory of the NWRSC

Three-bedroom dwellings are the most numerous (they represent 36% of the supply in the NWRSC's territory), followed by two-bedroom dwellings, which represent 31% of dwellings. The supply of studios and one-bedroom apartments is more limited, with a total of 11% of the territory's housing. The proportion of dwellings by number of bedrooms is relatively similar in the NWRSC and in New Brunswick.

Size of accommodations

New Brunswick, NWRSC, 2021, %, number of dwellings



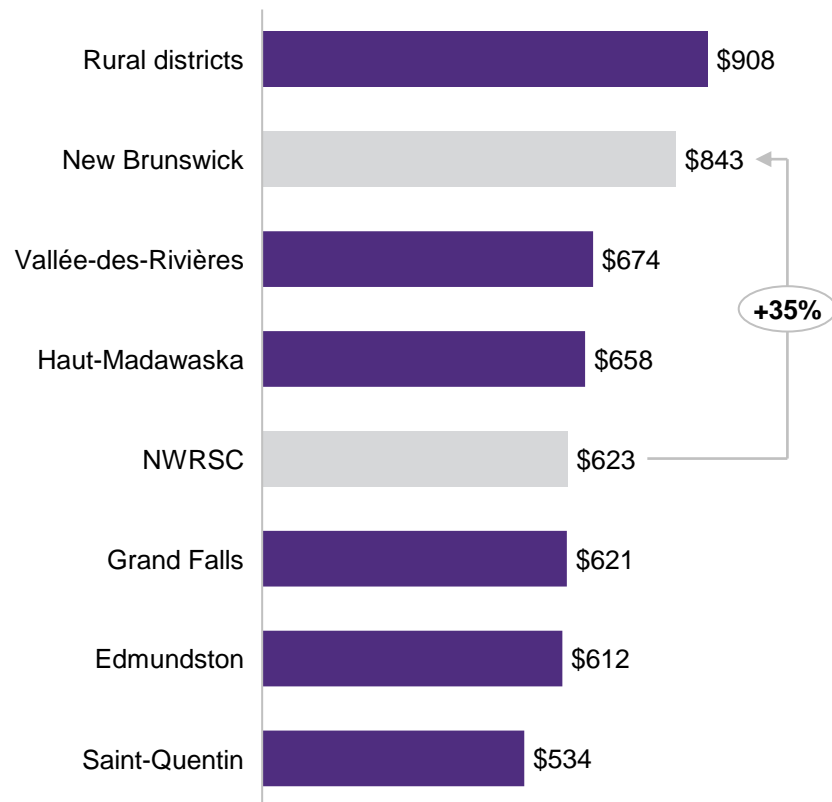
Sources: Statistics Canada (2021 Census – Compilation via Sitewise), RCGT analysis.

The highest rents on the territory of the NWRSC are in the municipality of Vallée-des-Rivières

Tenant expenses

Average monthly shelter costs for dwellings occupied by a renter household

New Brunswick, NWRSC, 2023, \$ per month



The average rent expenses of renter households in the NWRSC were \$623 per month in 2023, while for New Brunswick they were \$843 per month, or 35% higher. Note that these expenses include rent, but also improvements made by tenants, tenant insurance premiums and parking rentals.

Among the municipalities studied, Vallée-des-Rivières has the highest average tenant spending in the NWRSC, at \$674.

Note: For rural districts, the total number of households that are renters is limited.

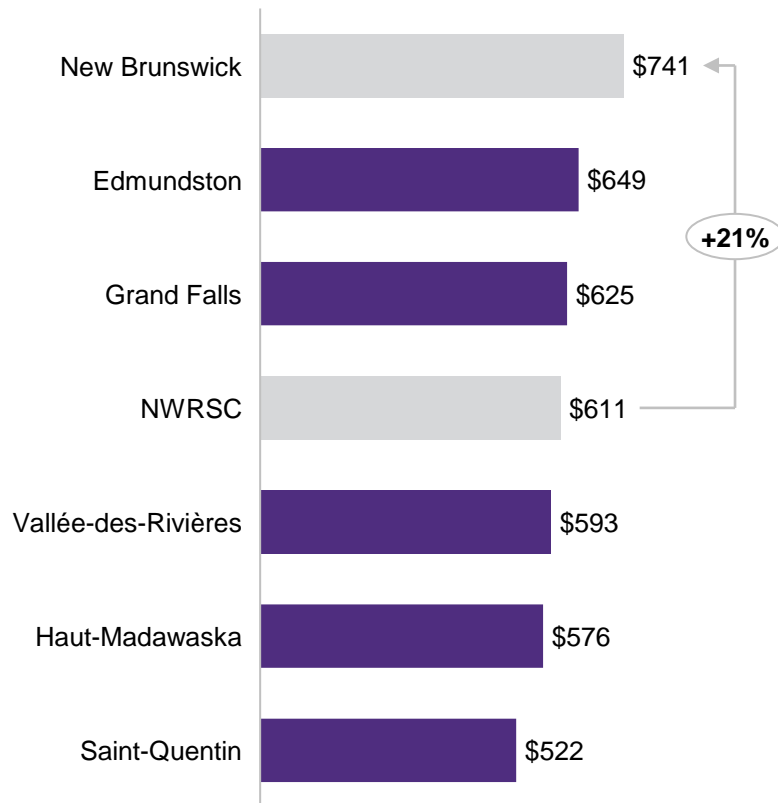
Sources: Sitewise, RCGT analysis.

For owner households, the highest average spending is in Edmundston

Owners' expenses

Average monthly shelter costs for dwellings occupied by an owner household

New Brunswick, NWRSC, 2023, \$ per month



Considering only owner households, average monthly housing expenditures are \$611 for the NWRSC and \$741 for New Brunswick, which represents an increase of 21% for the province.

For your information, the expenses associated with housing include the mortgage, but also the cost of energy and the cost of maintaining and repairing the principal residence.

Sources: Sitewise, RCGT analysis.

Several services are offered by the New Brunswick Housing Corporation to create affordable housing

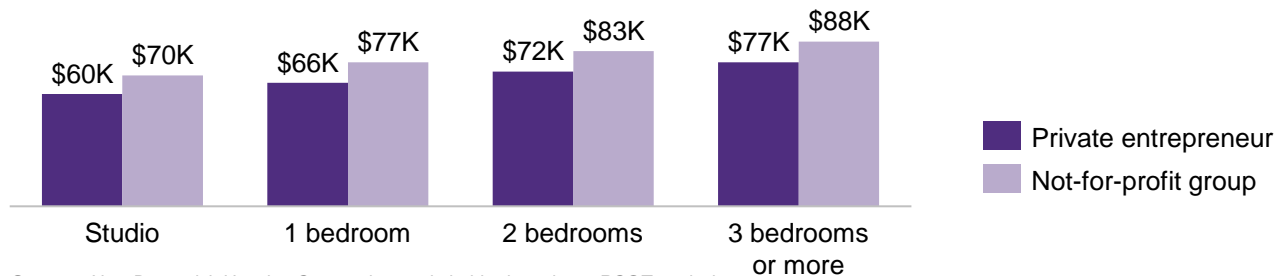
Services offered by the New Brunswick Housing Corporation

Several services are offered by the New Brunswick Housing Corporation to promote access to affordable housing. Here are the three main programs for both homeowners and renters.

Affordable Rental Housing Program

The New Brunswick Housing Corporation provides financing to private sector contractors, private not-for-profit corporations and cooperatives for the construction, rehabilitation or conversion of rental housing projects. Not-for-profit groups can receive financial assistance covering up to 100% of the units in a project. Funding for private entrepreneurs is limited to a maximum of 50% of the total number of units in a project.

A few years ago, the maximum grant available was \$60,000 for all types of units. Now, the maximum subsidy is modulated according to the number of rooms and the type of builders:



Sources: New Brunswick Housing Corporation, stakeholder interviews, RCGT analysis.

Public Housing Programs

The New Brunswick Housing Corporation manages a variety of housing units throughout the province. Families and individuals are the priority clientele. Tenants must pay 30% of their family income for rent (including heat, hot water and appliances).

Rent Supplement Program

The New Brunswick Housing Corporation has also entered into agreements with landlords for various subsidized housing. The program pays the difference between the market value of the unit requested by the landlord and 30% of the tenant's income. Otherwise, it is an ordinary relationship between landlord and tenant.

The New Brunswick Housing Corporation supports 1,122 units in the NWRSC

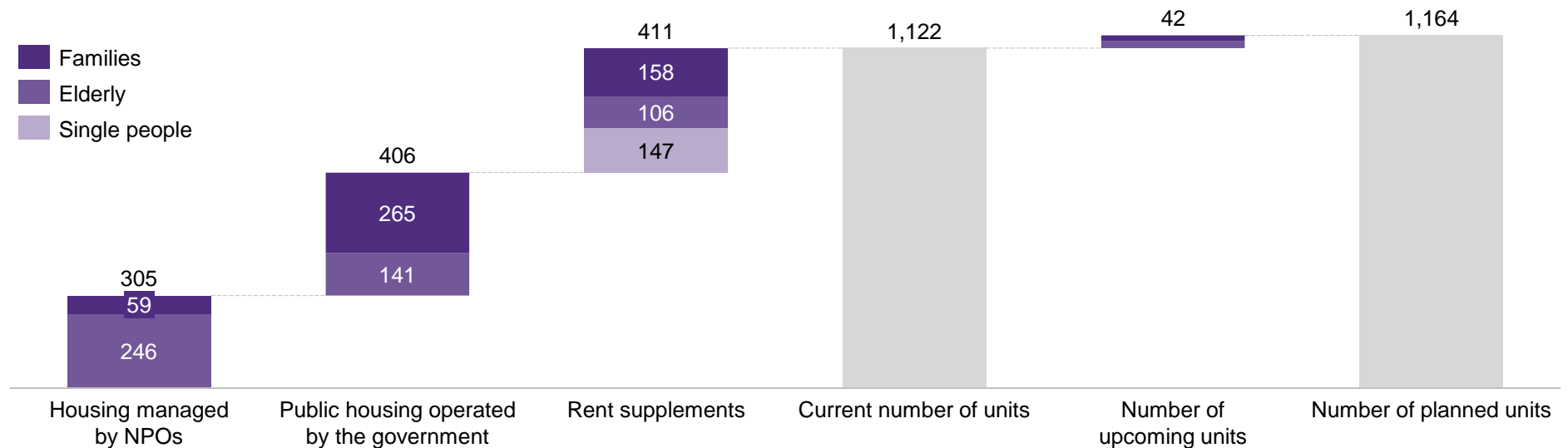
Services offered by the New Brunswick Housing Corporation

A total of 305 units are managed by nonprofit organizations (NPOs) and are mainly intended for a clientele of seniors (246 units). A number of housing units are also reserved for families (59 units). The public housing units operationalized by the government include a housing stock of 406 units that cater to different types of clientele. Finally, 411 units are available through the rent supplement program. In addition to families and seniors, the rent supplement also serves a clientele of single people.

In addition, 42 additional units are to come, which could bring the total supply to 1,164 units for the NWRSC territory.

Distribution of affordable units by type

New Brunswick, NWRSC, 2024, in number of units



Sources: New Brunswick Housing Corporation, RCGT analysis.

Affordable housing is primarily located in Edmundston

Summary of affordable units

Municipalities	Sectors	Housing managed by NPOs			Public housing operated by the government			Rent supplements			Total
		Families	Elderly	Single people	Families	Elderly	Single people	Families	Elderly	Single people	
Haut-Madawaska	Baker Brook	10			5			2	7	3	27
Haut-Madawaska	Clear	4	27		4	10				1	46
Haut-Madawaska	Lac Baker		6		5			1	3		15
Haut-Madawaska	Saint-François				4	10			4	2	20
Haut-Madawaska	Saint-Hilaire	6	6		4						16
Grand Falls	Drummond		10		21			4			35
Grand Falls	Saint-André	4	10		9			4	1	2	30
Grand Falls	Grand Falls	8	10		34	20		30	28	21	151
Edmundston	Edmundston	4	92		105	61		88	50	103	503
Edmundston	Rivière-Verte		14		10			1	1	2	28
Edmundston	Verret	2			9						11
Rural districts	Saint-Basile	8	35		3			9	2	3	60
Rural districts	Sainte-Anne	5	10		11	10		1		4	41
Rural districts	Santiago	2			21	10		12	4	3	52
Rural districts	Saint-Joseph		6		2						8
Vallée-des-Rivières	Saint-Léonard	6	20		18	20		6	6	3	79
Total		59	246	0	265	141	0	158	106	147	1,122

Sources: New Brunswick Housing Corporation, RCGT analysis.

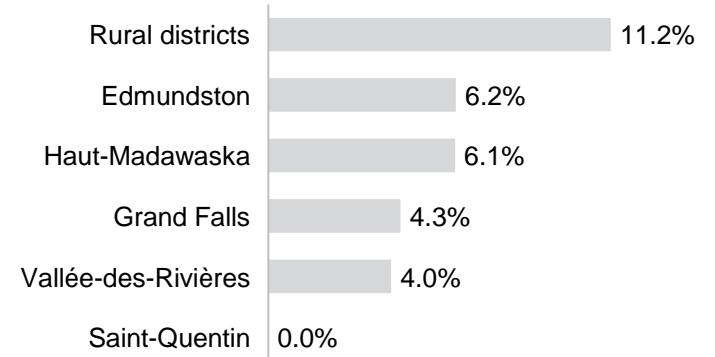
Rural areas have a lower proportion of affordable units

Affordable distribution of units by municipality

Excluding the 542 units located in Edmundston, the NWRSC has 580 affordable units on its rural territory, or 51.7% of the units. In comparison, the population residing in rural areas constitutes 59.2% of the total population. Thus, for the portion excluding Edmundston, 4.8% of households live in affordable housing, while this proportion rises to 6.2% for Edmundston.

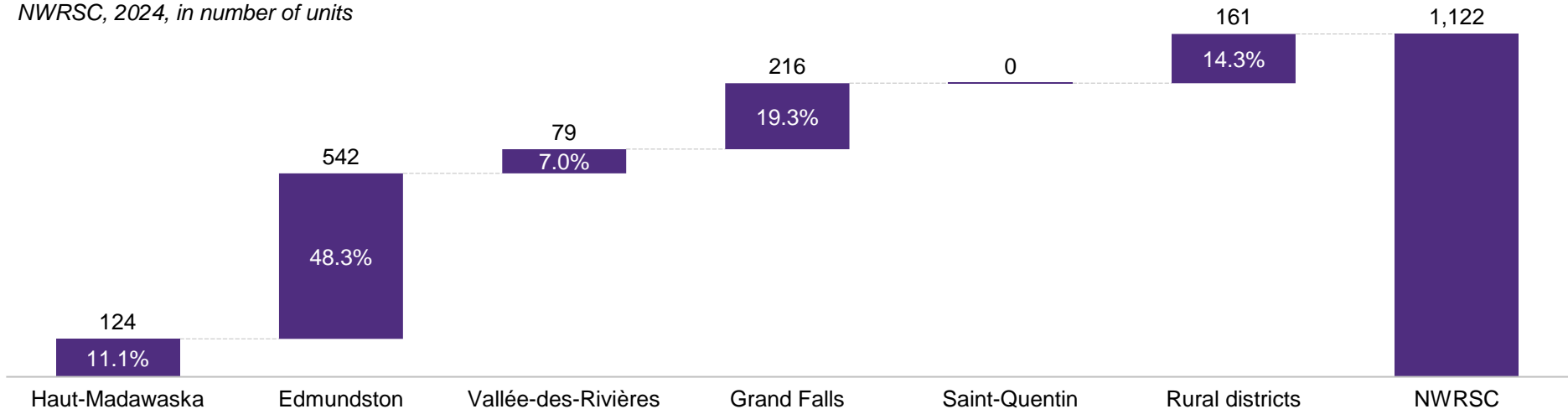
Proportion of households living in affordable units by municipality

NWRSC, 2024, % of households



Distribution of affordable units by municipality

NWRSC, 2024, in number of units



Proportion of total population



Sources: New Brunswick Housing Corporation, RCGT analysis.

Summary of housing issues



In addition to the lack of housing, the NWRSC territory is affected by several issues related to housing

Housing issues

Economic issues

- Local businesses have a vision for growth and need workers from outside the region to be able to meet their growth goals, which puts pressure on the demand for housing.

Social issues

- Owners of rental units prefer to rent them to lonely and quiet people, which means that they abandon renting to families.

Optimization challenges

- Businesses are buying homes to accommodate their workers, reducing supply for families.

Issues related to foreign workers

- Foreign workers who come to settle in the region are often accompanied by their families. However, they have difficulty finding homes that meet their needs:
 - Housing is simply too expensive for temporary foreign workers, who typically work in low-wage jobs;
 - There are few rental units that can accommodate large families and, in general, immigrants have larger families than locals; it is therefore even more difficult for them to find accommodation that meets their needs;
 - Newcomers rarely own a vehicle; as a result, they are looking for housing close to services, which restricts the locations where they can settle.

There are also issues specific to social housing, which are detailed on the next page.

Sources: Stakeholder interviews, RCGT analysis.

The development of social housing is limited by the stigma attached to this type of housing

Issues related to social housing

In the municipalities of the NWRSC and even across rural communities in New Brunswick, there is a widespread prejudice regarding affordable housing. In the minds of many, these apartments are associated with poverty or social difficulties, which can lead to some form of discrimination or reluctance on the part of the surrounding community.

Thus, because of this stigma, the creation of social units brings additional challenges, since the population tends to oppose affordable unit projects. This is the "not in my backyard" syndrome. As a result, municipalities face some form of resistance, even though affordable housing may be a priority for them.



It is important to recognize these challenges and to combat prejudices against social housing, by promoting a positive image and highlighting the essential contribution of social housing to the diversity and health of communities, as well as by adopting policies to increase the supply of social and affordable housing. This will allow for a better understanding on the part of the population and will promote the acceptance of social housing on the territory of the NWRSC.

Sources: Stakeholder interviews, RCGT analysis.

Development is being held back by elements observed elsewhere in New Brunswick and the rest of Canada

Obstacles to real estate development

Low profitability of projects in the region

- It is difficult to make investments profitable given the current economic situation, characterized in particular by high interest rates and the increase in the price of building materials. This phenomenon concerns both properties and rental homes.
- In addition, due to the nature of jobs in the area, homeowners are limited in the amounts that can be charged for monthly rent.
- It is more advantageous for developers to build in urban centres such as Edmundston and Moncton, which diverts construction opportunities from the NWRSC's territory. Rents in urban centres are higher, which attracts developers, since investments will be more profitable. In addition, Edmundston and Moncton offer construction subsidies, which accentuates this phenomenon.

Few incentives for affordable housing

- Access to financing to build low-cost properties is complex and not generous enough.
- NPOs that manage affordable housing lack the financial and human resources to provide adequate service.

Complexity associated with construction

- The programs offered by the Canada Mortgage and Housing Corporation (CMHC) and other available grants are not straightforward and can be difficult for real estate developers to understand.
- Permit applications are lengthy and include many details that complicate the work of lay proponents.
- There are some challenges associated with construction, including the accessibility of building land.

Social accessibility

- Social acceptability limits development, particularly for multi-unit projects. Sometimes the population is opposed to a development and the projects are rejected for this reason.

Lack of vision

- Given that housing issues are relatively new, the NWRSC and municipalities lack a long-term vision.

Sources: Stakeholder interviews, RCGT analysis.

Municipalities are facing issues specific to their territorial reality

Obstacles to the specific development of municipalities

Note: For rural districts, one of the obstacles to real estate development comes from the fact that the territory does not have a water system and therefore, the need to build septic tanks makes it difficult to develop multi-unit housing.

Haut-Madawaska <i>Obsolescence and capacity of municipal infrastructure</i>	Vallée-des-Rivières <i>Lack of land to develop</i>	Grand Falls <i>Limited developer interest in affordable housing</i>	Saint-Quentin <i>Limited financial capacity and lack of subsidies</i>
<ul style="list-style-type: none"> Regarding water and sewerage, the municipality has an end-of-life system that requires costly maintenance. Some areas, such as Clair and Saint-François, can be further developed, while other developments are limited by infrastructure capacity. Due to the municipality's limited financial resources, the lack of federal subsidies for infrastructure maintenance limits real estate development. 	<ul style="list-style-type: none"> The municipality of Vallée-des-Rivières is able to develop new streets and the treatment plant has excess capacity. However, few plots of land are ready for new construction, which limits the arrival of real estate projects. 	<ul style="list-style-type: none"> A considerable supply of more upscale housing has been created in recent years, creating a gap in the affordable price range, especially for the elderly and families. The lack of interest of developers in affordable housing stems in particular from the fact that affordable housing does not provide the same profitability as market-price housing and that they do not have a detailed knowledge of assistance programs. Infrastructure can support more development, but the lack of interest of developers in affordable housing is one of the main obstacles to development. 	<ul style="list-style-type: none"> The current infrastructure does not allow for real estate development. Rental: the cost of underground infrastructure would be too high given the value of the lots. Due to the municipality's limited financial resources, the lack of subsidies from the federal government limits real estate development.

Sources: Stakeholder interviews, RCGT analysis.

Lack of housing impacts NWRSC communities

Consequences associated with lack of housing

Economic consequences

- In general, economic development is slowing down compared to other territories that are able to house their workforce.
- Many businesses are in dire need of labour and the situation is exacerbated by the lack of housing:
 - These companies are struggling to recruit because of the lack of housing for future employees;
 - Some companies have even planned to hire temporary foreign workers, but the lack of available housing is delaying their arrival in New Brunswick.
- The lack of housing complicates the management of local businesses:
 - Companies that could have considered establishing themselves on the NWRSC territory choose to set up elsewhere, since they know that the lack of housing will make it difficult to recruit;
 - The lack of housing is putting increased pressure on companies, which have to improvise as property managers, since they take on the responsibility of housing their workers to ensure the sustainability of the organization.
- Finally, difficulties in finding housing can lead to an exodus of residents to urban areas with better housing opportunities.

Social consequences

- The lack of housing is causing concern among the population.
- When individuals and families cannot find housing that fits their budget, they may find themselves with no choice but to live in precarious conditions and may ultimately find themselves homeless. In the NWRSC, the number of homeless people is on the rise, which is worrisome for community organizations.
- Housing instability can cause stress and anxiety, which negatively impacts the mental health of those affected.

Sources: Stakeholder interviews, RCGT analysis.

Housing supply and demand



This section is divided into three subsections

Introduction

1. PORTRAIT OF THE DEMAND

The first section focuses on current and future demand for housing. Current needs were determined based on interviews with the leadership of each of the municipalities under study. Long-term housing needs were estimated based on population projections based on population growth between 2021 and 2023.

2. SUMMARY OF THE OFFER

The section on supply presents the upcoming projects that have been identified on the basis of interviews with the leaders of each of the municipalities under study and with the companies or organizations.

3. SUPPLY AND DEMAND MATCHING

This section aligns demand and supply over the next few years in order to measure the extent of the additional needs to be met to meet demand.

Note: The data in this section focuses on the rural territory of the NWRSC and therefore excludes the demographic projections for Edmundston, since a study specifically on this territory has already been conducted. In addition, rural districts see little real estate activity on their territory. Combined with the fact that the demographic projections are negative for this sector, no data on the adequacy of supply and demand has been presented for this territory.

The current need for additional units is more than 200 units for the NWRSC

Portrait of current needs

Municipalities	Current needs	Type of clientele				Type of housing	
		Families	Seasonal workers	Vulnerable people	Foreign workers	Property	Locative
Haut-Madawaska	Approx. 100 units			X	X	X	X
Vallée-des-Rivières	Approx. 60 units	X			X		X
Grand Falls	Approx. 200 units	X	X	X	X	X	X
Saint-Quentin	Between 30 and 60 units	X		X	X		X
Total		Between 390 and 420 additional units					

Note: For Grand Falls, the current needs are mainly for affordable housing. The supply of recent years has been able to meet the needs of more upscale apartments and houses, but there is still a need for affordable units.

Sources: Stakeholder interviews, RCGT analysis.

The demand varies according to the reality of each municipality

Portrait of current needs

Haut-Madawaska	Vallée-des-Rivières	Grand Falls	Saint-Quentin
<p>The municipality of Haut-Madawaska needs rental units as much as properties. For rental housing, multi-unit housing is more in demand.</p> <p>There is a need for housing for foreign workers, a niche that the City has focused on in recent years. However, at the moment, the municipality is facing issues related to the housing of this clientele. Many foreign workers are looking for room-type housing.</p> <p>According to discussions held between the companies and the municipality, a need for 350 to 400 additional units is estimated for the next five years.</p>	<p>Vallée-des-Rivières notes the significant need for family housing that could be aimed at a clientele of newcomers who are increasingly moving there because of the quality of life.</p> <p>More specifically, newcomers are creating a craze for rental apartments in multi-unit buildings. Often accompanied by their families, newcomers typically need three to four bedrooms.</p> <p>Since they generally have a modest salary, the demand is mainly for affordable housing.</p>	<p>The current and future offer does not correspond to an affordable price range, more specifically for single women or those aged 55 and over living alone.</p> <p>There is currently a high demand for three-bedroom homes for sale for less than \$160,000. This type of housing can meet the needs of foreign workers with lower salaries who wish to be accompanied by their families.</p> <p>Grand Falls also has some need for rental housing in multi-unit units for seniors who would like to leave their homes to reduce maintenance.</p> <p>Because Grand Falls is characterized by a large agricultural sector, many farmers have difficulty housing seasonal workers.</p>	<p>The municipality must optimize the current housing, i.e. make full use of the housing currently present on the territory.</p> <p>The creation of rental units will provide housing opportunities for foreign workers and vulnerable people. With the creation of rental housing, several houses will also be freed up to meet the needs of families.</p> <p>There is a significant demand for affordable housing.</p> <p>The municipality of Saint-Quentin mainly needs two- to three-bedroom units, but there is also a need for one-bedroom units.</p>

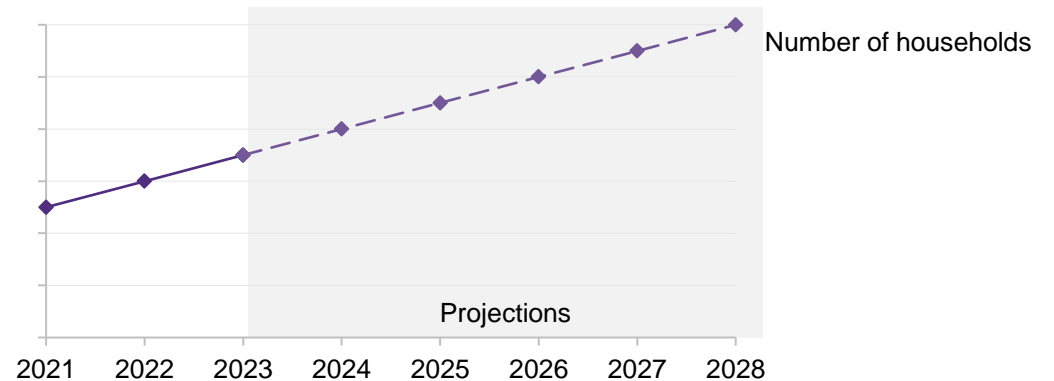
Sources: Stakeholder interviews, RCGT analysis.

In addition to current needs, long-term needs were estimated for the NWRSC territory

By projecting the growth in the number of households that was recorded between 2021 and 2023, it is possible to estimate the number of households that will be added annually to the current population.

Methodology for projecting the number of households

New Brunswick, NWRSC, 2021-2028, in number of households



Considering only the data for the rural territory of the NWRSC (excluding Edmundston), the total number of households will increase if the trend of recent years continues. More specifically, Haut-Madawaska, Vallée-des-Rivières, Grand Falls and Saint-Quentin are also expected to see an increase in the number of households, while for rural districts, the number of households is expected to decrease slightly. Although rural districts may experience a decline in population, demand from neighbouring municipalities could be transferred to this territory if a project were to come to fruition. The specific results of each municipality are presented on the following pages.

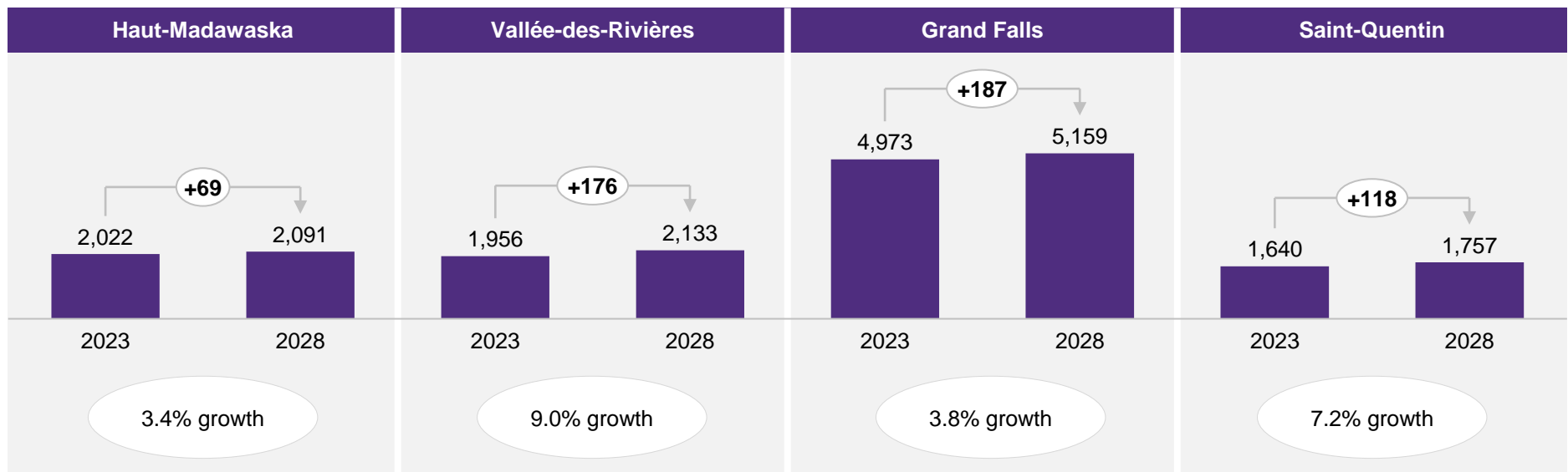
For the municipalities of the study, the total increase in the number of households will be 550 between 2023 and 2028

Long-term housing needs

Each municipality will have to house a significant number of additional households over the next five years. Vallée-des-Rivières will see the strongest growth in the number of households, with a 9% increase between 2023 and 2028, for a total of 176 new households. Saint-Quentin will also see an increase in the number of households, which will stand at 7.2%, i.e. 118 new households. For Haut-Madawaska and Grand Falls, the growth will be more modest, but will represent 69 and 187 additional households, respectively.

Projection of the number of households by municipality

New Brunswick, NWRSC, 2023-2028, in number of households



Sources: Census compilation via Sitewise, RCGT analysis.

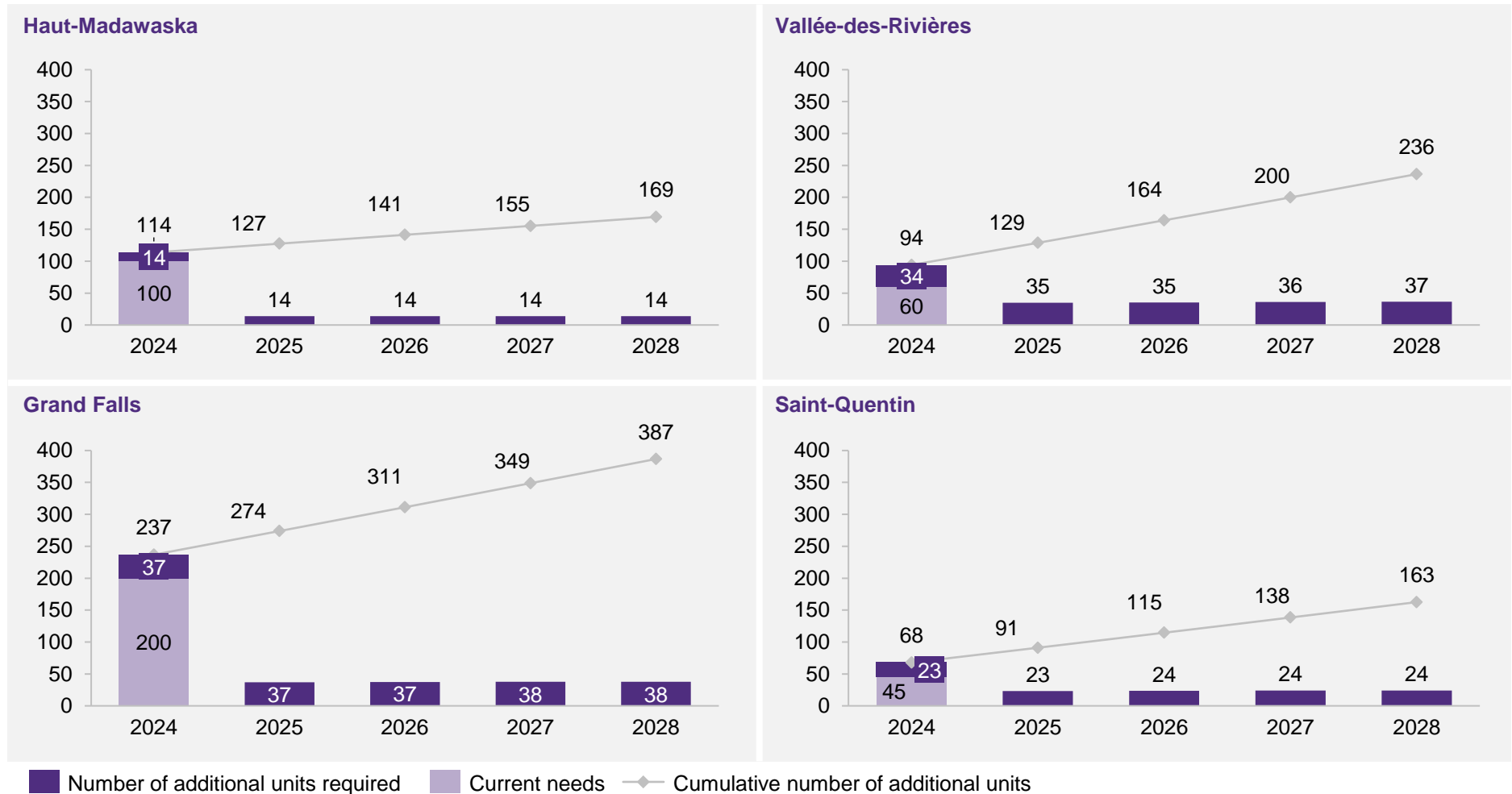
Grand Falls has the highest needs

Long-term housing needs

Reminder: Current needs were established based on consultations with stakeholders and long-term needs were estimated based on population projections.

Number of additional units required annually and cumulative number of additional units required

New Brunswick, NWRSC, 2023-2028, in number of units



Sources: Stakeholder consultation, census compilation via Sitewise, RCGT analysis.

By 2028, a total of 955 additional units will be required in the NWRSC's territory

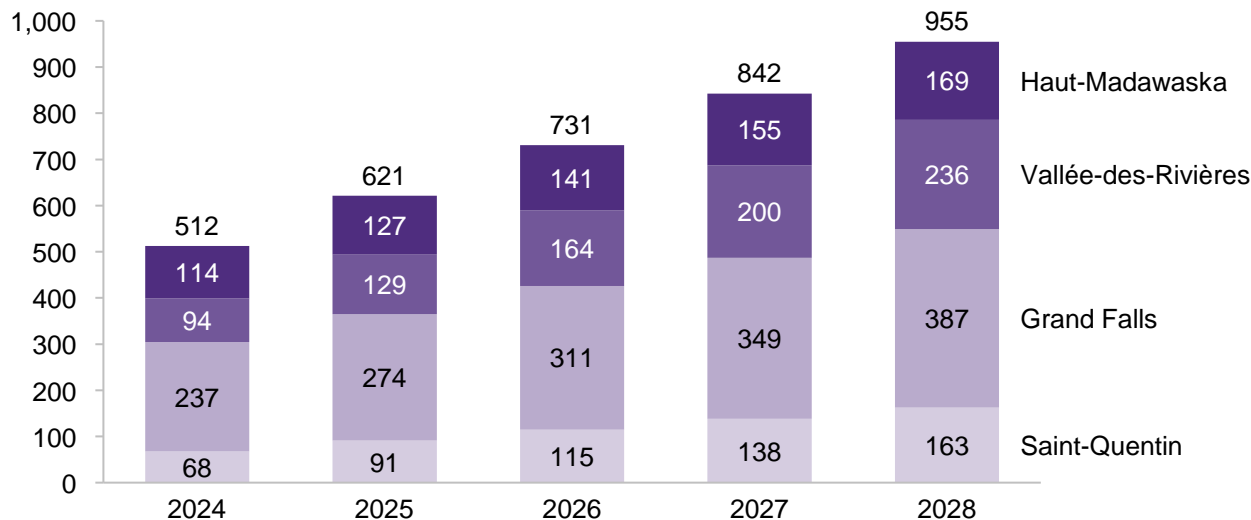
Long-term housing needs

Currently, the housing needs are between 390 and 420 additional units for the NWRSC territory. Considering the average of the stated range, it is possible to estimate the demand at approximately 405 additional units that would be required to meet current requirements.

Considering the projections of the number of households based on the history of recent years, additional needs will be added annually and, by 2028, 955 units will be required. Excluding Edmundston, the number of units to be built on the territory of the NWRSC will therefore have to grow by nearly 8% by 2028.

Cumulative number of additional units required by municipality

New Brunswick, NWRSC, 2024-2028, in number of units



By 2028, the NWRSC's territory will need an additional

955 units,

averaging 191 new units per year.

Note: For rural districts, the number of households is expected to decrease. The additional needs were therefore considered to be nil.

Sources: Stakeholder consultation, census compilation via Sitewise, RCGT analysis.

Nearly 300 units will be built over the next five years

Portrait of the upcoming offer

Municipalities	Offer planned within five years	Description
Haut-Madawaska	90 units	<ul style="list-style-type: none"> The renovation of a social housing building that was damaged by fire a few years ago will add 10 affordable units to the current supply. A nonprofit organization was recently created to build housing for workers. The municipality has reserved land for this project. The short-term goal is to build 24 housing units on the territory of Haut-Madawaska. In the long term, 80 units could be built over a three-year period. The units will be mainly two- or three-bedroom units. Housing is subsidized for construction.
Vallée-des-Rivières	8 to 10 units	<ul style="list-style-type: none"> Only eight units are to be built by next year. In an optimistic scenario, the owner of a piece of land in downtown Saint-Léonard is interested in building two three-bedroom units.
Grand Falls	160 units	<ul style="list-style-type: none"> According to the municipality's estimates, in an optimistic scenario, 160 housing units could be created in the coming years in Grand Falls, of which 10% to 15% would be affordable housing.
Saint-Quentin	Approx. 15 units	<ul style="list-style-type: none"> A project related to CMHC is underway. In total, according to the municipality's estimates, about 15 units will make up the offer over the next five years.
Total		Between 273 and 275 additional units available within five years

Note: For rural districts, the number of households is expected to decline and it has been assumed that supply will be equivalent to demand. Although rural districts are likely to experience a decline in population, if real estate developments materialize on their territory, they could capture a share of the demand from neighbouring municipalities.

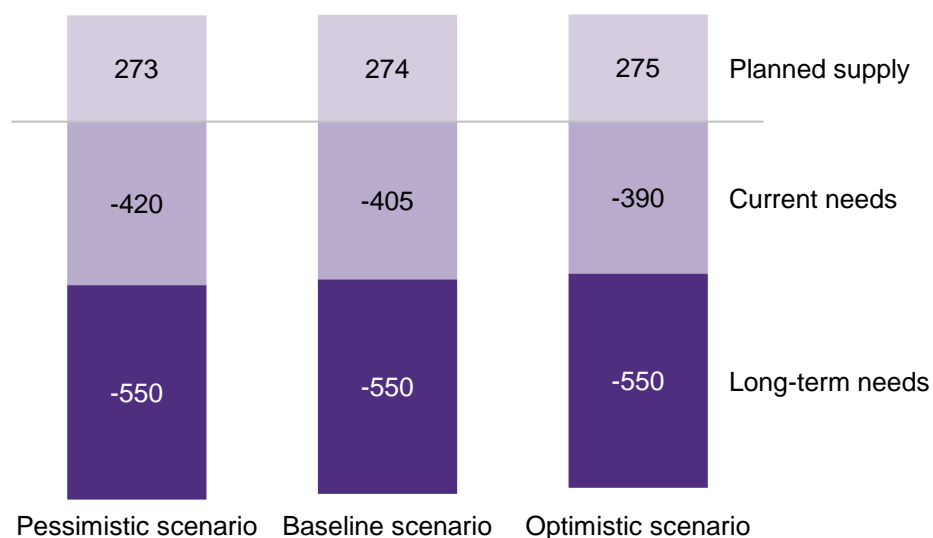
Sources: Stakeholder consultation, RCGT analysis.

The NWRSC will have a significant housing deficit for years to come

Supply and demand

Supply and demand matching

New Brunswick, NWRSC, 2024-2028, in number of units



Gap in the number of units to be closed

-697	-681	-665
------	------	------

By analyzing the adequacy between supply and demand forecast for the next five years in the NWRSC's territory, it is possible to estimate that the shortfall could be between 665 and 697 units.

Under the baseline scenario, an additional 681 units would need to be built by 2028 to fill the gap, for a total of 136 units per year.

Scenario	Definition
Optimistic scenario	The optimistic scenario considers the maximum expected development in terms of the number of units, combined with the lowest demand for additional units.
Baseline scenario	The baseline scenario assumes that projected supply and demand represent the average of the range suggested by municipalities.
Pessimistic scenario	The pessimistic scenario takes into account the minimum expected development in terms of the number of units, combined with the highest demand for additional units.

Sources: Stakeholder consultation, census compilation via Sitewise, RCGT analysis.

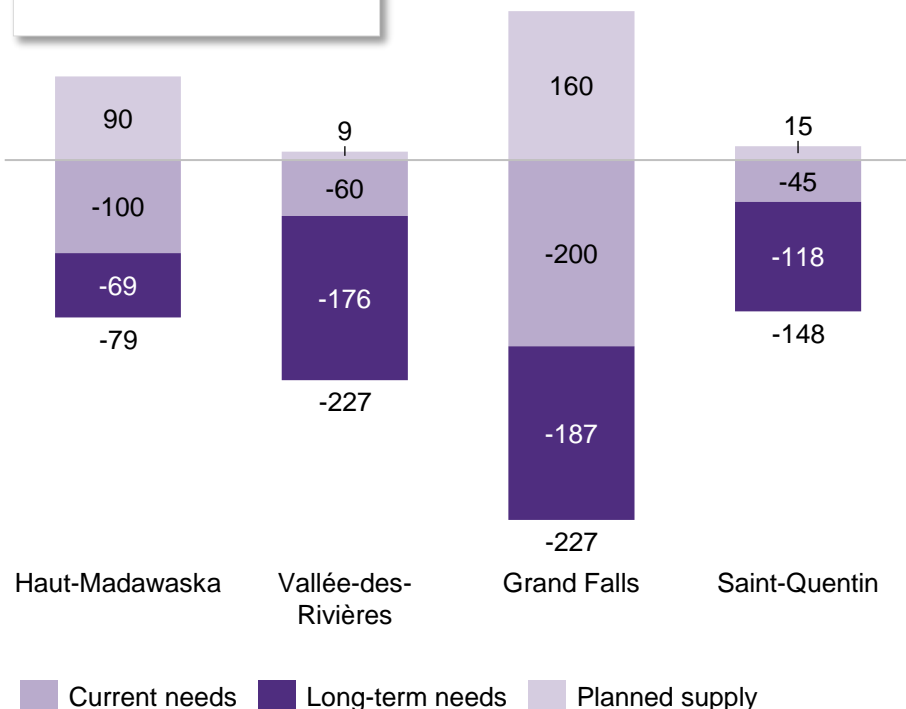
Vallée-des-Rivières will have high needs

Supply and demand by municipality

Number of additional units required annually and cumulative number of additional units required

New Brunswick, NWRSC, 2024-2028, in number of units

Note: The data presented is for the baseline scenario.



Haut-Madawaska

For Haut-Madawaska, the upcoming offer will be able to meet almost all current needs. However, the projected population growth will generate an additional 79 units of excess demand.

Vallée-des-Rivières

Vallée-des-Rivières is the municipality with the highest needs, with 227 additional units over five years according to the reference scenario. This is because the planned supply is quite limited compared to future needs.

Grand Falls

For Grand Falls, although the needs are significant, a supply of 160 units could be added by 2028, which limits the needs to be met to 227 units over the next five years.

Saint-Quentin

In Saint-Quentin, the planned supply is limited to 15 units for the coming years, while the needs are much greater. The number of additional units that would have to be built over the next five years is 148.

Sources: Stakeholder consultation, census compilation via Sitewise, RCGT analysis.

Findings and recommendations



The diagnosis of the home highlighted certain observations specific to the NWRSC territory

Summary of findings

Portrait of housing and its challenges

The strong demand for housing in the NWRSC territory is mainly linked to the growth of businesses, which has forced them to hire many workers from outside the region.

Residents of the NWRSC have a limited ability to pay for housing due to the nature of the jobs and the fact that a significant proportion of residents are retired. There is therefore a significant demand for affordable housing.

Barriers to real estate development include the low profitability of projects in the region, few incentives for affordable housing, the complexity associated with construction, limited social accessibility for some development projects, and a lack of long-term vision.

The lack of housing also leads to a slowdown in economic development as well as certain social consequences such as increased homelessness.

Housing needs

Across the NWRSC territory, the housing shortfall to be filled in the next five years has been estimated at about 500 units. In addition to the planned projects, the construction of 100 additional units would make it possible to respond to population growth similar to that of recent years.

Vallée-des-Rivières is the municipality with the highest needs, which represent 227 additional units over five years according to the reference scenario. In Saint-Quentin, the planned offer is limited; 148 units would therefore have to be built within five years. For Haut-Madawaska, the excess demand is 79 additional units. As for Grand Falls, the planned additional supply limits the needs to be met to 38 units over the next five years.

Although rural districts are likely to experience a decline in population, demand from neighbouring municipalities could be transferred to this territory if a project were to come to fruition.

Sources: Stakeholder interviews, RCGT analysis.

Discussions with stakeholders have made it possible to establish five areas of intervention

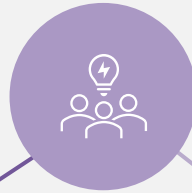
Summary of areas of intervention

Areas of intervention to improve the housing situation in the NWRSC

**Planning housing supply
with a long-term view**



**Decommodifying
housing**



**Maximizing the use of
current levers**



**Creating a favourable
context for real estate
development**



**Optimizing the
current housing
supply**

The specific actions of each of the areas of intervention are detailed in the following pages.

Sources: Stakeholder consultation, RCGT analysis.

Planning housing supply with a long-term view

Recommendations

Actions	Description	Responsible			
		Federal	Provincial	NWRSC	Municipal
Plan a complete inventory of the land to be developed	To move forward, municipalities must take the time to make an inventory of the land that could be available for development by identifying the constraints specific to each of them. Municipalities must list those that they own, but also those owned by individuals or organizations. A database must be updated and sent to the NWRSC in order to facilitate the eventual networking between real estate developers and development projects.			X	X
Assessing the revitalization potential of empty buildings	Some municipalities have begun steps to identify empty homes that could be revitalized. This work should be done for all NWRSC municipalities, with particular attention to buildings located near services. The inventory of units to be redeveloped could be used by the New Brunswick Housing Corporation to increase the social housing stock or be made available to developers to stimulate urban development and densification.			X	X
Promote development projects in line with the needs of residents and businesses	To do this, the NWRSC and the municipalities must remain attentive to the needs of citizens, the organizations that represent them and the businesses present on the territory.			X	X
Developing the housing supply in line with the needs of companies	NWRSC businesses are a key driver of housing demand, but more recently, they have an important role to play in housing supply. Major companies would benefit from being included in discussions aimed at planning the region's real estate development.			X	X
Stimulating dialogue with developers	Ongoing dialogue with developers could help ensure that they receive support at each stage of their projects. A climate of trust and collaboration must be fostered in order to facilitate future business relationships.			X	X

Sources: Stakeholder consultation, RCGT analysis.

Creating a favourable context for real estate development

Recommendations

Actions	Description	Responsible			
		Federal	Provincial	NWRSC	Municipal
Maximize efforts to simplify zoning	A revision to ease zoning regulations could facilitate the development of new housing and diversify the types of housing available. This exercise could be conducted by the NWRSC in collaboration with municipalities. Examples of things that could be considered include easing restrictions on building heights, mixed land use, etc. Simplifying zoning can also reduce the time and costs associated with obtaining building permits, which is beneficial for both developers and future residents.			X	X
Offering benefits to stimulate construction by developers	Real estate developers want to maximize the profitability of their projects. Thus, the granting of incentives by municipalities is likely to have a considerable influence on the choice of one location over another. More specifically, the benefits offered can take the form of property tax reductions, subsidies, low-cost water connections, free building permits, etc. These measures to reduce the cost of construction make projects more financially attractive, which can boost the supply of housing on the market.			X	X
Ensuring a strategic watch of inspiring real estate developments	Business intelligence is the process of tracking housing trends and innovations to identify best practices and successful development patterns. This can help inspire new approaches and adapt local strategies based on successes seen elsewhere.			X	
To offer the population training on the phenomenon of "not in my backyard" and its consequences	These trainings, offered jointly by the NWRSC and the New Brunswick Housing Corporation, are intended to raise awareness among the public, elected officials and municipal officials of the negative consequences of systematic opposition to new housing projects. They can address the impacts on the diversity of housing options, social integration, and the vitality of communities. The objective is to promote a culture of openness and welcoming of developments that meet collective needs.		X	X	

Sources: Stakeholder consultation, RCGT analysis.

Decommodifying housing

Recommendations

Actions	Description	Responsible			
		Federal	Provincial	NWRSC	Municipal
Focusing on nonprofit housing development	Municipalities and the NWRSC can encourage the creation and support of nonprofit organizations dedicated to the development of affordable housing. These entities can benefit from subsidies and tax exemptions to build or renovate housing for vulnerable or low-income populations. Collaboration with local partners and real estate development experts is key to spotting opportunities and highlighting the specific challenges of each community.			X	X
Promoting cooperative housing movements	Housing co-ops offer an alternative to traditional ownership models by allowing residents to share ownership and management of their homes. For the NWRSC, the creation of housing cooperatives could make it possible to rent housing at low cost, but would also encourage community solidarity and self-management. Condominium co-ops are another attractive option; they are a recent innovation that comes in the context of a housing shortage across Canada. To promote these movements, it is important to provide training, resources and tailored regulatory support. However, the process of creating housing cooperatives remains a complex process that must also be communicated.			X	X
Promote affordable housing that is properly integrated into the urban fabric	Affordable housing has long struggled to fit into the urban landscape because of its distinctive design. These alternatives may be more attractive and better suited to contemporary needs. Encouraging innovation in the design and construction of housing can also help to break down stereotypes associated with social housing and integrate social housing into the urban fabric in a harmonious way.		X	X	X
Exploring the community land trust option	Community land trusts are nonprofit organizations that acquire and manage land for the benefit of the community. They can offer a sustainable solution for affordable housing development by maintaining ownership of the land and selling or renting the buildings to low-income residents. This helps to preserve housing affordability in the long term.		X	X	

Sources: Stakeholder consultation, RCGT analysis.

Optimizing the current housing supply

Recommendations

Actions	Description	Responsible			
		Federal	Provincial	NWRSC	Municipal
Optimize existing housing by building smaller rental units that can eventually free up some homes for families	<p>By offering smaller housing alternatives, it is possible to free up larger homes for families to meet diverse demand. Indeed, some older households want to leave their homes for a home that requires less maintenance, which could free up multi-bedroom homes. In addition, the construction of rental apartments maximizes the use of land and vacant land within the urban perimeter.</p> <p>Canvassing real estate developers could be carried out to stimulate the creation of smaller, but still high-quality rental units.</p>			X	X
Promoting urban development and multi-unit housing to maximize density	A denser urban fabric close to services will provide newcomers with housing that meets their needs, given the fact that the majority of them do not have a vehicle. In addition, by reducing urban sprawl, municipalities limit the development of new streets, which can be costly in terms of construction and maintenance.			X	X
Develop an action plan for the conversion of high-potential buildings located in urban areas	A mapping of vacant or underused buildings with potential for reconversion could be carried out by the NWRSC in partnership with the municipalities. This map should be shared with entrepreneurs. Incentives to maximize the interest of the latter could also be granted (tax holidays, low-cost land and permits, etc.). Canvassing to convert these buildings into social housing could also be carried out with the provincial government or NPOs that manage affordable housing.		X	X	X

Sources: Stakeholder consultation, RCGT analysis.

Maximizing the use of current levers

Recommendations

Actions	Description	Responsible			
		Federal	Provincial	NWRSC	Municipal
Provide training on New Brunswick Housing Corporation programs	In collaboration with the NWRSC, the New Brunswick Housing Corporation could offer presentations on the programs that are offered, particularly with respect to affordable housing. The goal is to maximize the use of available resources to meet housing needs. Information sessions could be targeted at developers, developers and property managers, and cover the following aspects: information on grants, eligibility criteria and application procedures.		X	X	
Develop expertise and offer support to effectively complete grant applications	Grant applications, whether from CMHC at the federal level or from the New Brunswick Housing Corporation at the provincial level, are not turnkey services and are sometimes difficult to understand for laymen and small developers. Developing expertise in grant applications at the NWRSC could help municipalities considerably. More specifically, this action aims to set up technical assistance services to help applicants fully understand the complex process of applying for grants, which may include the development of practical guides, the organization of workshops or the provision of a resource to accompany applicants throughout the process.	X		X	X
Monitor the programs offered for which subsidies may be offered in order to stimulate real estate development	CMHC and provincial government programs are constantly evolving. A strategic watch on deadlines and modalities could be carried out by the NWRSC. The information could be shared with municipalities to encourage them to take advantage of these programs, which can provide significant financial assistance.			X	

Sources: Stakeholder consultation, RCGT analysis.

Several levers must be considered by the NWRSC and its municipalities to promote real estate development

Focus on current levers

Program	Responsible	Description
Affordable Housing Fund	CMHC	This federal program has two components: one for the construction of affordable housing and another for its renovation. The first offers low-interest loans and forgivable loans for the construction of affordable housing. The second is in the form of low-interest loans and contributions to renovate and/or repair existing buildings to make them affordable housing.
Affordable Housing Innovation Fund	CMHC	This federal program aims to support new ideas and innovations in social housing. It is intended for municipalities, provinces and territories, the private sector and nonprofit organizations. The Fund will provide more than \$550 million over six years.
Cooperative Housing Development Program	CMHC	This federal program provides forgivable loans and low-interest repayable loans to build rental housing cooperatives.
Rent Bank	Provincial	This program launched by the provincial government allows tenants to get help with expenses that will allow them to keep their housing. This is an initiative adopted as part of the new New Brunswick Housing Strategy: Housing for All.
Rental Rehabilitation Assistance Program	Provincial	This program helps landlords make mandatory repairs to single-family dwellings rented to low-income households that do not meet standards. The maximum amount for each individual dwelling is \$36,000.
Tax holiday	Municipal	Municipalities can offer property tax holidays as a financial incentive to attract investors and encourage real estate development.
Zoning By-law Amendment	Municipal	Zoning, i.e. the division of the territory of a municipality according to the use and type of construction, can be modified to promote the development of certain sectors.
Changing restrictions	Municipal	Some restrictions related to height, living area and setbacks could be modified to promote the development and diversification of housing types.
Improving the Development Approval Process	Municipal	Improving this process for the development of rental and affordable housing by eliminating certain requirements and reducing the number of approvals required would encourage real estate development.

Sources: Website of the responsible entities.

Appendices



Haut-Madawaska

Portrait of housing by municipality

Population (2021):	4,405
Number of households (2021):	1,995
Number of planned households (2028):	2,091
Annual increase in the number of households (2021-2028):	0.7%

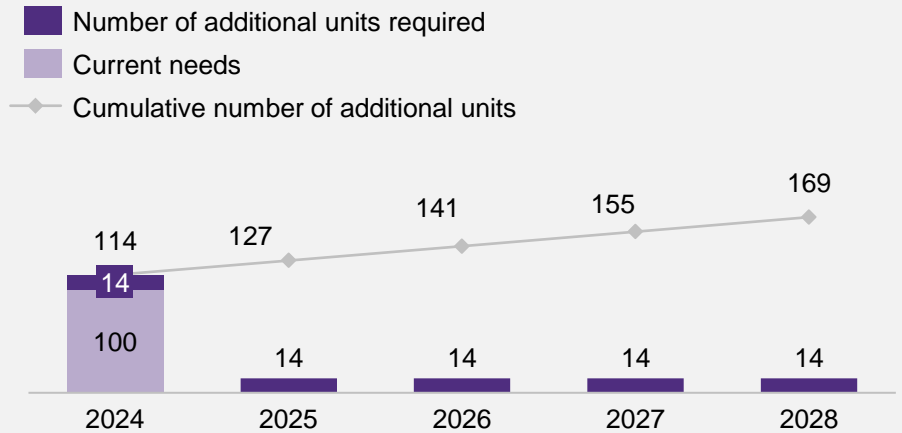
Municipality-specific issues: obsolescence and capacity of municipal infrastructure

- Regarding water and sewerage, the municipality has an end-of-life system that requires costly maintenance.
- Some areas, such as Clair and Saint-François, can be further developed, while other developments are limited by infrastructure capacity.
- Due to the municipality's limited financial resources, the lack of federal subsidies for infrastructure maintenance limits real estate development.

Solutions to be implemented

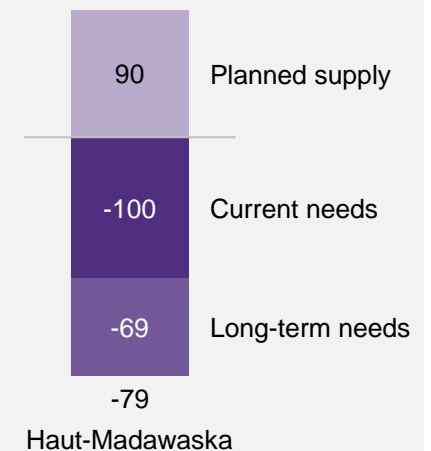
- Develop expertise in cooperative housing models in order to be able to support NPOs.
- Maximize the use of existing levers (government programs, grants, etc.) to obtain funding for the upgrading of underground infrastructure in strategic sectors that will make it possible to densify sectors near services.
- Prioritize the finalization of the zoning plan for the entire community by dedicating zones allowing the construction of multi-unit rental buildings that will be popular with foreign workers.

Request



Offer

For Haut-Madawaska, the upcoming offer will be able to meet almost all current needs. However, the projected population growth will generate an additional 79 units of excess demand.



Vallée-des-Rivières

Portrait of housing by municipality

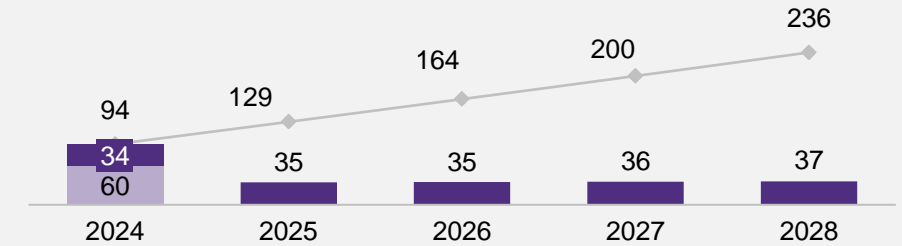
Population (2021):	4,250
Number of households (2021):	1,890
Number of planned households (2028):	2,133
Annual increase in the number of households (2021-2028):	1.7%

Municipality-specific issues: lack of land to develop

- The municipality of Vallée-des-Rivières is able to develop new streets and the treatment plant has excess capacity.
- However, few plots of land are ready for new construction, which limits the arrival of real estate projects.

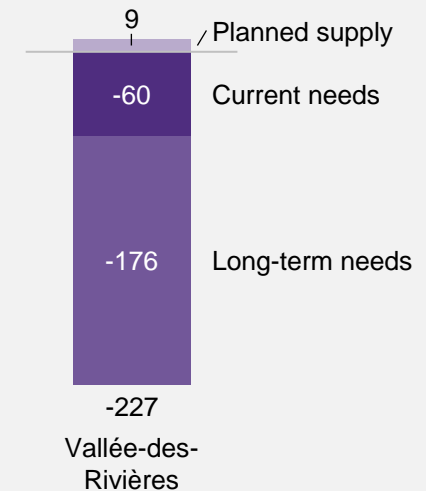
Request

- Number of additional units required
- Current needs
- Cumulative number of additional units



Offer

Vallée-des-Rivières is the municipality with the highest needs, with 227 additional units over five years according to the reference scenario. This is because the planned supply is quite limited compared to future needs.



Solutions to be implemented

- Continue efforts to complete the mapping of vacant or underutilized buildings with high potential for reconversion and share this map with contractors. Canvassing to convert these buildings into social housing could also be carried out with the provincial government or NPOs that manage affordable housing.
- For buildings with high conversion potential located near services, offer targeted incentives to maximize developer interest in making them habitable (tax holidays, low-cost land and permits, etc.).

Grand Falls

Portrait of housing by municipality

Population (2021):	10,900
Number of households (2021):	4,900
Number of planned households (2028):	5,159
Annual increase in the number of households (2021-2028):	0.7%

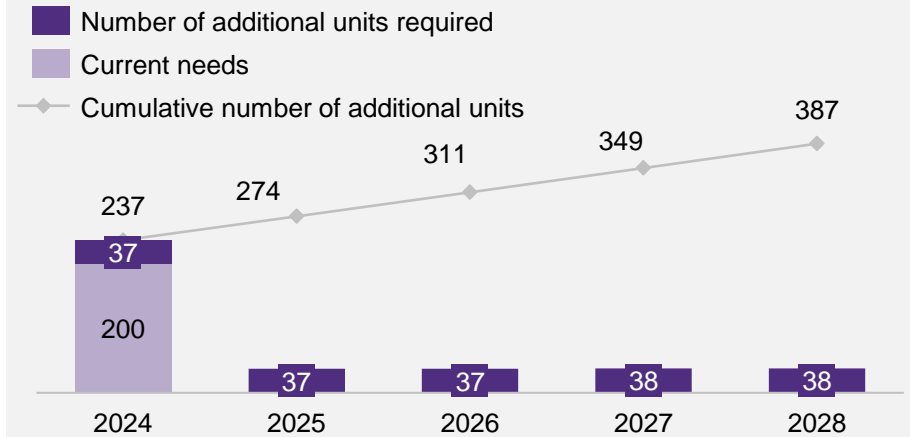
Municipality-specific issues: limited developer interest in affordable housing

- A considerable supply of more upscale housing has been created in recent years, creating a gap in the affordable price range, especially for the elderly and families.
- The lack of interest of developers in affordable housing stems in particular from the fact that affordable housing does not provide the same profitability as market-price housing and that they do not have a detailed knowledge of assistance programs.
- Infrastructure can support more development, but the lack of interest of developers in affordable housing is one of the main obstacles to development.

Solutions to be implemented

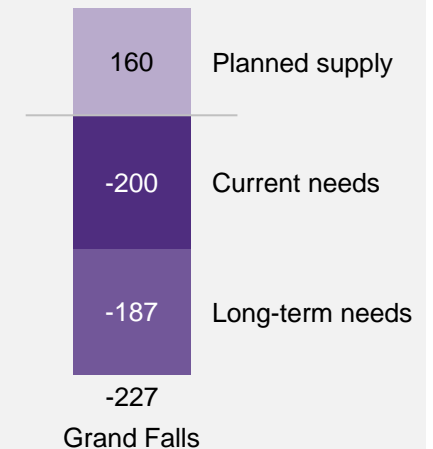
- Develop expertise in the terms and conditions of the assistance and subsidy programs offered by the government in order to be able to adequately support real estate developers who wish to apply for funds to develop an affordable offer.
- Offer certain incentives in addition to free building permits in order to stimulate the interest of future real estate developers in the construction of affordable housing (property tax or connection tax credits, subsidies for each unit built, etc.).
- Canvass to support housing cooperatives in the development of additional housing offers, specifically targeting one-bedroom housing to meet the needs of the elderly or three-bedroom housing for families.

Request



Offer

For Grand Falls, although the needs are significant, a supply of 160 units could be added by 2028, which limits the needs to be met to 227 units over the next five years.



Saint-Quentin

Portrait of housing by municipality

Population (2021):	3,630
Number of households (2021):	1,595
Number of planned households (2028):	1,757
Annual increase in the number of households (2021-2028):	1.4%

Municipality-specific issues: limited financial capacity and lack of grants

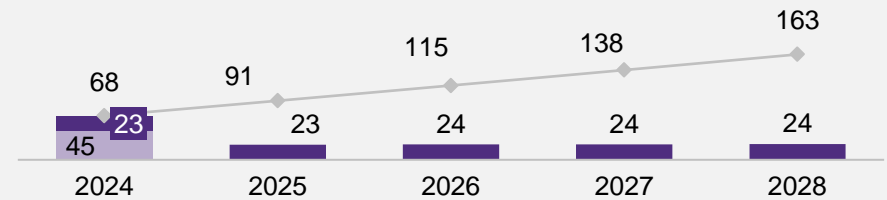
- The current infrastructure does not allow for real estate development.
- For the rental sector, the cost of underground infrastructure would be too high given the value of the lots.
- Due to the municipality's limited financial resources, the lack of subsidies from the federal government limits real estate development.
- According to the municipality's estimates, only about fifteen units will make up the offer over the next five years.

Solutions to be implemented

- Offer certain incentives to stimulate the interest of real estate developers developing on the territory (free building permits, property tax or connection credits, subsidies for each unit built, etc.).
- Prioritize the construction of relatively affordable multi-unit rental units close to services, which could free up some homes.
- Relax regulations to allow for the construction of alternative housing such as garden pavilions or the creation of basement apartments to create intergenerational housing in private housing.

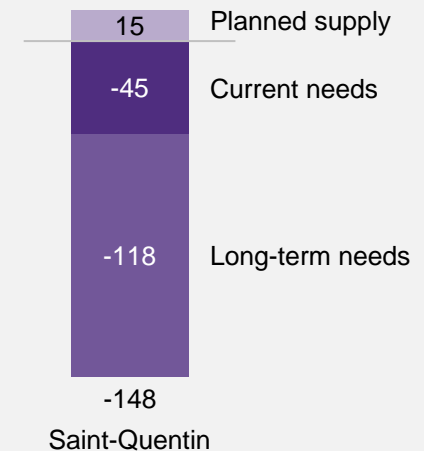
Request

- Number of additional units required
- Current needs
- ◆ Cumulative number of additional units



Offer

In Saint-Quentin, the planned supply is limited to 15 units for the coming years, while the needs are much greater. The number of additional units that would have to be built over the next five years is 148.



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Raymond Chabot
Grant Thornton

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