

Municipality of the District of Lunenburg

Municipal Housing Needs Report

2023

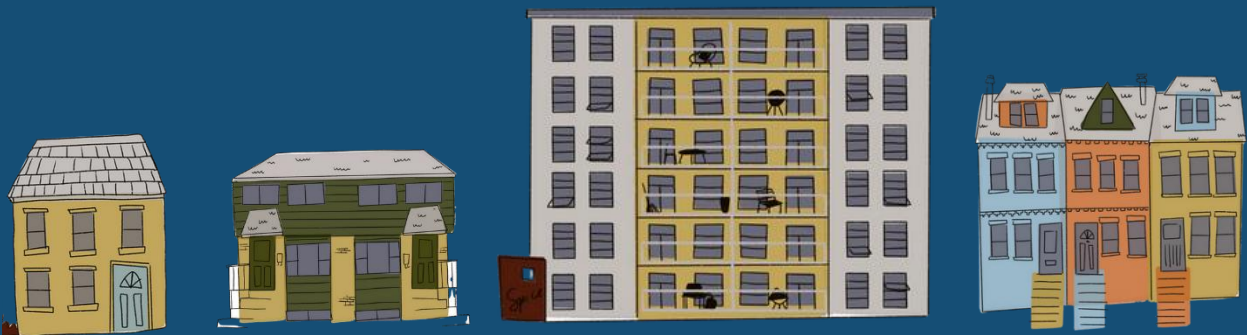


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1 Introduction

The purpose of a housing needs assessment is to understand the current and anticipated housing conditions across a given geography, in the case of this and accompanying reports, the conditions across the province of Nova Scotia and its municipalities. Generally, this work strengthens the ability of local stakeholders and governments to:

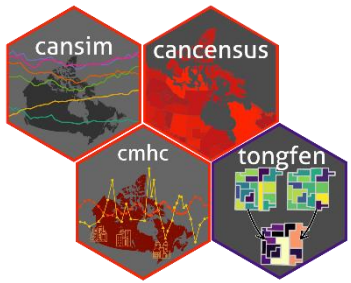
- Identify current and future housing needs and
- Identify existing and projected gaps in housing supply

Empowering municipalities and the province to become effective partners in housing provision requires reliable data to identify the stock necessary to meet current and future needs and how to drive related policy and investment. The insights generated by a needs assessment can help to 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.

The goal of this municipal report is to share appropriate, available, and accurate data to municipal governments so that they further understand their current housing situation and what they might anticipate. It is important to note that the same data methodologies and calculations are applied across each municipality, based on available data. This means that reports cannot consider all the nuanced conditions of individual communities that would be known best by municipal staff, stakeholders, and residents.

The report should be considered a form of base knowledge, intended for local review and discussion. Municipalities should use local information to provide additional context and information for discussion and decision-making as they see fit. For more details about methodologies, provincial trends, and definitions, please refer to the **Provincial Report**.

Note that all data references the municipality unless noted otherwise.



2 Key Findings

Housing shortage

As of the end of 2022, there was a gap between housing demand and available supply of about 645 units, including both market and non-market housing.

Projections suggest that to keep pace with population growth, the municipality will need 1,195 new units by 2027 (including the existing shortage of 645) and 1,665 by 2032. Status quo construction will not be enough to meet this projected demand. About 150 new units could be completed annually based on historical construction trends. If that pace continues, it will leave a remaining gap of 445 units by 2027 and 165 by 2032.

Population

Between 2016 and 2021, the municipality's population increased by 3%, while the province's population rose by 5%, with noticeably strong growth among the 65- to 84-year-old age cohort. Marginal gains occurred for the 25- to 44-year-old cohort, with a corresponding increase among youth.

Finance & Treasury Board (FTB) estimates suggest that the 2022 total population was 25,970, with a projected increase of 4% between 2022 and 2027. Senior populations should continue to increase during that time. Decreases should occur among most non-senior populations except the 25- to 44-year-olds cohort may expand 3% over the next five years.

Households

Between 2016 and 2021, there was an overall 5% increase in households, with non-census families (i.e., single persons or roommate households) and other families (i.e., multi-family household like those that are multi-generational) have seen the largest increase - a 14% rise since 2016. Households in the municipality are generally getting smaller, with a 13% increase in 1-person and a 3% increase in 2-person households.

Estimates suggest that total households reached 11,700 in 2022, with a potential increase of 5% from 2022 to 2027 (585 total). Household losses should predominantly occur among young adult households (led by 15- to 24-year-olds) and older working professional led households (45- to 64-year-olds). The greatest rate of growth should be among senior-led households.

Non-market housing

As of January 2023, the District of Lunenburg had a public-housing inventory of 35 units, of which 5 are for families and 30 for seniors.

Short-term rentals (STRs)

About 1.5% of the municipality's housing inventory may have been used as a short-term commercial rental in 2021 (the last full year of data). This means that upwards of 239 units might have been removed from the long-term market in 2022, though it is uncertain exactly how many would have been long-term rentals or purchased for permanent occupancy if not used as a STR.

Shelter costs

Average rents reported by the Property Valuation Services Corporation (PVSC) increased 2% from 2020 to 2021, the same change as between 2019 and 2020. The recent lack of change reflects the consistency in vacancy among the rental market - the municipality has had an overall vacancy rate around 7.0% since 2018, falling above the healthy vacancy range of 3% to 5% reported by PVSC across Nova Scotia.



Municipality's public survey responses

Median District home prices increased 69% from 2019 to 2022, compared to 24% between 2016 and 2019. The rapid rise in prices is a combination of low interest rates (until recently) and other factors driving increased demand.

Affordability

At least 67% of all couples, 89% of all lone-parent households, and 96% of all single person households earned below the estimated income required to afford the 2022 median sale price of a local dwelling. For rentals, at least 5% of **renting** couples, 27% of **renting** lone-parents, and 66% of **renting** single persons earned below the estimated income required to afford the 2021 average local rents.

Housing need

When a household lives in a dwelling that requires more than 30% of its before-tax household income, is overcrowded, and needs major repairs – and no alternative exists – it is in Core Housing Need. In 2021, about 9% (990 total) of the Municipality's households lived in Core Housing Need. Need is particularly prevalent among:

- 27% of renter households (300);
- 13% of Indigenous households (70);
- 20% of lone-parent households (150); and
- 19% of single persons / roommate households (610).

Generally, the number of people in and rates of Core Housing Need across segments has decreased since 2016. However, comparing this 2016 rate (particularly for affordability) is difficult given the influence of the Canada Emergency Response Benefit (CERB) on incomes. Overall, the municipality reported a lower rate of core housing need than that of Nova Scotia overall (10%).

"[92%] of our housing is single family dwellings and only 3% of the municipality has central service coverage."

"It's not just about housing, but also about where students are going to school. [The District of Lunenburg doesn't] have enough doctors or public transit [...]"

3 Housing Supply

3.1 Market Housing

As of the 2021 Census, there were 14,233 private dwellings across the District of Lunenburg, 81% of which were occupied by usual residents (those who live in the District permanently). The rest of the inventory may either be occupied solely by foreign residents and/or by temporarily present persons, unoccupied dwellings, or dwellings used as vacation homes (e.g., short-term rentals). For those dwellings occupied by usual residents, Table 3-1 summarizes the totals and distribution by structure type for the municipality. The greatest share of the current supply is currently held by single-detached homes at 92%.

Table 3-1: Total & Share of Dwellings Occupied by a Usual Resident by Structure Type

Total	Single-detached	Semi-detached	Row house	Duplex apt	Apt (< 5 storeys)	Apt (5+ storeys)	Movable	Other
11,500	10,590	80	20	55	175	0	570	10
100%	92%	1%	0%	0%	2%	0%	5%	0%

Source: 2021 Census



Municipality’s public survey responses

“Having infrastructure in place for developments is a big barrier to [the District of Lunenburg].”

“We have developers interested. The demand is there. But we’re held back by the lack of services needed to meet current requirements.”

3.1.1 Construction Activity

The pace of construction is represented by the annual total units permitted, units started, and units completed - these are separate but related phases of the same unit construction process.

A permit signifies the anticipated future housing to be built, a start reflects how many permits led to a shovel in the ground, and a completion represents how many units were actually added to the occupiable supply. Construction takes time and its pace varies depending on building type. Consequently, the number of units permitted in one year cannot be directly linked to starts or completions in another. The **Provincial Report** offers a detailed explanation of each element.

Permit activity refers to the total units permitted by a municipality. Table 3-2 shows the number units permitted, started, and completed in the District of Lunenburg between 2010 to 2022 (note that 2022 data reflects an extrapolated September 2022 total). Recent construction data shows a notable increase in activity - i.e., a high of 371 units permitted in 2021.

Table 3-2: Construction Activity by Dwelling Type

Units permitted							
	2010	2017	2018	2019	2020	2021	2022*
Total	100	84	112	94	124	371	263
Single	82	64	94	80	110	172	207
Semi	0	0	0	0	0	0	13
Row	0	0	0	0	0	0	1
Apartment	1	0	0	4	3	168	8
Other	17	20	18	10	11	31	33

* 2022 data extrapolated from September 2022 data to end of year 2022.

Units started							
	2010	2017	2018	2019	2020	2021	2022
Total	96	58	157	100	94	138	138
Single	96	58	157	100	92	132	136
Semi	0	0	0	0	2	6	0
Row	0	0	0	0	0	0	0
Apartment	0	0	0	0	0	0	2
Owned	100%	100%	100%	100%	100%	100%	100%
Rented	0%	0%	0%	0%	0%	0%	0%

Units completed							
	2010	2017	2018	2019	2020	2021	2022
Total	92	73	107	125	84	155	110
Single	90	73	107	123	84	149	108
Semi	2	0	0	0	0	6	2
Row	0	0	0	0	0	0	0
Apartment	0	0	0	2	0	0	0
Owned	100%	99%	99%	98%	99%	100%	100%
Rented	0%	1%	1%	2%	1%	0%	0%

Source: CMHC Starts and Completions Survey, Statistics Canada Custom CSD Tables 34-10-0001, 34-10-0066

Table 3-3 summarizes the change in unit size and tenure between the 2016 and 2021 Censuses. The distribution of new units shows what sizes are most occupied by renter and owner households. These Census results indicate that the long-term rental supply is growing at a slower pace than ownership relative to percent change - owned dwellings increased 5% and rented dwellings did not change.

Table 3-3: Change in Units by Size & Tenure between Census Periods

	Total	Studio / 1-bedroom	2-bedroom	3+ bedroom
Owned dwellings				
Owned (2016) - 89% of total HHs	9,850	345	2,420	7,085
Owned (2021) - 90% of total HHs	10,345	485	2,585	7,270
Change in units	495	140	165	185
Share of change	100%	29%	34%	38%
Rented dwellings				
Rented (2016) - 11% of total HHs	1,160	175	460	525
Rented (2021) - 10% of total HHs	1,160	230	390	530
Change in units	0	55	-70	5
Share of change	100%	42%	54%	4%

Source: Statistics Canada Tables 98-400-X2016220 & 98-10-0240

Note that not all additional units in the table necessarily reflect a new unit, and some may represent conversions from rental to ownership or vice versa. Between 2016 and 2021, total dwellings (not only occupied by a usual resident) increased from 14,038 to 14,233 - a 195-unit increase (39 units annually). This suggests a higher share of the

existing inventory transitioned to long-term permanent tenancy compared what was added to the inventory during that time.

Table 3-4: Change in Total Dwellings versus Dwellings Occupied by Usual Residents

Dwellings	2016	2021	% change
Total dwellings (a)	14,038	14,233	1%
Dwelling occupied by a usual resident (b)	11,010	11,500	4%
Share (b / a)	78%	81%	

Source: Statistics Canada 2016 & 2021 Census

3.1.2 Housing Accelerator Fund Considerations

The Housing Accelerator Fund (HAF) is a program introduced by the Canada Mortgage & Housing Corporation (CMHC) with the objective to bolster the housing supply at an accelerated pace. Local governments within Canada - including First Nations, Métis and Inuit governments who have delegated authority over land use planning and development approvals - are eligible to apply to the HAF. Interested municipalities can find the HAF’s pre-application reference material [here](#). Note that a Housing Needs Assessment (such as this one) is required as part of a complete application (though not needed immediately for the initial submission).

An applicant is required to provide two projections to CMHC. The applicant must calculate their own projections based on reasonable assumptions and data sources, including Statistics Canada and/or its own administrative data. There is no prescribed formula; however, projections should be based on a three-year period ending September 1, 2026. The two projections are:

- The total permitted housing units projected without program funding.
- The total number of permitted housing units projected with program funding. This second projection is known as the “housing supply growth target.”

The data shared in this overall section (e.g., permits, starts, completions, and historical changes in dwelling sizes) can be used to inform local decisions related to projected permits by September 2026.

For additional guidance, Table 3-5 summarizes the growth by unit type (more closely defined by the HAF application requirements) and tenure between 2016 and 2021.

CMHC does not prescribe a formula for projections, leaving this decision up to the municipality who would know best about on-the-ground construction activity (not only by the numbers but also through discussions with local builders/developers).

Table 3-5: Unit Change by Estimated HAF Dwelling Type & Tenure, 2016 & 2021 Census

	Total	Single ^a	Missing middle ^b	Multi-unit ^c
Total dwellings				
Total (2016)	11,010	10,145	865	0
Total (2021)	11,505	10,595	905	0
Change in units	495	450	40	0
Share of change	100%	92%	8%	0%
Owned dwellings				
Owned (2016)	9,850	9,315	530	0
Owned (2021)	10,345	9,775	570	0
Change in units	495	460	40	0
Share of change	100%	92%	8%	0%
Rented dwellings				
Rented (2016)	1,160	830	335	0
Rented (2021)	1,160	820	335	0
Change in units	0	-10	0	0
Share of change	100%	100%	0%	0%

a Single means single-detached homes, which are buildings containing 1 dwelling unit, which is completely separated on all sides from any other dwelling or structure.

b Missing middle refers to ground-oriented housing types that exist between single-detached and mid-rise apartments. This includes garden suites, secondary suites, duplexes, triplexes, fourplexes, row houses, courtyard housing, low-rise apartments (less than 4 storeys). Note that this definition for low-rise does not match the Statistics Canada cut off of less than 5 storeys.

c Multi-unit refers to apartments that are 4-or-more storeys. The HAF further defines these by whether they are in close proximity to rapid transit or not, which is not possible to summarize based on the data available.

Source: Statistics Canada Tables 98-400-X2016220 & 98-10-0240

A simple example includes using most recent permitting data (the annual average between 2017 and 2021), applying the historical shares of new construction between 2016 and 2021, and comparing the potential units permitted to the estimated total demand over the three years (based on Housing Shortage data – Section 4). The results, shown in Table 3-6, are for discussion purposes and not a prescribed logic – the municipality can form its own approach based on other data provided and internal resources.

Note that the final column provides the straight-lined shortage anticipated by the end of the HAF. This may not represent the total possible intervention by the HAF, as this depends on the choices made by the municipality. Rather, it highlights the total shortage the HAF can help reduce.

Table 3-6: Example of Simple HAF Permit Projection

	Historical share of new housing	Possible annual units permitted	Estimated 3-year units permitted ^a	Estimated 3-year unit demand ^a	Gap that HAF can help reduce
Total	100%	155	465 (A)	975 (B)	510
Single	92%	140	420	895	475
Missing middle	8%	15	45	80	35
Multi-unit	0%	0	0	0	0

Relationship between units permitted and shortage	
C: Estimated September 2023 housing stock: ^b	14,415
Projected permitted unit growth over 3 years without HAF (A / C x 100):	3.2%
Projected permitted unit growth over 3 years needed to meet demand (B / C x 100):	6.8%
% increase in units permitted to meet shortage (B / A - 1) x 100:	110%

Relationship between units permitted and HAF requirements (rounded up to nearest 5)	
D: Estimated September 2023 housing stock: ^b	14,415
E: Projected annual units permitted (based on '16-'21 average - see Table 3-2)	155
Required units permitted over 3 years to meet minimum 1.1% average annual growth rate ^c (D x 1.1% x 3 years)	480
Required additional units permitted over 3 years to meet minimum 10% increase ^d over historical average (E x 10% x 3 years)	50

^a Units permitted between September 2023 and September 2026; 3-year unit demand includes 2022 shortage

^b 2021 Census (Statistics Canada) + 2022 completions + 2022 completions x 2/3 (September 2023 estimate)

^c Average annual units permitted (min. 1.1%) = Total number of units permitted with HAF support / 3 years / Total dwelling stock (results rounded up to nearest 5)

^d Increase in units permitted (min. 10%) = (Projected average housing supply growth rate with HAF) / Projected average housing supply growth rate without HAF - 1 (results rounded up to nearest 5)

3.2 Non-Market Housing

3.2.1 Public Housing

Of the 11,200 total inventory of publicly owned dwelling units (as administered by the Nova Scotia Provincial Housing Authority), 35 are located in the District of Lunenburg – 5 of these units are family-specific while 30 are for senior-specific. Most units are 1-bedroom apartments, due to the high volume of seniors – 86% of all units and 100% of these 1-bedroom units are reserved for seniors.

About 51% of the District’s public housing tenants have lived in public housing for more than 5 years - most having lived there for 10+ years.

Table 3-7: Public Housing Inventory, January 2023

		Total	Family	Senior
	Total unit inventory	35	5	30
Inventory by unit size	Studio	0	0	0
	1-bedroom	30	0	30
	2-bedroom	0	0	0
	3+ bedroom	5	5	0
	Not reported	0	0	0
Inventory by dwelling type	Single family	5	5	0
	Row	0	0	0
	Apartment	30	0	30
	Not reported	0	0	0
Length of tenure in public housing	Less than 1 year	9%	0%	10%
	1 to 5 years	40%	20%	43%
	5 to 10 years	20%	20%	20%
	10+ years	31%	60%	27%
Household income	Median income (mth)	\$1,770	\$2,210	\$1,700
	Median income (ann)	\$21,240	\$26,520	\$20,400

Source: Derived from Ministry of Municipal Affairs & Housing data

3.2.2 Rent Supplements

As of March 2023, 213 households in **entire** Lunenburg Census Division (no data is specifically available for the District of Lunenburg) were receiving rent supplement support, equivalent to 328 total people. About 25% were families, 49% were seniors, and 26% were classified as non-elderly households. Table 3-8 further details the percentage share of rent supplements that served a specific vulnerable population.

Table 3-8: Rent Supplement Demographics, Lunenburg Census Division, March 2023

	Total	Family	Senior	Non-elderly
Total rent supplements	213	53	104	56
People benefiting	328	152	110	66
Average HH size	1.5	2.9	1.1	1.2
Average dependents	0.4	1.7	0.0	0.0
Share of supplements serving a vulnerable group:				
Indigenous person(s)	2%	4%	1%	2%
Person(s) w/ a disability	19%	26%	13%	25%
At risk of homelessness	13%	26%	6%	14%
Homeless	0%	0%	0%	0%
Newcomer(s)	0%	0%	0%	2%
Mental health / addictions	11%	15%	3%	23%
Racialized person(s)	1%	4%	0%	2%
Veteran(s)	1%	2%	1%	0%
Fleeing domestic violence	3%	9%	0%	2%
Young adults	3%	8%	0%	4%

Source: Derived from Ministry of Municipal Affairs & Housing data

3.2.3 Non-Profit & Co-operative Housing and Shelters

Formal datasets related to third-party affordable housing organizations and their unit inventories are limited. The **Provincial Report** offers some discussion about what shelters exist provincially, with some detail by Economic Region.

The South Shore Open Doors Association (SSODA)¹ performed a point-in-time count of persons and households experiencing homelessness across the South Shore in Fall 2022.² Statistics demonstrated that at least 230 households and 208 individuals (including 93 children) were living in situations of homelessness at that time. For those households who shared information:

- 49 were families
- 19 were senior-led
- 17 were youth-led

¹ South Shore Open Doors Association. (2022). Current Statistics: As of Fall 2022. <https://www.ssoda.org/current-homeslessness-statistics>

² Results were mostly presented at a regional level; thus, this section will be similar across municipal reports within the South Shore area, with some variation where possible.

- 12 were Indigenous
- 55 were from the District of Lunenburg

The above demonstrates that homelessness is not solely an issue within large municipalities but is a challenge across Nova Scotia - particularly related to hidden homelessness which is incredibly difficult to identify or quantify.

3.3 Short-Term Rentals (STRs)

Between 2018 and 2022, there has been an increase of 137 dwellings used as an STR. In 2022, 90% were entire homes or apartments, of which 239 were potentially³ “commercial” units - meaning they were available or reserved more than half of the year.

If 2021 commercial units are compared to the 2021 dwelling stock (14,233 - as per the Census), about 1.5% of the municipality’s housing inventory may have been used as a short-term commercial rental.

Table 3-9: Short-Term Rental Activity & Inventory

	Data by year				Percent change		
	2018	2020	2021	2022	'18-'20	'20-'22	18-'22**
Total unique STRs	365	471	484	502	+29%	+7%	+38%
Entire home/apt	314	424	437	452	+35%	+7%	+44%
Hotel room	4	5	5	5	+25%	0%	+25%
Private room	43	40	41	44	-7%	+10%	+2%
Shared room	4	2	1	1	-50%	-50%	-75%
Avg annual revenue	\$7,746	\$6,001	\$9,052	\$12,461	-23%	+108%	+61%
Total market ('000s)	\$2,827	\$2,827	\$4,381	\$6,255	0%	+121%	+121%
Commercial STRs*	199	227	233	239	+14%	+5%	+20%

* A commercial STR is one that was listed as available and/or has been reserved more than 50% of the days in a calendar year.

** 2022 data reflects as of September 2022. Commercial STRs use 9 months for their calculations versus a full year.

Source: derived from AirDNA data

“It should come as no surprise that short-term rentals are a big issue for [the District of Lunenburg]. We’ve lost a huge amount of long-term rental.”

³Noted as “potentially” since 2022 data is only up to September.

4 Housing Shortage

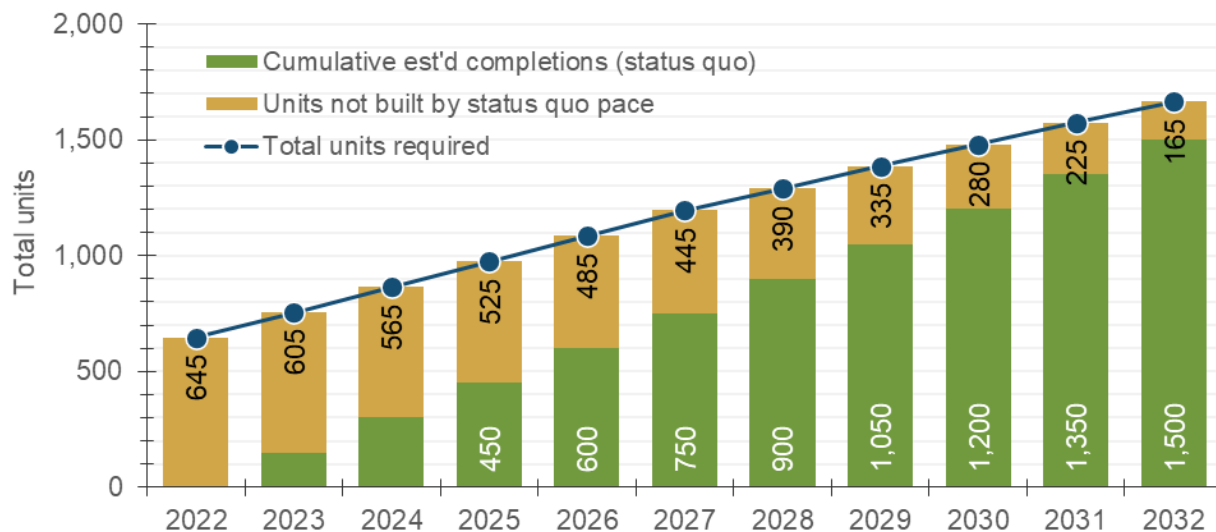
Based on demographic modeling results (see **Provincial Report** for details), the municipality’s potential housing shortage (as of the end of 2022) may be 645 units.⁴ Note that this estimate represents the sum of all units, be they rented or owned in terms of their tenure, or market or non-market housing.

Figure 4.1 offers a summary of the trajectory of the housing shortage over the next decade under a base population growth scenario provided by Nova Scotia’s Department of Finance and Treasury Board in February 2023.

In five years, the municipality may have a total dwelling demand (existing shortfall plus anticipated demand) of about 1,195 units, which could grow to 1,665 by 2032.

Based on the recent construction trends, supply could outpace new demand. About 150 new units could be completed annually over the next decade. That leaves a remaining gap of 445 units by 2027. By 2032 that gap could reduce further to 165, if trends remain consistent. Note that status quo construction follows the method used in the provincial report, being average historical permits adjusted by 5% to account for permit withdrawals or cancellations. Results are rounded to the nearest 5.⁵

Figure 4.1: Anticipated Unit Gap based on Total Units Required and Estimated Completions, Demographic Model Results



⁴ The allocation of unit shortages is based on results for the Census Division, apportioned to its respective municipalities based on their share of local household change between 2016 and 2021.

⁵ All municipalities use the same approach for consistency. However, for smaller municipalities, the combination of fewer units permitted and rounding practices can under or over represent anticipated construction activity. As such, greater attention should be directed to the projected demand, instead of anticipated supply, which can be later cross-reference with internal municipal data.

Table 4-1 summarizes possible guides for constructing unit sizes over the next half-decade. As previously described, the municipality may need to build 1,195 new units to meet demand by 2027. Based on historical preferences,⁶ about 30% could be studio/1-bedroom dwellings (360 units), 40% 2-bedroom dwellings (485), and 30% 3+ bedroom dwellings (350). This includes the existing unit shortfall.

If forecasting until 2032, the District of Lunenburg may need to build about 1,665 units (cumulative demand plus existing shortfall), which would follow the same unit size distribution.

Table 4-1: Estimated Current & Anticipated Unit Shortfall by Unit Size, 2022-2027

	Total	Studio + 1-bedroom	2-bedroom	3+ bedroom
A: Current shortfall (end of 2022)	645	195	260	190
B: Anticipated demand by 2027	550	165	225	160
C: Total units required by 2027 (A + B)	1,195	360	485	350
D: Anticipated 5-year supply (status quo pace*)	750	225	305	220
E: Total shortfall	445	135	180	130
F: Total extra units required annually (E / 5 years)	90	30	35	25

* The distribution of supply is based on household preferences, not actual anticipated build out.

⁶ In this case, unit sizes reflect the preference for unit size, not the historical distribution of unit sizes in the existing inventory. Briefly, historical distributions of household sizes by household family types are used to estimate required bedrooms. The estimated share of unit sizes is then distributed into forecasted demand calculations. More explanation about how preference distributes can be found in the Housing Shortage section of the Provincial report.

5 Housing Affordability



Municipality’s public survey responses

5.1 Homeownership

Housing is becoming more expensive. This is not simply a claim for observing the appreciation of property as a commodity but also as an increase relative to other periods, levels of income, and availability.

5.1.1 Market Activity

Median sale prices across Nova Scotia have seen increases since 2016, with significant increases since 2019. The District of Lunenburg’s median sale price has increased from \$150,000 to \$315,000 between 2016 and 2022. This represents a 110% change in median sale price.

Table 5-1: Median Sale Prices by Dwelling Type & Select Years

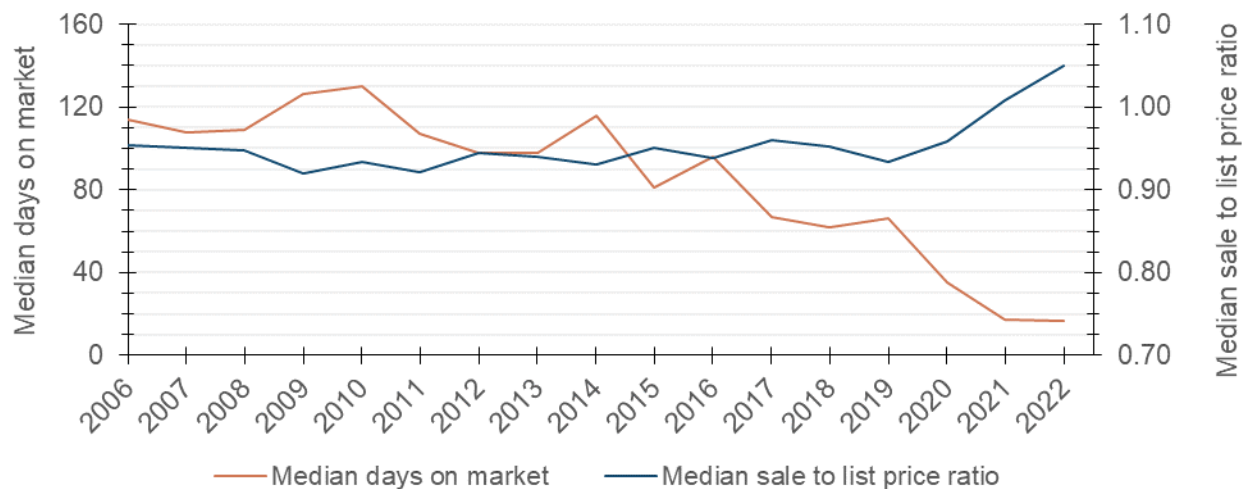
	Price				Percent Change		
	2010	2016	2019	2022	'10-'16	'16-'19	'19-'22
Total	\$154,000	\$150,000	\$186,530	\$315,000	-3%	+24%	+69%
Single	\$160,000	\$160,000	\$200,000	\$335,000	0%	+25%	+68%
Semi	-	-	\$360,000	-	-	-	-
Row	\$167,500	-	-	-	-	-	-

Source: NSAR MLS®

The increase in price can, at least in part, be attributed to an increase in demand. Figure 5.1 illustrates the sale-to-list-price ratio compared to the median days a dwelling was on the market. The number of days on market is a general indicator of market demand (fewer days means more interest and more days means less interest). As the number of days on market decreases, there is generally a rise in sale prices (and sale to list price ratios).

As of 2021, the median sale price about equalled its listing price, diverging from the historical trend of homes normally being sold for slightly less than what they were asking. The number of days a dwelling was on the market dropped to below 20 days, but the real sale price exceeded the list price from 2021 to 2022.

Figure 5.1: Historical Median Days on Market vs. Median Sales-List Price Ratio



Source: NSAR MLS®

5.1.2 Homeownership Affordability

Table 5-2 details the percentage share of households, separated by household types, that could afford a home based on their respective income levels versus the median sale prices from 2022. The affordability threshold is the same used by Statistics Canada and CMHC - 30% of before-tax household income spent on shelter costs. Shelter cost calculations include the direct and in direct costs related to shelter. More detail is provided in the **Provincial Report**. Note that income bracket distributions are based on Census Division data.⁷

Lone parents and single persons are least likely to have income levels necessary to afford to own a home. Single-detached homes are the only available types of dwellings based on available data, but 89% of lone-parent households and 96% of single-person households fall below the income levels necessary to afford a single detached local home.

⁷ Since Census Division data is used, readers will notice estimate similarities between municipalities belonging to the same Census Division.

Table 5-2: Estimate of Sales Affordability by Income Level (All Households)

		2022 median sale price:			\$335,000
		% of HHs below income level			Single Detached Dwelling
Income level	Attainable sales price	Couples	Lone parents	Single persons	
\$70,000	\$209,500	36%	65%	87%	no
\$75,000	\$224,000	41%	69%	89%	no
\$80,000	\$239,000	45%	74%	90%	no
\$85,000	\$254,000	49%	78%	92%	no
\$90,000	\$269,000	53%	81%	93%	no
\$95,000	\$284,000	57%	84%	94%	no
\$100,000	\$299,000	61%	87%	95%	no
\$105,000	\$314,000	64%	89%	96%	no
\$110,000	\$329,000	67%	89%	96%	no
\$115,000	\$344,000	70%	90%	97%	yes
\$120,000	\$359,000	73%	90%	98%	yes
\$125,000	\$373,500	76%	92%	98%	yes
\$130,000	\$388,500	78%	92%	98%	yes

Homeownership	Total Dwelling	Single Detached Dwelling
Est'd income needed to buy median home	\$105,400	\$112,000
% of total households below income	76%	78%

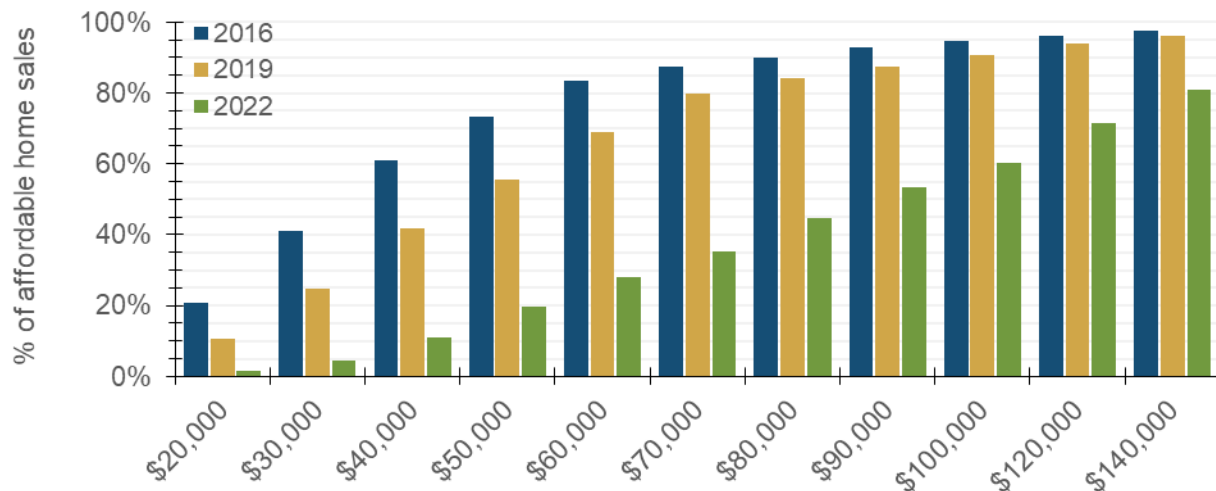
Source: Derived from Statistics Canada tables (see Provincial Report), Bank of Canada, NSAR MLS®

About 76% of all local households earned an income below what would be needed (around \$105,400) to purchase the median home in 2022. This highlights the importance of housing interventions to address the shortage identified above in order to reduce typical housing prices to reasonably affordable levels.

Figure 5.2 presents the levels of affordability for respective household income levels for 2016, 2019, and 2022. It illustrates the percentage of home sales in each year that would be affordable (30% of household income) at a given income level.

While there were already signs of decreasing affordability from 2016 to 2019, the municipality suffered a significant shock from 2019 to 2022 for Lunenburg Census Division (no data is specifically available for the MOD of Lunenburg). For instance, a \$70,000 income could afford 80% of home sales in 2019. In 2022, this fell to 35%.

Figure 5.2: Estimated % of Households that Can / Cannot Afford Typical Sale Prices, Lunenburg Census Division



Source: Derived from Statistics Canada Custom Census 2021 Tables, Bank of Canada, NSAR MLS®

5.2 Rental Market

5.2.1 Market Activity

Table 5-3 reports the rental data for the District of Lunenburg (based on aggregate data of Lunenburg, Mahone Bay, and Chester from PVSC). The overall average rent in 2021, per PVSC data, was \$640. This is an increase of 2% from 2018. There has been a 3% decrease in studio units, a 10% increase in 1-bedroom units, a 7.5% increase in 2-bedroom units, and a 6% increase in 3-bedroom units.

Table 5-3: Average Rents by Unit Size and Select Years

	Price				Percent Change		
	2018	2019	2020	2021	'18-'19	19-'20	20-'21
Total	\$629	\$619	\$630	\$640	-2%	+2%	+2%
Studio	\$568	\$568	\$547	\$549	0%	-4%	+0%
1-bed	\$621	\$621	\$665	\$682	0%	+7%	+3%
2-bed	\$706	\$706	\$742	\$759	0%	+5%	+2%
3-bed	\$796	\$796	\$793	\$841	0%	0%	+6%
Vacancy	7.0%	7.0%	7.0%	7.0%			

Source: PVSC Custom Tables

The municipality's vacancy rate has remained consistent at 7% between 2018 and 2021. While Nova Scotia has seen province-wide declines in vacancy, the MOD of

Lunenburg has not followed the same trend. This vacancy rate falls above the healthy vacancy range of 3% to 5%, based on PVSC data.

5.2.2 Rental Affordability

Table 5-4 details the percentage share of **renter** households, divided by household type and income levels, that can afford 2021 average rent for various unit types. As with ownership, lone-parent and single person households face the highest income barrier to affordability. About 19% of lone-parent households and 57% of single person households fall below the income level required to afford the average rent for a studio apartment in 2021.

Table 5-4: Estimated Rent Affordability by Income Level (Renter Households)

		2021 average rent:			\$549	\$682	\$759	\$841
		% of HHs below income level			Studio	1-bed	2-bed	3+ bed
Income level	Attainable rent	Couples	Lone parents	Single persons				
\$20,000	\$330	2%	4%	19%	no	no	no	no
\$25,000	\$420	2%	10%	45%	no	no	no	no
\$30,000	\$500	2%	19%	57%	no	no	no	no
\$35,000	\$590	5%	27%	66%	yes	no	no	no
\$40,000	\$670	9%	40%	73%	yes	no	no	no
\$45,000	\$750	16%	50%	79%	yes	yes	no	no
\$50,000	\$840	21%	63%	84%	yes	yes	yes	no
\$55,000	\$920	27%	68%	87%	yes	yes	yes	yes
\$60,000	\$1,000	34%	74%	89%	yes	yes	yes	yes
\$65,000	\$1,090	40%	79%	91%	yes	yes	yes	yes
\$70,000	\$1,170	49%	83%	92%	yes	yes	yes	yes
\$75,000	\$1,260	53%	83%	93%	yes	yes	yes	yes
\$80,000	\$1,340	59%	88%	95%	yes	yes	yes	yes

Renting	Average	Studio	1-bed	2-bed	3+ bed
Est'd income needed to rent average unit	\$38,200	\$32,800	\$40,700	\$45,300	\$50,200
% of renter households below income	40%	33%	46%	54%	59%

Source: Derived from Statistics Canada Custom Census 2021 tables, PVSC

It should be noted that the affordability is reported based on the ability to afford the rent for the entire unit, not split between tenants. Furthermore, the affordability threshold is the same used by Statistics Canada and CMHC - 30% of before-tax household income spent on shelter costs. Shelter cost calculations include the direct and indirect costs related to shelter. More detail is provided in the **Provincial Report**.

Approximately 40% of local renter households earned an income below what would be needed (about \$38,200) to afford the average rental unit. Readers will notice that the financial barriers to own appear to be significantly higher than to rent. While this may be the case, it is important to recognize the data source impacts to this discussion.

Sales data for homeownership only considers asking prices, not the existing mortgages held by homeowners at the same time. Rental data includes both asking and occupied rents, meaning that the rents reported underrepresent what households would pay changing units.

6 Housing Need

Three housing indicators are used to evaluate housing need: adequacy (housing condition), suitability (enough space), and affordability. Core housing need is a specific condition of housing where a household falls under one of the aforementioned indicators and cannot find reasonable housing without spending 30% or more of their before-tax income.

Deep unaffordability (also known as “severe” unaffordability) is when a household is spending 50% or more of their before-tax income on housing.

Generally, housing indicators and Core Housing Need data demonstrate the number and share of households particularly impacted by precarious living conditions. These are the households that increased supply or non-market interventions would positively impact most, as many might not have the means or supports to escape these conditions without intervention.

6.1 Housing Need by Tenure & Indigenous Identity

Table 6-1 shows the share of households currently living in conditions that meet the three housing criteria, separated by tenure and Indigenous identity.⁸

Table 6-1: Housing Need Criteria by Tenure & Indigenous Identity, 2021

		Total	Owner	Renter	Indigenous
Total Households:		11,265	10,140	1,120	555
Households living in inadequate conditions	Total households	1,070	935	135	100
	<i>Change since 2016</i>	-7%	-5%	-23%	+82%
	Share of households	9%	9%	12%	18%
Households living in unsuitable conditions	Total households	175	125	50	-
	<i>Change since 2016</i>	-10%	-17%	+11%	-
	Share of households	2%	1%	4%	-
Households living in unaffordable conditions	Total households	1,015	700	315	90
	<i>Change since 2016</i>	-22%	-29%	-2%	+38%
	Share of households	9%	7%	28%	16%

Source: Statistics Canada Custom Census 2016 & 2021 Tables

⁸ Note that numbers expressed in the housing need tables may differ from those reported by Statistics Canada on individual community Census Profiles. This is because the custom data table applies a different universe than the Census Profile. More information can be found in the Provincial Report.

In the District of Lunenburg, overall households living in unaffordable dwellings decreased by 22% between 2016 and 2021. Those living in unsuitable dwellings decreased by 10%, and those living in inadequate dwellings decreased by 7% between 2016 and 2021. Notwithstanding a 2% decrease between census periods, 28% of all renter households lived in unaffordable dwellings as of 2021. Further, 16% of Indigenous households lived in unaffordable dwellings - a 38% increase.

Table 6-2 shows the municipality's households currently meeting the conditions of Core Housing Need and those in deep unaffordability, as well as the changes in those categories between 2016 and 2021. Since 2016, there has been a 18% decrease in overall Core Housing Need, with decreases across the tenure but increases for Indigenous Identity. Notwithstanding, 9% of all households and 13% of Indigenous households faced core need in 2021.

Since 2016 there has been an overall decrease of 50% to households living in deep unaffordability, but 7% of all renters remain in these conditions.

Table 6-2: Core Housing Need & Deep Unaffordability by Tenure & Indigenous Identity, 2021

		Total	Owner	Renter	Indigenous
Total Households:		11,265	10,140	1,120	555
Households living in Core Housing Need	Total households	990	695	300	70
	<i>Change since 2016</i>	-18%	-20%	-10%	75%
	Share of households	9%	7%	27%	13%
Households living in deep unaffordability	Total households	200	120	75	-
	<i>Change since 2016</i>	-50%	-56%	-40%	-
	Share of households	2%	1%	7%	-

Source: Statistics Canada Custom Census 2016 & 2021 Tables

6.2 Housing Need by Household Type

Table 6-3 and Table 6-4 present information related to housing indicators and Core Housing Need, respectively, by household type.

Generally, renter and single person / roommate households experience parallel issues when it comes to housing. About 17% of these households faced financial challenges related to shelter in 2021.

Lone parents also faced considerable housing challenges, reporting the highest rate of unsuitability (4%) and inadequacy (18%) and the second highest rate of unaffordability (14%).

Table 6-3: Housing Need Criteria by Household Type, 2021

		Couple w/o child(ren)	Couple w/ child(ren)	Lone parent	Single / roommates
Total Households:		4,570	2,275	760	3,145
Households living in inadequate conditions	Total households	295	220	135	360
	<i>Change since 2016</i>	-8%	-19%	0%	-4%
	Share of households	6%	10%	18%	11%
Households living in unsuitable conditions	Total households	-	55	30	20
	<i>Change since 2016</i>	-	+10%	-14%	-
	Share of households	-	2%	4%	1%
Households living in unaffordable conditions	Total households	245	105	110	535
	<i>Change since 2016</i>	-23%	-30%	-39%	-16%
	Share of households	5%	5%	14%	17%

Source: Statistics Canada Custom Census 2016 & 2021 Tables

Since 2016, single persons / roommate households living in Core Housing Need decreased 10%, reaching a 19% share of all related households in 2021. Lone parents reported the most prevalent core need (20%), despite a 3% decrease between census periods. Further, 4% of single persons lived in deeply unaffordable conditions as of 2021, despite a 38% decrease.

Table 6-4: Core Housing Need & Deep Unaffordability by Household Type, 2021

		Couple w/o child(ren)	Couple w/ child(ren)	Lone parent	Single / roommates
Total Households:		4,570	2,275	760	3,145
Households living in Core Housing Need	Total households	175	45	150	610
	<i>Change since 2016</i>	-34%	-53%	-3%	-10%
	Share of households	4%	2%	20%	19%
Households living in deep unaffordability	Total households	45	-	-	130
	<i>Change since 2016</i>	-50%	-	-	-38%
	Share of households	1%	-	-	4%

Source: Statistics Canada Custom Census 2016 & 2021 Tables

7 Demographic Profile

7.1 Population

7.1.1 Current Population

Between 2016 and 2021, the municipality’s population increased by 3%, shy of the provincial growth rate of 5%. Table 7-1 below illustrates the municipality’s population change compared to provincial changes.

The municipality grew across most of the defined age cohorts between 2016 and 2021, with particularly strong growth among the 65- to 84-year-old age cohort. Marginal gains occurred for the 25- to 44-year-old cohort, with a corresponding increase among youth.

Table 7-1: Total Population by Age Cohort (2021) & Five-Year Percentage Change

		0 to 14	15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
Nova Scotia	Total	136,710	106,185	234,180	276,990	192,285	23,035	969,380
	Share	14%	11%	24%	29%	20%	2%	100%
	5yr %Δ	+2%	-1%	+9%	-2%	+19%	+6%	+5%

		0 to 14	15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
Municipality of the District of Lunenburg	Total	3,100	1,995	4,800	8,365	6,725	570	25,545
	Share	12%	8%	19%	33%	26%	2%	100%
	5yr %Δ	+3%	-11%	+0%	-5%	+23%	+8%	+3%

Source: Statistics Canada Census 2016 and 2021

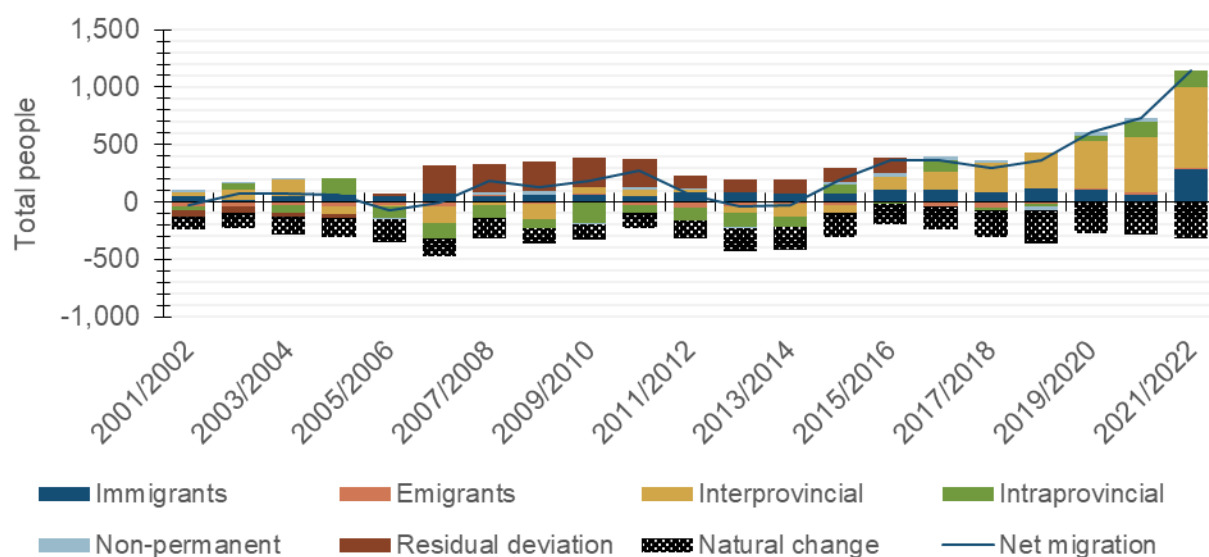
“It’s an aging population and people don’t have anywhere to move where they can age in place.”

7.1.2 Migration

Shown in Table 7-1 is the net-migration for the **entire** Lunenburg Census Division (data is not available at the municipal level - the entire Census Division includes all related urban and rural municipalities) between 2001/02 and 2021/22, inclusive of totals for intra-provincial and international migration, as well as emigration.

Between 2016 and 2021, the Lunenburg Census Division’s net-migration steadily increased to a two-decade high in 2021/2022 with a total of 1,147 newcomers. Not all newcomers will move to one place and could distribute across the region.

Figure 7.1: Historical Components of Migration, Lunenburg Census Division



Source: Statistics Canada Table 17-10-0140

7.1.3 Anticipated Population

The municipality's anticipated population is derived from applying the historical share of local total populations by age cohort to the regional projections by age cohort produced by the Department of Finance & Treasury Board (FTB) in February 2023. In other words, results assume that the municipality will represent the same share of the region's population over the projection horizon.⁹ This does not consider nuanced population changes by community.

Table 7-2: Anticipated Total Population by Age Cohort and Five-Year Percent Change

		0 to 14	15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
2027	Total	3,235	1,935	5,075	7,900	8,120	740	27,005
	Share	12%	7%	19%	29%	30%	3%	100%
	5yr %Δ	+3%	-5%	+3%	-5%	+17%	+24%	+4%

		0 to 14	15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
2032	Total	3,335	1,895	4,975	7,770	8,890	1,000	27,865
	Share	12%	7%	18%	28%	32%	4%	100%
	5yr %Δ	+3%	-2%	-2%	-2%	+9%	+35%	+3%

Source: derived from Department of Finance & Treasury Board February 2023

⁹ Since a municipality represents the same share of its region (i.e., Census Division) over time for projections (population and households), similar rates of growth will exist for each of the municipalities within the region. Therefore, readers reviewing multiple reports may notice a likeness between them.

FTB estimates suggest that the 2022 total population was 25,970, with a projected increase of 4% between 2022 and 2027. Senior populations should continue to increase during that time. Decreases should occur among most non-senior populations except total 25- to 44-year-olds may expand 3% over the next five years.

Growth from 2027 to 2032 may be of a similar magnitude compared to the last five years prior, with growth largely coming from senior populations yet again. The 25- to 44-year-old cohort may change trajectory and decline over the five-year period, even while there is a corresponding slight increase in youth (0- to 14-year-olds) population. Senior cohorts should continue to be the main contributor to growth. This demonstrates a short-term need to house families, but a long-term need to meet the needs of an expanding senior cohort.

7.2 Households

7.2.1 Current Households

Table 7.3 illustrates the various characteristics of households in the District of Lunenburg. The tables show tenure splits for maintainer by age cohort, household types, and household sizes respectively, as well as the 5-year percent change in those populations. The primary household maintainer is the person within a household who pays the rent, mortgage, taxes, or other major expenses for the dwelling. For households in which multiple incomes are present, the first name listed on a census questionnaire is taken to be the primary maintainer.

Between 2016 and 2021, there was an overall 5% increase in households, with tenures split into 90% owners and 10% renters.

Non-census families (i.e., single person or roommate households) and other families (i.e., multi-family household like those that are multi-generational) have seen the largest increase, with a 14% rise since 2016. Households in the municipality are generally getting smaller, with a 13% increase in 1-person households and a 3% increase in 2-person households. Notwithstanding, 5+ person households experienced an increase between 2016 and 2021.

Table 7-3: Households by Tenure & Characteristics (2021) & Five-Year Percentage Change

		15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
Household Maintainer Age	Total	120	2,230	4,555	4,130	465	11,490
	Owner	63%	81%	90%	94%	100%	90%
	Renter	38%	19%	10%	6%	0%	10%
	5yr %Δ	-29%	-2%	-4%	+20%	+33%	+5%

		Couple w/o Child	Couple w/ Child	Lone Parent	Non-census*	Other**	Total
Household Type	Total	4,645	2,295	765	3,270	520	11,490
	Owner	96%	91%	77%	83%	91%	90%
	Renter	4%	9%	23%	17%	9%	10%
	5yr %Δ	+3%	-5%	+1%	+14%	+14%	+5%

		1-person	2-person	3-person	4-person	5+ person	Total
Household Size	Total	2,985	5,385	1,545	1,075	495	11,490
	Owner	84%	94%	90%	90%	82%	90%
	Renter	16%	6%	10%	10%	18%	10%
	5yr %Δ	+13%	+4%	-6%	-3%	+13%	+5%

* Non-census means single persons or persons living with a roommate

** Other households are one-census-family households with additional persons or multiple-family households

Source: Statistics Canada Custom Census 2016 & 2021 Tables

Note that the percent change of households can increase faster than population (or even if there is population decline). As residents age, their likelihood of forming or leading a household increase. For instance, a child growing up and moving out of their family home turns one household into two. This can also occur if there is notable growth among smaller household sizes.

7.2.2 Anticipated Households

A similar apportionment as for the anticipated population is performed for anticipated households. Note that anticipated households are a major input to housing demand calculations, but do not equate exactly to demand. Housing demand projections incorporated adjustments to reflect total dwellings (not only those occupied by a usual resident which projections would solely consider).

Estimates suggests total households reached 11,700 in 2022, with a potential increase of 5% from 2022 to 2027 (585 total). Household losses should predominantly occur among young adult households (led by 15- to 24-year-olds) and older working professional led households (45- to 64-year-olds). The greatest rate of growth should be among senior-led households.

Table 7-4: Anticipated Households by Maintainer Age and Five-Year Percent Change

		15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
2027	Total	110	2,360	4,295	4,870	650	12,285
	Share	1%	19%	35%	40%	5%	100%
	5yr %Δ	-12%	+3%	-5%	+14%	+31%	+5%

		15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
2032	Total	110	2,335	4,215	5,215	910	12,785
	Share	1%	18%	33%	41%	7%	100%
	5yr %Δ	+0%	-1%	-2%	+7%	+40%	+4%

Source: derived from Statistics Canada 2016 Census, Department of Finance & Treasury Board February 2023

Similar magnitudes of growth may continue from 2027 to 2032. Senior-led households (particularly those with a maintainer aged 85+) should remain the cohort with greatest relative growth. From 2022 to 2032, about 1,360 new senior-led households might choose to live in the municipality, again reinforcing the need for senior appropriate or generally accessible housing over the foreseeable future.

8 Conclusion

The above information provides context for the District of Lunenburg's housing conditions. Significantly increased demand - brought on by a surge of recent immigration that is expected to continue only somewhat abated - has resulted in higher-than-expected local housing prices, for both rental and ownership markets.

The current estimated unit shortage for the municipality is 645 units. Demand, which includes the shortage, is estimated to increase to 1,195 by 2027. Using current construction trends (based on adjusted historical permit data), approximately 150 new units are estimated to be introduced into the market annually over the next 5 years, leaving a remaining gap of 445 units by 2027. Unless completions exceed the estimated annual rate of construction, ongoing trends within both rental and ownership markets can be expected to continue.