



SAINT JOHN

City of Saint John Housing Needs Assessment Update Report

June 2023



Executive Summary

Introduction

The City of Saint John is facing a number of housing challenges spurred by escalating house prices, rising rents and declining vacancy rates. A recent upturn in growth, while modest, is placing additional demands on the local housing market which is a departure from recent years where a more stable market existed. Post-pandemic inflation and rising interest rates seen over the last year are adding additional pressure on housing prices in the market. At the same time, there are unprecedented opportunities to access new resources and adopt innovative policy tools to help address the very real housing affordability challenges that exist.

Within the context of these challenges and opportunities, the City is undertaking the preparation of an Affordable Housing Action Plan in collaboration with a number of government, public and non-profit partners. The City has retained SHS Consulting and Re/fact Consulting to facilitate this process. This Action Plan will identify the actions needed to guide the community's response to maintain and create safe, suitable, and affordable housing options for all of Saint John's residents, regardless of where they may be on the housing continuum.

Methodology

In order to develop the Plan, a two-step study process has been employed by the consulting team that includes:

- Part 1 - Housing Needs Assessment
- Part 2 - Affordable Housing Action Plan

The Housing Needs Assessment provides a technical summary of findings and observations based on a detailed review of data, reports and ancillary information. Collectively, this information helps to provide a comprehensive picture of local housing market conditions and project potential trends going forward in the context of a housing continuum. Emerging issues, market gaps and contributing factors have also been identified to help situate priority areas for consideration, providing a sound foundation for Part 2 of the study. In this second part, potential options for addressing gaps along the continuum will be recommended in the form of an Affordable Housing Action Plan.

Analysis for the Needs Assessment utilized the latest available data sources, including time series data from the Census of Canada and CMHC. Data from a number of other sources, key informant interviews and a cross-sectoral focus group were also used to help validate trends and inform findings as part of this work. The primary focus of the analysis was the City of Saint John, including its constituent neighbourhoods. However, given the regional nature of housing markets, consideration was given to conditions in the surrounding area immediate beyond the City (the Census Metropolitan Area). Where relevant, comparisons were also drawn with the two other largest municipalities in southern New Brunswick, namely Moncton and Fredericton.

NOTE: The initial Housing Needs Assessment Report was issued in March of 2022 and formed the basis for the Saint John Housing Action Plan which was adopted in fall later that year. The study process recognizing that certain key data and indicators would require update based on new data in the following year. Accordingly, this updated report augments original findings with new data points and refined figures that have become available since that time.

Findings of the Needs Assessment

The Housing Needs Assessment involved a comprehensive review of characteristics, trends and projections for the Saint John housing market. The Assessment examined data and performed analysis in three key areas, namely housing demand, housing supply and housing affordability. Following are highlights of results from this analysis.

Housing Demand

To determine demand for housing, trends and projections were examined from the perspective of population, household and income characteristics. This analysis showed that from 2006 to 2016, the City of Saint John experienced a decline in growth. However, recent trending has shown a reversal of this phenomenon with a modest upturn in growth of roughly 3.4% since 2016, resulting in a 2021 population of 69,895. The outflow of younger age cohorts has been evident, especially those under 19 year old and those in the 20-44 age cohort. However, inflows due to inter-provincial and international immigration have buoyed this growth resurgence, accounting for more than 2,320 persons between 2016 and 2021. Like other communities, seniors are occupying an ever larger share of the population (20.5% in 2021) and this trend is expected to continue. Despite the recent upturn in growth, projected population remains slightly below forecast levels but modest growth in Saint John is expected to continue, as confirmed by preliminary population forecasts being developed for the City.

There were 31,825 households in Saint John in 2021, which follows a continued pattern of growth since 2006. While traditional household structures are common in the City, there is a tendency towards smaller households (average of 2.1 persons per household in 2021) and an increase in non-family structures, especially one-person households which grew by 14.9% from 2011 to 2021. These trends have led to a growth in households that is faster than growth in population (5.4% versus 3.4% since 2016). While owners represents the majority of households in Saint John (55%), there is a substantial share of renters (45%) and growth has been more than four times faster for renter households versus owners in recent years (2011 to 2016). The increase in seniors and tendency towards smaller households may in part explain this trend.

Despite recent growth, average household incomes in Saint John (\$77,400 in 2021) are still lower than those of Moncton or Fredericton. There is also polarization in the distribution of household incomes with continued in higher income deciles and only

recent improvement for those in lower income deciles. In terms of tenure, this income disparity is increasingly evident between more affluent owners where 35.5% have annual household incomes over \$100,000 versus less affluent renters where 9.6% have annual household incomes under \$20,000. That said, the situation for renter households did improve from 2016 when almost 40% had incomes under \$20,000. However, much of the improvement is likely a reflection of higher incomes due to temporary COVID-19 assistance, a trend that was seen in many other jurisdictions over this same period. Economic indicators suggest that recent gradual declines in unemployment and increased wage growth may help to sustain income growth going forward but there continue to be elements of uncertainty in the post-pandemic recovery period.

Housing Supply

Trends and projections associated with housing supply were examined from the perspective of housing stock as well as traditional market and non-market components. This analysis showed that the residential housing stock in the City, comprised of more than 33,900 private dwellings (2021) is geared mainly to single detached homes (40.1%) and low rise apartment forms (41.2%). The supply of mid-density housing forms such as semi-detached or row housing is quite modest and accounts for less than 10% of all stock. As Canada's oldest city, there is also a substantial component of older housing stock in Saint John that tends to require more major repairs as compared with newer stock. As of 2021, almost 36% of all stock was built prior to 1960 and more than 2,800 units were deemed to be in need of major repair. Based on recent demolition and building permit data, there is evidence that redevelopment of this older stock is resulting in net gains to supply, primarily in multi-residential forms (almost 800 new units from 2019 to 2021).

Production trends for new housing have tended to follow existing forms and tenure over the last 10 years with construction geared mainly to single detached homes and apartment forms. There has been a more notable recent upturn in rental apartment development, although these units tend to be at the higher end of the rental scale. Housing starts also continue to outpace completions, signalling a tendency towards a growth market.

There is an established primary rental supply of over 9,300 units serving the community, almost half of which are two bedroom apartment units. Declining vacancy rates which are now in the order of 1.7% and pent up demand for rental housing has resulted in the expansion of the secondary rental market through non-traditional forms (i.e. single detached and semi-detached homes). It is estimated that between 1,200 and 5,300 units may exist in this secondary market, supplementing the needs of renters in the City. Increases in average rent of just over 40% have been seen over the last 10 years and are outpacing inflation. Rising rents have created clear affordability concerns for renters, especially in the last year where rents increased by almost 12% on average.

Owned homes account for about 17,240 dwellings in the City, more than 70% of which are single detached houses (2021). While there has been modest recent production of new homes, sales volumes in the resale market have seen a recent decline in activity and the number of new listings has remained fairly consistent. However, the number of active listings and available inventory has declined sharply which, when coupled with sustained demand, signals a tighter market. As a result, home prices have seen dramatic increases between 2019 and 2021, averaging 30% for new homes and 38% in the resale market. In the last year, new home sales prices decreased by more than 13% while resale home prices continued to climb an average of 18.6%¹. Historically low interest rates had helped to spur activity in the owner market but recent higher inflation and interest rate hikes have forced housing costs higher and may serve to dampen this effect going forward.

There is also an established inventory of non-market housing within the City that helps to provide affordable accommodation to low and moderate income households. It is estimated that more than 2,200 units of rent-geared-to-income stock are operated locally by non-profit, coop and public housing providers. There are about 1,200 households on waiting lists to access these units, the majority of which are non-senior singles (45%) and families (35%), with the balance being seniors (20%). Despite these substantial waiting lists and a clear need for more affordable housing, there have been only modest additions to this inventory. A modest supply of emergency shelter beds, transitional accommodation and supportive housing are also available locally to address those experiencing homelessness or with special housing needs. A number of special care and nursing home facilities are also available for seniors in the City.

Housing Affordability

As a final area of analysis, trends associated with housing affordability were examined from the perspective of both the rental and ownership segments of the market. This analysis showed that from an affordability point of view, it's clear that a number of households in Saint John are experiencing challenges. Households that spend 30% or more of their before tax income on accommodation are deemed to have an affordability problem. By this metric, just over 18% of households in the City in 2021 fell into this category with affordability being more acute for renters (27.1%) as compared to owners (11.4%). This was an improvement over 2016 figures, due in part to improved household incomes but may only be a temporary condition given rising costs and the truncation of pandemic assistance.

Despite the current supply of housing and the recent additions to it, households are facing continuing problems based on upward costs in the market. Rental households which traditionally have lower incomes, are facing rental increases which are outpacing inflation and at rates that are higher than average in newer rental housing developments. Income distribution suggests that renters with household incomes of

¹ While the reported average price figure declined for new homes, the small sample size of this data raises concerns, especially when compared to escalating prices seen in all other regional markets. As a result, caution should be used in reliance on this current average new price figure for Saint John.

\$40,000 or more may be able to access average rents in the market. For households at this threshold, a maximum monthly rent of \$991 would be affordable. By contrast, units in the market are renting for between \$850 and \$1,500 for a one, two or three+ bedroom unit. The 30% of renters who have household incomes of \$35,000 or less can afford a maximum rent of \$835 per month and as a result, have serious challenges accessing the traditional rental market.

Despite historically low interest rates and past affordable house prices, lower recent inventories, sustained demand and interest rate increases have resulted in rapid price escalations in the ownership market. As a result, only households in the highest 30% income bracket can afford average new home prices. Based on the average price of just under \$300,000 for a new house, households would require an annual income of over \$100,000 for the house to be considered affordable. In the resale market, average prices are lower at \$260,000 and would require a household income of \$75,000 to be affordable but only about 40% of owner households could access these options. As a result, some prospective owners will stay in the rental market to meet their housing needs, creating additional competition for those with lower and moderate income households who can only afford rental accommodation.

Primary gaps in the local housing market

By evaluating current and anticipated supply trends against projected demand, it is possible to identify gaps areas along the local housing continuum. Addressing these gaps obliges different resources, partnerships and interventions to successfully address the underlying causes. As a results of the Needs Assessment, four gap areas have been identified that will require consideration going forward.



Housing to address the needs of most vulnerable households

Those at the lowest end of the continuum experience considerable hardship due to low incomes and limited housing choices. This includes roughly 30% of renter households, those who have household incomes less than \$35,000 and can afford maximum rents of \$835/month. Few options exist in the rental market at this price and there is a high reliance on non-market housing to accommodate these needs. While there are housing assistance options provided primarily through government – whether in terms of income supports or affordable housing – these non-market options are limited, are reliant on senior government funding and come with required eligibility criteria.

While a local portfolio of housing options exist and provides a range of units, types and sizes, considerable waiting lists for these units also exists. Resources to maintain existing stock and support new supply have expanded in recent years but are finite and there has been only modest additions to this stock despite sustained demand. Recent programs have also targeted households that can afford below-market rents rather than the lower income households that rely on rent-geared-to-income options to address their needs. Given the lack of options available to this constituency, there is a need for additional senior government resources to address this gap.

Affordable rental housing

For those households that fall within the mid-market income range (30th to 60th income percentile), the escalation in rents and limited supply of rental market options has created significant challenges. This has been even more prevalent for the 30% of renters already in the market who tend to have lower household incomes - those in the \$35,000 to \$50,000 range. Households in this income range could afford rents in the \$835 to \$1,300 range and there are some market options accessible at this rent threshold, although prices for new market units tend to be higher than in existing stock.

However, the current inventory of stock in the primary rental market is heavily weighted to two bedroom units despite the fact that demand exists both for smaller one bedroom units and larger family units. The projected growth in seniors, one-person and immigrant households will only serve to heighten this demand. While units in the secondary rental market may provide additional options for larger households, they tend to be at higher costs and do not have the same security of tenure as purpose-built rental accommodation.

Where units are more aged and have lower rents, they may be in disrepair or inadequate to meet household needs. Revitalizing suitable rental supply and expanding new stock by type and affordability would help those households struggling to find mid-market options. While this falls substantially within the domain of the private sector, utilizing government programs, incentives and policies may assist in enhancing the affordability of new units that are brought on-line.

Affordable ownership housing

Typically, the needs of those households with incomes in the higher end of the market (above the 60th income percentile) would be met entirely by the private sector. However, recent price spikes in Saint John have indicated challenges for accessing new housing options where household incomes are below \$100,000. In the case of resale homes, there is more flexibility with access to market options as low as the 50th income percentile (or about \$70,000) but these options are limited. Providing access to the ownership market for those at more moderate income deciles would help to ease pressures in the overall market.

Where households cannot access the ownership market, they may choose to overstay in the rental market, causing downstream demand for units better suited to lower income rental households. The prospect of higher interest rates and supply chain issues may only add to these pressures. The lack of lower price mid-density options also contributes to affordability issues in this income range. As with affordable market rental units, the private market has a primary role in addressing needs. However, strategic use of government programs, incentives and policies could assist in enhancing the affordability of new ownership units.

Supportive/special needs housing

Those individuals with supportive/special housing needs typically will require some form of support or a modified living environment in order to live independently. As a result of this requirement, they normally will also have lower incomes and experience affordability issues. They will typically have household incomes below \$35,000, placing them at the lower end of the housing continuum where they would require rental accommodations of not more than \$835/month. Given the very limited market options at this income level, the provincial government and local service delivery agencies have a significant role in working to address these needs, whether through services, assistance, accommodation or some combination thereof.

A mix of supportive/special needs housing is available in the Saint John area which serves a variety of clientele and their corresponding needs including those who are homeless or at risk of becoming homeless. However, this supply is limited and there are concerns that insufficient housing is available that is geared to those with accessibility requirements. Expansion of existing non-market housing through new supply initiatives has been quite modest and as a consequence, demand remains unmet. Providing housing that is more appropriate to those with supportive/special needs and linking with necessary supports is a priority and must be pursued with government and local service delivery agencies.

Towards an Affordable Housing Action Plan

Adequate and affordable housing that responds to local needs is fundamental to any healthy community. Through the Housing Needs Assessment, a number of gaps in the local housing continuum have been identified in the City of Saint John. Addressing these gaps will help to provide a more complete continuum of housing options for households in the community.

During the course of the next step in the study process, consideration will be given to possible solutions based on the findings and gaps identified in the Needs Assessment. The identification and evaluation of potential options will help shape strategies that address key issue areas. This work will culminate in the development of an Affordable Housing Action Plan.

Updating figures for income and affordability face significant challenges due to data currency. Where necessary, factoring up of figures has been employed to support analysis. As a result, tendencies and trends are more challenging to predict accurately, especially given recent and significant changes in the housing landscape. Continued monitoring and update of indicators is required on a 5 year cycle to ensure that policy responses are adequately targeting priority issue areas, especially with regards to income, housing costs and affordability.

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Foreword

As an initial part of the study process, the Housing Need Assessment report was first completed in March of 2022. It formed the basis for the subsequent City of Saint John Housing Action Plan which was adopted in October of 2022. At the time of initial drafting, the most recent available data was used to ensure a current snapshot of housing needs could be generated. However, it was recognized that the staged release of 2021 Census data in particular would not be able to be fully captured at that time. For that reason, an update to the Needs Assessment Report was contemplated in 2023 as part of the planning process at the outset of the study.

Since the drafting of the initial Housing Needs Assessment report, several primary data sources have been updated in terms of Census information, CMHC housing market data and other socioeconomic indicators. There have also been significant changes in key economic indicators, particularly in terms of inflation and interest rates, which have had downstream effects with regards to housing markets and affordability. While the full impact of these changes is not yet clear and there remains some uncertainty in forecast conditions, the recent data additions and environmental changes have been reflected in this updated version of the report.

1.0 Introduction

1.1 Background

The City of Saint John is facing a number of housing challenges. Over the past few years, the price of ownership housing has increased considerably, making it less accessible to many local residents. Rental vacancy rates have continued to decline and rapid increases in rent levels have made it increasingly difficult to find affordable rental accommodation. Individuals and families of low or moderate income and vulnerable populations are most acutely affected by these trends. The recent upturn in population growth, while welcomed economically, is also expected to continue placing greater pressures on local housing supply. These challenges are compounded by the aging of the population and the deterioration of an older housing stock in the City, signalling a need for a greater range of housing options. In the last year, escalating inflation and dramatic increases in interest rates have added additional pressures on the housing market and affordability in particular.

At the same time, new opportunities and resources are arising to address these issues. In 2017, the Federal Government launched the National Housing Strategy through which a number of new funding programs have since been introduced to contribute to meeting housing needs in communities across Canada. Interest rates had been at record lows, providing opportunities to leverage housing investments at attractive rates but the recent climb in rates in response to persistent inflation have created new challenges. Initiatives aimed at enhancing affordability and accelerating housing production are now having to be adjusted and augmented in light of these emerging conditions. New tools such as inclusionary zoning are also enabling municipalities to adopt more effective

regulatory approaches to expanding the supply of affordable housing as jurisdictions across Canada seek out creative ways to address housing affordability woes that persist.

Within the context of these challenges and opportunities, the City is undertaking the preparation of an Affordable Housing Action Plan in collaboration with a number of government, public and non-profit partners. This Action Plan will identify the actions needed to guide the community's response to maintain and create safe, suitable, and affordable housing options for all of Saint John's residents, regardless of where they may be on the housing continuum.

In order to develop the Plan, a study process comprised of two primary parts has been employed. Part 1 - Housing Needs Assessment first establishes a sound understanding of housing needs, supply conditions and affordability issues, both current and projected. It also considers economic development factors, government roles and community capacity in responding to projected needs. This baseline information, summarized in a Housing Needs Assessment report, provides a critical foundation for the second part of the study.

In Part 2 - Affordable Housing Action Plan, a comprehensive stakeholder engagement strategy will be undertaken to identify and validate emerging priority issues associated with affordable housing based on findings from Part 1. Feedback from these consultations and gaps identified through the housing assessment process will help to inform a policy framework for responding to affordable housing needs. Using this framework, a formal Affordable Housing Action Plan will be established which includes an implementation and monitoring strategy.

1.2 This report

The Housing Needs Assessment report is intended to establish a clear picture of the current conditions both in terms of housing needs and the housing supply available to address these needs. A similar assessment is required to project future housing needs and how these could be accommodated based on anticipated trends and tendencies in the local market. Affordability across the continuum is also assessed as part of this work, identifying influencing factors and gaps. Labour market growth, the roles of government and local capacity to address anticipated needs are also considered in this initial stage.

This report provides a technical summary of findings and observations based on a detailed review of data, reports and ancillary information. Findings have been summarized using distinct chapters on housing need, housing supply and housing affordability. Using a series of key indicators, emerging issues, market gaps and contributing factors are highlighted to help situate priority areas for consideration. As a result, this report helps to establish a sound foundation on which to develop an Affordable Housing Action Plan, the second part of the study assignment.

The assessment undertaken involved an analysis of a number of available data sources. As an established and reliable source of time series data, Census statistics were used to help develop a social-economic profile of housing. These robust statistics are gathered by Statistics Canada every 5 years and provide a wealth of information. However, given

the frequency of data collection and the lag that occurs in reporting out on this data, challenges can arise in securing current data. In the case of this study, the most recent Census year was 2021 and for the original Needs Assessment report, some initial data for 2021 had only just started to be released. A more fulsome data set of indicators at various geographies was made available later in 2022 and into early 2023 and these were used to complete an update of the Needs Assessment report.

Despite this, some more granular data tabulations for the 2021 Census have yet to be released, creating challenges for time series comparisons of certain key variables. As a result, analysis of certain indicators has had to rely on 2016 Census data, augmented with newer data wherever available. In some instances, data factoring has also been used to help project current estimates based on 2016 data.

Housing statistics from CMHC have also been used extensively to help inform the assessment, due in large part to their reliability and reporting frequency. Most statistics from CMHC are reported no less than annually and there is typically only a modest lag in publishing of this reported information after the data collection year. As a result, these data sets tend to be more current and more reflective of market conditions.

To help round out the analysis, Census and CMHC data sets have been augmented with data from a number of other sources, including City statistics, Province of New Brunswick data, Saint John Real Estate Board reports and other like datasets. A series of key informant interviews and a cross-sectoral focus group were also held to help validate trends and inform findings as part of this work. In conjunction with other published reports and studies, this information has helped to provide a comprehensive picture of local housing market conditions and projected potential trends going forward.

1.3 Setting the context

The City of Saint John is situated in the southernmost part of New Brunswick, nestled on the north shore of the Bay of Fundy and surrounding Saint John Harbour (**Figure 1**). With a current population of 69,895 (2021), the City is the oldest in Canada and covers some 315 square kilometers. The bulk of the City's population is accommodated in 33,908 total private dwellings many of which are proximal to the harbour, although more rural-oriented settlement patterns are evident to east and west ends of the City.

The City is situated within a larger CMA region (Census Metropolitan Area) which includes the adjacent municipalities of Rothesay, Quispamsis, Grand Bay-Westfield and Hampton as well as a more expansive rural area (**Figure 2**). Beyond the City, this 'Rest of CMA' area essentially wraps around Saint John, encompassing some 3,190 square kilometers. It is somewhat comparable in population (60,718) but has a notably lower private dwelling count (25,364), emblematic of its lower density development pattern. This surrounding region is interlinked with the City in a number of ways and forms part of the regional housing market. As such, findings for the 'Rest of CMA' area are referenced in this report to help compare and contrast with City trends.

Beyond the Saint John CMA, lies the cities of Fredericton and Moncton to the north and east, respectively. Together, these three southern metropolitan centres account for over half of the province's population. Given their size and proximity, certain key indicators for these adjacent areas are referenced in this report to help contextualize analysis results for the City.

Figure 2: Boundary map of the City of Saint John.

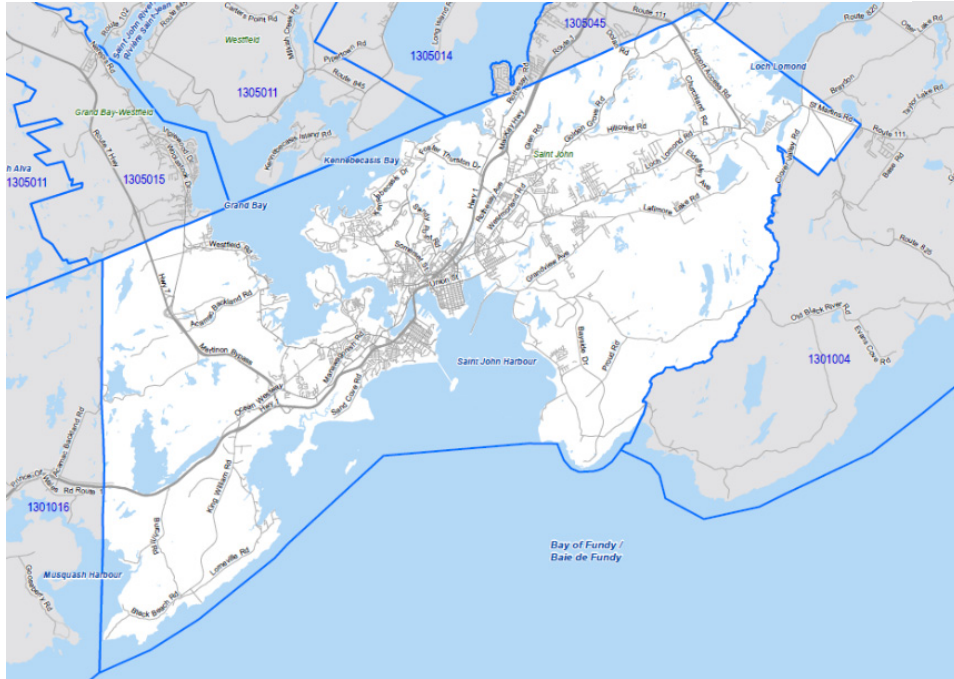
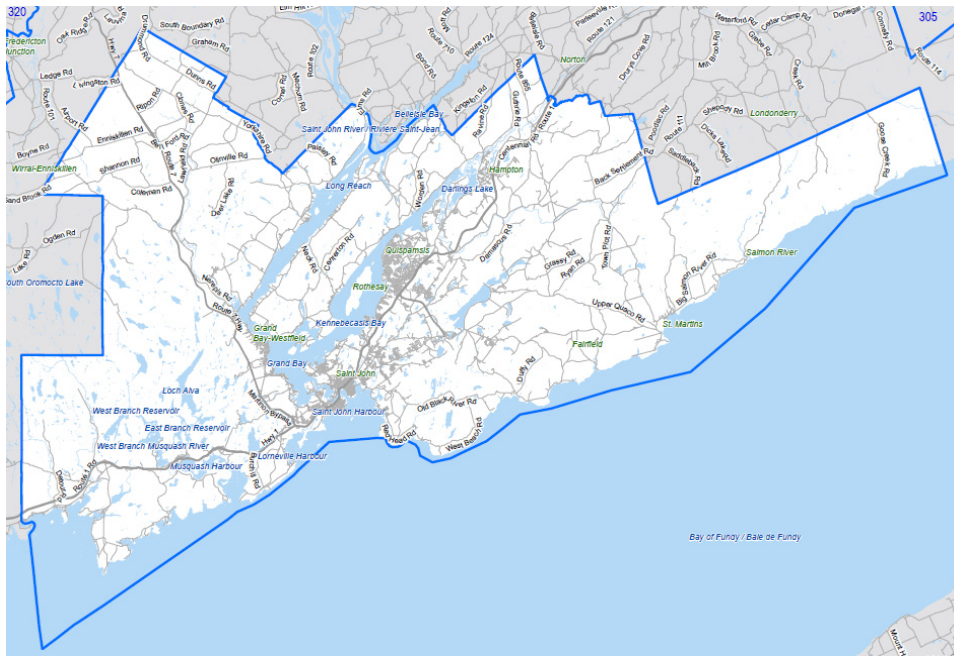
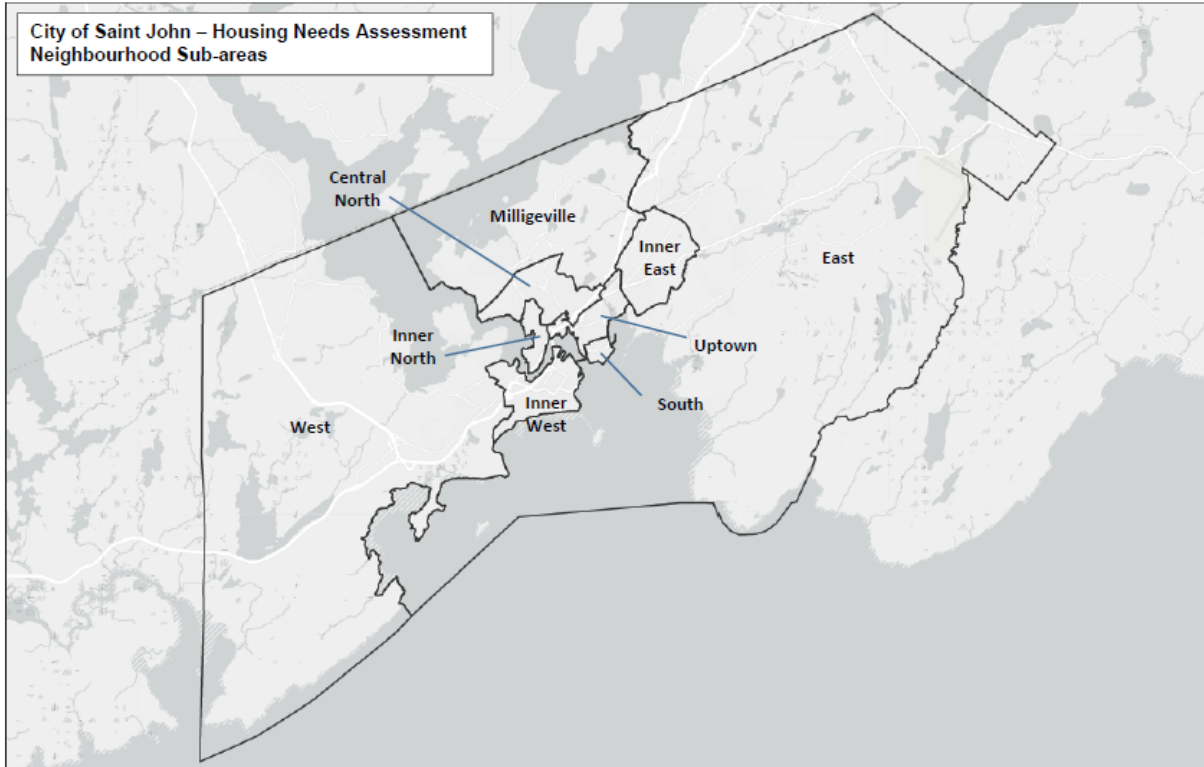


Figure 1: Boundary map of the Saint John CMA.



Within the City, there are a diversity of neighbourhoods with varying housing and socio-economic characteristics (**Figure 3**). For the purposes of this Needs Assessment, neighbourhoods have been defined based on a modified version of CMHC-defined neighbourhoods. Using Census Tract boundaries and CMHC Neighbourhood areas as a reference point, nine individual neighbourhoods were delineated to compare and contrast data. These sub-area findings are presented throughout this report to help illustrate housing-related trends within the City.

Figure 3 - City Neighbourhoods for Needs Assessment



Defining housing needs within a geographical context is key to understanding the spatial dimension of housing need, especially given that housing markets are typically defined in a regional context rather than by municipal boundaries. However, there are other dimensions which are fundamental to understanding the housing market, especially with regards to demand, supply and affordability. A common conceptual framework is the housing continuum (shown below), which expresses the link between income/ability and housing form.



As illustrated above, households with lower incomes or with substantive support needs tend to find accommodation on the left side of the continuum, whether in terms of

emergency shelters or transitional/supportive housing. Low- and moderate-income households requiring on-going rental assistance may access community housing² where rents are geared to the household's income (RGI). Middle income households may not require on-going assistance but may require affordable rental or ownership housing options which provide accommodation that is at the lower end of or below private market rates. By virtue of their economic means, those with mid-to-high incomes can typically access accommodation in the private housing market, whether in the form of rental or ownership tenure.

Those with economic means and capabilities will typically have access to a much wider variety of choices within the housing market. In most instances, the private market will accommodate their needs based on the supply they provide. Governments typically have a role in regulating land use or enacting policy that helps to support the delivery of a range of housing options in response to the local community needs. Governments may also provide incentives or regulatory flexibilities that support housing policy objectives. In many instances, local and/or provincial governments are responsible for establishing and maintaining such policies.

By contrast, those with low or moderate incomes will tend to have few options they can access affordably within the market. Many of the housing options needed to accommodate these households are facilitated via government assistance, either directly or through financial support to housing agencies who build/deliver housing. As a result, governments have a more inter-linked role in the delivery of housing for this segment of the housing market. Given the scale of investment and support required, federal and provincial governments have a more prominent role in establishing and funding such programs.

In the case of those in the middle market, households usually have a modest range of options in the rental or ownership market to address their housing needs. Housing options which are geared to the lower end of or below private market rates are typically facilitated through a combination of policies, programs or assistance offered by various levels of government. In more recent years, partnerships between private sector and not-for-profit proponents have been encouraged and incentivized to help facilitate housing supply in this segment of the market.

While the private sector has a prominent role in addressing most of the housing needs of a community, there are clear limits to how far they can address needs along the continuum. For lower and moderate-income households, government interventions are required to facilitate affordable housing solutions that meet their needs. Even in the middle market segment, incentives and inducements may be required to help expand the range of options that can address the needs of these households. As part of this Housing Assessment, the local Saint John housing market is set within the context of a housing continuum and evaluated to determine where gaps may exist. Potential options

² Community Housing includes those forms of housing that were developed under legacy government housing programs and provide rental assistance on a rent-geared-to-income basis (RGI). This encompasses what may otherwise be referred to as social housing, public housing and non-profit housing.

for addressing those gaps along the continuum are recommended as part of the Affordable Housing Action Plan in concert with the necessary roles for facilitating these solutions.

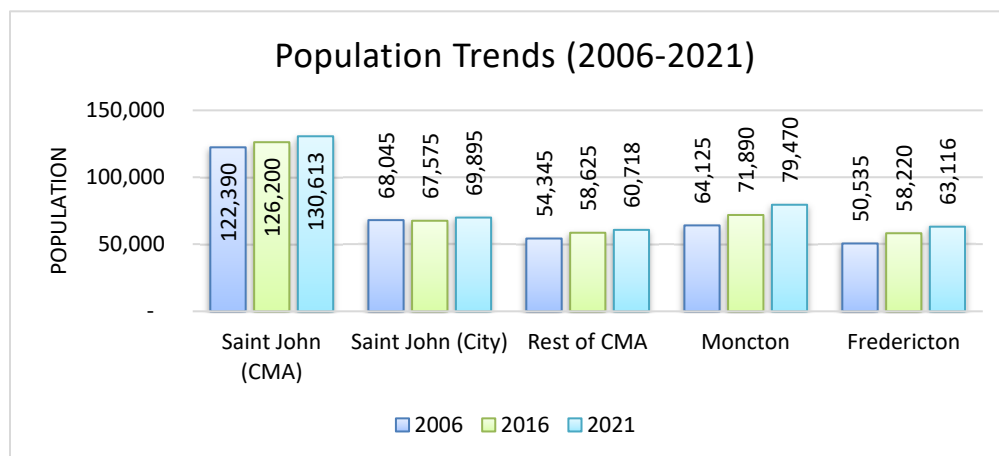
2.0 Housing Needs

This section describes the demographic and economic characteristics existing in the City of Saint John (the City), with consideration for trends throughout rest of the Census Metropolitan Area (Rest of CMA) that surrounds it. The municipalities of the City of Moncton and the City of Fredericton were used as comparisons to add context to some trends. Population and household characteristics, including age, demographics, mobility, income trends, and economic conditions, are important indicators of housing needs in a community.

2.1 Population Trends

From 2016 to 2021, the population of the City increased by +3.4%, or 2,320 persons, from 67,575 in 2016 to 69,895 in 2021. This growth in population was consistent with the Rest of CMA (+3.5%) but lagged behind the rates of Moncton (+10.5%) and Fredericton (+8.4%) during this period. This recent increase in Saint John reflects a recovery in population growth after a decline from 2006 to 2016 (**Figure 4**). This has occurred while the population of the Rest of CMA has continued to grow at a faster rate than the City.

Figure 4: Population trends in municipalities in New Brunswick, 2006-2021



Source: Statistics Canada Community Profiles, 2006-2021

Population projections, provided by the City of Saint John and completed in 2018, estimated an increase in population of +5.5% throughout the entire Saint John CMA between 2016 and 2021. Based on Statistics Canada 2021 Census data, the actual increase in population fell below these estimates for both geographies. While the magnitude of population increase was close to the projections, the population in the City grew slower than anticipated from 2016 to 2021.

The projections utilized also forecasted the population in Saint John (City) to 2031. From 2021 to 2031, the population was projected to grow an additional +7.8% under base scenario conditions. Updated projections are being developed to reflect more recent

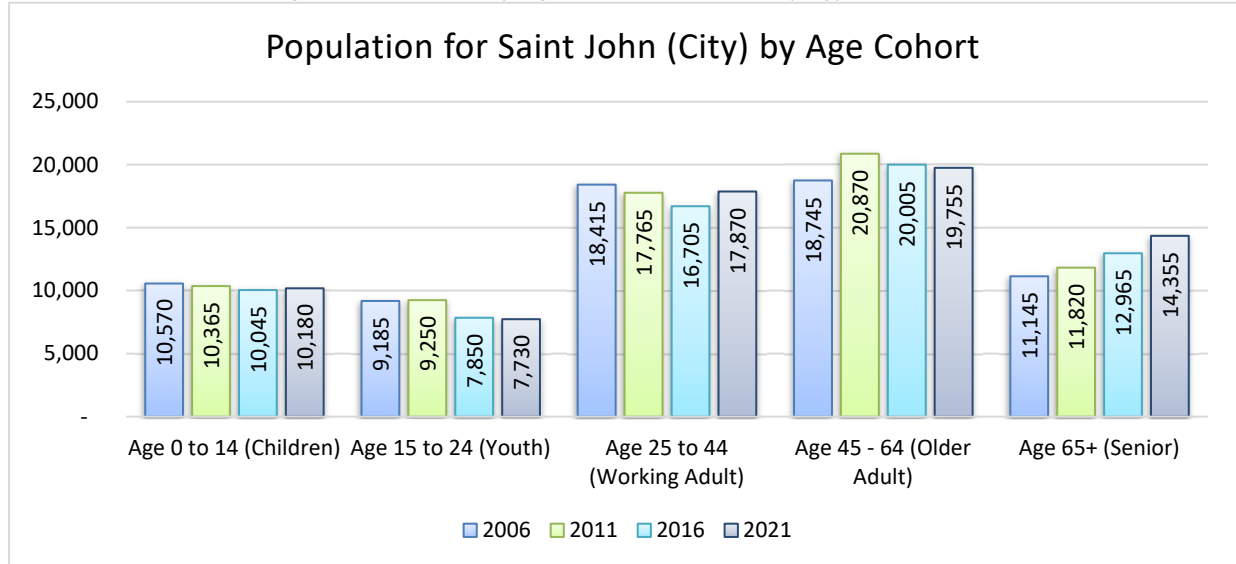
growth trends and employment growth opportunities³. Preliminary figures suggest that population growth for the City could meet or exceed the 2018 projections, growing by between 7% and 14% during the next 10 years under either the base or moderate growth scenarios. While the forecasts have yet to be finalized, they signal the potential for population growth to be higher than originally assumed, even though 2016-2021 actual growth under performed the original forecast targets.

As population growth drives housing needs, planning to accommodate this potential added growth will be required. Recent building activity points to this potential and where migration and employment trends continue on an upward trajectory, housing demand would follow. That said, uncertainty within the current economic climate remains and as such, caution must be used in assuming the magnitude and sustainability of such growth trends.

2.1.1 Trends in Population Age

As displayed in **Figure 5** below, the only age cohorts within the City that observed notable growth in absolute terms from 2016 to 2021 were working adults (aged 25 to 44) and seniors (aged 65+). Working adults grew by 1,165 (+7.0%), while seniors grew by 1,390 (+10.7%). This follows a consistent theme of an aging population in the City, as the average age increased from 42.9 to 43.3 years during this period. It should be noted that children (aged 14 and under) increased (+1.3%), reversing a trend of decline in recent years.

Figure 5: Population by Age Cohort – Saint John (City), 2006-2021



Source: Statistics Canada Community Profiles, 2006-2021

³ Envision Saint John, the Regional Growth Agency, is in the process of concluding the preparation of population projections for the Saint John region, having retained Deloitte and Metroeconomics to complete the work. The projections are economic base driven, and project population growth capacity based on the growth potential of the economic base. The projections present a number of scenarios, including a low, base case, moderate and high scenario.

Youth (aged 15 to 24) were the fastest declining population age cohort during this period with a growth rate of -1.5%. In 2021 there were 7,730 persons in this age cohort. Older Adults (aged 45 to 64) declined by -1.2% during this period to a total of 19,755 persons within this age cohort in 2021. While the population continues to age, there are signs that this trend may be shifting as the population begins to increase and more children are living in Saint John. This is most likely due to population inflow of family households through external immigration and inter-provincial migration to the City.

In the Rest of CMA, seniors saw the highest growth rate, increasing by +23.0% during the 2016 to 2021 period for a total of 2,300 persons. Children (-2.2%), youth (-1.1%), and older adults (-0.2%) decreased in population during this period. These trends are consistent from previous census periods.

Compared to similar municipalities, the population of Saint John (City) is increasing at a slower growth rate in every age cohort. In Moncton and Fredericton, the growth rate of the senior population was +19.7% and +19.4%, respectively. In both municipalities, older adults are growing at a slower rate relative to other age cohorts (+2.8% and +0.7%, respectively, compared to the decline of -1.2% in Saint John City). The population of children (aged 14 and under) increased in these municipalities by +11.3% and +5.1%, respectively versus the modest growth (+1.3%) seen in the City of Saint John. In these instances, population inflows of family households via international and immigration and inter-provincial migration appear to be more impactful in these neighbouring communities.

When considering City neighbourhoods, most areas of the city are consistent in aging trends. The Inner North, Uptown, and Millidgeville neighbourhoods experienced the highest growth in seniors (+20.3%, +20.1%, and +19.54% respectively). The Central North neighbourhood experienced growth across children (+5.2%), youth (+18.3%), and working adult (+12.4%) age cohorts as the average age decreased from 42.0 to 41.3 years old.

According to the 2018 population projections referenced previously, the population of seniors is estimated to increase by +27.1% from 2021 levels. These trends also suggest that as of 2021, while the population in the municipality was aging, there was an outflow of younger persons which has resulted in declines in younger age cohorts and amplified the aging trend in older cohorts. This may be due to a variety of reasons, including employment opportunities for families or the affordability of housing suitable for families with young children. More recent trends in overall growth may have the effect of lessening this trend, given the influx of inter-provincial and international immigrants seen since 2016. That said, the proportion of seniors within the City has increased faster than any other age cohort, and although this trend generally is not as pronounced as in comparable municipalities, Saint John will need to address the housing needs of individuals in this age cohort moving forward.

2.1.2 Trends in Natural Growth, Mobility, and Immigration

Several factors contribute to the population trends of a community. These include the natural growth in the community, the movement of residents from community to community, and the immigration of new residents into the community.

The City of Saint John has seen a negative trend in the natural growth rate⁴ of the population in recent years. In 2020, deaths outnumbered births by 252. This has been a continuing trend in the last twenty years. The cumulative five-year average in 2020 was a natural growth of -216 persons per year, compared to -104 in 2016, and -65 in 2006. Combined with the population cohort data, there appears to have been some past outmigration of population in age groups where family household formation is most common. That said, population inflow in the last five years does indicate a greater prevalence of incoming family households which on a net basis has stemmed some of the outflow in these age cohorts.

From the 2021 census data, 84.9% of the population of private households in the City did not change addresses in the past year compared to 56.6% who had not changed their address in the last 5 years. Of the population who had moved in the last year, 68.7% moved from within Saint John County, 13.8% moved from within the rest of the province, 12.5% moved from outside of the province, and 5.0% moved from outside of Canada. These changes are consistent with migration trends from the last 5 years and signal that growth is mainly driven by in-migration rather than natural increase. This data is summarized in **Figure 6**.

Figure 6: Summary of Migration Trends – Saint John (City), 2016-2021

Time Period	2016 Census		2021 Census	
	1 Year	5 Year	1 Year	5 Year
Total Population of Private Households	64,790	62,185	67,530	65,130
Non-Movers	54,735	37,825	57,305	36,835
Movers	10,055	24,360	10,225	28,300
Proportion of Movers:				
Non-Migrants	72.0%	70.1%	68.7%	55.8%
Intra-provincial Migrants	12.0%	14.2%	13.8%	21.2%
Inter-provincial Migrants	8.4%	8.0%	12.5%	11.7%
External Migrants	7.7%	7.7%	5.0%	11.3%

Source: Statistics Canada Community Profiles, 2016-2021

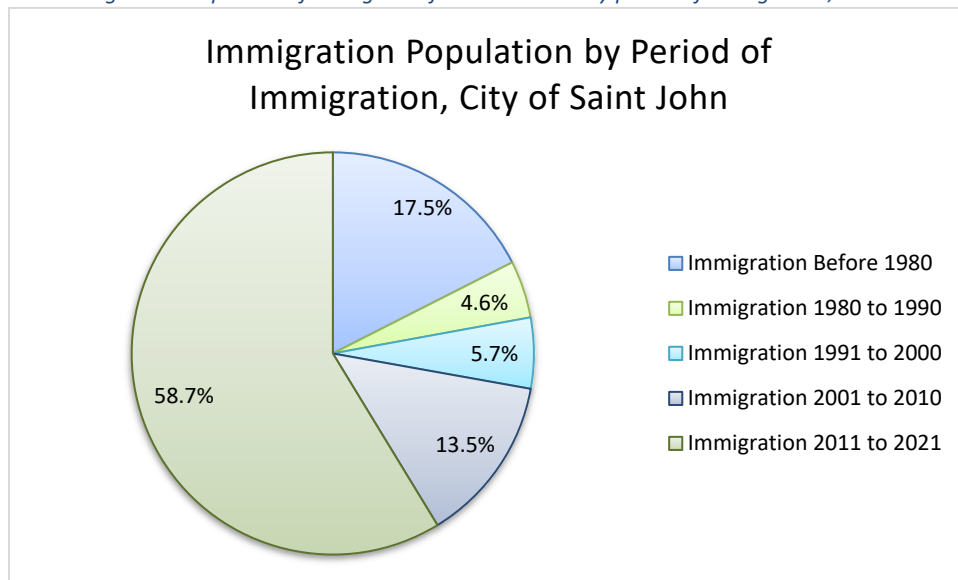
The increase in migrants from provinces elsewhere in Canada is noteworthy (+52.4% from 2016 levels) as external migration into Saint John has declined (-33.5% from 2016 levels). The difference in the external migration from migrants in the last year and last five years may indicate a peak of immigration to the City of Saint John from external immigrants. However, it should be noted that the 2021 Census took place during the COVID-19 pandemic, where travel was severely restricted. These health and safety

⁴ Natural Growth represents the annual number of births less the annual deaths in a community.

measures may have temporarily limited the immigrant of external migrants. These migration trends are consistent in Fredericton and Moncton, as both municipalities experienced increased migration from inter-provincial populations.

The number of immigrants⁵ in the City increased by +35.8% from 2016 to 2021, representing an increase of +1,460. This increase over the last five-year period represented a higher increase than the number of immigrants new to the City over the prior 10 year period, a total of 1,190 persons from 2006 to 2016). Of the 5,535 total immigrants identified in 2021, 58.7% arrived between 2011 and 2021 (**Figure 7**). This proportion was lower than Moncton (68.1%), but slightly higher than Fredericton (57.8%). The second most common arrival periods for immigrants in the City was 1980 or earlier, with 17.5% of immigrants arriving during this period. These trends signal substantive growth due to international immigration over the last 10 years but a more recent surge of inter-provincial migration in the last 5 years.

Figure 7: Proportion of immigrants from Saint John by period of immigration, 2021



Source: Statistics Canada Community Profiles, 2021

Immigrant populations are concentrated primarily in four neighbourhoods: Central North (24.8% in 2021), Millidgeville (23.6%), East (15.0%), and Uptown (12.0%). Recent increases have been most notable in Central North which grew by more than 660 new immigrants between 2016 and 2021 (93.0% increase). East and Uptown neighbourhoods also saw steady increases during this period at 44.3% (+255 people) and 43.0% (+200 people) respectively, while Millidgeville added only 95 immigrants.

According to the Newcomer Housing Study in 2021, the Province of New Brunswick has established a target to settle 7,500 immigrants across the province per year⁶. Saint John typically welcomes approximately 20% of these immigrants, lower than Moncton (35-

⁵ Immigrants are persons who are, or who have ever been, landed immigrants or permanent residents. This includes Canadian citizens by naturalization.

⁶ Dillion Consulting (2021). Newcomer Housing Study, City of Saint John.

40%) and Fredericton (25-30%). This equated to 1,290 new residents that settled in Saint John in 2019. Most of these newcomers are between the age of 25 and 44 and typically are a part of a family unit, which may lead to natural growth in Saint John as these families settle. Further to this point, only 85 (or 2.4%) immigrants who arrived in Saint John before 2011 were young children (aged 14 or younger) in 2016, while 480 (30.6%) of immigrants who have arrived since 2011 were young children. This indicates an increased rate of families with children immigrating to the City.

The Immigration Strategy adopted by the City of Saint John in the fall of 2022 (Succeed to Stay), set out regional aspirations for fostering growth through immigration. Based on the Strategy, a target of 12,000 newcomers for the City over the next ten years has been established, representing an average increase of 1,200 persons per year. These targets are in line with the 2019 actual figures and underpin a clear priority to continue encouraging growth primarily through immigration.

The movement of existing and new residents can be important indicators of existing conditions as well as the amount and types of housing that a community needs. Trends from 2016 to 2021 show that while most of the population did not move, and most that did move were from Saint John County, there is an increasing amount of international immigration in the area that has countered the effects of population outflow and the decrease in natural growth. These households have specific housing needs that may vary from the housing characteristics of the resident population, for example dwellings suitable for housing a family or potentially multi-family housing and need to be considered. With a target of 1,200 new residents per year expected from immigration, Saint John should be preparing to accommodate a high rate of renter households along with housing options for young families and multi-family households. The more recent in flow of inter-provincial migration further supports this, especially in regards to housing options for younger families. Housing targets for future projected growth will be discussed in Section 5.2 of this report.

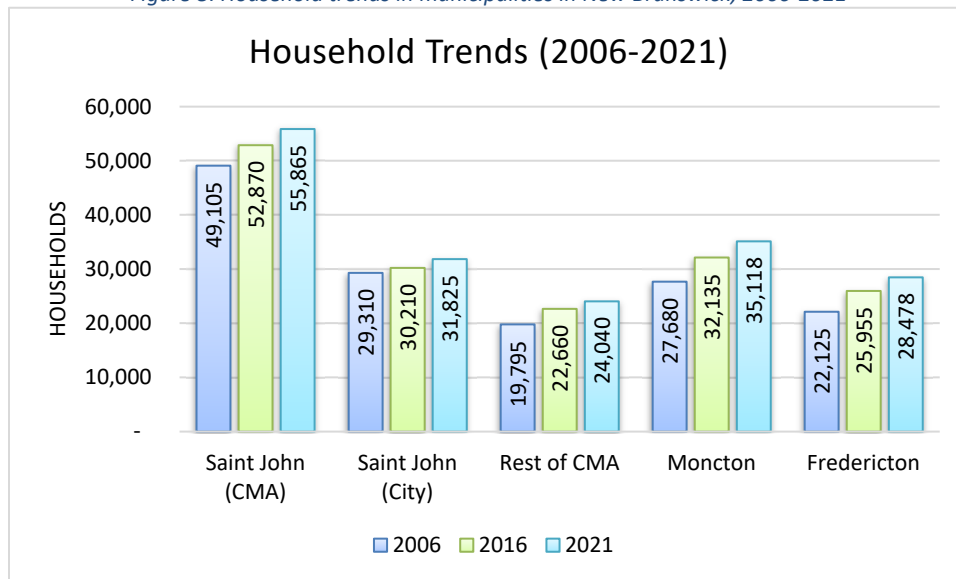
2.2 Households Trends

From 2016 to 2021, the number of households in the City increased by +1,617 households, or a +5.4% growth rate during this period (**Figure 8**). This growth was consistent with the Rest of CMA (+1,376 households, +3.6%), but lower than Moncton (+2,983 households, +9.3%) and Fredericton (+2,521 households, +9.7%).

Household projections, provided by the City of Saint John and completed in 2018, estimated an increase in the number of households in the City of +5.8% between 2016 and 2021. From Statistics Canada 2021 Census data, the actual increase in households was +5.4% from 2016 levels. The population projections also forecast an estimate of households in Saint John to 2031. From 2021 to 2031, the number of households was projected to grow an additional +6.9%.

The City is in the process of updating these projections to reflect more recent growth trends and employment growth opportunities⁷. Preliminary figures suggest that household growth could meet or exceed the 2018 projections, growing by between 7% and 13% over the next 10 years under either the base or moderate growth scenarios. This could translate into an average annual addition of between 260 to 500 households. While the forecasts have yet to be finalized, they signal the potential for household growth to be higher than originally assumed. Accordingly, a greater number of dwellings could be required to accommodate this growth and planned housing supply needs to reflect this potential.

Figure 8: Household trends in municipalities in New Brunswick, 2006-2021



Source: Statistics Canada Community Profiles, 2006-2021

Based on the 2018 projections for the 2021 to 2031 period, senior households (aged 65 and older) are projected to increase by +23.8%. While updated projections will re-calibrate the type of growth that is expected, it's clear that the growth in senior households is outpacing projections and will need to be addressed as the population of the City continues to grow. The sustained growth from international immigration and more recent inflows due to inter-provincial migration will also need to be factored into these growth trends, especially in terms of household growth and how these influence the housing needs of the community.

It is also prudent to mention the difference between the growth trends of population and households during these periods. From 2006 to the present, household growth has outpaced population growth in Saint John. In that last 5 years alone, households have grown at a rate of +5.4% while the population has grown at a rate of +3.4%. This implies

⁷ Envision Saint John, the Regional Growth Agency, is in the process of concluding the preparation of population projections for the Saint John region, having retained Deloitte and Metroeconomics to complete the work. The projections are economic base driven, and project population growth capacity based on the growth potential of the economic base. The projections present a number of scenarios, including a low, base case, moderate and high scenario.

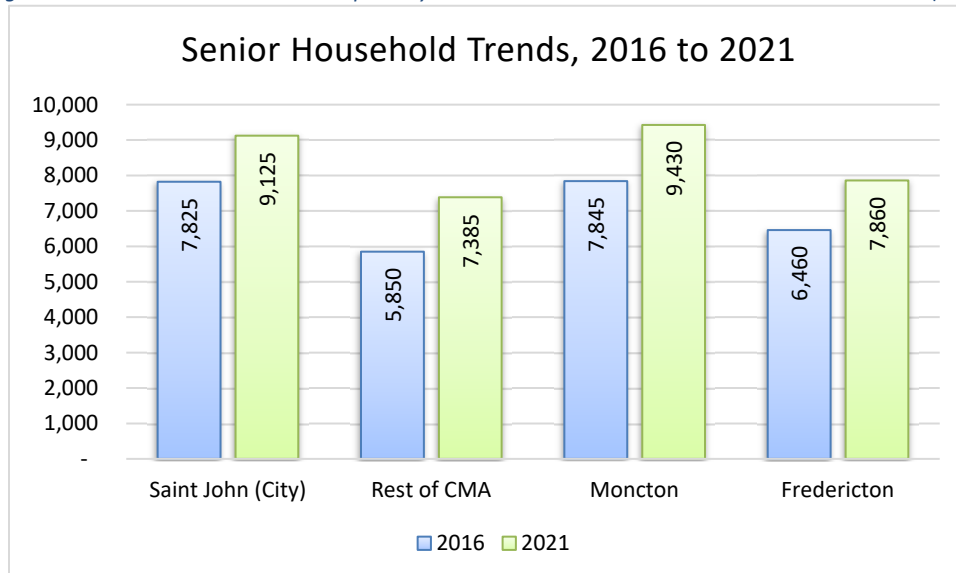
greater diversity in household types and sizes, suggesting an increase in demand for accommodations suited to one-person, seniors and smaller family households, given that household structure tends to directly influence the type of housing that is needed. City projections for the 2021 to 2031 period appear to be out of sync with these actual growth trends, with population growth forecast to outpace household growth. These 2018 forecast is contrary to current trends and will need to be reconsidered in the new projections being developed by the City. The new projections will also need to account for trends in recent population growth due to immigration and inter-provincial inflow which will precipitate the need for housing that can accommodate larger family households.

2.2.1 Trends in Household Maintainer Age

Between 2016 and 2021, the number of households with a primary household maintainer that is a senior⁸ (senior households) grew by +16.6% in the City and +26.2% in the Rest of CMA. These increases were consistent with the growth in the senior population of these two geographies. Compared to similar municipalities, the increase in senior-led households in the City of Saint John is occurring at a slightly slower pace. In Moncton and Fredericton, the increase in senior-led households between 2016 and 2021 was +20.2% and +21.7%, respectively.

Considering these trends (**Figure 9**) and the general aging of the population, Saint John will need to reflect on the needs of seniors when determining how to accommodate housing needs within the community. This may include strategies for aging in place, accessible housing options and a range of supportive housing solutions.

Figure 9: Trends in households with a primary household maintainer that is a senior in Saint John (City).



Source: Statistics Canada Community Profiles, 2016-2021

⁸ The primary household maintainer is the person or one of the people in the household responsible for major household payments such as the rent or mortgage. In households with more than one maintainer, the primary maintainer is the first person listed as a maintainer.

Despite these seniors needs, sustained growth due to immigration and inter-provincial inflow will also continue to sustain the number of households led by individuals in younger family-oriented age cohorts. Accommodating these housing needs will also be important for the community.

2.2.2 Trends in Household Size and Type

The average household size decreased in the City, from 2.2 persons in 2016 per household to 2.1 persons in 2021, continuing a trend from 2006 when the average household size was 2.3 persons per household (**Figure 10**). This household size decrease occurred as the City experienced a growth in small households⁹, with an increase in one- and two-person households of 1,555 households (+7.3%) between 2016 and 2021. During this period, large households in the City actually increased by 65 households (+0.7%), and this sustained growth was in part due to the inflow of larger households through in-migration. The proportion of each household size designation is displayed in **Figure 11** below. The Rest of CMA experienced a growth of +9.8% in small households and +0.6% of large households during this period. Small households increased from 13,385 in 2016 to 14,700 in 2021.

Figure 10: Summary of average household sizes for study areas.

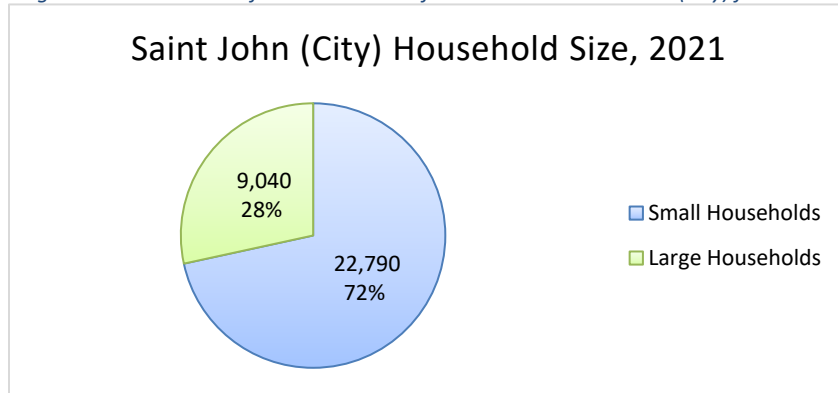
Area	Avg. Household Size (2021)
CMA (Total)	2.3
Saint John (City)	2.1
Rest of CMA	2.5
Moncton	2.2
Fredericton	2.2

Source: Statistics Canada Community Profiles, 2021

When considering City neighbourhoods, the Inner East (+14.8%), Inner West (+10.9%), and Millidgeville (+10.9) neighbourhoods experienced the highest growth in small households from 2016 to 2021. The Millidgeville, Inner West, and East neighbourhoods all experienced growth in small households while the number of large households decreased during this period.

⁹ Small households are defined as households with one- or two-persons. Large household consist of any household with three or more persons.

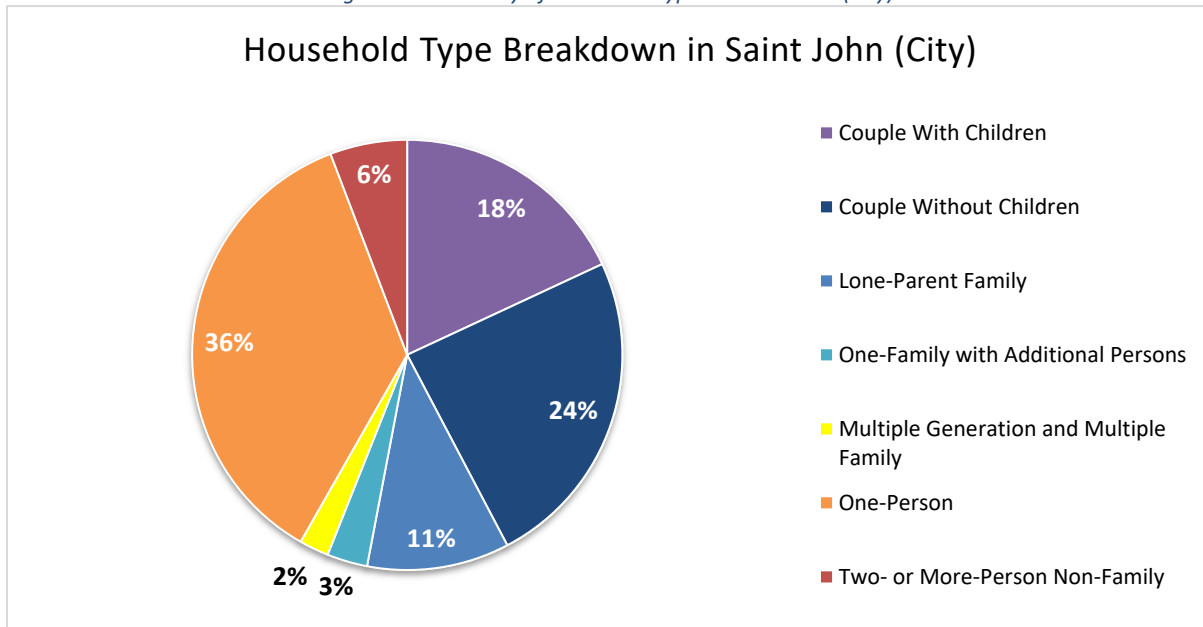
Figure 11: Breakdown of household size of households in Saint John (City) from 2021



Source: Statistics Canada Community Profiles, 2021

In 2021, 53.0% of households in the City were one-family households. This figure was consistent with Moncton (54.8%) and Fredericton (54.9%), but much lower than the Rest of CMA (71.4%). While 25.9% of households in the City were one-person households, couples without children (24.2%, couples with children (18.1%), and lone-parent families (10.7%) were the next most common household types. These proportions were consistent with Moncton and Fredericton levels. The City of Saint John, however, had a slightly higher rate (2.2%) of multiple generation and multiple family households compared to Moncton (1.8%) and Fredericton (1.5%). As previously noted, immigration trends may be the cause of increases in multiple family households.

Figure 12: Summary of household types in Saint John (City)



Source: Statistics Canada Community Profiles, 2016-2021

The City of Saint John is experiencing a decline in the average size of households and a faster growth rate for smaller household types. This further points to the implications of households on growth in the community, as household sizes are diversifying and there

is an overall trend towards smaller household types and sizes. However, continued international immigration and recent inflows of inter-provincial migration are sustaining the need for some larger housing units due to their primarily family composition. These trends have implications on demand for the types of dwellings and structures that are suited to the needs of all households, even as average household sizes continue to decline.

2.2.3 Trends in Household Tenure

In 2021, 54.2% of households in the City were owner households. This was similar to Moncton (55.9%) and Fredericton (56.6%), but in stark contrast to the Rest of CMA, where 89.3% of households were owners. Even though the majority of households are owners, the City has a more balanced composition of housing tenure compared to the Rest of CMA. Notably, renter households in Saint John grew at roughly three times the rate of owner households from 2016 to 2021 (**Figure 13**), suggesting this tenure could soon become the more prominent form of tenure in the city.

The bulk of growth in households in the City is mostly attributable to the increase in renter households, a phenomenon that was even more pronounced in Moncton and Fredericton. This growth, along with the growth in seniors, non-family households, and smaller households, indicates that the renter household tenure will continue to be in demand in Saint John. Growth due to population inflow from immigrant and inter-provincial families will oblige larger unit types, although the latter will tend more towards ownership options rather than rental.

Figure 13: Household tenure growth rates for study areas, 2016-2021

	Household Tenure Growth Trends 2016 - 2021					
	Total Households		Owner Households		Renter Households	
	#	%	#	%	#	%
Saint John (City)	+1,620	+5.4%	+465	+2.8%	+1,150	+8.6%
Rest of CMA	+1,370	+6.0%	+1,060	5.2%	315	+13.9%
Moncton	+2,985	+9.3%	+775	+4.1%	+2,200	+16.6%
Fredericton	+2,525	+9.7%	+940	+6.2%	+1,570	+14.5%

Source: Statistics Canada Community Profiles, 2016-2021

2.2.4 Trends in Other Demographic Groups

While the proportion of proportion in Saint John that identify as Indigenous are relatively small (2.8% in 2021), this number has grown. In 2016, 1,430 persons in the City identified as Indigenous. This figure grew to 1,895 in 2021, or an increase of +59.9%, at the same time as the population in Saint John grew by +3.4%.

Visible minorities made up 7.0% of households in Saint John in 2016¹⁰, up from 4.6% in 2006. The largest visible minority within Saint John is Black households with 1,400 total

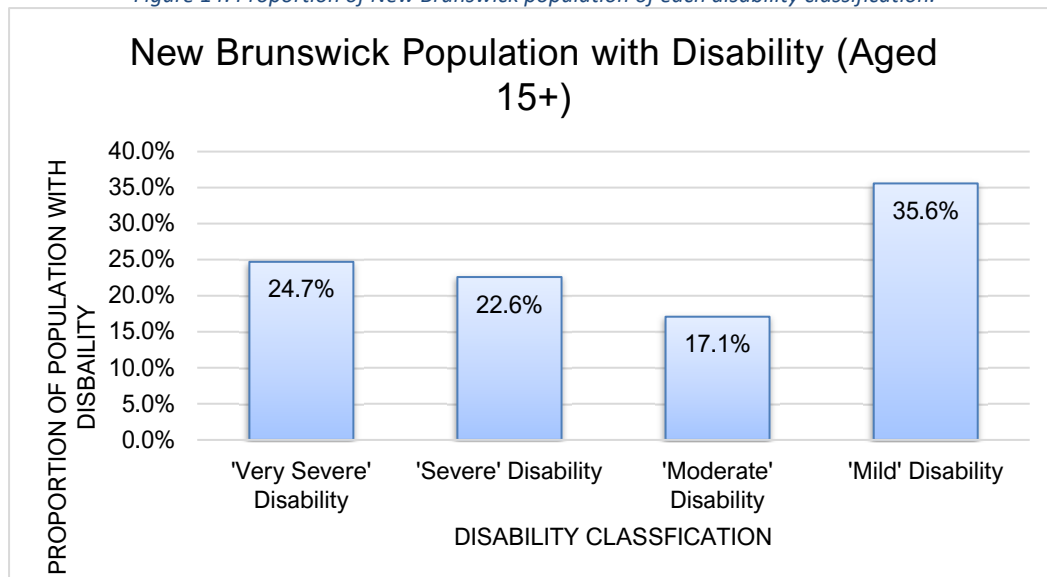
¹⁰ Newer Census data for visible minorities and disabilities is not yet available, hence the use of 2016 figures.

people in 2016, making up 31.7% of the total visible minority household population. The second largest group are Chinese households, making up 940 households. The third most common visible minority is Arab households, making up 13.4% of the visible minority population.

Households with at least one person who is recorded as having an activity limitation¹¹ are also increasing in the City. The households that met this criterion grew from 11,670 in 2006 to 18,870 in 2016, or an increase of 61.7%. These households now account for 62.5% of all households, an increase from 39.8% in 2006. The increasing share of seniors households and the aging of the population in Saint John support these findings.

It is important to note that not all households with activity limitations require accessible housing. New Brunswick's *Disability Action Plan (2020)* indicated that 26.7% of the province's population aged 15 years and over had one or more disabilities¹². This figure was higher than the national level of 22.3%. While this proportion was in part a reflection of New Brunswick's relatively older population, even when controlled for age, the proportion of the population with at least one disability in New Brunswick is higher than the national and Atlantic levels. Among those 15 and older with at least one disability in New Brunswick, the proportion of the population under each disability classification can be found in **Figure 14**.

Figure 14: Proportion of New Brunswick population of each disability classification.



Source: Province of New Brunswick (2020). *New Brunswick's Disability Action Plan for Persons with a Disability*.

In terms of household tenures, Indigenous households are more likely to be renters. In 2016¹³, 57.7% of Indigenous households were renters compared to 44.1% non-Indigenous households. From 2006 to 2016, the rate of increase for Indigenous renter

¹¹ Activity limitations refer to difficulties that people have in carrying out daily activities such as hearing, seeing, communicating, or walking. Difficulties could arise from physical or mental conditions or health problems.

¹² Province of New Brunswick (2020). *New Brunswick's Disability Action Plan for Persons with a Disability*.

¹³ Newer Census data for sub-groups by tenure is not yet available, hence the use of 2016 figures.

households (+57.8%) was much higher than non-Indigenous households (+3.6%). Similar trends were observed for households with activity limitations. In 2016, renter households represented 46.6% of households where at least one person had an activity limitation, compared to 40.9% for other households. Between 2006 and 2016, renter households where at least one person had an activity limitation grew by +70.8%, while renter households without any activity limitation decreased by -39.4% during this period.

The number of minority and Indigenous households make up a small proportion of households in Saint John but these numbers are increasing. Housing solutions need to consider cultural sensitivities and traditions that are associated with target populations or households in need. The number of households where at least one person has an activity limitation is a growing demographic in Saint John that needs to be considered with future housing plans in the municipality. Likewise, the need for accessible housing solutions may continue to increase, especially with a growing senior population. While the definition for those experiencing activity limitations may be considered broad, this is used as a proxy indicator for potential need for accessible housing in a community.

2.3 Income Trends

The financial capacity of a household is a key element in determining housing need. Increased economic means may lead to greater choice within the housing market, assuming a range of choices are available. This section looks at the household income of different household types and tenures in Saint John, utilizing the 2021 Census which relies on 2020 household incomes. Incomes have been calculated for 2022 using census data and the growth rate in the consumer price index (CPI) for New Brunswick from 2020 to 2022. This growth equaled +11.3% during this period, or an average increase of +5.65% per year.

It should be noted that this methodology of projecting household income forward to 2022 provides a conservative estimate of the current household income levels. Between 2016 and 2021, the increase in the average and median household incomes exceeded the growth of CPI. Given the uncertainty in the economy due to the COVID-19 pandemic, these projections should be considered conservative projections for the purposes of this report. These projections will be used in Section 4.0 of this report in the assessment of the affordability of the market in 2022.

2.3.1 Average and Median Household Income

Considering all households, the average and median income for households in 2020 in the City were \$77,400 and \$62,800, respectively. These figures represented +17.5% and +20.5% increases from 2015 levels, outpacing the increase in New Brunswick CPI during this period (+8.9%). Projecting these household incomes forward to 2022, the average and median household incomes for all households would be \$86,183 and \$69,926, respectively. A summary of these projected household incomes for household types and tenures are shown in **Figure 15**.

Figure 15: Summary of projected average household incomes in Saint John (City) to 2022 levels

Saint John (City) – 2022 Average Incomes*	
All Households	\$ 86,183
Owner Households**	\$ 113,221
Renter Households**	\$ 52,406
One-Person Households	\$ 48,325
Two or More Person Households	\$ 107,339

Source: Statistics Canada Community Profiles, 2021; CMHC Information Portal, 2021; Average household income by tenure not available for 2021 Census figures. Average household income for 2022 for owner and renter households estimated based on ratio of household incomes for each tenure in 2016.

Compared to similar municipalities, Saint John has a lower average household income, and consistent growth rates associated with average household income. Moncton (\$82,900) and Fredericton (\$91,500) households both had a higher average income than Saint John and all three municipalities experienced similar growth in the average household income from 2015 to 2020, although Moncton (+17.8%) and Fredericton (+19.8%) growth rates were moderately higher than the growth in Saint John (+17.5%). A comparison of the average household incomes per household type across these study areas is shown below in **Figure 16**.

Figure 16: Summary of average household incomes per household type in study areas

Average Household Incomes (2020)	Saint John (City)	Saint John (CMA)	Moncton	Fredericton
All Households	\$ 77,400	\$ 93,700	\$ 82,900	\$ 91,500
%Δ 2015-2020 (All Households)	+18.6%	+19.2%	+18.6%	+21.1%
Owner Households**	\$ 101,683	\$ 112,683	\$ 108,030	\$ 119,245
Renter Households**	\$ 47,066	\$ 48,750	\$ 47,196	\$ 52,509
One-Person Households	\$ 43,400	\$ 46,080	\$ 44,320	\$ 50,960
Two or More Person Households	\$ 96,400	\$ 113,700	\$ 101,900	\$ 112,400

Source: Statistics Canada Community Profiles, 2021; CMHC Information Portal, 2006-2016; Average household income by tenure not available for 2021 Census figures. Average household income for 2022 for owner and renter households estimated based on ratio of household incomes for each tenure in 2016.

While the population of the City increased from 2016 to 2021, the population that met low income thresholds¹⁴ with Statistics Canada decreased during this period by -2,655 persons (-18.0%). A total of 17.7% of the population met these thresholds, higher than Moncton (15.4%) and Fredericton (13.5%) in 2021.

2.3.2 Household Income by Tenure and Household Type

The economic difference between household tenures and types are clear when observing the household incomes of the various household groups. Owner households maintained much higher average incomes than renter households, while two or more

¹⁴ The low-income threshold from Statistics Canada is defined as the income below which a family is likely to spend 20 percentage points more of its income on food, shelter, and clothing than the average family.

person households maintained much higher average incomes than one-person households. These differences in household income directly influence what housing choices that households have available to them in the housing market. Although the breakdown for household income by tenure was not available for the 2021 Census, income levels for owner and renter households were projected based on the ratio of household incomes from the 2016 Census.

Owner households were estimated to have a gross income of \$101,683 in 2020, compared to \$47,066 for renter households. These figures represented a +17.5% increase from 2015 levels. Although the incomes are increasing at similar rates, there remains a sizeable disparity between income levels. Projecting these incomes forward to 2022 levels, the average household incomes for owners and renter households would be \$113,221 and \$52,406, respectively.

The median income for owner households was estimated to be \$91,438 in 2020, compared to \$39,308 for renter households. These figures represented a +20.5 increase from 2015 levels. Projecting these incomes forward to 2022 levels, the median household incomes for owner and renter households would be \$101,813 and \$43,769, respectively.

Two or more person households averaged a gross household income of \$96,400 in 2020, compared to \$43,400 for one-person households. Projecting these incomes forward to 2022 levels, the average household incomes for two or more person households and one-person households would be \$107,340 and \$48,325, respectively.

The median household income for two or more person households was \$83,000 in 2020, compared to \$35,600 for one-person households. Projecting these incomes forward to 2022 levels, the average household incomes for two or more person households and one-person households would be \$92,420 and \$39,640, respectively.

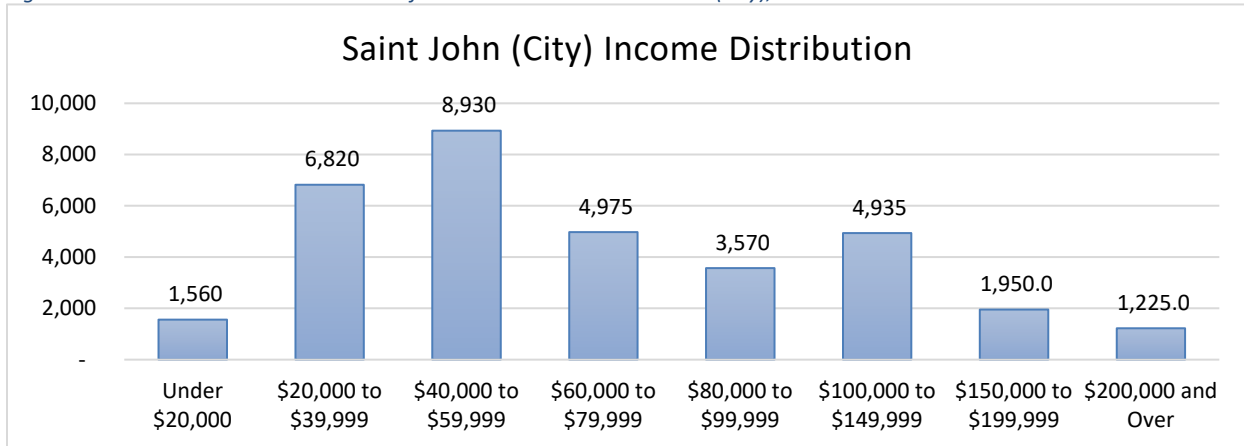
Comparing to similar municipalities, Saint John has the lowest average and median income in all categories (total households, tenure, and size) when compared to Moncton and Fredericton. Average household incomes were 7.1% higher in Moncton (\$82,900) and 18.2% higher in Fredericton (\$91,500).

2.3.3 Trends in Income Distribution

In 2020, 21.4% of all households in the City had a gross household income of between \$20,000 and \$39,999, 28.1% of households fell between \$40,000 and \$59,999, and 25.5% had an income of over \$100,000. In terms of market segments, households with incomes up to \$48,865 would fall within the lowest-income deciles (bottom third of all household incomes), while those households above \$48,865 but below \$89,410 would fall within the moderate-income deciles (middle third of household incomes).

Households above \$89,410 would fall in the highest income deciles. The income distribution for all households in the City can be found in **Figure 17** below. Income deciles for all households are shown in **Figure 20**.

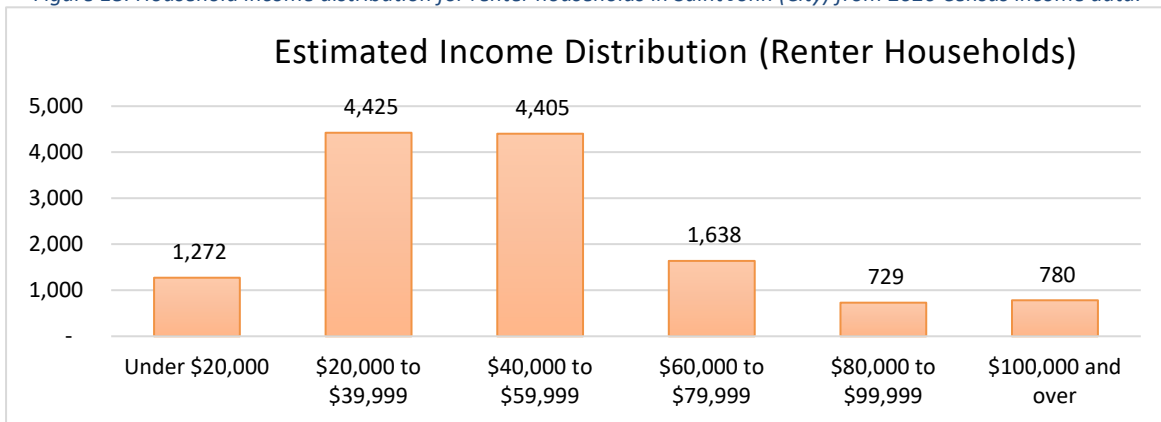
Figure 17: Household income distribution for all households in Saint John (City), 2020



Source: CMHC Information Portal, 2021

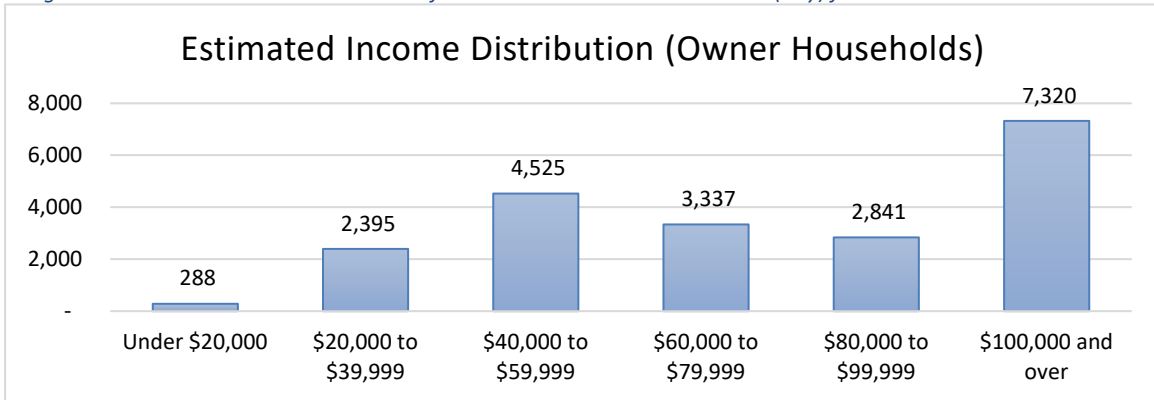
The distribution of household incomes was not available by tenure for the 2021 Census at time of this update. To project this distribution by tenure, the number of households by income were estimated by utilizing tenure ratios for income ranges from 2016 Census data. In terms of tenure, it was estimated that 35.4% of owner households had a household income of over \$100,000 in 2020, while just 5.9% of renter households did. Conversely, 9.6% of renter households were estimated to have a household income of under \$20,000, while just 1.4% of owner households did. The upper limit for the low-income owner household deciles was \$55,595, compared to \$32,214 for renter households, while the upper limit for the moderate-income owner household deciles was \$93,224, compared to \$50,227 for renter households. Income distributions for both household tenures are displayed in **Figure 18** and **Figure 19** below.

Figure 18: Household income distribution for renter households in Saint John (City) from 2020 Census income data.



Source: CMHC Information Portal, 2016; The distribution of household incomes was not available by tenure for the 2021 Census. To project this distribution by tenure, the number of households by income were estimated by utilizing tenure ratios for income ranges from 2016 Census.

Figure 19: Household income distribution for owner households in Saint John (City) from 2020 Census income data.



Source: CMHC Information Portal, 2016; The distribution of household incomes was not available by tenure for the 2021 Census. To project this distribution by tenure, the number of households by income were estimated by utilizing the tenure ratios for income ranges from 2016 Census.

The difference between the distribution of income for owner and renter households is an important piece of context for assessing the affordability of the available housing in a community.

Figure 20: Derived household income deciles for projected 2021 household incomes

2022 Derived Deciles				
Decile	Cumulative % of HH	Upper Limit (All Households)	Upper Limit (Owner Households)	Upper Limit (Renter Households)
Decile 1	10%	\$ 25,281	\$ 36,215	\$ 21,007
Decile 2	20%	\$ 35,826	\$ 48,212	\$ 27,224
Decile 3	30%	\$ 46,668	\$ 57,712	\$ 33,441
Decile 4	40%	\$ 57,800	\$ 68,966	\$ 39,441
Decile 5	50%	\$ 69,899	\$ 81,849	\$ 45,894
Decile 6	60%	\$ 84,006	\$ 96,772	\$ 52,139
Decile 7	70%	\$ 101,606	\$ 103,806	\$ 58,385
Decile 8	80%	\$ 131,439	*	\$ 68,592
Decile 9	90%	\$ 166,901	*	\$ 88,299
Decile 10	100%	\$ 166,902+	*	\$ 88,300+

Source: Income deciles derived from Statistics Canada Community Profiles, 2021; CMHC Information Portal, 2016; The distribution of household incomes was not available by tenure for the 2021 Census. To project this distribution by tenure, the number of households by income were estimated by utilizing the ratio between the tenures from 2016 Census. * - Income Decile data not available for owner household deciles 8-10 due to lack of data.

The household income disparities between owner and renter households have influence on the housing options that are available and affordable to households. Renter households are typically restricted to rental options due to the lack of affordable housing options available at their income level, rather than an explicit desire to rent. Other renters with economic means may have difficulty accessing the ownership market due to costs and availability, thereby obliging them to stay in the renter market. This will be

further explored in Section 4.0 of this report while assessing the affordability of the current market in Saint John.

2.4 Economic Context

Changing economic conditions influence the demand for housing in a community in terms of the number of housing units required, the type and tenure of housing units, and the ability of households to afford housing. Employment and earnings influence a household income, and thus the housing choices that are affordable to households.

2.4.1 Trends in Employment

Between 2016 and 2021, the population of the labour force¹⁵ increased by +1,075 persons in the City (+3.1%), outpacing growth in the Rest of CMA (+2.2% or 685 persons). The unemployment rate in the City in 2021 was 10.9%, an increase from 9.6% in 2016 (**Figure 21**). The participation rate fell from 61.9% to 60.7% during this period. The Rest of CMA unemployment rate was 8.5% in 2021, up slightly from 8.4% in 2016. The participation rate declined during this period, decreasing from 64.5% to 62.8%.

Figure 21: Trend for unemployment rate in study areas

Unemployment Rate Change	2016	2021
New Brunswick	11.2%	10.3%
Saint John (City)	9.6%	10.9%
Rest of CMA	8.4%	8.5%
Moncton	8.0%	9.2%
Fredericton	8.8%	8.6%

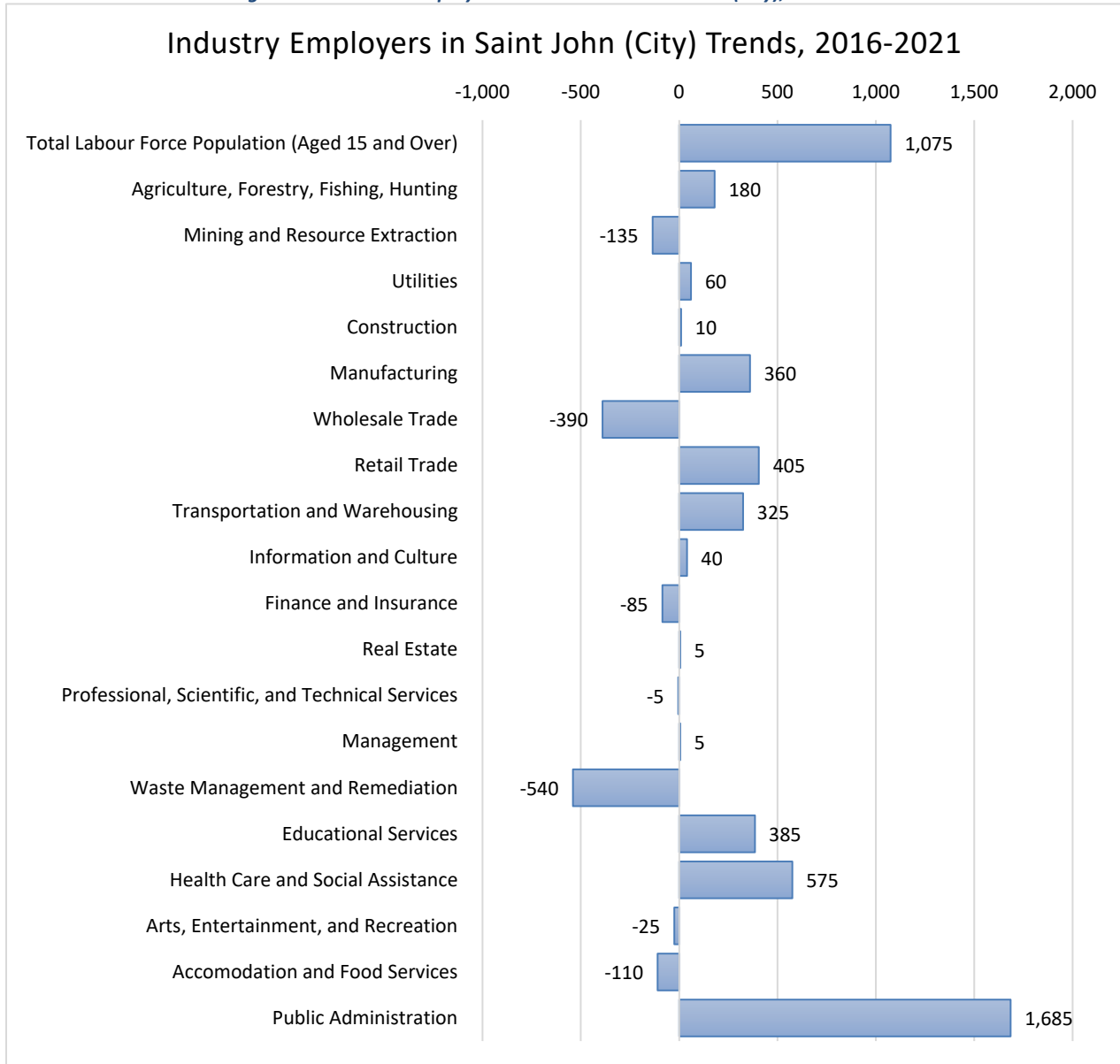
Source: Statistics Canada Community Profiles, 2016-2021

Moncton and Fredericton had higher labour participation trends (65.0% and 66.2%, respectively) and had slightly lower rates of unemployment than the City in 2021 (9.2% and 8.6%, respectively).

The most common industry for the work force in the City is Health Care and Social Assistance, employing 5,720 persons, or 16.2% of the labour force, in 2021. This was an increase of +11.2% from 2016 levels (+575 jobs). The fastest growing industry in the City is Public Administration, as this industry added 1,685 jobs (+95.2%) from 2016 to 2021. Waste Management and Remediation (-17.8%) and Wholesale Trade (-29.0%) experienced the most losses in employed labour force during this period. The trends for the top ten industries by labour force size are shown in **Figure 22**.

¹⁵ The labour force consists of persons who contribute or are available to contribute to the production of goods and services, including all persons 15 years or over and excludes institutional residents.

Figure 22: Trends in employment industries in Saint John (City), 2016-2021



Source: Statistics Canada Community Profiles, 2016-2021

In 2021, 64.4% of the labour force in the City commuted to work within the City of Saint John. The second most common commute pattern was working from home (17.5%). This employment arrangement increased the most in absolute terms from 2016 to 2021, with +4,290 (+353.1%) more workers working from home in 2021. This shift in commuting patterns was initiated by the COVID-19 pandemic and impacted workers, regardless of their existing commuting patterns. Workers who had no fixed employment address increased by +22.4%. Workers who commuted to other provinces (-63.2%) experienced the largest decrease relative to 2016 levels, but workers who commuted to the Rest of CMA (-16.5%) or within the City (-17.4%) also experienced decreases due to the increase in work from home arrangements.

While most of the labour force in Saint John commutes to employment within the City and the size of the labour force has increased in real terms, unemployment also increased between 2016 and 2021. These trends indicate that the City is growing, but there may have been a lack of employment opportunities in the community to keep up with this growth during this period, due likely to the impacts of the COVID-19 pandemic. This may be a factor in affordability issues, as discussed in Section 4.0 of this report, but could also be attributable to the availability of temporary pandemic assistance provided to households during the COVID-19 period (e.g. CERB assistance). Higher than expected income increases in many jurisdictions across the country support this assumption.

Where alternate work trends from the COVID-19 pandemic continue, including increased rate of working from home and working with no fixed address, this could influence housing needs and choices within Saint John. Likewise, 'return to office' tendencies in the post recovery period could have a countering effect. As the City recovers from the impacts of the pandemic, the influence of work location on housing choices and the withdrawal of pandemic assistance will need to be considered.

2.4.2 Economic Trends

The consumer price index, or CPI, has been steadily increasing in New Brunswick and is trending slightly higher than the Canadian average. In 2020, the provincial CPI for all products was 136.6, compared to 137 for all of Canada. These figures increased to 152.1 (+11.3%) and 151.2 (+10.4%), respectively, in 2022.

More recently, economic conditions have been impacted by the COVID-19 pandemic. Beginning in mid-March 2020, travel restrictions, business closures and physical distancing measures were put in place by various levels of government to help contain the spread of COVID-19. These restrictions and public health measures were in place to varying degrees throughout 2020 and 2021 and led to increased levels of unemployment and lower labour force participation. Despite a spike in 2020 and 2021, the unemployment rate in the province has been decreasing gradually since 2016 and currently sits at 9.9% (March 2023).¹⁶

Provincial labour market forecasts are projecting continued modest job creation and GDP growth in response to overall population growth, particularly from those 65 years of age and older¹⁷. The majority of job openings will be in the healthcare & social assistance, retail & wholesale trade and manufacturing sectors, primarily due to retirements. While many of these job opportunities will be filled by new entrants to the work force, it is expected that a substantial number will be filled by those immigrating from outside Canada or from other provinces.

As part of the updated population projections being developed for the City, employment and economic factors are principal considerations in predicting growth scenarios. While

¹⁶ Statistics Canada (2023). *Labour force characteristics by province, monthly, seasonally adjusted*. Retrieved from: <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410028703>

¹⁷ New Brunswick Labour Market Outlook 2018-2027 Infographic, Province of New Brunswick (NBjobs.ca)

there are a number of prospects which could positively influence employment growth in the short to mid term, the post-pandemic recovery and uncertainty around the many economic factors influencing this recovery (e.g. inflation, interest rates, etc.) are having unprecedented impacts on the local housing market in terms of availability and affordability. Predicting future growth trends in this environment with any degree of certainty is extremely difficult.

2.5 Summary of Housing Need

After experiencing population decline from 2006 to 2016, the City of Saint John has experienced a period of population growth since 2016. This growth is mostly due to the influx of international and inter-provincial migration, as natural growth continues to trend negative. Given this trend in natural growth, young population age cohorts are not being replaced naturally as they age to the next cohort, as can be expected when the natural growth has continued to trend negative. These trends point to an aging population that will need accommodation as they continue to age in the community. Inter-provincial migrants and international newcomers to Canada are driving new growth and will require accommodations that meets their housing needs which tend to be more family-oriented.

The number of households in Saint John has been increasing at a faster rate than population in recent years, indicating that households have been diversifying in size and type during this time. To this point, the number of small households have increased while the fastest growing household type is one-person households.

While the largest share of households in 2021 were homeowners, the number of renter households grew more than three times faster than owner households from 2016 to 2021. In particular, growth in senior households, one-person households, and non-family households all have impact on this trend in renter households. This trend is matched by the growing trend of rental housing completions discussed in Section 3.1 of this report. Population inflow from immigrants and inter-provincial migrants whom have more family-oriented households will also influence housing demand looking forward.

Cumulatively, the neighbourhoods in the centre of the City of Saint John (Uptown, Inner East, Inner West, Inner North, South, and Central North) made up 46.8% of the population and 51.3% of the households in the City. This area has a higher density of working adult aged population (aged 25 to 44), small households, and renter households when compared to the outer neighbourhoods of the City (East, West, and Milligeville). These inner neighbourhoods have higher rates of unemployment than the City average while the outer neighbourhoods all have average household incomes higher than the City average.

While average household incomes continue to grow, they are still lower than Saint John's regional counterparts. And when factoring in tenure, there are clear disparities between owner and renter households within the city. While most recent Census figures point to sizeable recent increases in household incomes, similar trends have been seen in many jurisdictions and suggest the influence of temporary COVID-19 income support

programs. The pull back of these benefits are likely to show a return to pre-pandemic income trends where affordability issues are more pronounced. Employment and economic indicators point to an extended post-pandemic recovery period but additional uncertainty has been injected over the last year with the sharp rise in inflation and associated interest rate hikes intended to temper this. These recent trends have added further pressure on the housing market with regards to affordability, both in Saint John and across Canada.

As the City of Saint John continues to grow and emerge from this post-pandemic period, there is a clear need for a diverse range of housing options for seniors, smaller households, and renters within the city. These housing options may include more accessible units, smaller size housing forms, and purpose-built rental units. Continued inflow from international immigration and inter-provincial migrants will also influence housing needs, dictating demand for larger units to meet their family-oriented requirements.

3.0 Housing Supply

Housing supply is defined by the available housing options in a community. An important aspect of assessing housing supply is to compare the existing housing supply and recent housing activity to housing need. This comparison allows for the identification of persistent or emerging gaps between household needs and the housing options currently available in Saint John. This section provides an assessment of the housing supply in Saint John, how it compares to the CMA overall, and to comparable municipalities.

3.1 Housing Stock Trends

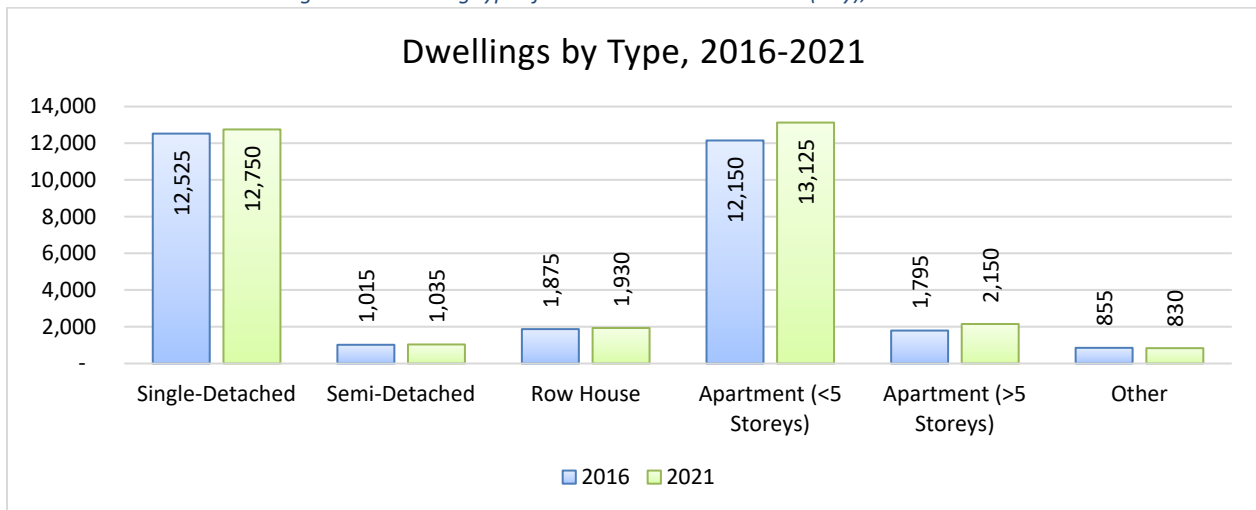
The assessment of the existing housing stock and current trends in Saint John can help to inform the current gaps in the local housing continuum. Following is a review of the existing housing stock and the anticipated trends in production which influence supply.

In 2021, the City of Saint John had a total of 33,908 dwellings. This represented a growth of +0.3% since 2016 (+107 dwellings). Of these dwellings, 31,825 were occupied by usual residents, an increase of +5.3% (+1,615 dwellings) from 2016 levels, signalling absorption of the non-occupied stock during that period.

3.1.1 Trends in Dwellings by Type

In 2021, apartments under five storeys edged out single-detached dwellings as the most common dwelling type in the Saint John (City) housing stock. This dwelling type made up 41.2% of housing stock in the City in 2021 compared to 40.1% for single-detached dwellings. While apartments in structures of five storeys or more represented a small proportion of the City’s housing stock in 2021 (6.8%) this dwelling type was the fastest growing from 2016 to 2021 adding 975 units (+19.8%), as seen in **Figure 23**.

Figure 23: Dwelling types for households in Saint John (City), 2016-2021



Source: Statistics Canada Community Profiles, 2016-2021

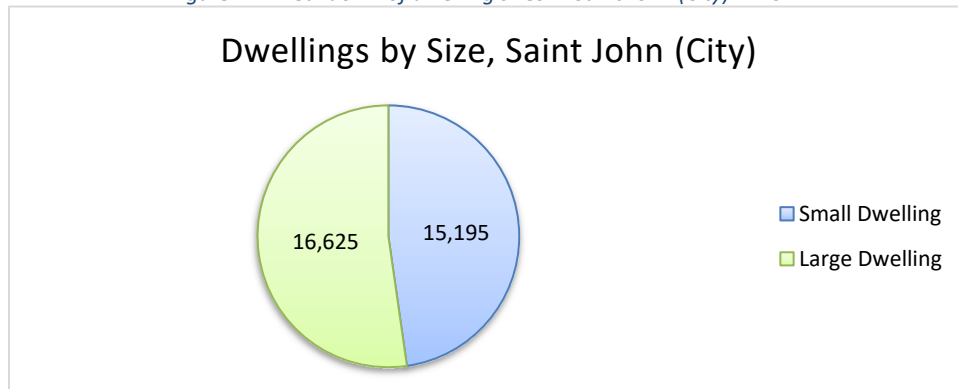
Row houses (6.1%) and semi-detached dwellings (3.8%) represented a small proportion of the City's housing stock and saw relatively slow growth (+55 dwellings and +20 dwellings, respectively) relative to the City-wide growth.

In terms of tenure, 74.0% of renter households live in apartments under five storeys in 2021, the highest of any dwelling type and up from 62.7% in 2016. Only 7.2% of renter households lived in single- or semi-detached dwellings in 2021, while 4.9% lived in row houses (up from 1.8% in 2016) and 13.0% lived in apartments with five or more storeys (up from 11.9% in 2016). The lack of large apartment buildings in the City of Saint John is apparent from this breakdown.

When considering City neighbourhoods, there are very distinct neighbourhood trends in structure typologies. The outer neighbourhoods typically consist of low-density dwelling forms, as single-detached dwellings were the most common dwelling type in the West (67.7%), East (67.0%), and Millidgeville (44.1%) neighbourhoods in 2021. These proportions are consistent with 2016 levels. Conversely, inner neighbourhoods are primarily comprised of apartment dwellings, including the Inner North (87.9%), South (84.7%) and Uptown (74.7%). Central North (56.3%), Inner West (51.2%), and Inner East (47.4%) neighbourhoods also had apartments under five storeys as the most common dwelling type in 2021, albeit at lower rates. Again, these proportions were consistent with 2016 levels. Of note, Millidgeville experienced growth in low-rise apartments, adding 160 apartment dwellings in buildings with fewer than five storeys (+20.0%).

In the Rest of CMA, single-detached dwellings made up 84.6%, or 20,345 of the 24,040 dwellings in 2021. Apartments under five storeys made up the next highest proportion of dwelling types (8.3% or 2,000 dwellings).

Figure 24: Breakdown of dwelling sizes in Saint John (City) in 2021



Source: Statistics Canada Community Profiles, 2021

In 2021, 52.2% of dwellings were suitable for large households¹⁸, despite only 28.4% of households being considered large households. This indicates a mismatch between the size of households and the dwellings they occupy, suggesting that a number of households are over-housed by choice. This can inform the focus of future development

¹⁸ Dwellings are considered suitable for small households when they consist of one or two bedrooms. Dwellings are considered suitable for large households when they consist of three or more bedrooms.

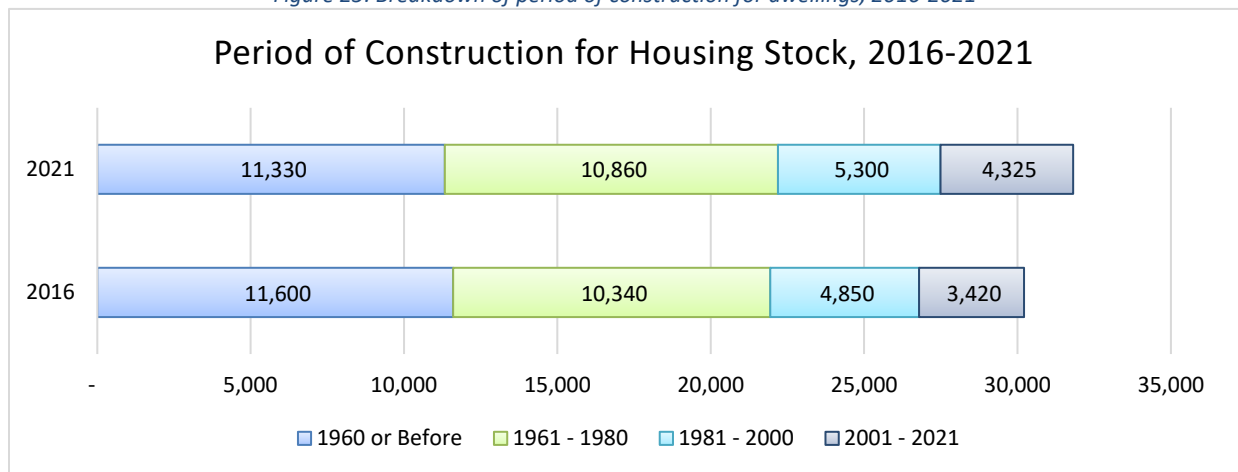
in the city or indicate there may be opportunities for shared housing or modifications to existing dwellings to create additional residential units to more fully use bedrooms that do not have full time occupants.

3.1.2 Trends in Dwelling Age and Condition

The age and condition of residential buildings may have an influence on the quality and suitability of dwellings available in a community. These trends may indicate growth in housing stock over time and may indicate the level of housing choice within the community.

In 2021, 35.6% of total dwellings in the City were constructed before 1960, down from 38.4% in 2016. This represented a change of -270 dwellings, a net loss in older housing stock that may have contributed to the residential demolitions detailed in Section 3.1.3 of this report. The breakdown of the period of construction for residential dwellings is shown in **Figure 25**.

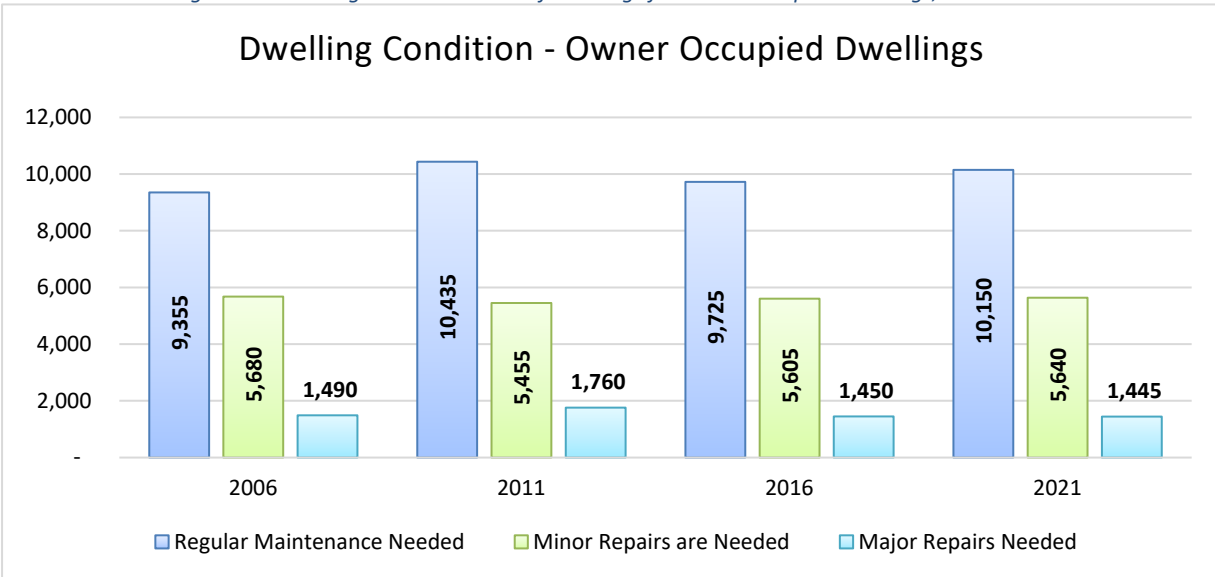
Figure 25: Breakdown of period of construction for dwellings, 2016-2021



Source: Statistics Canada Community Profiles, 2016-2021

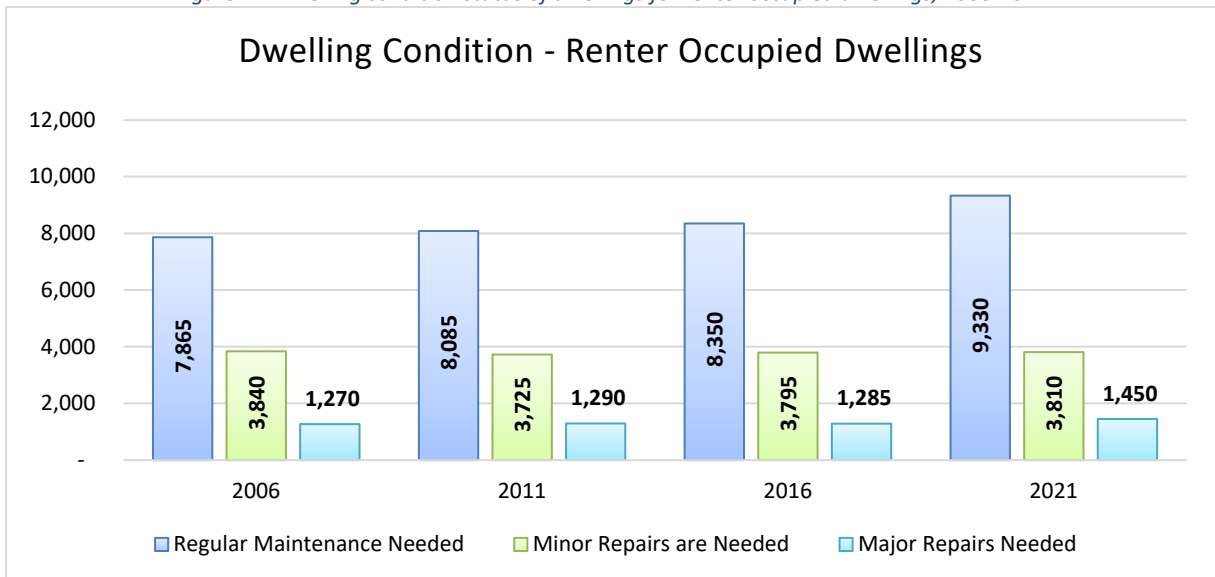
In terms of building conditions, 9.1% of dwellings in the City required major repairs in 2021, the same proportion as 2016. However, the actual number of dwellings that required major repairs increased by +5.7% during this period (+155 dwellings), a reflection of the overall aging of the stock. Ownership dwellings required major repairs at a slightly lower rate (8.4%) than rental dwellings (9.9%) in 2016. The conditions of dwellings are trending on different directions based on tenure, with the rate of major repairs decreasing in ownership dwellings (8.6% of dwellings in 2016) while it was increasing in rental dwellings (9.6% of dwellings in 2016). Moncton (6.9% of dwellings) and Fredericton (6.3%) both had a lower incidence of major repairs required in their dwellings. Building condition trends are shown in **Figure 26** and **Figure 27** below.

Figure 26: Dwelling condition status of dwellings for owner occupied dwellings, 2006-2021



Source: Statistics Canada Community Profiles, 2006-2021

Figure 27: Dwelling condition status of dwellings for renter occupied dwellings, 2006-2021



Source: Statistics Canada Community Profiles, 2006-2021

Compared to similar municipalities in 2016, Saint John’s housing stock was older than Moncton and Fredericton. Both municipalities had approximately half of their housing stock constructed after 1980 (54.1% and 51.7% respectively), compared to 30.2% for Saint John.

Overall, Saint John is comprised of a generally older housing stock with newer construction largely focused within the outer neighbourhoods of the city. Of the 2,510 dwellings constructed between 2017 and 2021, 24.1% were in the East neighbourhood, while 25.5% were located in Millidgeville.

3.1.3 Residential Demolitions and Vacant Buildings

The City of Saint John tracks the residential dwelling demolitions that take place within the city. In 2019, there were 38 applications for demolitions. Within these applications, 27 were for single unit dwelling sites and 11 were for multi-unit building sites. In 2021, these applications had decreased to 14 and 6 sites respectively. From 2019 to 2021, 69.5% of demolition permits for residential dwellings in Saint John were for single dwelling units. During this same period, 68 single unit dwellings and 152 multi-unit dwellings were replaced with 152 single unit dwellings and 862 multi-unit dwellings. This works out to a net gain of 84 single unit dwellings (+123.5%) and 710 multi-unit dwellings (+467.1%). These figures represent intensification and redevelopment occurring within Saint John. In 2022 alone, there were 11 units demolished (6 multi-family and 5 single-family) and 275 created (209 multi-family, 63 single-family, and 3 townhouses).

Additionally, the City of Saint John tracks the number of dangerous or vacant buildings within the city on a weekly basis. These buildings represent underutilized space that may be in disrepair and have potential for future development. While the number of such structures has been declining in recent years, the average number of counted dangerous or vacant buildings increasing slightly to 150 buildings in 2022 from 140 structures in 2021, but down from 190 in 2019. This indicates absorption of the stock or intensification where adaptive re-use or development may be occurring.

The City of Saint John has seen recent growth in residential dwellings through the redevelopment of existing housing stock. This development has yielded more multi-unit dwellings and a reduction of vacant buildings within the city. This intensification and more compact development can reduce the need for greenfield development and more efficiently use existing critical infrastructure in the City. Based on housing trends in the community, this type of development fulfills the existing housing needs of more diverse housing options for current and future residents. Overall, there are visible signs of cycling in the market as old stock is replenished with new dwellings.

3.1.4 Trends in Housing Development

In terms of housing starts, the City saw 2,256 dwellings started between 2000 and 2009, or approximately 225 per year. From 2010 to 2019, this dropped to an average of 138 housing starts per year. Since 2019, the City has averaged 273 housing starts per year. In particular, 2022 saw the highest number of starts (309 dwellings) since 2008.

As a proportion, apartment dwellings made up 60.4% of all housing starts from 2010 - 2019 in the City. This is followed by single-detached (26.8%), semi-detached (7.0%), and row houses (5.7%). Recent development trends show a higher proportion of apartment dwellings being started in the City. From 2020 to 2022, 80.0% of all new housing starts were apartment dwellings. However, these apartment dwellings appear to come at the expense of more middle-density housing forms, such as row houses and semi-detached dwellings (**Figure 28**).

Figure 28: Housing Starts per period, Saint John (City)

Saint John (City) Total Starts Per Period					
	Single-Detached	Semi-Detached	Row	Apartment	All
1990 - 1999	1,071	95	340	201	1,707
2000 - 2009	1,096	273	240	647	2,256
2010 - 2019	371	97	79	836	1,383
2020 - Present	138	6	20	656	820
% of Total	43.4%	7.6%	11.0%	38.0%	-

Source: CMHC Starts and Completions Survey, 1990-2022

Sorting by tenure, the City started 622 ownership dwellings and 761 rental dwellings between 2010 and 2019. Of these ownership dwellings, 57.2% are single detached, while 15.6% were semi-detached, 15.0% were apartment units (condo), and 12.2% were row houses. For rental starts, 97.6% were apartment dwellings. Of the remaining units, 2.0% were single-detached and 0.4% were row houses. Between 2020 and 2022, 83.8% or 687 of the 820 housing starts were rental starts. The vast majority of these rental units were apartment dwellings (95.5%), signalling a strong tendency towards higher density housing forms for rental use.

In terms of housing completions, the City completed 2,207 dwellings between 2000 and 2009, or approximately 221 per year. From 2010 to 2019, the City averaged 135 housing completions per year. Since 2019, the City has averaged 143 housing completions per year (**Figure 29**). In particular, 2022 saw the highest number of completions (190 dwellings) since 2009.

Figure 29: Housing Completions per period, Saint John (City)

Saint John (City) Total Completions Per Period					
	Single-Detached	Semi-Detached	Row	Apartment	All
1990 - 1999	1,079	95	327	194	1,695
2000 - 2009	1,080	237	248	642	2,207
2010 - 2019	389	111	103	742	1,345
2020 - Present	136	6	-	286	428
% of Total	47.3%	7.9%	11.9%	32.8%	-

Source: CMHC Starts and Completions Survey, 1990-2022

Sorting by tenure, the City completed 670 ownership dwellings and 675 rental dwellings between 2010 and 2019. Of these ownership dwellings, 56.4% were single detached, while 15.8% were apartment units, 13.9% were semi-detached dwellings, and 13.9% were row houses. For rental completions, 94.2% were apartment dwellings. Of the remaining units, 1.6% were single-detached dwellings, 2.7% were semi-detached, and 1.5% were row houses. Of the 428 housing completions between 2020 and 2022, 75.2% (322 units) were rental. The overwhelming majority of these rental units were apartment dwellings (88.8%).

Housing starts may be considered a lagging indicator of housing development, showing that more development is coming to a community. This appears to be true for the City of Saint John, as housing starts have consistently outpaced housing completions to indicate there is continued growth in the production of housing. These development trends point to a more active development environment in the City where the level of rental units being added to the housing stock is responding to the need for this tenure as expressed through growing renter household demand.

3.2 Local Housing Market Trends

Assessment of local housing market trends includes and evaluation of the rental market universe currently existing within the city, rental rates and vacancy rates in the rental market, and the price of houses in the homeownership market.

3.2.1 Rental Market Composition

The private rental market in a community is generally made up of the primary or purpose-built rental market and the secondary rental market.

The primary rental market includes all self-contained rental units where the primary purpose of the structure is to house rental tenants. The primary rental market includes purpose-built rental apartments and town houses. Canadian Mortgage and Housing Corporation (CMHC) reports on primary rental markets in larger communities across Canada, although the annual rental market survey that they conduct only includes structures with three or more units.

The secondary rental market represents self-contained units which were not built specifically as rental housing but are currently being rented out. These units include rented single-detached, semi-detached, row/town houses, duplex apartments, rented condominium units, and one or two apartments which are part of a commercial or other type of structure.

As of 2022, there were 9,344 rental units within the primary rental market universe in the city. This included 4,852 two-bedroom units (49.8% of the universe), 1,572 three- or more-bedroom units (16.2%), 2,529 one-bedroom units (28.6%), and 391 bachelor units (5.4%). Historically, there has been a tendency towards smaller units in the primary rental market.

The primary market rental universe has recently seen growth in the city¹⁹. From 2013 to 2022, the city's rental unit universe grew by +1,676 units. This represented a +21.9% increase over this period. Of this growth, two-bedroom units saw the highest growth (+857 units) in the city, followed by three- or more-bedroom units (+415 units).

The secondary rental market for Saint John was estimated using two methods. These methods looked to estimate the number of rental dwellings that are available to be rented at any given time to potential renter households in Saint John. In the first method,

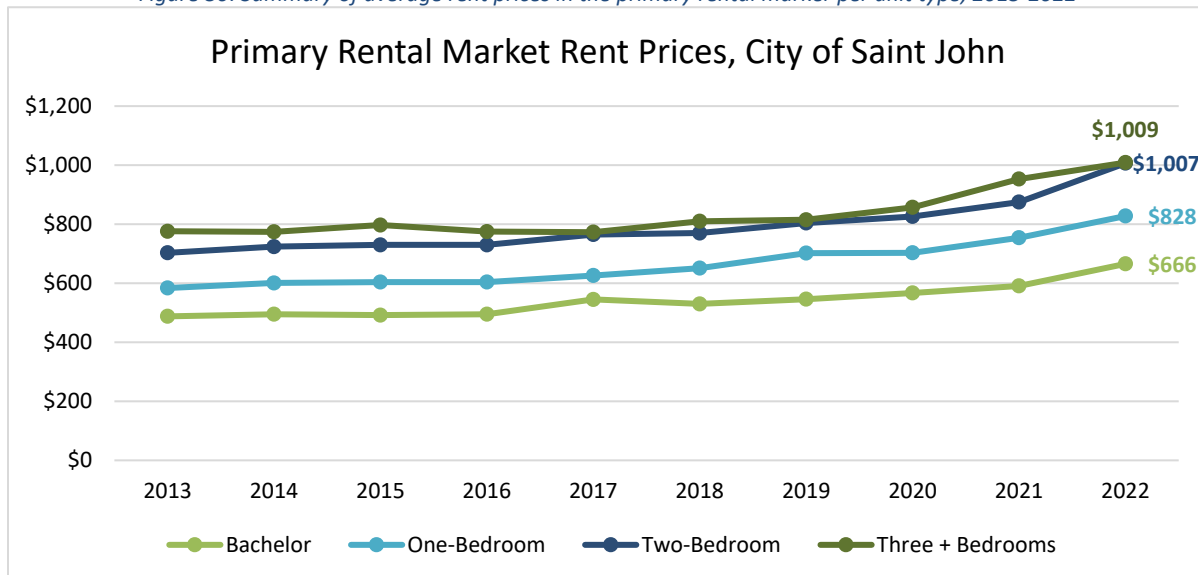
¹⁹ All rental universe and market rent data from CMHC Rental Housing Survey. The survey includes only privately initiated structures with at least 3 rental units, which have been on the market for at least 3 months.

what would effectively be considered a minimum, accounts for all renter households in Saint John that live in single- and semi-detached dwellings (e.g. non-traditional rental units). This minimum count estimates a secondary rental market universe of 1,190 households in 2021. In the second method, what may be effectively considered a maximum, accounts for all renter households that do not live in the primary rental market as calculated by CMHC. This method estimates a secondary rental market universe of 5,363 households in 2021, an increase of 223 (+4.3%) from 2016. Using these figures, the secondary market represents anywhere from 10-35% of all renter households. This is slightly lower than estimates from 2016, as rental completions kept pace generally with the growth of renter households between Census periods in Saint John. It is important to note that secondary market rental units typically charge higher rents.

3.2.2 Trends in the Primary Rental Market

Rents for all unit sizes in the City’s primary rental market averaged \$947 in 2022, representing a +40.9% increase from 2013 (an average increase 4.54% per year). This was almost double the increase in inflation for New Brunswick during this period as measured by CPI (+23.7%). The unit type with the highest increase in average rent during this period was two-bedroom units, growing by +43.2% from 2013. Unit sizes suitable for small households - both one- and two-bedroom units - continue to be in high demand in Saint John and two-bedroom units continue to represent the highest proportion of the primary rental market universe. As the number of small households has increased, an increased demand for smaller dwellings may be one of the reasons for these rent price increases. However, larger units (three- or more-bedroom units) have also seen consistent increases in rental rates, signalling unit demand, likely due to growth through in-migration (**Figure 30**).

Figure 30: Summary of average rent prices in the primary rental market per unit type, 2013-2022

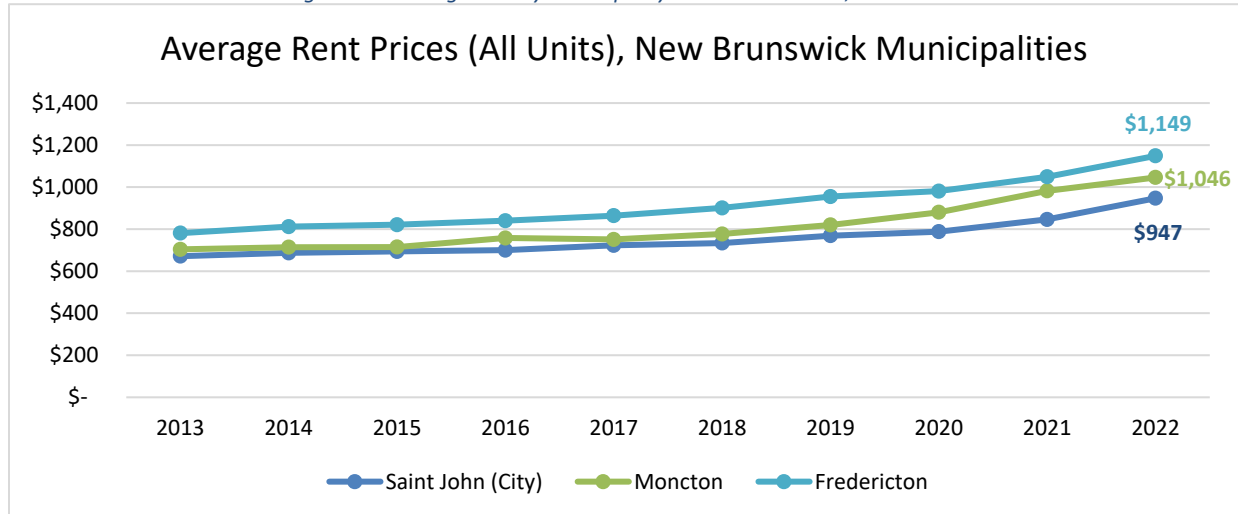


Source: CMHC Rental Market Survey, 2013-2022

Compared to other geographic regions in the Saint John CMA, average rents in the City for 2022 are approximately middle of the pack. The Outlying Areas of the Saint John CMA area has the highest average rent (all unit sizes; \$1,062) and the lowest vacancy rate (1.2%) in 2022. The West area had the lowest average rent (all unit sizes; \$833). East area rents align closely with the North at \$956 and \$960, respectively, although the vacancy rate in the East area (2.1%) is higher than the North (1.6%) and the City average (1.7%). The South had the highest average three- or more-bedroom unit rents (\$1,235) and lowest bachelor unit rents (\$656) in 2022.

Compared to similar municipalities within New Brunswick (**Figure 31**), the City of Saint John has historically had the lowest average rents. Additionally, the increase in rents in the last ten years in Saint John (+40.9%) was lower than both Fredericton (+47.1%) and Moncton (+47.1%). While the primary rental market is becoming more unaffordable for renter households in the City, this unaffordability is occurring throughout New Brunswick.

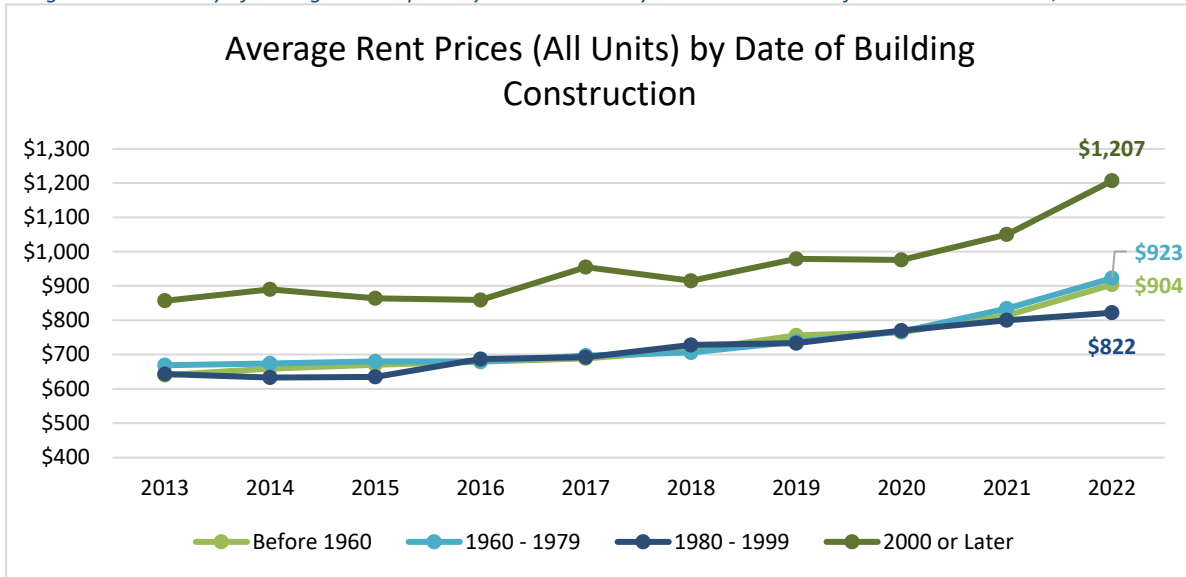
Figure 31: Average rent by municipality in New Brunswick, 2013-2022



Source: CMHC Rental Market Survey, 2013-2022

In terms of building age, rents in newer buildings are trending notably higher than units in older buildings in the City. Units in buildings built from 2000 or later averaged rents of \$1,207 in 2022, compared to \$904 for units in buildings built between 1980 and 1999. However, the rate of increase for rents in buildings of all ages has been consistent between 2013 to 2022, even though rental rates vary for buildings of different ages. This data is summarized in **Figure 32**.

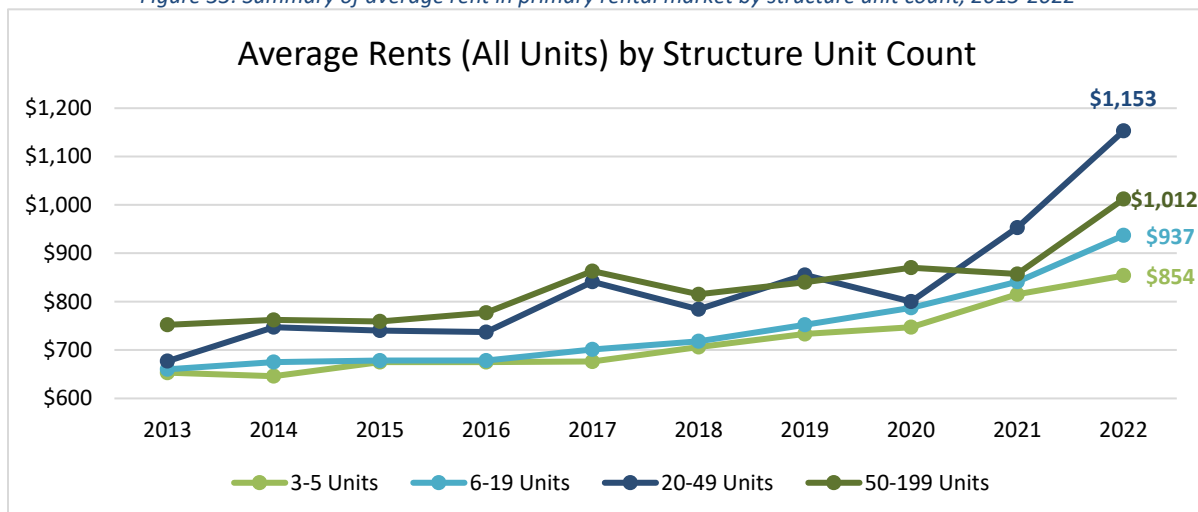
Figure 32: Summary of average rent in primary rental market by construction date of residential structure, 2013-2022



Source: CMHC Rental Market Survey, 2013-2022

Rents in the City also tended to increase with the size of building. Units in buildings with between 20 and 49 units averaged the highest rent in 2022. This rate has increased by +70.3% in the preceding ten years. The average rent in buildings with over 50 units has increased by +34.6% over the last ten years to \$1,012 in 2022. Rent increases tend to be the highest with the mid to large building sizes and are leading to increased divergence between the average rent in smaller and bigger buildings. This implies that newer, bigger residential structures are being completed and they may not be as affordable to low-income households. This data is summarized in **Figure 33**.

Figure 33: Summary of average rent in primary rental market by structure unit count, 2013-2022



Source: CMHC Rental Market Survey, 2013-2022

Overall, units in older, smaller buildings command a lower rental price. This may indicate the age and condition of these units are less attractive as compared with newer units in larger buildings on the housing market, as demonstrated by vacancy rates.

A vacancy rate of 3% is considered an indicator of a healthy and balanced rental market. Vacancy rates for the primary rental market peaked around 2013 (11.3% in the City), but have since declined to 1.7%. In 2021, units with three-or-more bedrooms had the highest vacancy rate (2.0%), while two-bedroom units had the lowest (1.5%). Vacancy rates for one-bedroom units (1.9%) have also been steadily decreasing from 2013 levels.

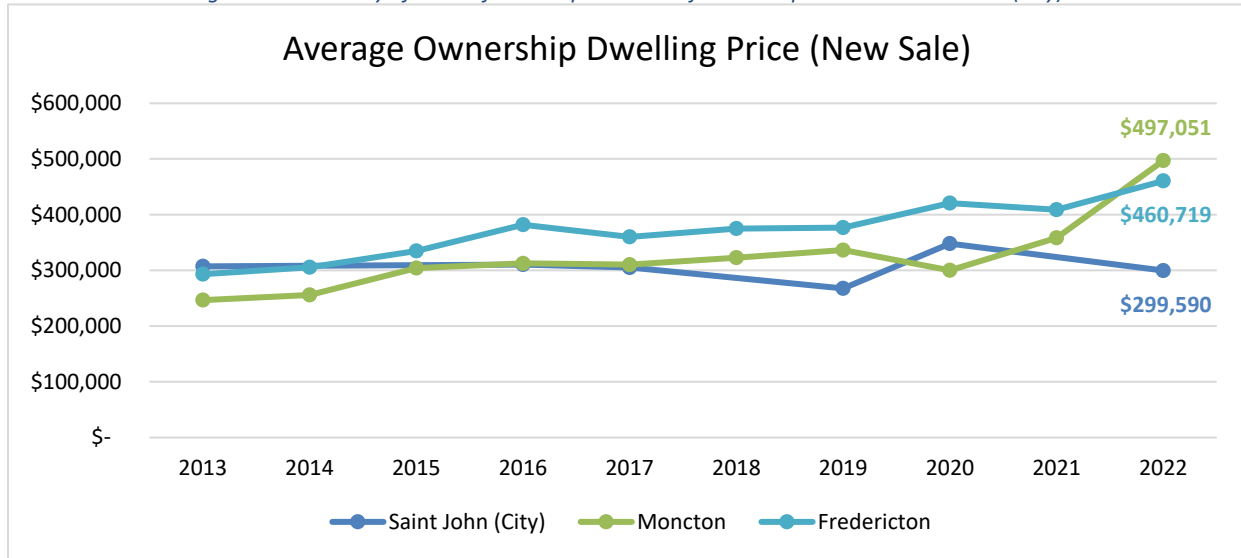
Vacancy rates also vary by building age and size. For rental units in the City, the vacancy rate in buildings constructed in 2000 or later was 0.1% in 2022, much lower than the rate for all building ages (1.7%). This may indicate that new units are in more demand by renter households or that there are not enough new rental units being added to the housing stock in the City. Additionally, vacancy rates in buildings with 20 to 49 units (0.5%) and 50 or more units (1.5%) were lower than City average (1.7%). Overall, vacancy rates show that despite rising prices, there is sustained demand over time, signalling a tightening rental market.

3.2.3 Trends in the Ownership Market

From CMHC Market Absorption survey data²⁰, the average new sale price for a single-detached home in 2022 for Saint John (City) was \$299,590, a -13.9% decrease from 2020 peak of \$348,050. Compared to similar municipalities, the Saint John house prices were notably lower than Moncton (\$497,051) and Fredericton (\$460,719). While the average sale price for new homes in Saint John decreased from 2020 to 2022, prices have been consistently increasing for comparable municipalities in New Brunswick during this period. It should be noted that an average house price was not generated in 2021 in Saint John due to lack of data. It is also likely that a smaller sample size of new sales have skewed average prices lower, especially given the upward trend in prices in neighbouring markets and in resale home prices. As such, the 2022 new house price is considered to be underestimated. Average price trends for new ownership dwellings are summarized in **Figure 34**.

²⁰ The Market Absorption Survey is carried out in conjunction with the Starts and Completions Survey but is only conducted in urban areas with populations more than 50,000 and only for structures which are destined for the homeownership/condominium market. When a structure is recorded as completed, an update is also made as units are sold.

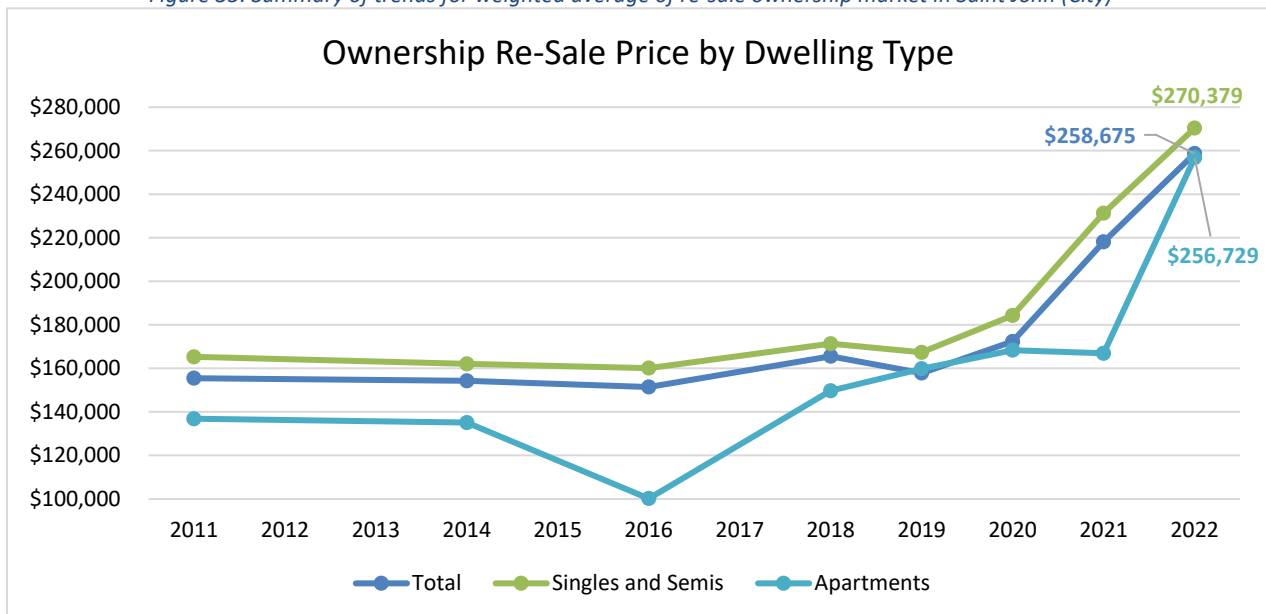
Figure 34: Summary of trends for absorption data of ownership market in Saint John (City)



Source: CMHC Absorption Survey, 2013-2022

Using Canadian Real Estate Association (CREA) data, the sales prices for re-sale houses can also be assessed over time. The Saint John and Area real estate board territory contains areas outside of the City itself, but can nonetheless be used to assess trends. When narrowed down to the City of Saint John areas using a weighted average of aggregated data, the average re-sale price for an ownership dwelling in 2022 was \$258,675 for all units, \$270,379 for single- and semi-detached houses, and \$256,729 for apartment dwellings. These represented +18.6%, +16.9%, and +53.8% increases year-over-year. This data is summarized in **Figure 35**.

Figure 35: Summary of trends for weighted average of re-sale ownership market in Saint John (City)



Source: Saint John and Area REB

Sales activity has seen a recent slow down after years of consistent growth for both single- and semi-detached dwellings and apartment units. In 2022, there were a total of 1,283 sales within the Saint John city boundaries. Of these sales, 869, or 67.7%, were single- and semi-detached dwellings. This sales volume was a decrease of -25.4% from 2021, but an increase of +43.5% from 2011 figures. The sales total for apartment dwellings in 2022 represented a decrease of -64.9% from 2021, but an increase of +22.2% from 2011 levels. It should be noted that apartments represented only 2.5% of all sales in 2022 and are predominantly condominiums.

Additionally, the number of active listings for the Saint John and Area territory has been declining, from 1,577 in 2018 for all unit types to 537 in 2022. This decrease in active listings has occurred while the number of sales has been increasing, from 2,043 in 2018 to a peak of 3,137 in 2021 and finally to 2,445 in 2022. These trends indicate a low inventory despite sustained demand, creating a tight market with upward pressure on house prices. This pressure is likely to continue impacting house prices in Saint John in the short term. These trends are consistent with other communities across Canada, as housing stock is not keeping pace with housing demands and therefore impacting on housing prices.

In addition to supply-based pressure, it is also helpful to consider the potential impact of rising interest rates. After a considerable period of historically low rates, the market has seen rates increase significantly due to economic conditions and associated government fiscal policy, especially within the last 12 months. This is having a direct impact on mortgage rates and the overall cost of housing. To illustrate this impact, a sensitivity analysis was undertaken to test alternate scenarios where rates rose by 1 and 2% above current rates. These results were expressed in terms of both the required income to purchase a new single detached home at the current price and the maximum price a household could afford if their income remained constant (**Figure 36**).

The analysis shows that a 1% increase in rates would result in an increase in the annual mortgage costs of just over \$2,000 or more than \$4,100 if a 2% rate increase occurred, assuming the same average house price. Qualifying households buying into the market would require higher incomes in order to afford that house price. Where the same purchasing household elected not to spend more than they could afford, they would need to seek out a lower priced homes to offset the mortgage cost impacts. In this instance, the household would need to seek a house that was more than \$21,000 less in order to afford it and absorb a 1% rise in interest rates. Where interest rates rose 2%, the house price impact would be almost double that figure.

Figure 36 - Impact of interest rate changes on housing affordability

Required income for average new single detached home at different mortgage rates							
Scenario	Average house price	Mortgage amount	Interest rate	Mortgage cost (month)	Mortgage cost (annual)	Required affordable income	Variance in annual mortgage cost
Base year (current)	\$299,590	\$284,610	5.31%	\$2,191	\$26,298	\$87,659	\$0
Base + 1%	\$299,590	\$284,610	6.31%	\$2,359	\$28,312	\$94,373	\$2,014
Base + 2%	\$299,590	\$284,610	7.31%	\$2,534	\$30,406	\$101,352	\$4,108
Affordable house price for average new single detached home at different mortgage rates							
Scenario	Maximum affordable house price	Mortgage amount	Interest rate	Mortgage cost (month)	Mortgage cost (annual)	Affordable income (min.)	Variance in max. affordable price
Base year (current)	\$299,590	\$330,648	5.31%	\$2,191	\$26,298	\$87,659	\$0
Base + 1%	\$278,278	\$306,752	6.31%	\$2,191	\$26,298	\$87,659	-\$21,312
Base + 2%	\$259,113	\$285,261	7.31%	\$2,191	\$26,298	\$87,659	-\$40,477

Note: Mortgage cost includes principal, interest, taxes and mortgage insurance premium

3.3 Non-Market Housing

The Province of New Brunswick is a primary provider of non-market housing in Saint John, delivering a range of housing programs and having direct responsibility for public housing. These housing program units include affordable units, public housing units, rent supplements, rural and Indigenous housing, and non-profit units. Non-profit housing programs from the Province provide assistance to private, self-directed non-profit organizations, including co-operative groups, to assist households who are in need to obtain affordable, adequate, and suitable rental accommodation. Additionally, there are other non-market housing options that are available to the residents of Saint John that are funded through a combination of federal and provincial funding.

3.3.1 Public Housing

The Province's public housing program provides subsidized rental accommodation for families and seniors who, because of low income, experience difficulty in obtaining adequate and affordable housing in the private sector. Tenants qualifying for assistance through this program will have their rents reduced to 30% of the adjusted household income.

There are 3,798 public housing units in New Brunswick, of which 56.6% are family households, 43.1% are senior households, and 0.3% are non-elderly households. Figures for 2022 show that just over 1,200 of these units were in Saint John, primarily three bedroom and one bedroom in size. There are also 712 rural and Indigenous

housing units provincially, all but four of which are family households (one non-elderly household and three senior households). In Saint John, 11 units exist under this program, all of which are three bedroom in size.

3.3.2 Rent Supplements

New Brunswick provides assistance to households in need so that they may obtain affordable, adequate, and suitable rental accommodation by subsidizing rents in eligible rental dwellings. Tenants qualifying for assistance through this program will have their rents reduced to 30% of the adjusted household income. Landlords will receive the difference between the rent paid by the tenant and the agreed upon market rent.

The Province administers rent supplements to 4,684 households in New Brunswick. Of these, 43.5% are for non-elderly households, 39.1% are for family households, and 17.4% are for senior households. NB Housing statistics for 2022 indicate that just over 900 units in the Rent Supplement program were located in Saint John, the majority of which were one bedroom in size.

According to Statistics Canada data, there were 2,109 renter households who have their rent subsidized in the City in 2016 which closely aligns with NB Housing figures for 2022 which indicates 2,133 units under the public, rent supplement and RNH programs it manages. Almost half of these units are one bedroom in size, with another 23.9% being three bedroom units and 20.2% being two bedroom units. The majority of these units are located in the north (47.2%) and central (35.1%) areas of the city. Current residents rely primarily on income assistance (38.4%), Canada Pension Plan (23.6%) or Old Age Security (19.5%) for income while only 9.4% rely on some form of employment income.

3.3.3 Non-Profit and Affordable Housing

In New Brunswick in 2020, there were a total of 5,014 non-profit housing units. Of these units, 29.6% are for family households and 70.4% are for senior households.

Saint John Non-Profit Housing Inc. has a housing portfolio that totals 449 units. This portfolio consists of market units (49.7% of portfolio), Rent-Geared-to-Income (RGI) units (22.9%), rent supplements (20.3%), and internal RGI units (7.1%). These programs receive assistance from the Province of New Brunswick to provide households who are in need to help obtain affordable, adequate, and suitable rental accommodations. Not all units are subsidized; however, subsidized rental accommodations are available in some locations to low-income rental household tenants who qualify for assistance through the individual Non-Profit group or cooperative.

Most of the units within the portfolio are one-bedroom (53.2%), with two-bedroom (31.4%) and three-bedroom (14.9%) units making up most of the rest of the portfolio. There are also two units that accommodate larger families with four- or more-bedrooms. Additionally, the portfolio contains 10 accessible units and 152 units designated for seniors.

Housing Alternatives Inc., a non-profit housing property management company, owns, operates, or manages a portfolio of RGI and affordable housing in Saint John. This

portfolio contains a total of 635 units. The portfolio they manage provides a range of dwelling sizes, including at least 84 one-bedroom units, 109 two-bedroom units, 181 three-bedroom units, and 20 units with four or more beds.

3.3.4 Waitlist for Housing Programs

Waitlist data for non-market units can be assessed on a municipal level. Of a total of 1,242 households that applied for housing services as of 2022 (representing 2,032 persons), the City of Saint John had 436 family households (35.1%), 559 non-elderly single households (45.0%), and 247 senior households (19.9%) on the waitlist for housing supports. Of these households, nine included at least one person who required an accessible unit. Of the total applicants, there were 347 homeless households that are on the waitlist for housing supports. The most requested unit size for applicants was one-bedroom units (67.6%), followed by two-bedroom units (22.6%), three-bedroom units (7.5%), and four- or more-bedroom units (2.3%). Compared to existing NB Housing residents in Saint John, applicants have a slightly different income pattern, showing a higher reliance on income assistance (42.3%), but with lower reliance on Canada Pension Plan (10.9%) or Old Age Security (14.3%) and only 7.9% relying on some form of employment income.

3.3.5 Emergency Shelter

Two shelters for those in need of emergency housing are situated in Saint John. Coverdale Centre for Women (Coverdale), a women's shelter, had a 10-bed occupancy limit in 2018. Coverdale admitted a total of 107 women in 2018, a +15% increase from 2017. Outflow Ministry (Outflow), the men's shelter in Saint John, had a 20-bed occupancy limit with 10 emergency cots in 2018. Additionally, the City has a 10-bed emergency shelter for youth currently operated by Partners for Youth. This shelter is open to teens aged 16 to 19.

Outflow admitted a total 310 men in 2018, an 18%+ increase from 2017. Overall, there was a +17% increase in individuals who used an emergency shelter in Saint John in 2018 from 2017 levels. The total number of nights stayed in a shelter increased from 9,396 to 11,700. Additionally, the number of individuals under the age of 25 increased from 56 to 69, or +23%. The average occupancy rate of Coverdale was 64.6% in 2018, compared to 50.3% in 2017. The average occupancy rate of Outflow was 128% in 2018, compared to 103% in 2017.

A point-in-time count for the homeless population of Saint John in 2018 revealed 117 persons were throughout the city. Most (48%) were between the ages of 25 and 49, 16% identified as LGBTQ2S+, and 25% identified as Indigenous. The three most common self-identified reasons for housing losses were incarceration, substance abuse and addiction, and domestic abuse. Based on more recent statistics reported for May 2023, there has been an increase in overall need as 175 individuals were deemed

homeless, 133 of which were chronically homeless²¹. While these figures rise and fall over time, needs have remained persistent over the last few years.

While data collection has improved with recent initiatives, there are still significant knowledge gaps since most counts on homelessness are typically undercounted. Individuals who can be considered 'hidden homeless', or couch-surfing, and those who are currently at-risk of becoming homeless are not easily accounted for. However, it can be concluded that with persistent needs, this type of housing in Saint John has not diminished and despite efforts, there is a continuing demand for sustainable housing solutions and supports that serve this population. Additionally, the need for emergency shelter is impacting vulnerable groups disproportionately. For example, indigenous populations made up 25% of those counted during the point-in-time count but only made up less than 3% of all households in 2016.

3.3.6 Transitional / Supportive Housing

Saint John has several housing programs, funded through the federal and provincial governments, and delivered by non-profit agencies. The programs, Housing First and Organized Departures (ODP), operated by Housing Alternatives Inc., target specific populations with complex needs, all of whom are homeless or at imminent risk of homelessness.

Several agencies and programs in Saint John now operate according to the principles of harm reduction. This essential evidence-based approach aims to reduce the adverse health, social and economic consequences of substance use without requiring abstinence. Avenue B Harm Reduction Inc., one of these organizations providing harm reduction services in Saint John, offers a needle distribution program in the greater Saint John area, serving 830 unique clients in 2018.

Safe Harbour House, a transitional programming support for homeless youth, re-opened in 2017 and provides opportunities to create individualized case plans and goals for marginalized youth.

3.3.7 Senior's Residential Services and Long-Term Care

Long-Term Care Services refer to a range of personal support, physical, social, and mental health services required by individuals who, because of long term functional limitations, need assistance to function as independently as possible. The long-term care system is broken down into three components: in-home services, special care homes, and nursing homes.

Special care homes provide services to seniors who require low to moderate levels of care on a regular basis. There are currently 65 such facilities in the Region 2 area, and 34 within the City of Saint John specifically. Region 2 contains 777 beds, with 385 of these beds contained within the City.

²¹ Homeless figures are reported monthly for Saint John by the Human Development Council on their web site dashboard and are based on HIFIS and by-name list data.

Nursing home services are intended for individuals who are medically stable and who need nursing care. Services in nursing homes emphasize the resident's physical, social and psychological independence. These services include resident care, resident support, plant and maintenance and general administration. Nursing homes are staff with registered nurses, licensed practical nurses, resident attendants, dieticians, personnel in laundry, kitchen, activation, rehabilitation, maintenance, and administration.

The region that encompasses Saint John and the surrounding area, includes 16 licenced nursing homes that contain a total of 1,204 beds. Effective April 1, 2014, the maximum amount to be paid by nursing home residents is \$113 per day. This daily cost covers room and board services. The average monthly payment would be approximately \$3,437.

3.4 Other Factors Influencing Supply

While there is an array of established housing stock in Saint John, there are a number of factors which can influence the on-going supply of housing, whether in terms of the existing stock or new supply. The condition of stock and redevelopment potential it has, can impact on supply though revitalization or intensification. In the case of new development, the supply and availability of land as well as servicing can also be significant factors. Availability and cost of labour and materials can also have an impact on housing supply, as has been seen though recent supply chain disruptions.

The New Housing Price Index (NHPI), a Statistics Canada measure of housing costs, provides some insights in this regard. The NHPI measures changes over time in the builders' selling prices of new residential houses considering both house and land costs. Data from 2012 to 2019 showed a fairly flat cost profile for the Saint John, Moncton and Fredericton tri-city area and for the broader Atlantic Region²². Similar trending was seen nationally for Canada during this period, although a notable rise in costs was registered in 2017. Since 2019, new housing costs have risen dramatically for the tri-city area and the Atlantic region (by more than 16%) but even more substantially at the national level (over 21%).

In the tri-city area, index figures for the 2019 to 2022 period show prices are driven almost exclusively by the house cost component versus the land component, and this trend is similar in the Atlantic Region, although land does play a slightly more prominent role (2.5% cost increase). Nationally, land costs have figured more prominently during this recent period, rising in the order of 11.7%.

The Building Construction Price index (BCPI) is a related indicator that measures changes over time in the prices that contractors charge to construct a range of new commercial, institutional, industrial and residential buildings in eleven CMA's across the country. Figures for Moncton for the 2019 to 2022 period indicate a 26.7% increase in

²² Statistics Canada, Table 18-10-0205-01, New housing price index, monthly

costs for residential construction which is higher than the NHPI increase but notably lower than the eleven CMA average of BCPI of 48.8% during this same period²³.

Land use policy and regulation can also impact on the timing and availability of housing supply. Municipal governments like the City of Saint John have authority to set policy and regulate such approvals within the framework of provincial planning legislation. They also have certain authorities to incent development and can play a key role in facilitating an environment that fosters housing outcomes to meet community needs.

Maintaining an adequate supply of land and housing in the pipeline, helps to ensure that the future growth needs of the City can be accommodated. Based on a study undertaken in 2018 and updated in 2020²⁴, a baseline growth scenario would see the need for an average addition of 301 units per year to 2030 in order to meet incremental demand. The majority of these units would need to be single detached homes or apartment forms to accommodate anticipated growth. Based on the 2020 study update, anticipated rental supply was estimated at 518 units or about a 6 years supply in the approvals pipeline

Unfortunately, similar estimates were not available from that study for single detached homes to develop a pipeline estimate. However, the incremental demand projections do point to housing need levels that are above current production trends. Where high growth scenario estimates are realized, annual housing production would need to be even higher to address these needs (487 units/year).

An estimate of residential supply within the development pipeline was developed by City planning staff in early 2023 based on applications and lands at various stages of the approval process. As shown in the following chart, results indicate that more than 5,100 units are in the pipeline, over half of which are under construction, in registered subdivisions or draft approved. The bulk of the units (85%+) are also anticipated to be in multi-residential forms, whether in cluster townhouses, multiplexes or apartment structures. Using the baseline annual figure above, this represents a 17 years supply of housing and based on more aggressive high growth production, this supply would be adequate for about 10 years.

While the actual absorption of units would be subject to updated growth projections, pipeline figures do indicate a substantial supply of housing potential within the system. That said, demand by housing type may oblige bringing on a more balanced mix, especially for lower or mid-density forms like semi-detached and street townhouse options. It will also require that housing supply is brought on and approved in anticipation of demand, recognizing that roughly half of the project units are on other designated lands or lands allocated for future phases. Maintaining an adequate supply of land that is serviced or ready for development is also important for affordability purposes.

²³ Statistics Canada, Table 18-10-0135-01, Building construction price indexes, by type of building

²⁴ Market Study and Analysis Report: Saint John, New Brunswick. Turner Drake and Partners Ltd. (original study in 2018), Residential and Market Analysis Update (2020).

**Residential Units in the Development Pipeline - Current and Projected
City of Saint John, May 2023**

Development Status	Singles, Semis, or Street Fronting Townhouse Units		Multiple Residential, Cluster Townhouses, and Fourplexes		Totals		Share by Status	
	Dwelling Count	Population Count	Dwelling Count	Population Count	Dwelling Units	Population Count	Dwelling Units	Population Count
Under Construction	5		644	1,288	649	1,288	12.5%	14.3%
Registered Subdivision	115	345			115	345	2.2%	3.8%
Draft Approved	118	354	1,668	3,336	1,786	3,690	34.5%	40.9%
Pending Approval	27	81		0	27	81	0.5%	0.9%
Other Designated Lands	368	1,104	1,254	2,508	1,622	3,612	31.3%	40.1%
Future Phase			979	1,958	979	1,958	18.9%	21.7%
Total	633	1,884	4,545	7,132	5,178	9,016	100.0%	100.0%
	12.2%	20.9%	87.8%	79.1%	100.0%	100.0%		
	PPD 2.98		PPD 1.57		PPD 1.74			

Source: City of Saint John, Planning Department

In the case of non-market housing, there is a high reliance on senior government programs to facilitate development of these units. While mixed market models are being explored by proponents to help support the financial viability of such development, they continue to depend on government investment to realize this supply. As a primary source of affordable housing in the community, lack of sufficient investment in non-market housing means an erosion in the supply of housing to address the growing needs of those households with low and moderate incomes.

3.5 Summary of Housing Supply

The predominant residential dwelling forms in the City of Saint John are low-rise apartment dwellings and low-density single-detached dwellings. There is a lack of mid-density options in the existing stock and recent trends in housing starts and completions have done little to address this gap. There has been a recent trend towards the completion of apartment dwellings and purpose-built rental units in Saint John, although this trend has not been historically sustained in the community.

The condition of dwellings in Saint John is older than comparable municipalities, although there are visible signs of cycling in the market as new units are replacing older structures. As the number of dangerous and vacant buildings in the city decreases over time, demolitions and renovations have created a more diverse range of residential dwelling structures. Through intensification or redevelopment, these demolitions and renovations have yielded more units to the housing stock through the development of more apartment units. However, this has not always been beneficial to the most affordable rental stock (e.g. renovations).

The size of the rental market universe has grown slowly in the last 30 years, mostly through the addition of two-bedroom units. However, the growth of the primary rental universe between 2016 and 2021 has roughly kept pace with the growth of renter households between Census periods. In response to sustained demand, the secondary rental market has remained substantial and now accounts for between 10%-35% of the

rental market. While the secondary market augments purpose-built rental supply in the city, it does not have the same security of tenure and can be more easily converted. Vacancy rates in the primary rental market have been trending down, and currently are alarmingly low as rents are rising. Higher rents are most notable in newer, larger buildings. These trends indicate a pent-up demand for rental units in the community, creating an upward pressure on rents. This demand for rental housing is due in part to the increase in ownership housing prices and the impact this has on households who would otherwise move into the ownership market but stay in the rental market for affordability reasons.

While the three outer neighbourhoods of the City (East, West, and Milligeville) accounted for 48.6% of all dwellings in 2016, they made up 76.3% of the single-detached dwellings and 22.1% of the low-rise apartment dwellings in the City. These outer neighbourhoods are more likely to be made up of newer houses, as 57.7% of dwellings constructed between 2017 and 2021 are located there. These dwellings only made up 25.4% of all dwellings that required major repairs in 2021, indicating that this newer stock is in better condition than the older housing stock located in the inner parts of the City of Saint John.

There has been a considerable rise in the price of housing in the city, dramatically increasing the cost of home ownership, particularly for low-density residential dwelling types. The historical lack of a pricing gradient between the different forms of housing may have led potential homebuyers to primarily seek out single-detached dwellings. This minimal price differential may also have historically led to a perceived lack of demand for middle-density options. However, with the recent increase in homeownership costs, this may no longer be the case. Escalating costs, recent interest rate increases and sustained demand, coupled with limited supply are driving up affordability issues in the market.

Additionally, as vacancy rates in the primary rental market continue to decrease and market rents continue to climb, some of the existing housing stock in Saint John may be diverted to the secondary rental market. While apartment dwellings represent a slightly less expensive entry point into the ownership market for prospective buyers, these dwellings make up a small proportion of the overall housing stock. Future investment into middle density housing forms may provide greater options for moderate-income households as the cost of single-detached homes continues to increase.

Supply conditions in Saint John clearly signal the need for policy tools and levers to help support the delivery of appropriate, affordable housing that meets community needs. While current unit potential in the development pipeline projects capacity for a suitable housing supply for the next 10-15 years, absorption of units will depend on the level of growth that actually occurs. Facilitating the supply of units at the right time and in the right mix will be critical to meeting growth demands.

4.0 Housing Affordability

The following section outlines the relevant definitions for housing affordability, the trends in key affordability indicators, and the level of affordability the current market in Saint John offers existing households. Housing affordability influences the housing choices current and future residents may have and can impact the economic opportunities available in the community.

Affordability calculations used in this section are based on factored household income figures to enable comparison with supply data for the 2022 reporting year. In the absence of current Census data for income by tenure, factoring has also been employed to derive these income distributions. These factoring processes, in combination with small sample sizes for new house price data, provide best estimates of current affordability but may be subject to variance versus actual conditions. For these reasons, caution should be applied in the use of reported results. Where more current data becomes available, affordability parameters should be revisited to refine current estimates.

4.1 Measures of Affordability

A commonly accepted benchmark for measuring affordability in the Canadian context is where a household spends no more than 30% of its gross household income on housing costs. This is referred to as the shelter-cost-to-income ratio, or STIR, and is a key indicator of affordability. The following section outlines the need for affordable housing in the City of Saint John using this measure.

Core housing need is a more complete measure for defining affordability as it assesses the adequacy, suitability, and affordability of housing. Core housing need refers to whether a private household's housing falls below at least one of the indicator thresholds for housing adequacy, affordability, or suitability, and would have to spend 30% or more of its total before-tax income to pay the median rent of alternative local housing that is acceptable (attains all three housing indicator thresholds). This measure differs from STIR, as this affordability threshold is limited to households who cannot afford to move to housing that is adequate and suitable without spending more than 30% of household income on shelter costs.

4.1.1 Trends in STIR

In 2021, 18.6% of households in the City experienced affordability issues. This was a -18.7% decrease from 2016 levels, or about 1,335 less households. In terms of tenure, 11.4% of owner households in the City spent 30% or more of income on shelter costs, while 27.1% of renter households met this threshold in 2021. These figures represented a -18.7% decrease for owner households and a -19.1% decrease for renter households from 2016 to 2021. In 2021, 60.7% of owner households were paying a mortgage, while

16.1% of rental households had subsidized rent. The City is compared to the other study areas in **Figure 37**.

While the 2021 figures show a lower prevalence of affordability issues in Saint John versus 2016, this may, in part, be due to the Federal Government’s COVID-19 Pandemic relief programs.²⁵ These relief programs impacted household incomes for the year (2020) that were reported on for the 2021 Statistics Canada Census. While these incomes were correctly reported, this relief is not permanent and will not be available to households in the future. Another plausible influencing factor is the higher incomes of households moving to the city through inter-provincial migration.

The recent decline in STIR ratios is consistent with trends seen in many other jurisdictions across the county over the same period. In real terms, recent STIR ratio decreases are considered only short term, given the end of Covid relief programs and the continued escalation in price trends being seen in both the rental and ownership markets.

Figure 37: Summary of households facing affordability issues in study areas, 2021

Proportion of Households Spending 30% or More on Shelter Costs (2021)		
	Owner	Renter
Saint John (City)	11.4%	27.1%
Rest of CMA	6.5%	26.4%
Moncton	10.1%	33.1%
Fredericton	9.6%	32.9%

Source: Statistics Canada Community Profiles, 2021

4.1.2 Trends in Core Housing Need

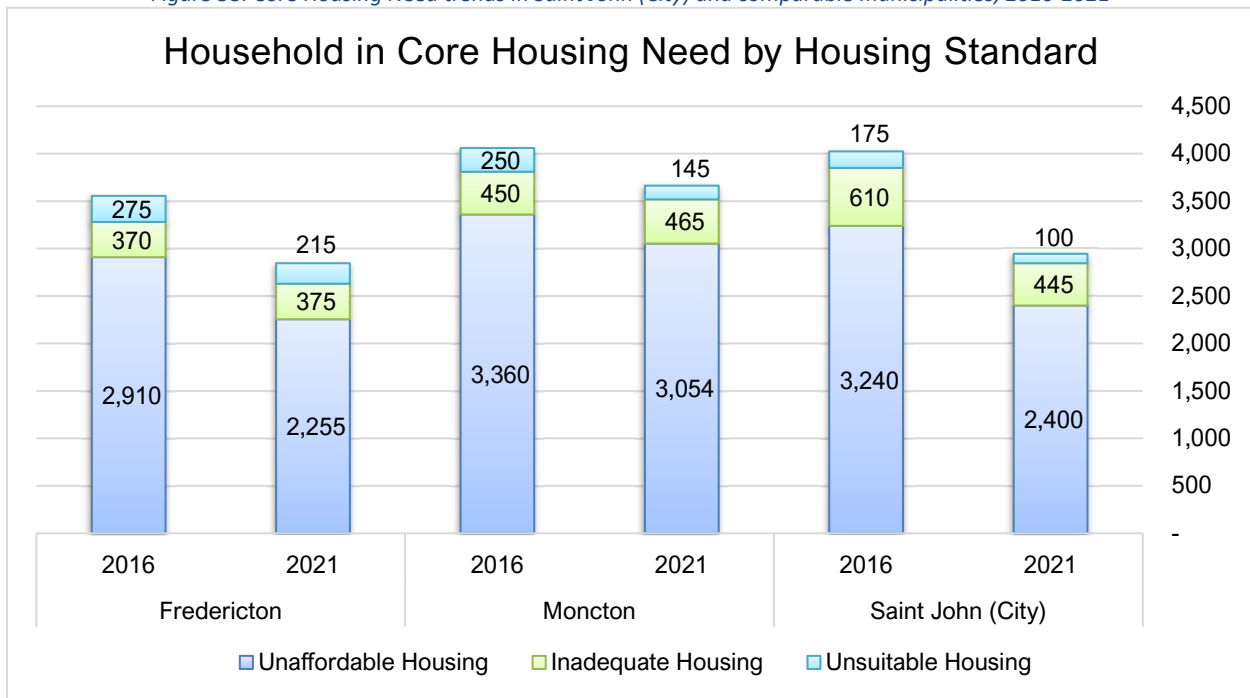
In 2021, 2,575 households in the City (8.2%) were in core housing need, a decrease of -26.6% from 2016. This data is represented in **Figure 38**. Of households in core housing need, 93.2% were facing affordability issues, 17.3% were housed inadequately, and 3.9% had unsuitable housing. These trends differ from STIR partly due to the increase in housing costs over this period as dwelling conditions remained consistent.

In terms of tenure, renters were more likely to be in core housing need. Renters made up 78.7% of all households in core housing need in the City in 2021. This level is comparable to both Moncton (79.5%) and Fredericton (82.6%). For owner households, 3.6% (621 households) were in core housing need in 2021, a decrease in real terms of 4 households from 2016. For renter households, 13.9% (2,027 households) were in core housing need in 2021, a decrease from 21.4% in 2016. In absolute terms, owner households in core housing need decreased by -0.7% during this period, while renter households in core housing need decreased by -29.6%. As with STIR indicators, the

²⁵ Statistics Canada (2022). *Canadian Income Survey*. Retrieved from: <https://www150.statcan.gc.ca/n1/daily-quotidien/220323/dq220323a-eng.htm>

decline in core need is considered temporary due to sustained incomes and to a lesser extent the inflow of higher income households due to inter-provincial migration.

Figure 38: Core Housing Need trends in Saint John (City) and comparable municipalities, 2016-2021



Source: Statistics Canada Census of Population, 2016-2021

4.2 Affordability in the Ownership Market

To compare the households of Saint John to the existing ownership market conditions, the affordability charts below were generated. Income deciles²⁶ for 2022 sorted by household income, were generated and used to create three household income categories: low-income households (household income of less than \$46,669), moderate-income households (household incomes between \$46,669 to \$84,006), and high-income household (household incomes over \$84,006).

As seen in **Figure 39** only the high-income households can afford new house prices in the ownership market in Saint John. This trend is consistent with Fredericton and Moncton, although these municipalities require higher household incomes (at least \$177,760 and \$145,364, respectively) to affordably enter the new ownership housing markets in each municipality.

²⁶ Income deciles are categories created by sorted all households into 10 equal portions ranked by household income from lowest to highest. This provides income levels at consistent intervals and helps to describe the distribution of household incomes.

Figure 39: Ownership Affordability Table - Income deciles Compared to Average New Housing Prices

Ownership Affordability – New Home			Saint John (City) Ownership Market (2022)
Income Deciles – All Households	2022 Income (All HH)	Max Affordable Price	
			\$299,590
Low Income Deciles 1-3 (Less than \$46,669)	\$25,281	\$87,121	NO
	\$35,826	\$123,462	NO
	\$46,668	\$160,824	NO
Moderate Income Deciles 4-6 (From \$46,669 to \$84,006)	\$57,800	\$199,185	NO
	\$69,899	\$240,880	NO
	\$84,006	\$289,494	NO
High Income Deciles 7-9 (Greater than \$84,006)	\$101,606	\$350,145	YES
	\$131,439	\$452,956	YES
	\$166,901	\$578,413	YES

Source: Income deciles derived from Statistics Canada Community Profiles, 2021; Maximum ownership price calculated using SHS methodology that utilizes Bank of Canada 5-year average of 5-year conventional mortgage interest rate (5.31%), assumes household spending 30% of gross household income on shelter costs; CMHC Market Absorption Survey

Figure 40 uses similar income thresholds to compare the maximum housing price a household could afford based on their household income, with the average ownership housing price for new and resale dwellings. When considering re-sale dwellings in Saint John, only households on the highest end of the moderate-income category or above can afford to purchase an average house in the re-sale market. Apartments for sale as ownership or condominium tenures may be more affordably priced than other resale options, but they do not make up a sizeable proportion of the market. Collectively, these tables show housing ownership is not affordable to approximately 60% of households in Saint John.

Figure 40: Ownership Affordability Table - Income deciles Compared to Re-Sale Housing Prices

Ownership Affordability - Re-Sale Home			Saint John Ownership Market (2022)		
Income Deciles – All Households	2022 Income (All HH)	Max Affordable Price	Total Average Price	Single- & Semi- Detached	Apartments
Low Income Deciles 1-3 (Less than \$46,669)	\$25,281	\$87,121	NO	NO	NO
	\$35,826	\$123,462	NO	NO	NO
	\$46,668	\$160,824	NO	NO	NO
Moderate Income Deciles 4-6 (From \$46,669 to \$84,006)	\$57,800	\$199,185	NO	NO	NO
	\$69,899	\$240,880	NO	NO	NO
	\$84,006	\$289,494	YES	YES	YES
High Income Deciles 7-9 (Greater than \$84,006)	\$101,606	\$350,145	YES	YES	YES
	\$131,439	\$452,956	YES	YES	YES
	\$166,901	\$578,413	YES	YES	YES

Source: Income deciles derived from Statistics Canada Community Profiles, 2021; Maximum ownership price calculated using SHS methodology that utilizes Bank of Canada 5-year average of 5-year conventional mortgage interest rate (5.31%), assumes household spending 30% of gross household income on shelter costs; Saint John and Area REB

Figure 41: Ownership Affordability Table – Household Types Compared to New Housing Prices

Ownership Affordability – New Home			City of Saint John Ownership Market (2022)
Household Types	2022 Income (All HH)	Max Affordable Price	
			\$299,590
Minimum Wage (1-Person)	\$29,500	\$101,661	NO
Non-Family Household	\$38,749	\$133,533	NO
One-Person Household	\$45,052	\$155,255	NO
Renter Household	\$48,857	\$168,369	NO
Lone-Parent Family	\$55,673	\$191,858	NO
Minimum Wage (2-Person)	\$59,000	\$203,321	NO
Families without Children	\$78,500	\$270,520	NO
Saint John (City) Average	\$86,183	\$296,996	YES
Families with Children	\$105,780	\$364,530	YES

Source: Statistics Canada Community Profiles, 2021; Maximum ownership price calculated using SHS methodology that utilizes Bank of Canada 5-year average of 5-year conventional mortgage interest rate (5.31%), assumes household spending 30% of gross household income on shelter costs

To better describe just who these households are, **Figure 41** and **Figure 42** complete the same exercise but based on the average household incomes for a variety of household types and tenures. In terms of new builds in Saint John, using the average household income of the selected household types, only households with incomes comparable to the average household income of families with children and families without children can afford the average price for newly built houses in 2022.

Figure 42: Ownership Affordability Table – Household Types Compared to Re-Sale Housing Prices

Ownership Affordability - Re-Sale Home			Saint John Ownership Market (2022)		
Household Types	2022 Income (All HH)	Max Affordable Price	Total Average Price	Single- & Semi- Detached	Apartments
			\$258,675	\$270,379	\$256,729
Minimum Wage (1-Person)	\$29,500	\$101,661	NO	NO	NO
Non-Family Household	\$38,749	\$133,533	NO	NO	NO
One-Person Household	\$45,052	\$155,255	NO	NO	NO
Renter Household	\$48,857	\$168,369	NO	NO	NO
Lone-Parent Family	\$55,673	\$191,858	NO	NO	NO
Minimum Wage (2-Person)	\$59,000	\$203,321	NO	NO	NO
Families without Children	\$78,500	\$270,520	YES	YES	YES
Saint John (City) Average	\$86,183	\$296,996	YES	YES	YES
Families with Children	\$105,780	\$364,530	YES	YES	YES

Source: Statistics Canada Community Profiles, 2021; Maximum ownership price calculated using SHS methodology that utilizes Bank of Canada 5-year average of 5-year conventional mortgage interest rate (5.31%), assumes household spending 30% of gross household income on shelter costs

In the re-sale market, households with incomes comparable to the average Saint John City household, families without children, and families with children can afford to purchase the average house on the re-sale market. Apartment dwellings are affordable

to most of the assessed household types, but they do not make up a sizeable proportion of the market, making up 33 sales out of the 1,283 total sales. The impact of two incomes in a household is demonstrated in this exercise.

4.3 Affordability in the Rental Market

To compare the renter households of Saint John to the existing rental market conditions, the affordability charts below were generated. Income deciles for renter households were generated and used to create three household income categories: low-income households (household income of less than \$33,441), moderate-income households (household incomes between \$33,442 and \$52,139), and high-income household (household incomes over \$52,140). **Figure 43** shows the comparison of rental household income deciles and the average rental market price ranges for a variety of unit types. These ranges were generated using the 2022 average CMHC rents for all units, sorted by building age and by building size. This range incorporates the price variability within the market for the same unit sizes.

Figure 43: Rental Affordability Table – Rental Income Deciles Compared to Rental Unit Types

Rental Affordability			City of Saint John - Primary Rental Market (2021) Ranges			
	2022 Income (Renter HH)	Max Affordable Rent	Bachelor	One-Bedroom	Two-Bedroom	Three Or More Bedrooms
			\$445 - \$792	\$742 - \$1,028	\$803 - \$1,261	\$836 - \$1,492
Low Income Deciles 1-3 (Less than \$33,441)	\$21,007	\$438	NO	NO	NO	NO
	\$27,224	\$681	MAYBE	NO	NO	NO
	\$33,441	\$836	YES	MAYBE	MAYBE	MAYBE
Moderate Income Deciles 4-6 (From \$33,441 to \$52,139)	\$39,658	\$991	YES	MAYBE	MAYBE	MAYBE
	\$45,894	\$1,147	YES	YES	MAYBE	MAYBE
	\$52,139	\$1,303	YES	YES	YES	MAYBE
High Income Deciles 7-9 (Greater than \$52,140)	\$58,385	\$1,460	YES	YES	YES	MAYBE
	\$68,592	\$1,715	YES	YES	YES	YES
	\$88,299	\$2,207	YES	YES	YES	YES

Source: Statistics Canada Community Profiles, 2021; Maximum ownership price calculated using SHS methodology that assumes household spending 30% of gross household income on shelter costs.

The primary rental market in Saint John appears to be relatively affordable to a number of renters, where and when rental units are available. However, this affordability is mostly realized by moderate and higher income households, since households making \$39,658 and less will face considerable affordability issues in the rental market. This figure accounts for about 40% of the renter households.

Figure 44 shows the comparison of a variety of household types to the average rental market prices for a variety of unit types. It should be noted that rental prices tend to be higher in the secondary market and would likely end up at or above the high end of the rent ranges provided.

The impacts of single-income households on housing affordability are demonstrated in this exercise, as many household types that are typically single-income households are currently facing affordability issues. Additionally, there may be other factors in determining what units may be available to different household types or income levels, including availability, adequacy, and unit condition. As discussed in Section 3.2 of this report, newer and larger buildings tend to have higher average rents and lower vacancy rates. This may have the effect of forcing low- and moderate-income households, or single-income households, to older structures where they face adequacy issues, or can lead to affordability issues in newer, more suitable rental units.

Figure 44: Rental Affordability Table – Household Types Compared to Rental Unit Types

Rental Affordability			City of Saint John - Primary Rental Market (2021) Ranges			
	2022 Income (Renter HH)	Max Affordable Rent	Bachelor	One-Bedroom	Two-Bedroom	Three Or More Bedrooms
			\$445 - \$792	\$742 - \$1,028	\$803 - \$1,261	\$836 - \$1,492
Minimum Wage (1-Person)	\$29,500	\$ 615	NO	NO	NO	NO
Non-Family Household	\$38,749	\$ 969	YES	MAYBE	NO	NO
One-Person Household	\$45,052	\$ 1,126	YES	YES	MAYBE	MAYBE
Renter Household	\$48,857	\$ 1,221	YES	YES	MAYBE	MAYBE
Lone-Parent Family	\$55,673	\$ 1,392	YES	YES	YES	MAYBE
Minimum Wage (2-Person)	\$59,000	\$ 1,475	YES	YES	YES	YES
Families without Children	\$78,500	\$ 1,962	YES	YES	YES	YES
Saint John (City) Average	\$86,183	\$ 2,155	YES	YES	YES	YES
Families with Children	\$105,780	\$ 2,644	YES	YES	YES	YES

Source: Statistics Canada Community Profiles, 2021; Maximum ownership price calculated using SHS methodology that assumes household spending 30% of gross household income on shelter costs.

4.4 Other Factors Influencing Affordability

Income is a prime determinant of a household’s ability to pay for shelter costs and dictate what choices that household may have in accessing the housing market. Trends in employment income in New Brunswick show that over the last five years (from 2018 to 2022), average wages have increased at a rate of about 3.5% versus inflation (measured as CPI) which rose at an average of 2.7%²⁷. From 2016 to 2021, wages increased the most for those in the agriculture, utilities and public administration sectors. Wage increases were lowest among those in other services, wholesale & retail trade, and healthcare & social assistance sectors.

While the overall average wage trend is encouraging, recent increases in annual inflation have also been sizable (+7.3% from 2021 to 2022) and are likely to sustain in

²⁷ Employee wages by sector are reported in Statistics Canada table 14-100064-01.

the short term which could put recent wage gains at risk. Monetary policy to address inflation has seen considerable upward interest rate increases over the last year and this will have consequences for affordability in terms of mortgage costs for those in the ownership market. This is in addition to cost pressures already being seen in both the ownership and rental markets where costs are rising at rates greater than wage increases. In the case of rental housing, costs have increased an average of +4.1% annually since 2013 and resale home prices have jumped an average of +6.8% annually since that time. This signals a clear erosion in the ability of many households to access or maintain affordable accommodation.

This challenge is even more prevalent for those households who rely on social assistance. Under 2023 family income security rates in New Brunswick, eligible assistance is quite modest. A two adult household would be eligible for just over \$12,200 annually and individuals would be entitled to just over \$7,600 annually (transitional assistance)²⁸. Those with a medical disability would be entitled to slightly more, with two person households eligible for just over \$13,400 and individuals eligible for \$9,400 annually (extended benefits). Caseloads had seen an almost 20% decline in the province since 2016 but this trend has reversed more recently and there are currently more than 21,100 households in receipt of assistance, providing benefits to more than 32,150 individuals. For these individuals, there are very few affordable housing options in the market, save and except for non-market options such as public housing, rent supplement assistance or non-profit housing.

Seniors in receipt of income assistance also face considerable economic challenges in terms of housing affordability. Under a standard Old Age Security pension (OAS), seniors would be entitled to a maximum of just over \$8,300 per year²⁹. Low-income seniors who qualify for Guaranteed Income Supplements (GIS) could be eligible for additional \$12,500 per year on top of their OAS benefits, resulting in a total maximum income of just over \$20,800. For those whose household income exceeds set thresholds, they would be entitled to lesser GIS assistance. While these rates are more generous than provincial social assistance rates, households in receipt of only these benefits fall into the lowest income deciles for those in Saint John and have extremely limited housing options in terms of affordability.

4.5 Summary of Housing Affordability

Shelter-to-income ratios from households in Saint John indicate that affordability issues are more prevalent for renters than owners, with just under a third of renters facing these affordability issues. Core housing need in Saint John is predominantly driven by affordability and impacted fewer households from 2016 to 2021, although this may have been influenced in large part by temporary government assistance programs associated with the COVID-19 pandemic. The inflow of households with higher incomes through inter-provincial migration may also have influenced this trend. As is typically the case,

²⁸ Based on statistics published by the New Brunswick Department of Social Development.

²⁹ Figures are based on 2023 rates published by the Government of Canada.

renter households were much more likely to be in core housing need than owner households.

While looking further into the affordability of neighbourhoods, the inner neighbourhoods of the City are facing housing affordability issues at a higher rate. The inner neighbourhoods account for 50.7% of the total households in the City of Saint John, but these neighbourhoods account for 62.2% of all households facing affordability issues. While only 31.0% of owner households reside in one of the inner neighbourhoods of the city, these neighbourhoods account for 38.0% of all owner households facing affordability issues.

Based on income deciles for all households, high-income households in the City of Saint John have access to the ownership housing market, depending on the availability of units. When sorted by household type and average household income, those families with high incomes would generally be able to access the housing ownership market. Based on income deciles for renter households, those households within the moderate- and high-income deciles would be able to access the rental market. Most household types would appear to be able to access the market, but this may depend on the age and size of the building and availability of housing stock or rental universe. As newer units are added to the limited stock available in the market, the higher cost of this new supply may be an impediment to new households entering the market. Affordable supply is needed to address those in the bottom third of the renter market.

The current ownership market in Saint John has become increasingly unaffordable for all households outside of the highest income groups in the city. In particular, new housing prices have tended to increase at a rate higher than income level and as a result, are increasingly unaffordable. Recent improvements in income have tempered this but may be short-lived, especially given the impact of rapidly climbing interest rates on the costs associated with home ownership. As a result, the affordability issues that are associated with the house prices in Saint John may make households choose to own a house in another municipality or be forced into the rental market.

In 2021, Saint John attracted less intra- and inter-provincial migration than comparable municipalities. However, Saint John is continuing to project growth primarily through these inflows and will require affordable housing options to continue to attract these populations. While the rental market is not wholly unaffordable for residents of Saint John at present, this may not continue to be the case. Higher earning households not able to access the ownership market may enter or stay in the rental market because they are able to afford higher rents than typical renter households. This may contribute to a gap between what is affordable for the average household and what is affordable for low- and moderate-income households in the city. The tightening rental market, as evidenced by declining vacancy rates, only fuels upward price pressures further. As a result, competition for the limited rental supply may force lower-income households to accept inadequate or unaffordable housing situations due to their limited economic means.

From an affordability perspective, Saint John faces issues like many other communities in the region and beyond. There are no signs of relief in the rental market as vacancy rates continue to decline and rents rise. Uncertainty continues to surround the home ownership market as inflation and interest rate policies remain in flux. These impacts are most prevalent for new owners or those renewing their mortgages in terms of purchasing power and carrying costs. Supply issues also remain pervasive in both rental and owner market where there is sustained demand and continued erosion of affordability. The addition of rental and ownership housing stock that is affordable, especially for low and moderate income households, is critical to help address these issues.

5.0 Housing Market Assessment

5.1 Summary of findings

Over the past 15 years, the City of Saint John has experienced a decline in growth but recent trending has shown a reversal of this phenomenon with a modest upturn in growth since 2016 and more aggressively through 2021. While outflow of younger age cohorts has been evident, recent inflow via inter-provincial and international immigration has buoyed this growth resurgence. Like many communities, aging is playing a prominent role with seniors occupying an ever larger share of the population and this trend is expected to continue. While current population is slightly below forecast levels, there are signals that growth is expected to continue, mainly due to migration inflows and emerging employment growth potential.

Traditional household structures are common in the City but there is a tendency towards smaller household sizes and an increase in non-family structures, namely those that are one-person households. These trends have led to a growth rate in households that is faster than population growth. While ownership has represented the majority of housing tenure in Saint John, there is now an equal share of renters as growth has been more prominent in renter households in recent years. The increase in seniors and tendency towards smaller households may in part explain this trend. In-migration of larger households may somewhat temper this trend going forward, depending on future inflows.

Despite growth in average incomes, households in Saint John still have lower than average incomes when compared with their regional municipal counterparts. There is also evidence of polarization in the distribution of household incomes with notable growth in higher income deciles and more modest gains for those in lower income deciles. In terms of tenure, this income disparity is increasingly evident between more affluent owners and less affluent renters, despite overall gains in household income that have been seen in most recent Census figures. Economic indicators suggest that recent gradual declines in unemployment and increased wage growth may help to sustain income growth going forward but there are elements of uncertainty in the post-pandemic recovery period, especially as inflation has ballooned and interest rates have steadily climbed in response.

The residential housing stock in the City provides a range of options to accommodate the needs of the population and is geared mainly to single detached and low rise apartment forms. There is a very modest supply of mid-density housing forms, both in terms of ownership and rental stock. As Canada's oldest city, there is also a substantial component of older housing stock in Saint John that tends to require more major repairs as compared with newer stock. There is evidence of renewal or redevelopment of this older stock resulting in net gains to supply through intensification.

Production trends for new housing have shown a tendency to perpetuate existing forms and tenure. However, there has been a recent upturn in rental apartment development, although these units tend to be at the higher end of the rental scale. Housing starts also

continue to outpace completions, signalling a tendency towards a growth market. There is an established primary rental market serving the community which is heavily weighted towards two bedroom apartment units. Declining vacancy rates and pent-up demand for rental housing has resulted in the expansion of the secondary rental market where non-traditional forms (i.e. single detached and semi-detached homes) help serve the needs of renter households. Sustained demand and supply constraints have led to upward pricing in both the ownership and rental markets. Rental rates have continued to increase at a rate faster than inflation and home prices have rapidly escalated to record levels in the past few years. There is also an established inventory of non-market housing within the city that helps to provide affordable accommodation to low and moderate income households. Despite substantial waiting lists and a clear need for more affordable housing, there have been only modest additions to this inventory.

From an affordability point of view, it's clear that a number of households in Saint John are experiencing challenges, especially those in the rental market and those in core need. Despite the current housing supply and the recent additions to it, households are facing continuing problems based on upward costs in the market. Rental households which traditionally have lower incomes, are facing rental increases which are outpacing inflation and at rates that are higher than average in newer rental housing developments. As a result, up to 40% of those in the rental market face serious difficulties accessing affordable rental housing options.

Despite historically low interest rates and past affordable house prices, recent supply shortfalls and sustained demand have resulted in rapid price escalations in the ownership market. While there are recent signs that pricing may be moderating somewhat, interest rate hikes over the last year have created additional affordability issues for owners. As a result, only those in the higher income deciles can afford average new home prices and in the resale market, only about 50% of owners could access affordable ownership options. In light of this trend, some prospective owners have turned to or stayed in the rental market to meet their housing needs, creating additional competition for those lower and moderate income households seeking rental accommodation.

There are a number of influencing factors that contribute to and shape the housing trends that have been identified including:

Aging of the population – As the resident population ages, there will be an increasing need to appropriately accommodate the growth in senior households. This need may be further accelerated where in-migrating households are in older adult and seniors age cohorts.

The flow and composition of in-migrating households – Inter-provincial and international migration has driven recent growth and is forecast to continue to do so, especially in the face of targeted government campaigns to attract relocation. Ebbs and flows in the rate of this migration, the composition of the households that migrate and their settlement patterns will continue to have an effect on local housing needs.

Income distribution – There are clear income disparities among households in the city and the gap between lowest and highest deciles has grown over time. Pandemic impacts have only served to further magnify these distinctions and underscore the importance that income has in fostering housing choices, despite recent overall improvements in income growth.

Older housing stock – The aging housing stock in the city has precipitated investment to revitalize or redevelop units and has generated more intensive development in the process. While this cycling of stock is not unexpected, there are knock-on effects from this activity including higher rental prices in new/refurbished units. And while older stock that is not revitalized may command more affordable rents, the condition and adequacy of these units may be less than suitable.

Housing costs – Sustained demand and supply limits have driven up housing costs dramatically, especially in the ownership market. Housing costs have outpaced inflation and continue to rise, placing considerable pressure on those seeking accommodation and whose purchasing power has been eroded. More recently, upward inflationary pressures have had a dramatic effect on prices and in turn, have triggered substantial interest rate hikes that are intended to curb these effects. New stock coming on line in both the rental and ownership market is inaccessible for many households in their respective markets and continued cost escalation will have lingering effects on affordability and the local economy.

Economic uncertainty – The last few years in a pandemic environment has had profound economic effects on households and their housing options. While job growth, wage growth and historically low interest rates have been generally beneficial, the more recent ramping up of inflation and the steady climb of mortgage rate hikes by lenders may yet have a dampening effect on economic recovery and the housing market. To date, monetary policies have not been successful in dampening the impact on rising housing costs.

Production capacity – Population and household growth to date has trended at just below projected levels. However, housing production has tracked at rates below these growth levels and in the future, could further exacerbate supply issues where production does not rise, especially if growth rates outperform projections. More recent forecasts suggest the potential for higher growth looking forward. While global supply chain issues appear to have eased somewhat, more localized labour, material and land costs could contribute to both production and housing cost issues.

Public assistance to address those most in need – For those in the lowest income deciles, there are limited housing options and a high reliance on government supports. This is especially true in the rental market where incomes are lower and more vulnerable populations are found (e.g. seniors, singles, lone-parent families, etc.). Housing assistance programs are available to provide support but access is limited, waiting lists for accommodation are substantial and the

distribution of existing units tends to be clustered. Resources to support additional new supply are scarce and there is limited capacity to deliver such units.

5.2 Emerging issues and priorities

Based on the assessment of the local housing market, there are a number of housing gaps that are evident across the housing continuum. If we consider the continuum in three distinct segments, it is possible to better situate the gaps that have been identified. These three continuum segments are:

- **Lower end** – Those households that generally fall below the 30th income percentile and have the most limited economic means. Consequently they also have the most limited housing choices in the market. Low income renters are the most vulnerable within this segment, although owners on fixed incomes who fall in this category can also encounter hardship.
- **Mid-market** – The middle segment of the market is where households generally fall between the 30th and 60th income percentile. With moderately higher incomes, households in this segment have more housing choices, especially in the rental market but have fewer options within the ownership market.
- **Higher end** – These households have incomes above the 60th income percentile and accordingly, have significant economic latitude in accessing housing options in the market, where available.

Using these segments, it is possible to better align where housing market gaps exist within the local landscape. These gaps include:

Housing to address the needs of most vulnerable households

Those in the lowest end of the continuum experience considerable hardship due to low incomes and limited housing choices. While there are housing assistance options provided primarily through government – whether in terms of income supports or affordable housing – these options are finite and come with required eligibility criteria. Housing is provided directly by the Provincial government (with or without Federal assistance) or through local non-profit housing providers via senior government funding programs. The funding, structure and accessibility of these programs determines in large part how well they respond to needs.

While a local portfolio of housing options exists and provide a range of units, types and sizes, considerable waiting lists for these units exists. Resources to support new supply are limited and there has been only modest additions to this stock despite sustained demand. Recent programs have also targeted households that can afford below market rents rather than the lower income households that rely on rent-geared-to-income options to address their needs. Given the lack of options available to this constituency, there is a need for additional senior government resources to address this gap.

Supportive/special needs housing

Because they tend to fall within the lower end of the continuum, those individuals with supportive/special housing needs typically will require some form of support or a modified living environment in order to live independently. As result of this requirement, they normally will also have lower incomes and experience affordability issues as a result of this status. As with other forms of housing assistance, the provincial government and local service delivery agencies play a significant role in working to address these needs, whether through services, assistance, accommodation or some combination thereof.

An array of supportive/special needs housing is available in the Saint John area which serves a variety of clientele and their corresponding needs. However, this supply is limited and there are concerns that insufficient housing is available that is geared to those with accessibility requirements. Expansion of existing housing through new supply initiatives has been quite modest and as a consequence, demand remains unmet. Providing housing that is more appropriate to those with supportive/ special needs is a priority and must be pursued with government and local service delivery agencies.

Affordable rental housing

For those households that fall within the mid-market income range (30th to 60th income percentile), the escalation in rents and limited supply of rental market options has created significant challenges. This has been even more prevalent for renters already in the market who tend to have lower household incomes. The current inventory of stock in the primary rental market is heavily weighted to two bedroom units despite the fact that demand exists both for smaller one bedroom units and larger family units. The projected growth in seniors, one-person and immigrant households will only serve to heighten this demand. While units in the secondary rental market may provide additional options for larger households, they tend to be at higher costs and do not have the same security of tenure as purpose-built rental accommodation.

Prices for new market units tend to be higher than in existing stock. Where units are more aged and have lower rents, they may be in disrepair or inadequate to meet household needs. Revitalizing suitable rental supply and expanding new stock by type and affordability would help those households struggling to find mid-market options. While this fall substantially within the domain of the private sector, utilizing government programs, incentives and policies may assist in enhancing affordability of new units that are brought on-line.

Affordable ownership housing

Typically, the needs of those households with incomes in the higher end of the market (above the 60th income percentile) would be met entirely by the private sector. However, recent price spikes in Saint John have indicated challenges for accessing new housing options below the 70th income percentile. In the case of resale homes, there is more flexibility with access to market options as low as the 50th income percentile.

However, these thresholds are reliant upon being able to access supply and that is a pivotal issue. Where households cannot access the ownership market, they may choose

to access or overstay in the rental market, causing downstream demand for units better suited to lower income rental households. The reality of higher interest rates and sustained inflation will only add to those concerns. The lack of mid-density ownership options that are typically lower in price also contributes to affordability issues in this income range. As with affordable market rental units, the private market has a primary role in addressing needs. However, use of government programs, incentives and policies could assist in enhancing the affordability of new ownership units.

5.3 Implications for the Housing Action Plan

Adequate and affordable housing that responds to local needs is fundamental to any healthy community. Through the needs assessment process, a number of gaps in the local housing continuum have been identified for Saint John. Addressing these gaps will help to provide a more complete continuum of housing options for households in the community. As an integrated system, the delivery of housing relies on the participation of many stakeholders, including the community.

During the course of the next step in the study process, consideration will be given to possible solutions based on the findings and gaps identified in this Needs Assessment report. Through identification and evaluation of potential options, strategies will be defined for addressing issue areas. This work will culminate in the development of an Affordable Housing Action Plan.

Within each housing gap area, there are a number of considerations which may help to direct options in the next stage of the study work. Some preliminary considerations for this next step by gap area are as follows:

Housing to address the needs of most vulnerable households

- Maintaining supports for community housing to ensure on-going viability from both an operational and capital perspective
- Augmenting existing community housing stock using new supply initiatives and Rent Supplement assistance
- Leveraging community housing stock as it hits mortgage maturity to foster asset renewal and expand the supply of affordable units
- Building provider capacity to deliver new/redeveloped housing units

Supportive/special needs housing

- Expanding the supply of supportive and transitional housing to better address the array of needs in the community
- Increasing the number of accessible units wherever possible
- Expanding the supply of housing and support alternatives for semi-independent seniors (pre-LTC)
- Reviewing land use regulations and practices to help better facilitate development of new supply

- Mapping the system of housing support and service agencies to help the system better align services and coordinate outcomes

Affordable rental housing

- Encouraging the development of new affordable purpose-built rental units, especially those that address needed unit types and sizes
- Encouraging the revitalization and redevelopment of existing rental units, especially those that foster needed unit types, sizes and accessibility
- Protecting existing rental supply from conversion or loss where appropriate
- Expanding the supply of rental housing for independent seniors to enable them to age in place in their community
- Utilizing and expanding on incentive packages that help to support affordable rental housing development or redevelopment
- Reviewing land use regulations and practices to help better facilitate approvals and development of new rental supply

Affordable ownership housing

- Encouraging the development of new mid-density housing to help address the middle market gap and support seniors downsizing
- Continuing to support development of secondary suites and accessory apartments in ownership dwellings as a flexible way to expand rental supply in the secondary rental market
- Exploring home share, co-housing, Abbeyfield and other innovative options that can help address independent seniors housing needs
- Utilizing and expanding on incentive packages that help to support affordable ownership housing development through local partners (i.e. Habitat for Humanity)
- Reviewing land use regulations and practices to help better facilitate approvals and development of new ownership supply

Postscript

The initial Housing Needs Assessment report identified trends, issue areas, gaps and options as a foundation for developing the City of Saint John Housing Action Plan. This Update report has served to refine and clarify the identified issues based on more recent data. While many of the highlighted trends have been confirmed through the update process, housing affordability impacts have shifted to some degree based on newer data. Uncertainty remains with regards to population growth, income trends, housing costs and associated drivers, underscoring the need to regularly re-calibrate for changed conditions based on the most current data. In that regard, it is recommended that the Housing Needs Assessment report be updated every five years to help ensure that Housing Action Plan activities continue to reflect the current priorities and issues in the local housing market.