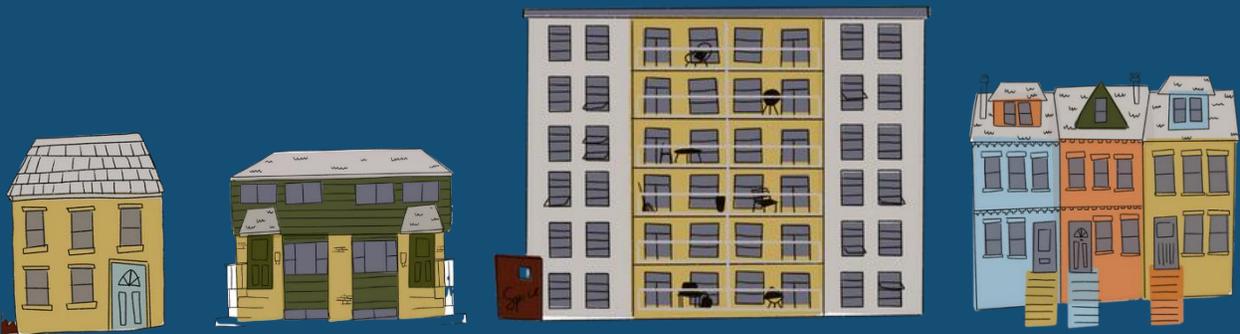


# Municipality of the County of Annapolis

## 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:

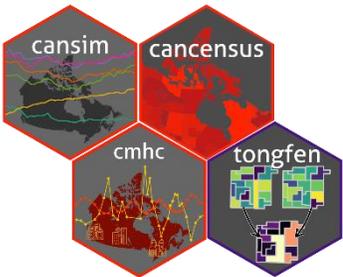
- Identify current and future housing needs and
- Identify existing and projected gaps in housing supply

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 demand for housing and the available housing supply of about 1,015 units, including both market and non-market housing.

Projections suggest that to keep pace with population growth, the municipality will need 2,005 new units by 2027 (including the existing shortage of 1,015) and 2,575 by 2032. About 55 new units could be completed annually based on historical construction trends. If that pace continues, it will leave a remaining gap of 1,730 units by 2027 and 2,025 by 2032.

### **Population**

Between 2016 and 2021, the municipality's population grew 3%, compared to the province's population increase of 5%.

Finance & Treasury Board (FTB) estimates suggest that the total 2022 population was 19,340, with a projected increase of 7% between 2022 and 2027. Senior and younger adult populations should increase during that time, with decreases only occurring among 45- to 64-year-olds. Growth from 2027 to 2032 may be notably muted in comparison and may only occur among senior populations. This demonstrates a short-term need to accommodate families, but a long-term vision to meet the needs of an expanding senior cohort.

### **Households**

Annapolis County's total household growth slightly outpaced total population, bolstered by shrinking household sizes – i.e., the share of one-person households rose by 17% between 2016 and 2021. Given that a dwelling is required to shelter a household, this means that we must build housing at a greater rate of change than population.

Estimates suggest that total households reached 8,835 in 2022, with a potential increase of 6% from 2022 to 2027 (545 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, Annapolis County has a public-housing inventory of 129 units, of which 13 are for families and 116 for seniors.

### Short-term rentals (STRs)

About 1% 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 138 units might have been removed from the long-term market, though it is uncertain exactly how many would have been long-term rentals or purchased for permanent occupancy if not a STR.

### Shelter costs

Average rents reported by the Property Valuation Services Corporation (PVSC) increased 6% from 2020 to 2021, up from a 4% decrease between 2019 and 2020. The recent increases reflect a tightening rental market - Annapolis County has had a vacancy rate fluctuating around 7% since 2019 with a recent dip to 6.2% as of 2021, falling above the healthy vacancy range of 3% to 5%.

Median Annapolis County home prices rose 78% from 2019 to 2022, compared to 27% between 2016 and 2019. The rapid rise in prices is a combination of increased demand and low interest rates (until recently).





Municipality's public survey responses

### **Affordability**

In the municipality, affordability has fallen since 2016. About 55% of all couples, 78% of all lone-parent households, and 95% 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 15% of **renting** couples, 31% of **renting** lone-parents, and 69% 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 13% of Annapolis County households (1,065 total) lived in Core Housing Need. Need is particularly prevalent among:

- 26% of renter households (360 total);
- 6% of Indigenous households (30 total);
- 17% of lone parent households (105 total); and
- 25% of single persons / roommate households (695 total)

Generally, the number of people in and rates of Core Housing Need across segments has decreased since 2016. However, comparing 2021 to 2016 rates (particularly for affordability) is difficult given the influence of the Canada Emergency Response Benefit (CERB) on incomes. Overall, the municipality reported a higher rate of core housing need than Nova Scotia overall (10%).

### 3 Housing Supply

#### 3.1 Market Housing

As per 2021 Census, there were 10,268 private dwellings across Annapolis County, of which 84% were occupied by usual residents (those who live in Annapolis County permanently). The rest of the inventory may either be occupied solely by foreign residents and/or by temporarily present persons, and unoccupied dwellings. For those dwellings occupied by usual residents, Table 3-1 summarizes the totals and distribution by structure type for Annapolis County. The greatest share of current supply is held by the single-detached home (88%).

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
8,605	7,580	220	170	55	290	5	285	15
100%	88%	3%	2%	1%	3%	0%	3%	0%

Source: 2021 Census



Municipality's public survey responses

#### 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 the 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 in the municipality. Note that 2022 data reflects an extrapolated September 2022 total. Starts and completions data is not available. Recent data shows a notable increase in activity, with of 118 units permitted in 2021.

Table 3-2: Construction Activity by Dwelling Type

Units permitted							
	2010	2017	2018	2019	2020	2021	2022*
Total	41	51	39	34	56	118	111
Single	29	31	31	21	34	69	87
Semi	0	0	0	2	4	6	0
Row	0	0	0	0	0	0	0
Apartment	6	9	2	5	3	14	9
Other	6	11	6	6	15	29	15

\* total 2022 units extrapolated from September 2022 year to date total

Source: 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 occupied rental supply is growing at a faster pace than ownership relative to percent change - owned dwellings increased 4% and rented dwellings increased 14%.

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

	Total	Studio / 1-bedroom	2-bedroom	3+ bedroom
<b>Owned dwellings</b>				
Owned (2016) - 85% of total HHs	6,935	265	1,620	5,040
Owned (2021) - 83% of total HHs	7,185	380	1,660	5,130
Change in units	250	115	40	90
Share of change	100%	47%	16%	37%
<b>Rented dwellings</b>				
Rented (2016) - 15% of total HHs	1,250	320	405	525
Rented (2021) - 17% of total HHs	1,425	315	525	575
Change in units	175	-5	120	50
Share of change	100%	3%	69%	29%

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

Relatedly, there has been a noticeable increase in the supply of rental 2-bedroom units from 405 to 525 units from 2016 to 2021 with a corresponding 72% share of the total change for 2-bedroom units.

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 10,047 to 10,268 - a 221-unit increase. This suggests a higher share of the inventory may have been taken up for long-term permanent tenancy.

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

Dwellings	2016	2021	% change
Total dwellings (a)	10,047	10,268	2%
Dwelling occupied by a usual resident (b)	8,185	8,605	5%
Share (b / a)	81%	84%	

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, based on a three-year period ending September 1, 2026:

- 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.”

For additional guidance, Table 3-5 summarizes the growth by unit type (more closely defined with HAF application requirements) and tenure between 2016 and 2021. The table demonstrates that single-detached dwellings were the most notable form of occupied housing added to the long-term market, followed by missing middle units.

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

	Total	Single <sup>a</sup>	Missing middle <sup>b</sup>	Multi-unit <sup>c</sup>
<b>Total dwellings</b>				
Total (2016)	8,180	7,310	870	0
Total (2021)	8,610	7,605	1,005	0
Change in units	430	295	135	0
Share of change	100%	69%	31%	0%
<b>Owned dwellings</b>				
Owned (2016)	6,935	6,655	275	0
Owned (2021)	7,185	6,860	330	0
Change in units	250	205	55	0
Share of change	100%	79%	21%	0%
<b>Rented dwellings</b>				
Rented (2016)	1,250	655	595	0
Rented (2021)	1,425	745	675	0
Change in units	175	90	80	0
Share of change	100%	53%	47%	0%

<sup>a</sup> 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.

<sup>b</sup> 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 less than 5 storeys.

<sup>c</sup> 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

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).

A simple example includes using most recent permitting data (the five-year 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 <sup>a</sup>	Estimated 3-year unit demand <sup>a</sup>	Shortage that HAF can help reduce
Total	100%	60	180 (A)	1615 (B)	1,435
Single	69%	40	120	1,110	990
Missing middle	31%	20	60	505	445
Multi-unit	0%	0	0	0	0

Relationship between units permitted and shortage	
C: Estimated September 2023 housing stock: <sup>b</sup>	10,465
Projected permitted unit growth over 3 years without HAF (A / C x 100):	1.7%
Projected permitted unit growth over 3 years needed to meet demand (B / C x 100):	15.4%
% increase in units permitted to meet shortage (B / A - 1):	797%

Relationship between units permitted and HAF requirements (rounded up to nearest 5)	
D: Estimated September 2023 housing stock: <sup>b</sup>	10,465
E: Projected annual units permitted (based on '16-'21 average - see Table 3-2)	60
Required units permitted over 3 years to meet minimum 1.1% average annual growth rate <sup>c</sup> (D x 1.1% x 3 years)	350
Required additional units permitted over 3 years to meet minimum 10% increase <sup>d</sup> over historical average (E x 10% x 3 years)	20

<sup>a</sup> Units permitted between September 2023 and September 2026; 3-year unit demand includes 2022 shortage

<sup>b</sup> 2021 Census (Statistics Canada) + 2021 permits + 2021 permits x 2/3 (September 2023 estimate)

<sup>c</sup> 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)

<sup>d</sup> 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), 129 are in Annapolis County. Most units are 1-bedroom units, mostly attributed to the high volume of senior-specific units available - 90% of all units and 100% of 1-bedroom units were for seniors. Most Annapolis County's public housing tenants have lived in public housing for between 1 and 5 years (41%).

Table 3-7: Public Housing Inventory, January 2023

		Total	Family	Senior
Total unit inventory		129	13	116
Inventory by unit size	Studio	0	0	0
	1-bedroom	113	0	113
	2-bedroom	5	2	3
	3+ bedroom	11	11	0
	Not reported	0	0	0
Inventory by dwelling type	Single family	7	7	0
	Row	66	0	66
	Apartment	56	6	50
	Not reported	0	0	0
Length of tenure in public housing	Less than 1 year	12%	8%	12%
	1 to 5 years	41%	38%	41%
	5 to 10 years	28%	31%	28%
	10+ years	17%	23%	17%
Household income	Median income (mth)	\$1,685	\$1,240	\$1,735
	Median income (ann)	\$20,220	\$14,880	\$20,820

Source: derived from Ministry of Municipal Affairs & Housing data

### 3.2.2 Rent Supplements

As of March 2023, 120 households across the Annapolis Census Division (no data is specifically available for the County of Annapolis) were receiving rent supplement support, equivalent to 187 total people. About 28% were families, 40% were senior households, and 33% 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, Annapolis Census Division, March 2023

	Total	Family	Senior	Non-elderly
Total rent supplements	120	33	48	39
People benefiting	187	95	50	42
Average HH size	1.6	2.9	1.0	1.1
Average dependents	0.5	1.6	0.0	0.0
Share of supplements serving a vulnerable group:				
Indigenous person(s)	6%	15%	0%	5%
Person(s) w/ a disability	31%	30%	23%	41%
At risk of homelessness	10%	12%	2%	18%
Homeless	0%	0%	0%	0%
Newcomer(s)	1%	3%	0%	0%
Mental health / addictions	25%	33%	15%	31%
Racialized person(s)	4%	3%	2%	8%
Veteran(s)	0%	0%	0%	0%
Fleeing domestic violence	7%	21%	0%	3%
Young adults	4%	12%	2%	0%

Source: derived from Ministry of Municipal Affairs & Housing data

### 3.2.3 Non-Profits, Co-operatives, 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.

### 3.3 Post-Secondary Student Housing

The Annapolis County is home to Nova Scotia Community College's (NSCC's) Lawrencetown campus, known as the Centre for Geographic Sciences (COGS). NSCC enrolled about 10,100 students in 2021-2022 across Nova Scotia, distributed across their 14 campuses. Anecdotal evidence indicates that the COGS campus enrolls more than 100 students. Local on-campus housing exists for COGS, providing 35 student rooms - a combination of 1-bedroom, 2-bedroom, and 4-bedroom suites.

While there no detailed data about NSCC, the presence of a student population in any geography, especially a small town like Lawrencetown, does impose additional stress on the local rental housing market.

### 3.4 Short-term Rentals (STRs)

Between 2018 and 2022, there has been an increase of 89 (39%) unique STR listings across the municipality. Of the 320 total in 2022, 78% were entire homes or apartments, of which more than half (55%) were potentially<sup>1</sup> “commercial” units - meaning they were available or reserved more than 50% of the year.

If 2021 commercial units are compared to the 2021 dwelling stock (10,268 - as per the Census), about 1% of the municipality’s housing inventory may have been used as a short-term commercial rental. In 2018, the share was also about 1%.

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

	Data by year				Percent change		
	2018	2020	2021	2022	'18-'20	'20-'22	18-'22**
Total unique STRs	231	292	322	320	+26%	+10%	+39%
Entire home/apt	165	233	254	250	+41%	+7%	+52%
Hotel room	0	3	3	3	n.a.	0%	n.a.
Private room	66	56	65	67	-15%	+20%	+2%
Shared room	0	0	0	0	n.a.	n.a.	n.a.
Avg annual revenue	\$4,474	\$3,339	\$5,985	\$7,446	-25%	+123%	+66%
Total market ('000s)	\$1,034	\$975	\$1,927	\$2,383	-6%	+144%	+131%
Commercial STRs*	99	114	138	137	+15%	+20%	+38%

\* 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

<sup>1</sup> Noted as “potentially” since 2022 data is only up to September.

## 4 Housing Shortage

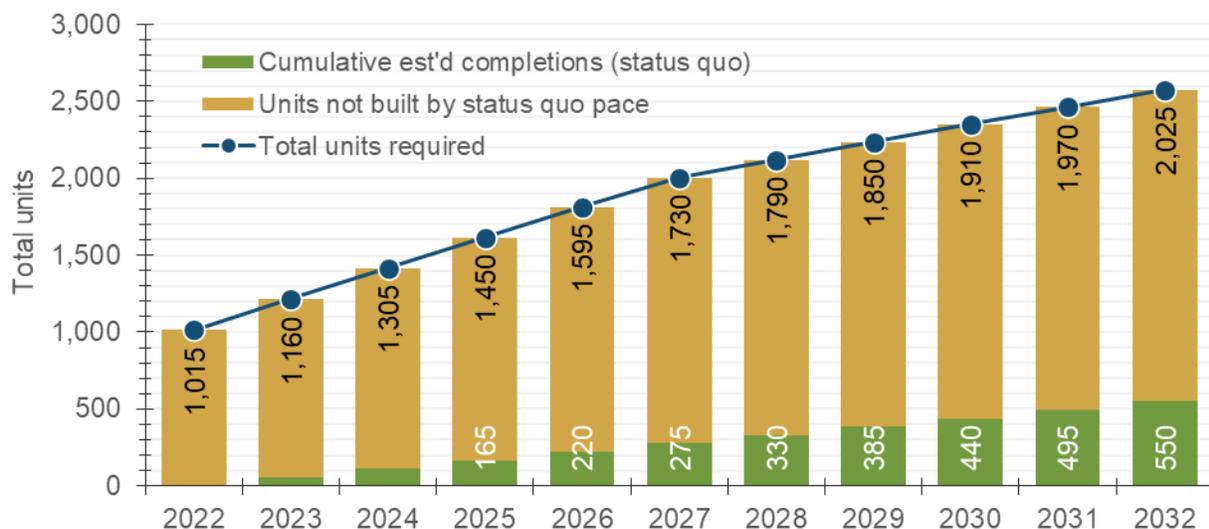
Based on demographic modeling results (see **Provincial Report** for details), the municipality’s potential housing shortage (as of the end of 2022) may be 1,015 units.<sup>2</sup> Note that this estimate represents the sum of all units, be they rented or owned in terms of their tenure, or market or 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 five years, the municipality may have a total dwelling demand (existing shortfall plus anticipated demand) of about 2,005 units, which could grow to 2,575 by 2032.

Based on the recent pace of construction, demand could significantly outpace anticipated new supply. About 55 new units could be completed annually over the next decade, based on assumptions using historical data trends. That leaves a remaining gap of 1,730 units by 2027. By 2032, the remaining gap after status quo construction could be 2,025 units. Note that status quo construction follows the method used in the provincial report, being average units permitted adjusted by 5% to account for permit withdrawals or cancellations. Results are rounded to the nearest 5.<sup>3</sup>

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



<sup>2</sup> 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.

<sup>3</sup> 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 about 2,005 units to meet demand by 2027. Based on historical preferences,<sup>4</sup> about 30% could be studio/1-bedroom dwellings (605 units), 40% 2-bedroom dwellings (810), and 30% 3+ bedroom dwellings (590 units). This includes the existing unit shortfall.

If forecasting until 2032, the municipality may need to build about 2,575 units (cumulative demand plus the existing shortfall), which could follow the same unit size distribution. . Note that results are rounded to the nearest 5.

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

	Total	Studio + 1-bedroom	2-bedroom	3+ bedroom
<b>A:</b> Current shortfall (end of 2022)	1,015	305	410	300
<b>B:</b> Anticipated demand by <b>2027</b>	990	300	400	290
<b>C:</b> Total units required by <b>2027</b> (A + B)	2,005	605	810	590
<b>D:</b> Anticipated 5 year supply (status quo pace*)	275	85	110	80
<b>E:</b> Total shortfall	1,730	520	700	510
<b>F:</b> Total extra units required annually (E / 5 years)	345	105	140	100

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

<sup>4</sup> 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 require 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 of 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. Annapolis County’s median sale price has increased from \$119,500 to \$270,000 between 2016 and 2022. This represents a 126% increase 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	\$108,000	\$119,500	\$151,500	\$270,000	+11%	+27%	+78%
Single	\$111,250	\$128,000	\$156,000	\$278,000	+15%	+22%	+78%
Semi	\$56,000	\$76,000	\$85,000	\$209,900	+36%	+12%	+147%
Row	\$68,750	\$68,950	\$52,000	\$155,000	+0%	-25%	+198%

Source: NSAR MLS®

The increase in price can, at least in part, be attributed to an overwhelming 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 the 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 the 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 median days a dwelling was on the market plummeted to below 20 days, but the real sale price was almost even with the list price from 2021 to 2022.

Figure 5.1: Historical Median Days on Market v. Median Sales / List Price Ratio



Source: NSAR MLS®

The shift in demand leading to faster home purchases is largely attributed to substantial population growth over recent years, fuelled by both interprovincial and international in-migration in a market where housing supply growth is not keeping up with the increased pace.

### 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 indirect costs related to shelter. More detail is provided in the **Provincial Report**. Note that income bracket distributions are based on Census Division data.<sup>5</sup>

Lone parents and single persons are least likely to have income levels necessary to afford to own a home. Semi-detached homes and row houses are the most attainable types of dwellings based on their value, but 46% of lone-parent households and 77% of single-person households fall below the income necessary to afford median row home.

<sup>5</sup> 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:			\$278,000	\$209,900	\$155,000
		% of HHs below income level			Single Detached Dwelling	Semi Detached	Row
Income level	Attainable sales price	Couples	Lone parents	Single persons			
\$30,000	\$89,500	4%	16%	51%	no	no	no
\$40,000	\$119,500	14%	31%	65%	no	no	no
\$50,000	\$149,500	25%	46%	77%	no	no	no
\$60,000	\$179,500	35%	59%	84%	no	no	yes
\$70,000	\$209,500	44%	71%	91%	no	no	yes
\$80,000	\$239,000	55%	78%	95%	no	yes	yes
\$90,000	\$269,000	62%	83%	97%	no	yes	yes
\$100,000	\$299,000	68%	88%	97%	yes	yes	yes
\$110,000	\$329,000	74%	88%	98%	yes	yes	yes
\$120,000	\$359,000	79%	88%	98%	yes	yes	yes
\$130,000	\$388,500	82%	88%	98%	yes	yes	yes
\$140,000	\$418,500	86%	88%	98%	yes	yes	yes
\$150,000	\$448,500	90%	88%	98%	yes	yes	yes

Homeownership	Total; Dwelling	Single Detached Dwelling	Semi Detached	Row
Est'd income needed to buy median home	\$90,300	\$93,000	\$70,200	\$51,800
<b>% of total households below income</b>	<b>75%</b>	<b>75%</b>	<b>61%</b>	<b>43%</b>

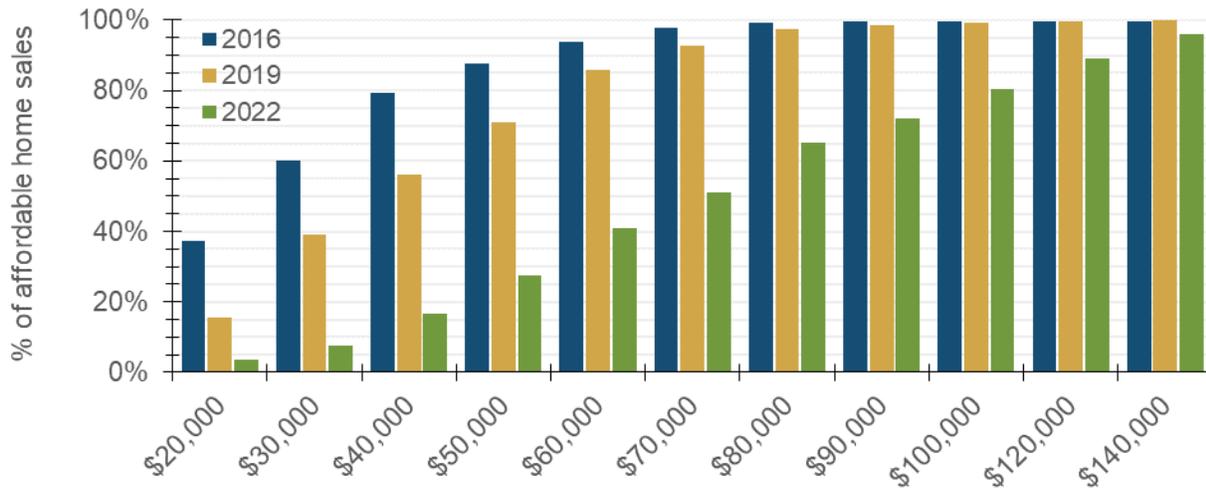
Source: derived from Statistics Canada tables (see provincial report), Bank of Canada, NSAR MLS®

About 75% of all local households earned an income below what would be needed (around \$90,300) to purchase the median home in 2022. This highlights the importance of housing interventions to address the shortage identified above to reduce typical housing prices to reasonably affordable levels.

Figure 5.2 presents the levels of affordability for respective household income levels between 2016 and 2022 for Annapolis Census Division (no data is specifically available for the Municipality of Annapolis County). 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 region suffered a significant shock from 2019 to 2022. For instance, a \$70,000 income could afford 93% of home sales in 2019. In 2022, this fell to 51%.

Figure 5.2: Estimated % of Households that can / cannot Afford Sale Prices, Annapolis 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 Annapolis County. The overall average rent in 2021, per PVSC data, was \$599. This is an increase of 6% from 2020. There has been a 5% increase in studio unit rents, a 6% increase in 1-bedroom unit rent, a 4% increase in 2-bedroom unit rent, and a 5% increase in 3+ bedroom unit rent.

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

	Price				Percent Change		
	2018	2019	2020	2021	'18-'19	19-'20	20-'21
Total	\$590	\$589	\$566	\$599	0%	-4%	+6%
Studio	\$501	\$501	\$483	\$508	0%	-4%	+5%
1-bed	\$607	\$607	\$579	\$615	0%	-5%	+6%
2-bed	\$633	\$633	\$617	\$642	0%	-3%	+4%
3+ bed	\$713	\$713	\$687	\$722	0%	-4%	+5%
Vacancy	7.5%	7.0%	6.2%	6.2%			

Source: PVSC Custom Tables

Annapolis County's vacancy rate has decreased from 7.5% to 6.2% between 2018-2021. While at a lesser magnitude, this follows the downtrend of vacancy rates seen across the province.

### 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 17% of lone-parent households and 64% of single person households fall below the income level required to afford the average rent for a studio apartment in 2021.

It should be noted that the affordability reported is 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 46% of local renter households earned an income below what would be needed (about \$35,700) 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.

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

		2021 average rent:			\$508	\$615	\$642	\$722
		% of HHs below income level			Studio	1-bed	2-bed	3+ bed
Income level	Attainable rent	Couples	Lone parents	Single persons				
\$10,000	\$170	0%	0%	2%	no	no	no	no
\$15,000	\$250	0%	0%	16%	no	no	no	no
\$20,000	\$330	0%	0%	25%	no	no	no	no
\$25,000	\$420	4%	5%	53%	no	no	no	no
\$30,000	\$500	4%	17%	64%	no	no	no	no
\$35,000	\$590	15%	31%	69%	yes	no	no	no
\$40,000	\$670	15%	39%	77%	yes	yes	yes	no
\$45,000	\$750	18%	51%	81%	yes	yes	yes	yes
\$50,000	\$840	25%	58%	84%	yes	yes	yes	yes
\$55,000	\$920	29%	63%	88%	yes	yes	yes	yes
\$60,000	\$1,000	35%	71%	88%	yes	yes	yes	yes
\$65,000	\$1,090	44%	80%	90%	yes	yes	yes	yes
\$70,000	\$1,170	44%	80%	90%	yes	yes	yes	yes

Renting	Average	Studio	1-bed	2-bed	3+ bed
Est'd income needed to rent average unit	\$35,700	\$30,300	\$36,700	\$38,300	\$43,100
<b>% of renter households below income</b>	<b>46%</b>	<b>38%</b>	<b>46%</b>	<b>46%</b>	<b>52%</b>

Source: derived from Statistics Canada Custom Census 2021 tables), PVSC

## 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 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.<sup>6</sup>

In Annapolis County, overall households living in unaffordable dwellings decreased by 19%, those living in unsuitable (overcrowded) dwellings did not change, and those living in inadequate (needing major repair) dwellings decreased by 14% between 2016 and 2021.

Renter households living in unaffordable dwellings decreased by 14%, but 27% of renter households remain in unaffordable dwellings.

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<sup>6</sup> 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.

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

		Total	Owner	Renter	Indigenous
Total Households:		8,360	6,990	1,375	470
Households living in <b>inadequate</b> conditions	Total households	975	835	125	90
	<i>Change since 2016</i>	-14%	-13%	-32%	-28%
	Share of households	12%	12%	9%	19%
Households living in <b>unsuitable</b> conditions	Total households	135	50	55	15
	<i>Change since 2016</i>	0%	-33%	-21%	-
	Share of households	2%	1%	4%	3%
Households living in <b>unaffordable</b> conditions	Total households	975	610	370	50
	<i>Change since 2016</i>	-19%	-22%	-14%	-33%
	Share of households	12%	9%	27%	11%

Source: Statistics Canada Custom Census 2016 & 2021 Tables

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 16% decrease in overall Core Housing Need, with decreases across the tenure and Indigenous identity. Notwithstanding, 13% of all households faced core need in 2021.

Since 2016, there has been an overall decrease of 22% 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:		8,360	6,990	1,375	470
Households living in <b>Core Housing Need</b>	Total households	1,065	695	360	30
	<i>Change since 2016</i>	-16%	-16%	-17%	-68%
	Share of households	13%	10%	26%	6%
Households living in <b>deep unaffordability</b>	Total households	285	195	90	0
	<i>Change since 2016</i>	-22%	-17%	-28%	-
	Share of households	3%	3%	7%	0%

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 21% of single / roommate households faced financial challenges related to shelter in 2021. Lone parents also faced considerable housing challenges, reporting the highest rate of inadequacy at 22%.

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:		3,135	1,485	610	2,750
Households living in <b>inadequate</b> conditions	Total households	265	165	135	355
	<i>Change since 2016</i>	-24%	-23%	0%	-3%
	Share of households	8%	11%	22%	13%
Households living in <b>unsuitable</b> conditions	Total households	-	45	-	-
	<i>Change since 2016</i>	-	+125%	-	-
	Share of households	-	3%	-	-
Households living in <b>unaffordable</b> conditions	Total households	235	35	60	590
	<i>Change since 2016</i>	-11%	-75%	-66%	-2%
	Share of households	7%	2%	10%	21%

Source: Statistics Canada Custom Census 2016 & 2021 Tables

Since 2016, single persons / roommate households living in Core Housing Need increased 5%, reaching a 25% share of all related households in 2021. Lone parents reported the next most prevalent core need (17%).

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:		3,135	1,485	610	2,750
Households living in <b>Core Housing Need</b>	Total households	195	25	105	695
	<i>Change since 2016</i>	-13%	-81%	-49%	+5%
	Share of households	6%	2%	17%	25%
Households living in <b>deep unaffordability</b>	Total households	60	-	-	185
	<i>Change since 2016</i>	+33%	-	-	-5%
	Share of households	2%	-	-	7%

Source: Statistics Canada Custom Census 2016 & 2021 Tables

# 7 Demographic Profile

## 7.1 Population

### 7.1.1 Current Population

Between 2016 and 2021, the population of Annapolis County increased by 3%. By comparison, Nova Scotia’s growth rate was 5% between those same years. Table 7-1 below illustrates the municipality’s population change compared to provincial changes.

The municipality grew across many of the defined age cohorts between 2016 and 2021, with particularly strong growth among 25-to-44-year-old persons, largely due to net positive migration trends. This has led to an increase in demand for housing to the municipality among younger age cohorts that might also come with or may eventually have a family.

Table 7-1: Total Population by Age Cohort (2021) and Five-Year Percent 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 County of Annapolis	Total	2,415	1,560	3,390	6,140	4,795	530	18,835
	Share	13%	8%	18%	33%	25%	3%	100%
	5yr %Δ	+3%	-5%	+4%	-2%	+12%	+6%	+3%

Source: Statistics Canada Census 2016 & 2021

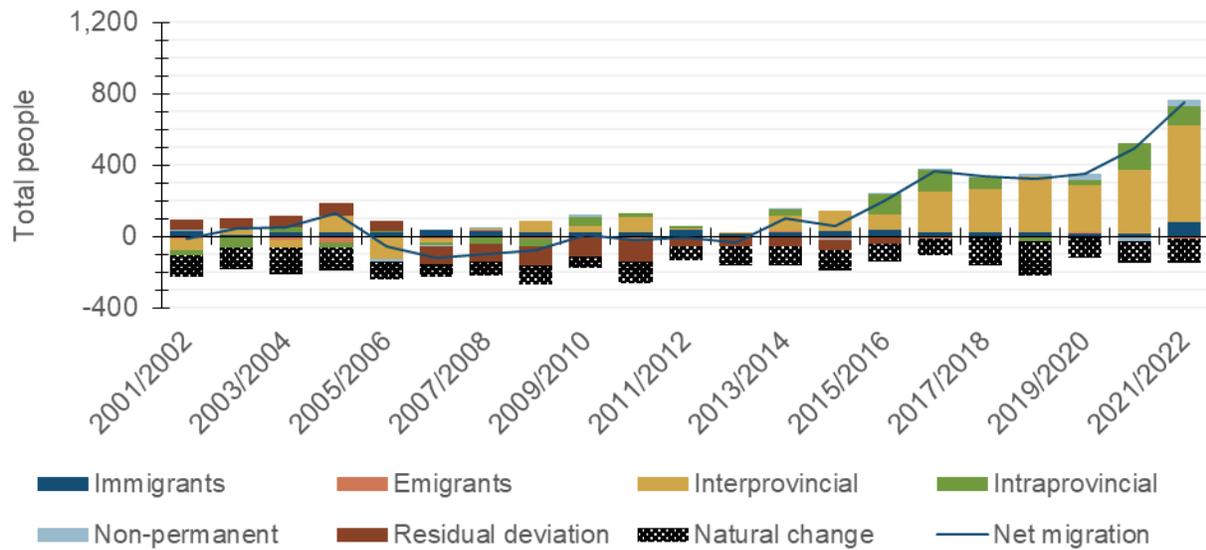
*“Seniors want small units in their community that they can maintain.”*

### 7.1.2 Migration

Shown in Figure 7.1 is the net-migration for the **entire** Annapolis 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 Census Division’s net-migration steadily increased to a two-decade high in 2021/2022 with a total of 753 newcomers.

Figure 7.1: Historical Components of Migration, Annapolis 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.<sup>7</sup> 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	2,745	1,635	4,090	6,010	5,680	620	20,780
	Share	13%	8%	20%	29%	27%	3%	100%
	5yr %Δ	+12%	+1%	+13%	-2%	+14%	+15%	+7%

		0 to 14	15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
2032	Total	2,815	1,565	4,040	5,830	6,080	795	21,125
	Share	13%	7%	19%	28%	29%	4%	100%
	5yr %Δ	+3%	-4%	-1%	-3%	+7%	+28%	+2%

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

<sup>7</sup> 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.

Estimates suggest that the total 2022 population was 19,340, with a potential increase of 7% between 2022 and 2027. Senior and younger adult populations should increase during that time, with decreases only occurring among 45- to 64-year-olds.

Growth from 2027 to 2032 may be notably muted compared to the five years prior, with growth mostly occurring among senior populations. This demonstrates a short-term need to accommodate families, but a long-term vision 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 Annapolis County. The tables show tenure splits for maintainer by age cohort, household types, and household sizes respectively, as well as the 5-year 2016 and 2021 period 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 between 83% owner households and 17% renters in 2021.

Non-census families (i.e., single persons or roommates) have seen the biggest change, with a 18% increase since 2016. Households in Annapolis County are also getting larger with a 5% increase in 5+ person families between census periods. Notwithstanding, total 1-person households rose 17%.

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 increases. 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.

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

		15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
Household Maintainer Age	Total	115	1,705	3,405	3,045	320	8,590
	Owner	21%	71%	87%	88%	93%	83%
	Renter	79%	29%	13%	12%	7%	17%
	5yr %Δ	-18%	+11%	-2%	+12%	+3%	+5%

		Couple w/o Child	Couple w/ Child	Lone Parent	Non-census*	Other**	Total
Household Type	Total	3,205	1,535	630	2,835	390	8,590
	Owner	91%	88%	65%	76%	78%	83%
	Renter	9%	12%	35%	24%	22%	17%
	5yr %Δ	-1%	-3%	+3%	+18%	+16%	+5%

		1-person	2-person	3-person	4-person	5+ person	Total
Household Size	Total	2,600	3,775	1,110	705	405	8,590
	Owner	77%	89%	82%	85%	91%	83%
	Renter	23%	11%	18%	15%	9%	17%
	5yr %Δ	+17%	-1%	+3%	+1%	+5%	+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

### 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 incorporate adjustments to reflect total dwellings (not only those occupied by a usual resident which projections would solely consider).

Estimates suggest that total households reached 8,835 in 2022, with a potential increase of 6% from 2022 to 2027 (545 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	120	2,055	3,340	3,420	445	9,380
	Share	1%	22%	36%	36%	5%	100%
	5yr %Δ	+0%	+13%	-2%	+8%	+33%	+6%

		15 to 24	25 to 44	45 to 64	65 to 84	85+	Total
2032	Total	110	2,055	3,230	3,565	595	9,555
	Share	1%	22%	34%	37%	6%	100%
	5yr %Δ	-8%	+0%	-3%	+4%	+34%	+2%

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

Growth may continue from 2027 to 2032, but of a noticeably lesser magnitude. Households led by a 65- to 84-year-old seniors may grow only marginally during that time - elderly (85+) led households may grow about 34%. Again, this reinforces the need for senior appropriate or generally accessible housing over the foreseeable future.

## 8 Conclusion

The above information provides context for the Municipality of the County of Annapolis' housing conditions. Significantly increased demand - brought on by a surge of in-migration 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 Annapolis County is 1,015. Projections suggest that to keep pace with population growth, the municipality will need 2,005 new units by 2027 (including the existing shortage) and 2,575 by 2032. Status quo construction may not be enough to meet the 2027 projected demand. About 55 new units could be completed annually based on historical construction trends. If that pace continues, it will leave a remaining gap of 1,730 units by 2027 and 2,025 by 2032. Unless completions exceed the estimated annual rate of construction, ongoing trends within both rental and ownership markets can be expected to continue.