

2024-2025 Nova Scotia Budget Consultation

Submission to the Department of Finance and Treasury Board

January 26, 2024

Summary of Recommendations

1. Invest in creating housing supply that is truly affordable.
2. Increase access to rent subsidies to make assistance available to all residents currently in core housing need.
3. Increase investment in social and non-profit housing.
4. Stabilize the price of existing rental housing in Nova Scotia.

About CCHR

The Canadian Centre for Housing Rights (CCHR) is Canada's leading registered charitable organization working to advance the right to adequate housing. For over 35 years, we have worked tirelessly at the intersection of human rights and housing, providing free services to renters facing evictions and human rights violations to remain housed, providing education and training about housing rights across Canada, and advancing rights-based housing policy through research, policy development, advocacy, and law reform.

The State of Housing in Nova Scotia

Renters in Nova Scotia are facing [historically high rent prices and record low vacancy rates](#). The Halifax Regional Municipality saw a 26 per cent rent increase between 2019 and 2022. The province's current rent cap, [which has been in place since November 2020](#), limits the amount that rents can be raised for renters remaining in their units. Consequently, units with renter turnover experienced a 28 per cent rent increase, whereas units that retained the same renters increased by only 4 per cent. Despite the rent cap, there is a [fixed-term lease loophole](#) which allows landlords to evict renters at the end of the fixed-term rental period and increase rents. Rental vacancy rates below 1 per cent make it challenging for new residents and displaced renters to find a new home.

[Housing affordability is a concern for nearly a quarter of all Nova Scotians](#). Twenty-one per cent of renter households are in “core housing need”, spending over 30 per cent of their income on shelter. An additional 10 per cent of renter households are at even greater risk, living in “deep unaffordability” because they spend over 50 per cent of their income on shelter. These households are in particularly precarious positions and are especially vulnerable to eviction, displacement, and homelessness.

As rent prices increase, incomes are not keeping pace. A [Housing Needs Assessment Report](#) found that, in 2022, a household income of \$43,800 was required to afford the median rent for a studio apartment, and an income of \$72,900 was needed to afford the median rent for a unit with three or more bedrooms. Meanwhile, [the median income sat at \\$38,200](#) (2021). As [cost of living continues to rise](#), more and more Nova Scotians find themselves struggling with affordability.

[Vulnerable populations are disproportionately impacted by high rents](#), including seniors, young adults, survivors fleeing domestic violence, persons with disabilities, Black individuals, newcomers, LGBTQ2S+ persons, veterans, Indigenous peoples, and people experiencing homelessness.

While Nova Scotians have been struggling, the provincial government has made it more difficult for households to access rent subsidies. Previously, a household qualified for the “Canada-Nova Scotia Targeted Housing Benefit” if they spent more than 30 per cent of their pre-tax income on rent. In April 2023, [the province acknowledged that it was not providing enough rent subsidies to meet the need](#). But instead of providing more subsidies, it made eligibility more stringent so that households can spend up to 49 per cent of their income on rent and still not qualify for a subsidy.

Commentary on the 2024-2025 Budget

The province's [“Our Homes, Action for Housing”](#), a five-year strategic housing plan, identifies three policy priorities as solutions to the housing crisis:

1. Increase housing supply.

2. Grow and sustain the affordable housing sector.
3. Deliver the programs people need.

These are important goals and achieving them will require genuine investment in the 2024-2025 Budget. Our recommendations will help ensure that the plan becomes reality.

Recommendations

We urge your government to prioritize public investments in the development and protection of deeply affordable housing in the 2024-2025 Budget, particularly for people experiencing housing precarity and homelessness.

1. Invest in creating housing supply that is truly affordable.

Currently, Nova Scotia's "Affordable Housing Development Program" will fund affordable housing projects offering rent "[at least 20% below average market rent](#)". The [average market rent for a two-bedroom apartment was \\$1,449](#) in January 2023, which means that affordable housing funded by this program would cost \$1,159. Sixty-three per cent of Nova Scotia households in core housing need have low or very low incomes, and thus can afford maximum rents of \$893. Hence, the "affordable" housing produced under this program will not actually be affordable to most Nova Scotians who need it. The province must invest in creating housing that will be truly affordable to those in need.

2. Increase access to rent subsidies to make assistance available to all residents currently in core housing need.

The province's five-year strategic plan commits to assisting 11,000 households with monthly rent by 2028. Currently, [there are 13,160 identified renter households that spend over 50 per cent of their income on rent](#). At least 13,160 subsidies are required to provide support to those in deepest need. To ensure broad support for all tenants facing housing precarity, the province should also invest in supporting the other [35,565 households that spend between 30 per cent and 50 per cent of their income on rent](#).

3. Increase investments in social and non-profit housing.

Private markets do not create housing that is affordable to the people most in need. Investments in provincially-owned housing and non-profit housing, including housing that offers wrap-around support, are necessary to ensure that the most vulnerable populations are housed. In addition, the province should continue to leverage available public land and assets for affordable housing development, prioritizing the non-profit sector to create deep affordability.

4. Stabilize the price of existing rental housing in Nova Scotia.

Drastic rent increases in units with renter turnover are a barrier that prevent newcomers, displaced tenants, and the currently unhoused population from accessing stable housing. The province should invest in a more comprehensive rent regulation scheme, including investments in legal aid services and the Residential Tenancies Program.

We thank you in advance for considering our recommendations. We welcome the opportunity to provide our housing expertise and look forward to further discussions with the province to ensure Nova Scotians can live in secure and affordable homes.

Sincerely,



Dale Whitmore
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