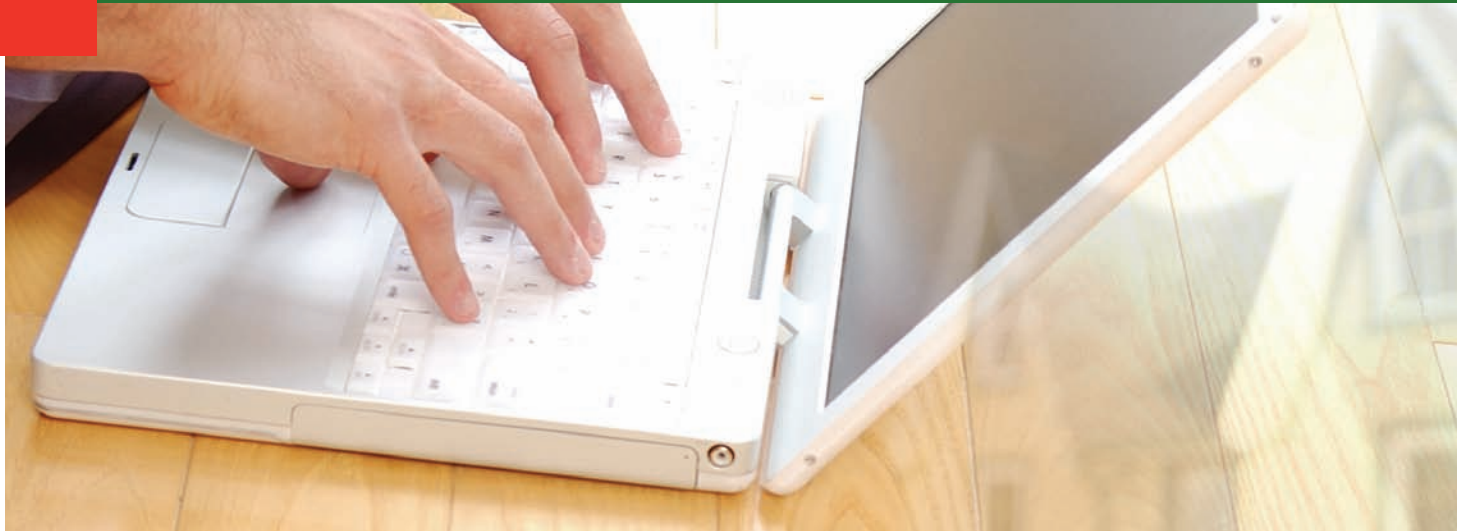


RESEARCH REPORT

External Research Program



Affordability Challenges and Rental Market Dynamics in Small Nova Scotia Communities with Community College Campuses



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2008

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Abstract

This report contributes to the knowledge of rental market dynamics and housing affordability issues in small communities by summarizing the rental housing issues of community college students in three small towns in Nova Scotia. Drawing on a literature review, a survey of students, key informant interviews, and local documents and plans, it focuses specifically on the responsiveness of small markets to student housing needs. The evidence suggests that in larger small markets (communities with 5,000 to 15,000 population), there is reasonable choice and opportunity for students, but in smaller markets there is less choice and fewer new rental properties, making it more difficult for students to find affordable housing. Students with families (spouse or partner, children) have more difficulty than others finding housing that meets their needs. However, students do not appear to suffer from affordability problems any more than those renting in the general population. The findings suggest that community planners can facilitate new forms of rental housing with new planning tools; that rental housing providers and developers have financial challenges building new rental housing; and that community college systems can play a larger role in providing housing information and guidance to prospective students.

Executive Summary

Introduction

This report focused on the rental market situation in Nova Scotia small towns where there are campuses of the Nova Scotia Community College (NSCC) system. The primary subject of this report was the housing situation of students within the context of three local markets of various sizes (Truro, Stellarton, and Port Hawkesbury). In particular, this report examined various aspects of the local rental markets – supply and demand issues and factors – and assessed the situation of student renters within the local market. The report developed an understanding of the rental market capacity of small communities to provide a range of affordable housing options for residents and for students attending community college campuses located in small towns in Nova Scotia.

The major question addressed by this report was: What are the barriers to and opportunities for, the provision of affordable housing options in small towns with college campuses?

For the purpose of this study, a flexible definition of “small rental markets” was employed. Small rental markets in the context of the Nova Scotia settlement pattern and the distribution of NSCC campuses are defined as those outside of the two largest metropolitan areas of the province – the Halifax Regional Municipality and the Cape Breton Regional Municipality. Thus small rental markets are those in all other towns and villages and places in the province.

The NSCC has thirteen campus locations across the province: three are located in the Halifax Metro area, one is located in the Cape Breton Metro area; and the remaining nine are located in small towns. All campuses provide core programs for year one entry level, and each campus offers a suite of specialized second year programs designed to graduate students for employment in a chosen career (more than one campus may offer the same second year program, but each specific program is typically available at only one or a few campus locations).

The NSCC overall student numbers have been growing (up 33% between 1998 and 2007); each of the three campus locations for this study have been growing as well.

Methodology

Four distinct research tasks were completed for this project:

- A literature review on rental housing generally and on small rental markets specifically.
- A web-based student survey was conducted November 17-30, 2007. The survey was made available to students at all thirteen NSCC campuses. The survey response rates at each of the case study campuses are as follows:
 - Truro $120 / 827 = 14.5\%$
 - Pictou $80 / 737 = 10.9\%$
 - Strait $54 / 687 = 7.9\%$
 - Total $254 / 2251 = 11.3\%$

- Key informant interviews were conducted between November 1, 2007 and January 11, 2008. A total of 40 interviews were completed.
- A review of local documents was used to provide contextual information for analysing the primary data collected from the student surveys and key informant interviews.

Small Rental Markets

Given the dearth of literature which focuses on the two subjects of community college students and smaller rental markets, it is difficult to offer a definitive statement based on the literature review about the extent to which community college towns are unique rental markets. In some respects, the rental markets in these college towns are likely to exhibit features which are quite similar to those in larger urban centres, especially those with universities. This may include features such as more diversity in the rental housing stock than in other communities of similar size, and higher rents given the presence of a steady market demand. On the other hand, they may have features which are more similar to other small towns which do not have a college campus, including limited capacity of the local development community to provide housing diversity, and competition with other market segments (such as seniors and low income households) for a limited number of available units.

The key factors influencing the rental market in small communities as identified in the literature include: local economic context; affordability; local planning; taxation; and rental property ownership structure. Rental markets in these communities are small and relatively less robust with little new investment in new units over time. The residualization of lower income households in the rental market creates financial challenges for investors who struggle to find a balance between charging enough to earn a small profit and charging what the lower end of the market can afford (or risk higher vacancy rates). This reality points to ongoing affordability challenges facing those living in rental units in rural communities and small towns – smaller markets do not necessarily imply a greater degree of affordability when compared with urban markets. Certainly the changing demographics, highlighted by a rapid increase in the proportion of seniors' households, will have a profound impact on the potential future market orientation of existing and new units. Taking these points together, prospective students attending community colleges located in small housing markets may find it difficult to obtain appropriate and affordable housing.

Summary of Evidence About Small Rental Markets from Secondary Data

The three rental housing markets with community college campus have features which may create some challenges for students as they seek rental accommodation during their school year(s). There are an increasing number of smaller households and older households in each market, some of whom would likely be interested in rental housing to better meet their needs. The supply of rental housing is characterized by relatively high rates of need for repair. The rental supply is dominated by small scale apartment buildings, semi-detached houses, and single-detached houses, although in Truro and Port Hawkesbury there are relatively more accessory apartments in the mix. There has been a relative lack of new rental housing construction in the Stellarton and Port Hawkesbury markets, while the new construction in Truro has been aimed at the seniors' market.

Summary of Evidence About Small Rental Markets from Key Informant Interviews

In each of the case study communities, students play an important role in the market in terms of contributing to the economy and to the demand for rental housing. However, students do not necessarily “drive the market”. In Port Hawkesbury in particular, it was felt that students are impacted by responses of the market to other demand segments, such as migrant workers. In Truro and Stellarton, it was felt that the market was more influenced by seniors.

In all three markets, most interviewees (including many of the rental property owners themselves) stated that most rental property owners and developers do not make much or any use of published and other market information in their decision-making activities. Instead, most rely on their tacit local knowledge and “gut feeling”, for the most part, when making a decision about whether or not to build new rental properties. However, there was a slight variation on this general theme in the Truro market, where several larger and more sophisticated developers of rental properties from the Halifax area have begun to build in the local market. They are making use of market information.

There were no significant or major planning issues identified by any of the interviewees in any of the markets. In all three case study locations the municipal plans have been recently updated. In Truro it was noted that secondary suites are not permitted as a right across the community. Truro has been successful in implementing a new unsightly premises by-law. The town has also taken the approach of using development agreements to facilitate new rental housing development. Both Stellarton and Truro have encouraged new residential development in their downtown core areas through revisions to their zoning by-laws. Access to quality land in the right location is becoming a problem in all three markets.

Staff at each of the three campuses who were interviewed felt that there was generally sufficient capacity within each of their local housing markets to absorb a modest increase in the number of students attending their campuses, should that occur. Collectively they felt that if there was any increase in the number of students in the coming years (short term), most of them would be local persons who already have permanent accommodations or they would be within a reasonable commuting distance and not likely to relocate. In addition, the principal of each campus (and in some cases, other senior campus staff) are quite involved in their local communities serving on various boards and committees, and participating in community organizations. This has meant that they are well-attuned to the changing nature of the community and the role and presence of the campus in the community. It also means that discussions about expansions or changes to programs or facilities are well-grounded in the knowledge about potential impacts in the community.

Campus staff who were interviewed at each of the three campus locations were not aware of any students who chose not to come to their campus because of a housing issue or because of a concern that they would not be able to find appropriate and affordable housing.

Access to financing and making rental housing work from a business case perspective appear to be the most significant challenges facing rental property owners and new development projects in smaller markets. In each of these three markets, there are rising input costs for new

construction – land, materials, labour. From an ongoing operating perspective for existing properties, rents are primarily driven by input costs – the costs of electricity, heat, and fuel, supplies, repairs, contract labour. All have risen, and there have been corresponding increases in rents over the years. Property owners in each of the three markets expressed concern about the increasing difficulty in obtaining financing and mortgage loan insurance for new developments.

Summary of Evidence About Small Rental Markets from Student Surveys

The responses to the student survey suggest that students in a family situation and who rented in these smaller markets faced the most challenges – they paid more for their rental units than the average rent for a two-bedroom unit in the general marketplace in Truro and in Stellarton. They were also more likely than individual renters in those markets to feel that they paid more than they could afford. They also took longer than individual student renters to find their housing, and more of them reported that they found the process to be difficult. Many reported need for repairs to their units, especially in the Truro and Stellarton markets. For individual student renters they generally paid less than what was paid in the general marketplace for a one-bedroom unit in each of the locations. Individual student renters at the Strait campus identified specific concerns about affordability and about the need for major repairs to their units.

When the survey data from all student respondents across the province were examined, it was found that more students renting in a family situation compared to individual student renters at campuses other than Truro, Pictou, and Strait, ruled out attending any of these three campuses because of concerns about finding housing. However, it was also found that relatively few students who chose to attend other campuses had specifically wanted to attend one of these three campuses, but could not because of housing issues.

Lessons and Recommendations for Planners

There are a number of initiatives and examples from the case study communities and stemming from the research findings which are of interest to municipal planners:

- Use pre-zoning for multi-unit development in targeted areas. This approach ensures that there will be adequate and suitable land for future development.
- Use development agreements to facilitate new rental development.
- Adopt a “residential mixed use” zone to allow many possibilities for residential development within a downtown core area.
- Revise “commercial” zone designations to ensure that the by-laws within them offer flexibility and do not impede creative approaches to residential development.
- The wording and tone of the municipal planning strategy should have broad policy statements concerning affordable housing, and consider potential campus expansion.
- Ensure planning regulations permit accessory apartments and secondary suites where appropriate in the community, since they provide an important rental option for students.
- Ensure there is a unsightly premises by-law supported with a pro-active education campaign to obtain compliance.
- Ensure ongoing inspections of questionable rental properties to address the need for major repairs and to improve the safety and comfort of occupants.

- Provide information to rental property owners about rental repair assistance programs available through various levels of government.

Lessons and Recommendations for Rental Housing Providers and Developers

A number of findings from the research suggest some potential action items for rental housing providers and developers in smaller rental markets with community college campuses:

- Build new rental housing that meets the needs of families with children to address the market gap identified by student renters with families.
- Build new rental housing that meets the needs of seniors. This may free up existing units to meet the needs of students.
- Explore partnership with local community college campuses to share information about the changing nature of the local student body and their housing needs, and to possibly lead to some type of development arrangement to meet the needs of the local student body.
- Work with their industry associations (such as homebuilders' associations, real property associations, and so on) to lobby for or work with the financial industry and government to review its lending practices in smaller markets to address perceived problems of access to financing and mortgage loan insurance (see below).
- Identify sources of financing to address the repair needs in rental units, where these needs exist.

Lessons and Recommendations for Community College Systems

There are a number of potential action items that could be taken by community college campuses (individually at each campus) and across province-wide college systems as a whole:

- Each campus, and the college system as a whole, should consider the potential to invest in a small residence development for “mature” students and their families. A starting point for the NSCC in particular would be to revisit the various residence feasibility studies conducted at each campus in 2003.
- Investigate support for, and seek commitments to enhancements to, existing financial support programs for students, to address their housing affordability concerns. There may also be opportunity to work with other government departments to design financial assistance programs that meet the specific housing needs of students.
- Be pro-active in providing more housing information to students about the local market and available rental properties. Inform rental property owners about how they can best reach their students, and inform the entire study body about the available source(s) of information concerning rental properties.
- Assist their students to better understand their rights as tenants, and assist them in finding the most appropriate housing possible in the local market. Examples include: a checklist of items to investigate and assess in a rental property unit when searching; the role of the rentalsman in support of the rights and responsibilities of tenants; and understanding their own rights and responsibilities as tenants.¹

¹ See Your Guide to Renting a Home on www.cmhc.ca

Conclusions

Responsiveness of Small Markets To Student Needs

A rental market that is responsive to the needs of students would provide a range of choices, with an adequate supply of reasonable quality, at prices students can afford. Across the three communities there was a wide range of rental choices for students; however, more of the family student renters than individual student renters took longer to find the housing they wanted.

In terms of the quality of rental housing occupied by students, a larger percentage of student renters reported that their units were in need of major repairs compared with the self-reported state of repair by the general population of renters in each of the three market locations. Furthermore, a larger proportion of family student renters than individual student renters reported a need for major repairs in each of the market locations.

Issues concerning price and affordability among student renters varied across the market locations. Individual student renters paid less than the average market rent for a one-bedroom apartment in Truro and Port Hawkesbury, while family student renters paid more than the average market rent for a two-bedroom apartment in all three market locations. However, the incidence in which students identified that they were paying more than they could afford (a proxy measure for being “in need” or for experiencing affordability problems) was actually slightly less than the incidence of core need among all renters in each of the market locations (based on calculations from the 2001 census). The only exception to this was for individual student renters from the Strait campus – where more than half reported they were paying more than they could afford in the Port Hawkesbury market.

The general conclusion that one can draw from this evidence is that smaller markets are less responsive to the needs of students on matters of choice and quality, especially for students with families. While there is some concern about affordability among student renters, the extent of the problem appears to be no different than (or even slightly better than) that for the general population.

Barriers to Providing Affordable Housing

Several issues emerged from the research as barriers to providing affordable housing options in smaller markets with community college campuses. Difficulty accessing construction financing and mortgage loan insurance was identified by some rental property owners in all three markets in this study. The small size of the markets themselves, and the relatively small scale of individual developments (typically eight to sixteen units in size), make it a challenge to achieve healthy and reasonable profit margins warranting the risk in new developments. The limited availability of land in Truro and Stellarton markets in particular was noted. In both Truro and Stellarton, key informants noted concern that almost all of the new rental market developments have been built for seniors to the exclusion of other market segments, leaving lower income households and students with little or no new supply to choose from. The economic uncertainty

in some market locations deters investment. This was especially noted in the Port Hawkesbury case study.

Housing as a Factor in Student Choice of Community College Programs and Campuses

None of the interviewees were able to identify that any prospective students were not able to attend their campus or take their programs because of a real or perceived lack of housing choice. However, the responses to the student survey from across the entire NSCC system suggest that some students eliminated each of the three campuses in this case study from their list of possible campuses to attend because of concerns about housing. However, relatively few actually identified that they were unable to attend the campus of their choice due to housing concerns. Among student respondents from each of the three case study locations, housing was identified as an important consideration in the choice of which campus to attend by individual student renters at both Truro and Pictou campus, and by family student renters at the Strait campus.

Local Planning and Regulatory Issues

There were very few planning and regulatory issues identified by interviewees. There were some issues concerning the fact that secondary suites are not necessarily permitted as a right in some markets. The lack of pre-zoned land for new rental housing development was also identified. Concerns about unsightly premises were identified in all three markets, and in Truro the planning department implemented a successful pro-active, education-based approach to dealing with such properties.

Use of Market Information for Decision-Making

There appears to be adequate market information available on the Truro and Stellarton markets, although some rental property owners questioned its accuracy and usefulness. There is very limited information about the smallest market, Port Hawkesbury. In all cases, rental property owners themselves noted that they did not rely on published or other market information for decision-making purposes. Instead, they rely on their own personal knowledge and networks, and their gut feelings about the opportunity for investment.

Local Housing Market Capacities and College System Decision-Making

There was very little evidence that local housing market capacities were or are taken into account when formal planning and decision-making about changes to the college system as a whole or to specific campus locations. However, since most students attend a local campus from the immediate surrounding geographic area, any natural or planned increases in enrolments will likely have no significant impact on local housing markets. Indeed, all NSCC staff who were interviewed felt that there was still room in the local markets to absorb more students if necessary. In terms of residence space, independent studies commissioned by the NSCC in the early 2000s indicated that there would be limited or no financial impact on the private rental market in these markets. The residence space in Truro could be expanded, and the loss of the residence space at Strait campus a few years ago could be replaced, in both cases, with minimal

impact on the private market. Senior campus staff are involved in their local communities and are attuned to ongoing issues and potential impacts of any local and system-wide decisions

Presence of Community College Students in Local Housing Markets

Generally speaking, students appear to have minimal impact on the ability of others in each of the case study communities to find affordable rental housing. In all cases they are important to the overall economic health of their communities and to the housing sector as well. In Truro the market focus at the moment is seniors, leaving other supply to students. Stellarton is a submarket within the New Glasgow marketplace. There is no evidence that others are impacted by anyone renting to students. New seniors housing has been built in both Stellarton and New Glasgow in recent years. Employees in the call centre industry are generally housed in the New Glasgow area. In Port Hawkesbury, the smallest of the three markets, seniors are not getting the housing they require because the private sector cannot afford to build it and earn a reasonable return on investment, and much of the present rental housing is of a quality and type that better suits students than it does seniors. But the market there is driven more by migrant labour demands and fluctuations in the economy.

Further Research

There are three potential areas of further research stemming from the findings of this research:

- Research is needed to understand concerns expressed by some rental property owners about access to finance and loan insurance for new rental housing construction. The research should include interviews or discussions with the financial industry (locally, regionally, and nationally), mortgage loan insurance providers, rental property owners and developers, and others.
- Research on vacancy rates in smaller rental markets is needed. More specifically, the research needs to identify new approaches to measuring the health of small rental market and appropriate measures of a “balanced market”. This research would provide better market intelligence and signals to rental market participants, including renters themselves.
- Research on the feasibility of developing residences for community college campuses in small markets is needed. The cost of building and maintaining residence space is high and investment is potentially risky. Documenting actual need is required. Understanding successful partnerships between the private sector and educational institutions will provide useful examples that may lead to creative development approaches.

Affordability Challenges and Rental Market Dynamics in Small Nova Scotia Communities with Community College Campuses

INTRODUCTION

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SMALL RENTAL MARKETS

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SUMMARY OF EVIDENCE ABOUT SMALL RENTAL MARKETS FROM SECONDARY DATA

The three rental housing markets with community college campus have features that may create some challenges for students as they seek rental accommodation during their school year(s). There are an increasing number of smaller households and older households in each market, some of whom would likely be interested in rental housing to better meet their needs. The supply of rental housing is

characterized by relatively high rates of need for repair. The rental supply is dominated by small-scale apartment buildings, semi-detached houses, and single-detached houses, although in Truro and Port Hawkesbury there are relatively more accessory apartments in the mix. There has been a relative lack of new rental housing construction in the Stellarton and Port Hawkesbury markets, while the new construction in Truro has been aimed at the seniors' market.

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In each of the case study communities, students play an important role in the market in terms of contributing to the economy and to the demand for rental housing. However, students do not necessarily drive the market. In Port Hawkesbury in particular, it was felt that students are impacted by responses of the market to other demand segments, such as migrant workers. In Truro and Stellarton, it was felt that the market was more influenced by seniors.

In all three markets, most interviewees (including many of the rental property owners themselves) stated that most rental property owners and developers do not make much or any use of published and other market information in their decision-making activities. Instead, most rely on their tacit local knowledge and “gut feeling,” for the most part, when making a decision about whether or not to build new rental properties. However, there was a slight variation on this general theme in the Truro market, where several larger and more sophisticated developers of rental properties from the Halifax area have begun to build in the local market. They are making use of market information.

There were no significant or major planning issues identified by any of the interviewees in any of the markets. In all three case study locations the municipal plans have been recently updated. In Truro it was noted that secondary suites are not permitted as a right across the community. Truro has been successful in implementing a new unsightly premises bylaw. The Town has also taken the approach of using development agreements to facilitate new rental housing development. Both Stellarton and Truro have encouraged new residential development in their downtown core areas through revisions to their zoning bylaws. Access to quality land in the right location is becoming a problem in all three markets.

Staff at each of the three campuses who were interviewed felt that there was generally sufficient capacity within each of their local housing markets to absorb a modest increase in the number of students attending their campuses, should that occur. Collectively

they felt that if there was any increase in the number of students in the coming years (short term), most of them would be local persons who already have permanent accommodations or they would be within a reasonable commuting distance and not likely to relocate. In addition, the principal of each campus (and in some cases, other senior campus staff) are quite involved in their local communities, serving on various boards and committees, and participating in community organizations. This has meant that they are well-attuned to the changing nature of the community and the role and presence of the campus in the community. It also means that discussions about expansions or changes to programs or facilities are well-grounded in the knowledge about potential impacts in the community.

Campus staff who were interviewed at each of the three campus locations were not aware of any students who chose not to come to their campus because of a housing issue or because of a concern that they would not be able to find appropriate and affordable housing.

Access to financing and making rental housing work from a business case perspective appear to be the most significant challenges facing rental property owners and new development projects in smaller markets. In each of these three markets, there are rising input costs for new construction—land, materials, labour. From an ongoing operating perspective for existing properties, rents are primarily driven by input costs—the costs of electricity, heat, and fuel, supplies, repairs, contract labour. All have risen, and there have been corresponding increases in rents over the years. Property owners in each of the three markets expressed concern about the increasing difficulty in obtaining financing and mortgage loan insurance for new developments.

SUMMARY OF EVIDENCE ABOUT SMALL RENTAL MARKETS FROM STUDENT SURVEYS

The responses to the student survey suggest that students in a family situation and who rented in these smaller markets faced the most challenges—they paid more for their rental units than the average rent for a two-bedroom unit in the general marketplace in Truro and in Stellarton. They were also more likely than individual renters in those markets to feel that they paid more than they could afford. They also took longer than individual student renters to find their housing and more of them reported that they found the process to be difficult. Many reported need for repairs to their units, especially in the Truro and Stellarton markets. For individual student renters they generally paid less than what was paid in the general marketplace for a one-bedroom unit in each of the locations. Individual student renters at

the Strait campus identified specific concerns about affordability and about the need for major repairs to their units.

When the survey data from all student respondents across the province were examined, it was found that more students renting in a family situation compared to individual student renters at campuses other than Truro, Pictou and Strait, ruled out attending any of these three campuses because of concerns about finding housing. However, it was also found that relatively few students who chose to attend other campuses had specifically wanted to attend one of these three campuses, but could not because of housing issues.

LESSONS AND RECOMMENDATIONS FOR PLANNERS

There are a number of initiatives and examples from the case study communities and stemming from the research findings which are of interest to municipal planners:

- Use pre-zoning for multi-unit development in targeted areas. This approach ensures that there will be adequate and suitable land for future development.
- Use development agreements to facilitate new rental development.
- Adopt a “residential mixed-use” zone to allow many possibilities for residential development within a downtown core area.
- Revise “commercial” zone designations to ensure that the bylaws within them offer flexibility and do not impede creative approaches to residential development.
- The wording and tone of the municipal planning strategy should have broad policy statements concerning affordable housing and consider potential campus expansion.
- Ensure planning regulations permit accessory apartments and secondary suites, where appropriate, in the community, since they provide an important rental option for students.
- Ensure there is an unsightly premises bylaw supported with a proactive education campaign to obtain compliance.
- Ensure ongoing inspections of questionable rental properties to address the need for major repairs and to improve the safety and comfort of occupants.
- Provide information to rental property owners about rental repair assistance programs available through various levels of government.

LESSONS AND RECOMMENDATIONS FOR RENTAL HOUSING PROVIDERS AND DEVELOPERS

A number of findings from the research suggest some potential action items for rental housing providers and developers in smaller rental markets with community college campuses:

- Build new rental housing that meets the needs of families with children to address the market gap identified by student renters with families.
- Build new rental housing that meets the needs of seniors. This may free up existing units to meet the needs of students.
- Explore partnership with local community college campuses to share information about the changing nature of the local student body and their housing needs, and to possibly lead to some type of development arrangement to meet the needs of the local student body.
- Work with their industry associations (such as homebuilders associations, real property associations, and so on) to lobby for or work with the financial industry and government to review its lending practices in smaller markets to address perceived problems of access to financing and mortgage loan insurance (see below).
- Identify sources of financing to address the repair needs in rental units, where these needs exist.

LESSONS AND RECOMMENDATIONS FOR COMMUNITY COLLEGE SYSTEMS

There are a number of potential actions that could be taken by community college campuses (individually at each campus) and across province-wide college systems as a whole:

- Each campus, and the college system as a whole, should consider the potential to invest in a small residence development for mature students and their families. A starting point for the NSCC in particular would be to revisit the various residence feasibility studies conducted at each campus in 2003.
- Investigate support for, and seek commitments to enhancements to, existing financial support programs for students, to address their housing affordability concerns. There may also be opportunities to work with other government departments to design financial assistance programs that meet the specific housing needs of students.
- Be proactive in providing more housing information to students about the local market and available rental properties. Inform rental property owners about how they can best reach their students, and inform the entire study body about the available source(s) of information concerning rental properties.

- Assist their students to better understand their rights as tenants, and assist them in finding the most appropriate housing possible in the local market. Examples include: a checklist of items to investigate and assess in a rental property unit when searching; the role of the rentalsman in support of the rights and responsibilities of tenants; and understanding their own rights and responsibilities as tenants.¹

CONCLUSIONS

Responsiveness of Small Markets To Student Needs

A rental market that is responsive to the needs of students would provide a range of choices, with an adequate supply of reasonable quality, at prices students can afford. Across the three communities there was a wide range of rental choices for students; however, more of the family student renters than individual student renters took longer to find the housing they wanted.

In terms of the quality of rental housing occupied by students, a larger percentage of student renters reported that their units were in need of major repairs compared with the self-reported state of repair by the general population of renters in each of the three market locations. Furthermore, a larger proportion of family student renters than individual student renters reported a need for major repairs in each of the market locations.

Issues concerning price and affordability among student renters varied across the market locations. Individual student renters paid less than the average market rent for a one-bedroom apartment in Truro and Port Hawkesbury, while family student renters paid more than the average market rent for a two-bedroom apartment in all three market locations. However, the incidence in which students identified that they were paying more than they could afford (a proxy measure for being “in need” or for experiencing affordability problems) was actually slightly less than the incidence of core need among all renters in each of the market locations (based on calculations from the 2001 census). The only exception to this was for individual student renters from the Strait campus—where more than half reported they were paying more than they could afford in the Port Hawkesbury market.

The general conclusion that one can draw from this evidence is that smaller markets are less responsive to the needs of students on matters of choice and quality, especially for students with families. While there is some concern about affordability among student renters, the extent of the problem appears to be no different than (or even slightly better than) that for the general population.

¹ See *Your Guide to Renting a Home* on www.cmhc.ca

Barriers to Providing Affordable Housing

Several issues emerged from the research as barriers to providing affordable housing options in smaller markets with community college campuses. Difficulty accessing construction financing and mortgage loan insurance was identified by some rental property owners in all three markets in this study. The small size of the markets themselves, and the relatively small scale of individual developments (typically eight to sixteen units in size), make it a challenge to achieve healthy and reasonable profit margins warranting the risk in new developments. The limited availability of land in Truro and Stellarton markets in particular was noted. In both Truro and Stellarton, key informants noted concern that almost all of the new rental market developments have been built for seniors to the exclusion of other market segments, leaving lower income households and students with little or no new supply to choose from. The economic uncertainty in some market locations deters investment. This was especially noted in the Port Hawkesbury case study.

Housing as a Factor in Student Choice of Community College Programs and Campuses

None of the interviewees were able to identify that any prospective students were not able to attend their campus or take their programs because of a real or perceived lack of housing choice. However, the responses to the student survey from across the entire NSCC system suggest that some students eliminated each of the three campuses in this case study from their list of possible campuses to attend because of concerns about housing. However, relatively few actually identified that they were unable to attend the campus of their choice due to housing concerns. Among student respondents from each of the three case study locations, housing was identified as an important consideration in the choice of which campus to attend by individual student renters at both Truro and Pictou campus, and by family student renters at the Strait campus.

Local Planning and Regulatory Issues

There were very few planning and regulatory issues identified by interviewees. There were some issues concerning the fact that secondary suites are not necessarily permitted as a right in some markets. The lack of pre-zoned land for new rental housing development was also identified. Concerns about unsightly premises were identified in all three markets, and in Truro the planning department implemented a successful proactive, education-based approach to dealing with such properties.

Use of Market Information for Decision-Making

There appears to be adequate market information available on the Truro and Stellarton markets, although some rental property owners questioned its accuracy and usefulness. There is very limited information about the smallest market, Port Hawkesbury. In all cases, rental property owners themselves noted that they did not rely on published or other market information for decision-making purposes. Instead, they rely on their own personal knowledge and networks, and their gut feelings about the opportunity for investment.

Local Housing Market Capacities and College System Decision-Making

There was very little evidence that local housing market capacities were or are taken into account when formal planning and decision-making about changes to the college system as a whole or to specific campus locations. However, since most students attend a local campus from the immediate surrounding geographic area, any natural or planned increases in enrolments will likely have no significant impact on local housing markets. Indeed, all NSCC staff who were interviewed felt that there was still room in the local markets to absorb more students if necessary. In terms of residence space, independent studies commissioned by the NSCC in the early 2000s indicated that there would be limited or no financial impact on the private rental market in these markets. The residence space in Truro could be expanded, and the loss of the residence space at Strait campus a few years ago could be replaced, in both cases, with minimal impact on the private market. Senior campus staff are involved in their local communities and are attuned to ongoing issues and potential impacts of any local and system-wide decisions.

Presence of Community College Students in Local Housing Markets

Generally speaking, students appear to have minimal impact on the ability of others in each of the case study communities to find affordable rental housing. In all cases they are important to the overall economic health of their communities and to the housing sector as well. In Truro the market focus at the moment is seniors, leaving other supply to students. Stellarton is a submarket within the New Glasgow marketplace. There is no evidence that others are impacted by anyone renting to students. New seniors housing has been built in both Stellarton and New Glasgow in recent years. Employees in the call centre industry are generally housed in the New Glasgow area. In Port Hawkesbury, the smallest of the three markets, seniors are not getting the housing they require because the private sector cannot afford to build it and earn a reasonable return on investment, and much of the present rental housing is of a quality and type that better suits students than it does seniors. But the market there is driven more by migrant labour demands and fluctuations in the economy.

FURTHER RESEARCH

There are three potential areas of further research stemming from the findings of this research:

- Research is needed to understand concerns expressed by some rental property owners about access to finance and loan insurance for new rental housing construction. The research should include interviews or discussions with the financial industry (locally, regionally, and nationally), mortgage loan insurance providers, rental property owners and developers, and others.
- Research on vacancy rates in smaller rental markets is needed. More specifically, the research needs to identify new approaches to measuring the health of small rental market and appropriate measures of a “balanced market.” This research would provide better market intelligence and signals to rental market participants, including renters themselves.
- Research on the feasibility of developing residences for community college campuses in small markets is needed. The cost of building and maintaining residence space is high and investment is potentially risky. Documenting actual need is required. Understanding successful partnerships between the private sector and educational institutions will provide useful examples that may lead to creative development approaches.

CMHC Project Manager: Roger Lewis, Policy and Research

Research Report: *Affordability Challenges and Rental Market Dynamics in Small Nova Scotia Communities with Community College Campuses*

Principal Investigator: David Bruce, Director, Rural and Small Town Programme, Mount Allison University

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Défis en matière d'abordabilité et dynamique du marché locatif dans les petites collectivités de la Nouvelle-Écosse où se trouvent des campus de collège communautaire

INTRODUCTION

Le présent rapport traite de la situation du marché locatif dans des petites villes de la Nouvelle-Écosse où se trouvent des campus du réseau de collèges communautaires de la Nouvelle-Écosse (CCNE), notamment la situation des étudiants au regard du logement dans trois marchés locaux de diverses tailles (Truro, Stellarton et Port Hawkesbury). En particulier, il passe en revue divers aspects des marchés locatifs locaux – enjeux et facteurs de l'offre et de la demande – et évalue la situation des locataires étudiants dans chaque marché local. Il permet de comprendre la capacité du marché locatif des petites collectivités d'offrir une gamme d'options de logements abordables aux résidents et aux étudiants qui fréquentent les campus de collège communautaire situés dans les petites villes de la Nouvelle-Écosse.

Le présent rapport répond à la grande question suivante : Quels sont les obstacles et les possibilités relativement à l'offre d'options de logements abordables dans les petites villes où se trouvent des campus de collège communautaire?

Aux fins de l'étude dont il est ici question, une définition souple des « petits marchés locatifs » a été utilisée. Dans le contexte de la tendance d'établissement en Nouvelle-Écosse et de la répartition des campus des CCNE, les petits marchés locatifs sont ceux qui se trouvent à l'extérieur des deux plus grandes régions métropolitaines de la province, soit la Municipalité régionale d'Halifax et la Municipalité régionale de Cap Breton. Ainsi, les petits marchés locatifs sont ceux de tous les autres villes, villages et lieux de la province.

Le réseau des CCNE compte 13 campus dans toute la province : trois se trouvent dans la région métropolitaine d'Halifax, un se trouve dans la région métropolitaine de Cap Breton et les neuf autres sont situés dans des petites villes. Tous les campus offrent des programmes d'études de base de niveau d'entrée de première année et chacun

d'entre eux propose un ensemble de programmes spécialisés de deuxième année conçus pour que les étudiants décrochent un diplôme, afin d'obtenir un emploi dans une profession donnée (plusieurs campus peuvent offrir le même programme de deuxième année, mais chaque programme précis est généralement disponible dans un seul campus ou un petit nombre d'entre eux).

Le nombre d'étudiants fréquentant les CCNE augmente (33 % entre 1998 et 2007), tout comme celui d'étudiants fréquentant chacun des trois campus visés par la présente étude.

MÉTHODOLOGIE

Les quatre tâches de recherche distinctes suivantes ont été exécutées dans le cadre de ce projet :

- Une analyse documentaire sur les logements locatifs, en général, et les petits marchés locatifs, en particulier.
- Un sondage en ligne mené du 17 au 30 novembre 2007 auprès des étudiants. Le sondage était disponible aux étudiants des 13 campus du réseau de CCNE. Les taux de réponse au sondage à chacun des campus visés par l'étude sont les suivants :
 - Truro : 120 sur 827, soit 14,5 %
 - Pictou (Stellarton) : 80 sur 737, soit 10,9 %
 - Strait (Port Hawkesbury) : 54 sur 687, soit 7,9 %
 - Total : 254 sur 2 251, soit 11,3 %
- Un total de 40 entrevues de personnes-ressources clés, réalisées entre le 1^{er} novembre 2007 et le 11 janvier 2008.
- Un examen des documents locaux, afin de fournir des renseignements contextuels permettant d'analyser les données primaires recueillies lors des sondages auprès des étudiants et fournies par les personnes-ressources clés interrogées.

PETITS MARCHÉS LOCATIFS

Compte tenu du manque de documents portant expressément sur les deux sujets que sont les étudiants des collèges communautaires et les petits marchés locatifs, il est difficile de formuler un énoncé définitif fondé sur l'analyse documentaire quant à la mesure dans laquelle les villes où se trouvent des collèges communautaires sont des marchés locatifs uniques. À certains égards, les marchés locatifs de ces villes peuvent avoir des caractéristiques relativement semblables à celles des grands centres urbains, en particulier ceux qui ont des universités. Il peut s'agir de caractéristiques comme une plus grande diversité du parc de logements locatifs que dans d'autres collectivités de même taille et des loyers plus élevés, compte tenu de la stabilité de la demande. En revanche, elles peuvent avoir des caractéristiques davantage semblables à celles d'autres petites villes qui n'ont pas de campus de collège communautaire, notamment la capacité limitée des promoteurs locaux d'offrir une diversité de logements et la concurrence avec d'autres segments du marché (comme les aînés et les ménages à faible revenu) pour obtenir un nombre limité de logements disponibles.

Les principaux facteurs décelés dans les documents et qui influent sur le marché locatif dans les petites collectivités comprennent le contexte économique local, l'abordabilité, la planification locale, l'imposition et la structure de la propriété d'immeubles locatifs. Les marchés locatifs de ces collectivités sont petits et relativement moins dynamiques, peu d'investissements étant faits dans de nouveaux logements avec le temps. La résidualisation des ménages à revenu peu élevé dans le marché locatif pose des défis financiers aux investisseurs, qui s'efforcent de trouver un équilibre entre la perception de loyers suffisants pour réaliser un petit bénéfice et la perception de loyers que la partie inférieure du marché peut payer (ou risquer des taux d'inoccupation élevés). Cette réalité montre les défis permanents en matière d'abordabilité que doivent relever les locataires dans les collectivités rurales et les petites villes – les petits marchés ne supposent pas nécessairement un degré d'abordabilité plus élevé que les marchés urbains. L'évolution démographique, soulignée par une augmentation rapide de la proportion de ménages d'aînés, aura certainement une incidence profonde sur l'orientation future du marché du logement existant et nouveau. En raison de tous ces facteurs, les étudiants qui fréquenteront les collèges communautaires dans de petits marchés du logement pourraient trouver qu'il leur est difficile d'obtenir un logement convenable et abordable.

SOMMAIRE DES CONSTATATIONS SUR LES PETITS MARCHÉS LOCATIFS DÉCOULANT DES DONNÉES SECONDAIRES

Les trois marchés locatifs comptant un campus de collège communautaire ont des caractéristiques susceptibles de poser quelques défis aux étudiants lorsqu'ils cherchent un logement locatif durant leurs années d'études. Le nombre de ménages de petite taille et de ménages d'aînés augmente dans chaque marché, dont certains aimeraient sûrement trouver un logement locatif qui répond mieux à leurs besoins. Parmi les logements locatifs offerts, un nombre relativement élevé ont besoin de réparations. L'offre de logements locatifs se compose principalement de petits immeubles à appartements, de maisons jumelées et de maisons individuelles, bien qu'à Truro et à Port Hawkesbury, l'ensemble comprend un nombre relativement plus élevé d'appartements accessoires. La construction de nouveaux logements locatifs est pratiquement inexistante dans les marchés de Stellarton et de Port Hawkesbury, alors que les constructions neuves à Truro s'adressent au marché des aînés.

SOMMAIRE DES CONSTATATIONS SUR LES PETITS MARCHÉS LOCATIFS DÉCOULANT DES ENTREVUES MENÉES AUPRÈS DE PERSONNES-RESSOURCES CLÉS

Les étudiants jouent un rôle important dans le marché de chacune des collectivités visées par l'étude en contribuant à l'économie et à la demande de logements locatifs. Toutefois, ils ne sont pas nécessairement la « locomotive du marché ». À Port Hawkesbury en particulier, on a eu l'impression que les étudiants subissaient les contrecoups des réactions du marché aux autres segments de la demande, comme les travailleurs migrants. À Truro et à Stellarton, l'impression était que les aînés influencent davantage le marché.

Dans les trois marchés, la plupart des personnes interrogées (y compris nombre des propriétaires d'immeubles locatifs eux-mêmes) ont indiqué que la majeure partie des propriétaires et des promoteurs d'immeubles locatifs utilisent peu ou pas l'information sur le marché publiée ou autre pour prendre des décisions. Au contraire, la plupart d'entre eux se fient quasiment intégralement à leurs connaissances locales tacites et à leur « instinct » lorsqu'ils prennent des décisions sur la construction de nouveaux immeubles locatifs. Toutefois, il y a une légère variation sur ce thème général dans le marché de Truro, où plusieurs promoteurs d'immeubles locatifs de plus grande taille et de haut de gamme de la région d'Halifax ont commencé à construire dans le marché local. Ces promoteurs utilisent l'information sur le marché.

Aucune des personnes interrogées dans les marchés étudiés n'a fait état de problèmes d'urbanisme importants ou majeurs. Dans les trois villes visées par l'étude, les plans municipaux avaient été mis à jour récemment. À Truro, on a remarqué que les appartements accessoires n'étaient pas permis en tant que droit dans l'ensemble de la collectivité. Truro a réussi à mettre en œuvre un nouveau règlement municipal sur les locaux inesthétiques. La Ville a également adopté l'approche consistant à recourir à des ententes d'aménagement, afin de faciliter la construction de nouveaux logements locatifs. Les villes de Stellarton et de Truro ont encouragé la construction de nouveaux ensembles résidentiels dans leur centre-ville en apportant des révisions à leurs règlements de zonage. L'accès à des terrains de qualité au bon emplacement devient un problème dans les trois marchés.

Selon des membres du personnel des trois campus, le marché du logement local aurait généralement une capacité suffisante pour absorber une augmentation modeste du nombre d'étudiants qui fréquentent leurs campus, si cela devait se produire. Collectivement, ils pensent que, advenant une augmentation du nombre d'étudiants dans les années à venir (à court terme), la majeure partie de ceux-ci seraient des résidents locaux qui ont déjà un logement permanent ou habitent à une distance raisonnable des campus et ils ne déménageraient probablement pas. En outre, le directeur de chaque campus (et dans certains cas, les autres employés supérieurs du campus) participent beaucoup à la vie de leur collectivité locale en siégeant à divers conseils d'administration et comités, et en participant aux activités d'organismes communautaires. Cela signifie qu'ils sont bien au courant de la nature changeante de la collectivité, ainsi que du rôle et de la présence du campus dans celle-ci. Cela signifie également que toute discussion sur l'expansion ou le changement des programmes ou des installations repose sur la connaissance des répercussions éventuelles dans la collectivité.

Les employés interrogés à chacun des trois campus n'avaient jamais entendu parler d'étudiants qui avaient choisi de ne pas intégrer leur campus en raison d'un problème de logement ou d'une préoccupation quant à la possibilité de trouver un logement convenable et abordable.

L'accès au financement et la rentabilité des logements locatifs du point de vue commercial semblent être les plus grandes difficultés auxquelles les propriétaires d'immeubles locatifs et les nouveaux aménagements résidentiels sont confrontés dans les petits marchés. Dans chacun des trois marchés, les coûts des intrants dans la construction de nouveaux logements augmentent – terrains, matériaux, main-d'œuvre. Pour ce qui est de l'exploitation des immeubles existants, les loyers dépendent

principalement du coût des intrants – électricité, chauffage et combustible, fournitures, réparations, main-d'œuvre contractuelle.

Le prix de tous ces intrants a augmenté et il y a eu des augmentations correspondantes des loyers au fil des ans. Les propriétaires d'immeubles dans chacun des trois marchés se disent préoccupés de la difficulté croissante à obtenir du financement et de l'assurance prêt hypothécaire pour les nouveaux ensembles.

SOMMAIRE DES CONSTATATIONS SUR LES PETITS MARCHÉS LOCATIFS DÉCOULANT DU SONDAGE MENÉ AUPRÈS DES ÉTUDIANTS

Selon les réponses données par les étudiants, on peut supposer que ceux qui ont une famille et qui louent un logement dans ces petits marchés ont dû faire face aux plus grands défis – ils ont payé un loyer plus élevé que le loyer moyen d'un logement de deux chambres dans le marché général de Truro et de Stellarton. Ils étaient également plus susceptibles que les locataires seuls dans ces marchés de penser avoir payé plus que ce qu'ils pouvaient se permettre. En outre, il leur a fallu plus de temps pour trouver leur logement et un plus grand nombre d'entre eux ont indiqué avoir trouvé le processus difficile. Nombre d'entre eux ont signalé que leur logement avait besoin de réparations, en particulier dans les marchés de Truro et de Stellarton. Les étudiants locataires seuls payaient généralement un loyer plus faible pour un logement d'une chambre dans chacun des marchés. Ceux du campus de Strait ont fait part de préoccupations précises quant à l'abordabilité et à la nécessité d'effectuer des réparations majeures à leurs logements.

L'examen des données du sondage provenant de tous les étudiants qui y ont répondu dans l'ensemble de la province a permis de constater qu'un plus grand nombre d'étudiants locataires ayant une famille que d'étudiants locataires seuls dans les autres campus que ceux de Truro, Pictou et Strait ont décidé de ne fréquenter aucun de ces trois campus parce qu'ils craignaient de ne pas trouver de logement. Toutefois, nous avons également constaté qu'un nombre relativement faible d'étudiants qui ont choisi de fréquenter les autres campus avaient expressément souhaité intégrer un de ces trois campus, mais n'ont pas pu le faire en raison de problèmes de logement.

ENSEIGNEMENTS ET RECOMMANDATIONS POUR LES PLANIFICATEURS

Un certain nombre d'initiatives et d'exemples provenant des collectivités visées par l'étude et découlant des constatations de recherche sont intéressants pour les planificateurs municipaux, notamment :

- Recourir au zonage préalable pour préparer la construction de logements collectifs dans des secteurs ciblés. Cette approche permet de s'assurer que des terrains convenables seront disponibles en vue d'un aménagement futur.
- Utiliser des ententes d'aménagement, afin de faciliter la construction de nouveaux logements locatifs.
- Établir une zone « d'utilisation mixte résidentielle », afin de permettre de nombreuses possibilités de constructions résidentielles dans un centre-ville.
- Réviser les désignations de zones « commerciales », afin de s'assurer que les règlements qui s'y appliquent offrent de la souplesse et n'empêchent pas l'adoption d'approches créatives concernant les aménagements résidentiels.
- Intégrer au texte et au ton de la stratégie de planification municipale des énoncés stratégiques généraux concernant le logement abordable et l'expansion éventuelle des campus.
- S'assurer que les règlements d'urbanisme permettent la construction, au besoin, d'appartements accessoires dans la collectivité, car ces logements fournissent une option de location importante aux étudiants.
- S'assurer qu'il existe un règlement municipal sur les locaux inesthétiques, appuyé par une campagne d'information proactive, afin d'obtenir la conformité.
- Veiller à ce que les immeubles locatifs de qualité douteuse soient inspectés régulièrement, afin de faire les réparations majeures nécessaires et d'accroître la sécurité et le confort des occupants.
- Fournir aux propriétaires d'immeubles locatifs des renseignements sur les programmes d'aide à la réparation de logements locatifs offerts par les divers ordres de gouvernement.

ENSEIGNEMENTS ET RECOMMANDATIONS POUR LES FOURNISSEURS ET PROMOTEURS DE LOGEMENTS LOCATIFS

Un certain nombre de résultats de recherche laissent supposer qu'il est possible de prendre quelques mesures de suivi concernant les fournisseurs et les promoteurs de logements locatifs dans les petits marchés locatifs comptant un campus de collège communautaire, notamment :

- Construire de nouveaux logements locatifs qui combler les besoins des familles avec enfants, afin de combler la lacune dans le marché signalée par les étudiants locataires qui ont une famille.
- Construire de nouveaux logements locatifs qui répondent aux besoins des aînés. Cette mesure peut libérer des logements existants et satisfaire les besoins des étudiants.
- Étudier la possibilité de former un partenariat avec les campus de collège communautaire locaux, afin d'échanger des renseignements sur la nature changeante des étudiants locaux et de leurs besoins en logement, et de déboucher éventuellement sur une certaine sorte d'entente d'aménagement, afin de satisfaire les besoins de la population étudiante locale.
- Collaborer avec leurs associations professionnelles (comme les associations de constructeurs d'habitations, les associations de propriétaires de biens immobiliers, etc.) en vue d'exercer des pressions sur les milieux financiers et les gouvernements, de travailler avec eux, pour examiner leurs pratiques de crédit dans les petits marchés, afin de résoudre les problèmes perçus d'accès au financement et à l'assurance prêt hypothécaire (voir ci-dessous).
- Déterminer les sources de financement, afin de permettre la réparation des logements locatifs, le cas échéant.

ENSEIGNEMENTS ET RECOMMANDATIONS POUR LE RÉSEAU DE COLLÈGES COMMUNAUTAIRES

Les campus de collège communautaire (individuellement) et l'ensemble du réseau provincial de collèges communautaires pourraient prendre un certain nombre de mesures, notamment :

- Chaque campus et l'ensemble du réseau de collèges communautaires doivent envisager la possibilité d'investir dans la construction d'une petite résidence destinée aux étudiants « mûrs » et à leurs familles. Pour commencer, le réseau des CCNE en particulier pourrait examiner de nouveau les diverses études de faisabilité de résidences effectuées à chaque campus en 2003.
- Étudier le soutien accordé à l'endroit des programmes d'aide financière aux étudiants, et obtenir des engagements envers leur amélioration, afin de dissiper les préoccupations de ceux-ci en matière d'abordabilité des logements. On pourrait également travailler avec d'autres ministères, afin de concevoir des programmes d'aide financière qui satisfont les besoins en logements précis des étudiants.
- Fournir proactivement davantage de renseignements aux étudiants sur le marché local et les logements locatifs disponibles. Informer les propriétaires d'immeubles locatifs sur la meilleure façon de joindre leurs étudiants et renseigner l'ensemble de la population étudiante sur les sources d'information disponibles sur les logements locatifs.
- Aider leurs étudiants à mieux comprendre leurs droits de locataires et à trouver le logement qui leur convient le mieux dans le marché local. Par exemple, créer une liste de contrôle des éléments à étudier et à évaluer lorsque les étudiants cherchent un logement locatif, le rôle du médiateur des loyers à l'appui des droits et des responsabilités des locataires et la compréhension de leurs propres droits et responsabilités à titre de locataires¹.

CONCLUSIONS

Satisfaction des besoins des étudiants par les petits marchés

Un marché locatif qui comble les besoins des étudiants fournit une gamme de choix, assortie d'une offre adéquate de qualité raisonnable, à des prix que les étudiants peuvent se permettre. Les trois collectivités offrent un large éventail de logements locatifs aux étudiants. Toutefois, il a fallu plus de temps à un plus grand nombre d'étudiants locataires ayant une famille qu'aux étudiants seuls pour trouver le logement qu'ils souhaitaient.

Pour ce qui est de la qualité des logements locatifs occupés par les étudiants, un pourcentage plus élevé d'étudiants locataires ont signalé que leur logement nécessitait des réparations majeures, comparativement aux besoins en réparation signalés par l'ensemble des locataires dans chacun des trois marchés. En outre, une proportion plus élevée d'étudiants locataires ayant une famille que d'étudiants locataires seuls ont signalé la nécessité d'effectuer des réparations majeures dans chacun des trois marchés.

Les problèmes relatifs au prix et à l'abordabilité parmi les étudiants locataires variaient d'un marché à l'autre. Le loyer des étudiants locataires seuls était inférieur au loyer du marché moyen pour un appartement d'une chambre à Truro et à Port Hawkesbury, tandis que celui des étudiants locataires ayant une famille était supérieur au loyer du marché moyen d'un appartement de deux chambres dans les trois marchés. Cela dit, le nombre d'étudiants signalant qu'ils payent un loyer supérieur à ce qu'ils peuvent se permettre (variable substitutive « être dans le besoin » ou « avoir des problèmes d'abordabilité ») était légèrement moins élevé que celui de l'ensemble des locataires ayant des besoins impérieux dans chacun des marchés (fondé sur les calculs du Recensement de 2001). La seule exception était les étudiants locataires seuls du campus de Strait, où plus de la moitié ont signalé payer un loyer plus élevé que ce qu'ils peuvent se permettre dans le marché de Port Hawkesbury.

La conclusion générale que l'on peut tirer de ces constatations est que les petits marchés satisfont dans une moindre mesure les besoins des étudiants en ce qui concerne le choix et la qualité, en particulier ceux des étudiants ayant une famille. Même si les étudiants locataires se préoccupent un peu de l'abordabilité, le problème semble être le même (ou même un peu moins prononcé) que pour la population générale.

¹ Voir *Votre guide pour la location d'un logement*, à www.cmhc-schl.ca

Obstacles à la fourniture de logements abordables

La recherche a révélé plusieurs problèmes, qui constituent des obstacles à l'offre d'options en matière de logements abordables dans les petits marchés ayant un campus de collège communautaire. Certains propriétaires d'immeubles locatifs dans les trois marchés visés par la présente étude ont fait état de la difficulté à avoir accès au financement à la construction et à l'assurance prêt hypothécaire. En raison de la petite taille des marchés et de la taille relativement petite des ensembles individuels (généralement de huit à 16 logements), il est difficile de réaliser des marges bénéficiaires saines et raisonnables justifiant le risque inhérent à la construction de nouveaux ensembles. Les déclarants ont fait état en particulier de la disponibilité limitée de terrains dans les marchés de Truro et de Stellarton. Dans ces deux villes, les personnes-ressources clés se sont dites préoccupées de ce que pratiquement tous les nouveaux ensembles locatifs ont été construits pour les aînés en excluant les autres segments du marché, ce qui laisse peu ou pas de choix aux ménages à faible revenu et aux étudiants. L'incertitude économique dans certains marchés dissuade l'investissement. Cela a été remarqué en particulier à Port Hawkesbury.

Le logement en tant que facteur influant sur les choix de programmes d'études et de campus de collège communautaire que font les étudiants

Aucune des personnes interrogées n'a été en mesure d'indiquer si un étudiant n'avait pu fréquenter le campus ou suivre le programme qui l'intéressait en raison d'un manque réel ou perçu de choix de logement. Toutefois, les réponses au sondage mené auprès des étudiants du réseau des CCNE laissent supposer que certains d'entre eux ont éliminé les trois campus de leur liste de collèges possibles en raison de préoccupations liées au logement. Cependant, un nombre relativement faible d'entre eux ont réellement indiqué n'avoir pas pu fréquenter le campus de leur choix en raison de problèmes de logement. Il ressort des réponses au sondage dans les trois campus à l'étude que le logement est un point important à prendre en considération dans le choix du campus pour les étudiants locataires seuls aux campus de Truro et de Pictou, et pour les étudiants locataires ayant une famille, au campus de Strait.

Problèmes locaux relatifs à l'urbanisme et aux règlements

Les personnes interrogées ont fait état de très peu de problèmes relatifs à l'urbanisme et aux règlements. On a soulevé quelques problèmes concernant le fait que les appartements accessoires ne sont pas nécessairement autorisés en tant que droit dans certains marchés. Le manque de terrains dont le zonage est établi au préalable en vue d'y construire de nouveaux logements locatifs a également été mentionné. Des préoccupations quant aux locaux inesthétiques ont été exprimées dans les trois marchés et, à Truro, le service de l'urbanisme a mis en œuvre une approche proactive axée sur la sensibilisation, qui donne de bons résultats, afin de traiter de ces immeubles.

Utilisation d'information sur le marché pour prendre des décisions

Il semble que suffisamment d'information soit disponible sur les marchés de Truro et de Stellarton, même si quelques propriétaires d'immeubles locatifs remettent en question son exactitude et son utilité. Il existe très peu d'information sur le plus petit marché, soit Port Hawkesbury. Dans tous les cas, les propriétaires d'immeubles locatifs ont fait valoir qu'ils ne se fient pas à l'information sur le marché publiée ou autre pour prendre des décisions. Au contraire, ils se fient à leurs propres connaissances et réseaux, ainsi qu'à leur instinct quant à la possibilité de faire un investissement.

Capacité du marché de l'habitation local et prise de décisions par le réseau de collèges communautaires

Très peu de données recueillies indiquent que les capacités du marché de l'habitation local ont été ou sont prises en considération lors de la planification ou de la prise de décisions officielles quant aux changements à apporter à l'ensemble du réseau de collèges ou à des campus particuliers. Toutefois, comme la plupart des étudiants qui fréquentent les campus viennent du secteur géographique environnant immédiat, toute augmentation naturelle ou prévue des inscriptions n'aura probablement pas de répercussions importantes sur les marchés de l'habitation locaux. En fait, tous les membres du personnel des CCNE interrogés pensent que les marchés locaux peuvent absorber un plus grand nombre d'étudiants, le cas échéant. Pour ce qui est du nombre de places dans les résidences, il ressort d'études indépendantes commandées par les CCNE au début des années 2000 qu'il y aurait une incidence financière limitée ou nulle sur le marché locatif privé

dans ces marchés. La résidence à Truro pourrait être agrandie et la perte de places en résidence au campus de Strait il y a quelques années pourrait être remplacée, avec une incidence minimale sur le marché privé dans les deux cas. Les employés supérieurs des campus participent à la vie de leurs collectivités locales et sont au courant des problèmes courants et des répercussions éventuelles de toute décision prise localement ou à l'échelle du réseau.

Présence d'étudiants de collèges communautaires dans les marchés de l'habitation locaux

De manière générale, il semble que les étudiants aient une incidence minimale sur la capacité des autres intervenants dans chacune des collectivités visées par l'étude de trouver un logement locatif abordable. Dans tous les cas, ils sont importants pour la santé économique générale de leurs collectivités, ainsi que du secteur de l'habitation. À Truro, le marché se concentre actuellement sur les aînés, obligeant ainsi les étudiants à se tourner vers d'autres segments du marché pour combler leurs besoins. Stellarton est un marché secondaire du marché de New Glasgow. Rien n'indique que le fait de louer des logements aux étudiants influe sur les autres. De nouveaux logements destinés aux aînés ont été construits à Stellarton et à New Glasgow ces dernières années. Les employés de l'industrie des centres d'appels se logent généralement dans la région de New Glasgow. À Port Hawkesbury, le plus petit des trois marchés, les aînés ne trouvent pas les logements dont ils ont besoin parce que le secteur privé ne peut pas se permettre de les construire tout en obtenant un rendement raisonnable du capital investi, et que la majeure partie des logements locatifs actuels sont d'une qualité et d'un genre qui conviennent mieux aux étudiants qu'aux aînés. Mais ce marché est animé davantage par les demandes de travailleurs migrants et les fluctuations de l'économie.

RECHERCHE FUTURE

Trois domaines de recherche future découlent des constatations de la présente étude, soit :

- Des travaux de recherche sont nécessaires pour comprendre les préoccupations exprimées par certains propriétaires d'immeubles locatifs quant à l'accès au financement et à l'assurance prêt hypothécaire pour construire de nouveaux logements locatifs. Cette recherche doit comprendre des entrevues ou des discussions avec le secteur financier (aux niveaux local, régional et national), les fournisseurs d'assurance prêt hypothécaire, les propriétaires et les promoteurs d'immeubles locatifs, et d'autres intervenants.
- Il faut faire de la recherche sur les taux d'inoccupation dans les plus petits marchés locatifs. En particulier, cette recherche doit permettre de déterminer de nouvelles approches pour mesurer la santé des petits marchés locatifs et les mesures pertinentes d'un « marché équilibré ». Elle fournirait de meilleurs renseignements et signaux sur le marché aux participants au marché locatif, y compris les locataires.
- Il est nécessaire d'effectuer de la recherche sur la faisabilité de construire des résidences pour les campus de collège communautaire dans les petits marchés. Le coût de construction et d'entretien d'une résidence est élevé et l'investissement peut s'avérer risqué. Il faut documenter le besoin réel. En comprenant comment fonctionnent les partenariats fructueux entre le secteur privé et les établissements d'enseignement, on se donnera des exemples utiles susceptibles de déboucher sur des approches créatives en matière d'aménagement.

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Directeur de projet à la SCHL : Roger Lewis, Politiques et recherche

Rapport de recherche : *Affordability Challenges and Rental Market Dynamics in Small Nova Scotia Communities with Community College Campuses*

Chercheur principal : David Bruce, directeur, Rural and Small Town Programme, Université Mount Allison

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1. Introduction

This report focuses on the rental market situation in Nova Scotia small towns where there are campuses of the Nova Scotia Community College (NSCC) system. The primary subject of this report is the housing situation of students within the context of three local markets of various sizes (Truro, Stellarton, and Port Hawkesbury). In particular, this report examines various aspects of the local rental markets – supply and demand issues and factors – and assesses the situation of student renters within the local market. The report develops an understanding of the rental market capacity of small communities to provide a range of affordable housing options for residents and for students attending community college campuses located in small towns in Nova Scotia.

The major question addressed by this report is: what are the barriers to and opportunities for the provision of affordable housing options in small towns with college campuses? Furthermore, the report addresses the following additional questions:

- Are prospective students limited in their choice of community college programs when they are faced with a lack of housing choices in small communities?
- What, if any, local planning and regulatory barriers exist?
- Does a lack of market information affect decisions by private investors about whether or not to build new rental housing?
- To what extent are local housing market capacities taken into account by the community college system when expansions / changes to programs are considered?
- What impact do community college students have on the affordable housing supply for residents of the community?

1.1. Study Context

For the purpose of this study, a flexible definition of “small rental markets” was employed. Small rental markets in the context of the Nova Scotia settlement pattern and the distribution of NSCC campuses are defined as those outside of the two largest metropolitan areas of the province – the Halifax Regional Municipality (2006 population of 372,600) and the Cape Breton Regional Municipality (2006 population of 102,250). Thus small rental markets are those in all other towns and villages and places in the province. The next largest “small urban clusters” in the province are the Truro census agglomeration (2006 population of 45,000, where the Truro campus is located), the New Glasgow census agglomeration (2006 population of 36,300, where the Stellarton campus is located) and the Kentville census agglomeration (2006 population of 26,000). However, the core urban areas for these smaller markets areas have much smaller populations – 11,800, 9,500, and 5,800, respectively.

Working within this definition, nine of the thirteen NSCC campuses are located in small rental markets; three are located in the Halifax Metro area, and one is located in the Cape Breton Metro area. All campuses provide core programs for year one entry level, and each campus offers a suite of specialized second year programs designed to graduate students for employment in a

chosen career (more than one campus may offer the same second year program, but each specific program is typically available at only one or a few campus locations).

The NSCC overall student numbers have been growing (up 33% between 1998 and 2007) despite three trends which would suggest otherwise:

- Out-migration of people aged 18-24 from Nova Scotia to other provinces;
- A decline in the number of young families; and
- A falling unemployment rate (usually enrolment goes up when the economy is not so good).

All three campus locations associated with this study – Truro, Pictou, and Strait – have been growing. The growth at Truro and Strait campuses in particular has been significant (Table 1) at 130% and 62% respectively between 1998 and 2007. Only two other non-Metro campus locations (Kingstec in Kentville and Cumberland in Springhill) have seen enrolment growth higher than the Pictou campus (which grew by 25%).

Table 1: Enrolment at NSCC Campuses, 1996 to 2007

CAMPUS	1996-1997	1998-1999	2003-2004	2007-2008	10 year change (1998-2007)	
Pictou Campus (Stellarton)	557	588	615	737	149	25.3%
Strait Campus (Port Hawkesbury)	580	425	559	687	262	61.6%
Truro Campus (Truro)	358	360	715	827	467	129.7%
Total NSCC	6,659	6,650	8,387	9,907	2,254	33.9%

Note: Includes Academic Upgrading Enrolment; based on September 30th official counts for each year.

Source: NSCC Five Year Organizational Review, 1996-2001; NSCC Enrolment Data Sets 2001-2007.

The NSCC programming is largely responsive to the needs of the local community and region within which each campus is located. This is to ensure the graduation of a workforce which can meet local labour force needs and to ensure that local industries and businesses can access ongoing training and programs to support their growth and development. It is not surprising, then, that the vast majority of students at each campus, in most cases, come from its immediate surrounding area (defined as the county or counties). NSCC is very important for new labour force supply in many key economic sectors, and if there are problems attracting students because of housing affordability problems, there will negative impacts on the economy over the longer term.

The NSCC underwent a major \$123 million expansion across the system in the early to mid-2000s to upgrade its campus facilities across the province and to expand some program offerings. At that time, it also explored potential investments in residence space at many campus locations, but no action has been taken on this matter.

1.2. Report Outline

The next section of the report summarizes the methodology employed to complete the research. This is followed by a brief examination of the literature on small rental markets and on student

housing issues. The report then provides evidence of the student housing situation by drawing on three sources of information: secondary data (from the census and local market information); key informant interviews; and a survey of students at each campus location. The results of the findings are discussed in the context of lessons learned and suggestions for key stakeholders who have some scope of responsibility for student housing in small markets: local planning officials; housing providers; and community college administration. The report concludes with a summary of the major findings and offers suggestions for further research.

2. Methodology

Four distinct research tasks were completed for this project.

A **literature review** on rental housing generally and on small rental markets specifically was conducted. Peer review journal articles, research reports sponsored or commissioned by CMHC, case studies from municipalities, reports from research institutes, and other relevant materials were reviewed.

A web-based **student survey** was conducted November 17-30, 2007. The survey notice was prepared and distributed by the NSCC administration, in an effort to strongly encourage as many students as possible to participate. A random draw at each campus location for a gift certificate at a local retailer was employed as an incentive for students to participate. The survey was made available to students at all thirteen NSCC campuses. The survey response rates for the student survey in each of the case study campuses relevant to this study are as follows:

- Truro $120 / 827 = 14.5\%$
- Pictou $80 / 737 = 10.9\%$
- Strait $54 / 687 = 7.9\%$
- Total $254 / 2251 = 11.3\%$

Key informant interviews in each of the three case study communities were conducted between November 1, 2007 and January 11, 2008. A total of 40 interviews were completed; all interviews were completed in-person during site visits, except for three which were completed by telephone. Interviewees in each case study location included the following: senior administration at each NSCC campus (i.e., principal, student services); municipal planners; rental property owners and developers; major employers; economic development officers; real estate agents; and others as locally appropriate. Interviews lasted approximately 30 minutes and included mostly open-ended questions. Table 2 summarizes the number and type of interviews completed in each case study location.

Table 2: Key Informant Interviews Completed, Case Study Locations

	Truro Campus (Truro)	Pictou Campus (Stellarton)	Strait Campus (Port Hawkesbury)	Total
NSCC Staff	3	3	3	9
Rental property owners; developers	3	4	3	10
Economic development staff; employers	2	4	3	9
Planning staff; municipal representatives	2	3	2	7
Real estate agents	1	2	2	5
Total	11	16	13	40

A **review of local documents** for each of the case study communities was used to provide contextual information for analysing the primary data collected from the student surveys and key informant interviews. This review included: census data; real estate data; CMHC reports (e.g., Provincial Housing Outlook; Rental Market Report); municipal land use plans; and other locally available data (e.g., building permit records, local listings of rental properties, economic development reports, internal NSCC reports).

2.1. An Introduction to the Case Study Locations

The three case study communities were chosen primarily for convenience purposes. The three communities are located in central and northern Nova Scotia. They are diverse in their size, economic base, size of community college campus, and the types of programs offered at the local campus. The three campus locations are among the fastest growing campuses in the NSCC system.

Town of Truro and Truro Campus

Truro is located in the centre of the province with a population of just under 12,000 residing within its municipal boundaries. It is known as a “hub” for transportation and many other services because of its strategic location at the junction of the TransCanada Highway and route 102, linking to Halifax just one hour away. The local economy is diverse across manufacturing, public services, and business and personal services. The adjoining Village of Bible Hill is home to the Nova Scotia Agricultural College, whose campus is within walking distance of downtown Truro. The town has an historic downtown core, coupled with new residential development in several locations, especially at the extension of major arterial streets and in Truro Heights. The nearby First Nation reserve of Millbrook owns and operates the “Power Centre” with a variety of businesses. Recent economic growth has been characterized by full and part time jobs and mid-level wages.

The local NSCC campus has 827 students, up from 360 just a decade ago. It is sixth largest of the thirteen campuses, and second largest outside of the Halifax Metro and Cape Breton Metro areas. Slightly more than half of the students come from Colchester County – the county within which the campus is located. The four neighbouring counties are the county of origin for another 30% of the student body – many of these students commute to the campus each day. Most of the remaining 20% of students come from elsewhere in the province or from outside of the province, and most of these relocate to the town in order to attend the campus. This distribution changed little between the 2000-2001 academic year and the 2005-2006 academic year (NSCC Enrolment Data Sets 2000/01 to 2005/06).

The campus is located in a residential neighbourhood within reasonable walking distance of the downtown area. First-year programs tend to attract local students, whereas second-year specialty programs draw registrants from farther afield. Programs specific to Truro campus are:

- Child and Youth
- Corrections
- Therapeutic Recreation
- Law

- Recreation Leadership
- Digital Media and Animation
- International Business

Town of Stellarton and Pictou Campus

The Town of Stellarton is home to the NSCC Pictou Campus. Pictou County's population of approximately 48,000 resides in the towns of New Glasgow, Pictou, Stellarton, Trenton, Westville and the surrounding rural communities within the Municipality of the County of Pictou. Stellarton (population 4,700) is located adjacent to the largest town in the region, New Glasgow (population just under 10,000). The region has a large number of industrial employers. It is also home to the head office for Sobeys', a large grocery retailer with diverse economic activities. Stellarton and the county are located approximately 1.5 hours north of Halifax.

The campus is located in a residential setting, a short walk from the main commercial area. The campus enrolment of 737 in 2007-2008 is up from under 600 a decade ago. About 80% of the student body are local residents from Pictou County. About 11% are from nearby Colchester or Antigonish Counties. There has been relatively little change in the county of origin of students from 2000-2001 to 2005-2006 (NSCC Enrolment Data Sets 2000/01 to 2005/06).

In addition to offering the entry level programs, there are several specialty second-year programs which are offered only at this campus: Occupational Health and Safety; Cabinetmaking; and Welding Inspection. In addition, Carpentry is offered here and at just one another campus.

Town of Port Hawkesbury and Strait Campus

Port Hawkesbury is a town of about 3,500 people (1,390 households) on the Strait of Canso, along the south shore of Cape Breton Island. Its deep port (Port Tupper) and proximity to international shipping lanes has led to the area being dubbed "the new industrial centre of Cape Breton". Halifax is a three-hour drive to the south, with the Cape Breton Metro area about a 1.5 to 2 hours drive to the north.

The port facility, a large pulp and paper mill (NewPage Corporation - Port Hawkesbury Limited, formerly known as Stora Enso Forest Products Ltd.), call centres, the retail sector, and some tourism activity form the key economic activities for this area. Call centres and the retail sector are large employers and they pay relatively low wages. The area has a "boom-bust" economy, and lately, there has been significant uncertainty about the economic future of the community given the struggles of the pulp and paper sector. Furthermore, the Bear Head liquefied natural gas (LNG) plant was planned for development in 2005, but it has since been cancelled altogether. The lack of transportation options within town (except for taxi service) and to town from the rural areas creates a mobility problem for lower income households, seniors, and students. A new public transit service serving the town and surrounding rural areas is planned for startup in 2008. In recent years the town has been hit hard by the out-migration of people of all ages, especially young people in search of jobs and older people (to the Halifax area) because of lack of housing options.

The NSCC campus came about as a result of a merger of the former “vocational” school (which had high school age and younger adult students) and the Nautical Institute (older students) in 1994. The new campus was built on the edge of town along a major thoroughfare, almost one kilometre from the primary residential areas of town. The distance and walking conditions pose challenges – there is no sidewalk, it is along a busy 4-lane highway with truck traffic, and a large stretch is exposed to heavy winds in the winter.

The campus enrolment of 687 in 2007-2008 is up from 425 a decade ago – an increase of more than 60%. Campus staff estimate that approximately 20% (150 students) live in the community. The balance of the remaining students (another 500 or so) are daily commuters and are evenly split between those having a relatively short commute (15 minutes or less), and those having a relatively long commute.

The vast majority of students come from the four counties adjacent to the campus location, including Inverness County (within which the town and campus are located). In the 2000-2001 academic year, 84% of the students came from Inverness, Antigonish, Richmond, and Guysborough Counties. By 2005-2006, that proportion fell to 78%, suggesting that more students are being drawn from further distances, requiring them to seek housing in the community (NSCC Enrolment Data Sets 2000/01 to 2005/06).

In addition to entry level courses and the focus on nautical-related programs, there is a large demand for electrical, steam fitting, and pipe fitting courses and programs among students. It is important to note that this campus offers a number of short term (six to ten weeks) courses and programs within its nautical program, aimed at employees of companies and others. Fewer than 100 students per year fit this category. This creates a different mix of students at the campus and also creates a different type of demand for housing than at most other campus locations.

3. Small Rental Markets

This section of the report draws on literature from the past 20 years to provide a short summary of key issues concerning rental supply and rental demand in smaller markets. Generally speaking, there has been relatively little published work specifically on small rental markets; most of the literature focuses on large urban centres, rental markets in general (without regard for market size), or specific components of or issues within rental markets (such as the use and legalization of secondary suites, rented condominiums, needs of specific submarkets including single parent households, seniors, and immigrants), again, without regard for market size.

Furthermore, there is very little published work on the presence of students within rental markets, as a specific market segment. The studies which do exist primarily focus on university students in larger urban centres (Phoenix Strategic Perspectives Inc., 2005; City of Saskatoon, 1997) or the presence of students in neighbourhoods and their economic and social effect on those neighbourhoods (Smith, 2006). A review of publications issued by the Association of Canadian Community Colleges (ACCC), and its provincial partner member associations, since the early 2000s revealed that none dealt with issues concerning student housing.

3.1. Rental Supply

The literature on small rental markets, and rental markets in general, does not describe to much degree what constitutes a “healthy rental market”. It is widely understood that in large urban markets, a vacancy rate of from 3% to 4% is considered to indicate balanced market conditions (for example, the work of Clayton Research Associates Ltd., 1991 cites this range).² This means that the supply of rental units is sufficient to meet the current demand. Although there are “vacant” units, they may or may not be readily available for rent for a variety of reasons, including repairs and maintenance to the unit, and timing of vacancy by previous tenant.

When there is less than a 3% vacancy rate, the market tends to favour rental property owners because there are so few vacancies; they can increase prices somewhat because of the strong demand. At the same time, these conditions tend to spur new rental housing development. On the other hand, rates above 4% generally indicate that there is a broad choice of units available across the market, and the market favours renters because rental owners may drop their prices somewhat in order to attract tenants. These conditions also inhibit new rental housing development, which in the long term means that the rental stock becomes older and generally in less than ideal physical condition (Clayton Research Associates Ltd., 1991).

However, given the very fact that in smaller markets there are fewer total rental units in the marketplace, a vacancy rate of 3-4% may not adequately provide a reasonable measure of market health or balance. This is due to the fact that there may be so few vacant units available for rent at any given time at that vacancy rate, especially when one considers the range of unit sizes (by bedroom), location, prices, and quality that individuals and households may be looking for in a

² In addition, this range is cited by CMHC Market Analysts each year in their Housing Market Outlook workshops held each year throughout the country, in their presentations and supporting materials.

local market. In smaller markets there may well be a need to consider other measures; however, there is no evidence in the literature that this has been considered.³

This consideration of vacancy rates and total universe of rental units is important in small markets where students are present as a specific market segment. Existing rental property owners and other potential suppliers of rental housing in this context will want to understand and know the nature of student needs and demands, including the potential interest in so-called non-conventional rental units such as boarding opportunities in a family home, secondary suites or accessory apartments, and so on. Therefore, discussions about total universe and vacancies may require more information in order to fully assess the “health” of the local market and its capacity to respond to student needs. Furthermore, planning and regulatory issues may need to be considered in order to ensure that some types of rental housing opportunities can be permitted while ensuring the health and safety of the occupants, neighbourhood integrity, and so on.

Rental markets of all sizes are very complicated. They are not perfect commodities dictated by the norms of supply and demand. The complicating factors include:

- significant diversity in the location, type, size, and quality of rental units (making it more difficult to compare prices and attributes, for example);
- demand is for the service (shelter) rather than the actual unit itself;
- costs of moving (which may restrict otherwise normal behaviour of households to move to preferred units) and costs of vacancies (such as loss of rental income, which help to keep prices lower in hopes of retaining tenants);
- government intervention (such as rent controls, direct supply, incentives, etc., which may introduce distortions);
- interdependence with ownership market (the two are tied as households move from one to the other; changes in ownership markets influence demand for rental housing);
- interdependence with other real estate markets (such as condominiums, commercial properties, etc., and the associated impacts on land prices, servicing costs, etc.);
- supply lags (responding to new demand takes time - time to build the units); and
- supply is fragmented (many different suppliers and many different sources - existing stock of rental units, newly constructed rental units, and creation of rental units from within the existing housing stock) (Clayton Research Associates, 1991: 5-8).

The interaction among these factors in a local context will result in a range of decisions made by large and small potential suppliers or producers of rental housing. The mix of conditions (noted above) for new rental housing investment must be favourable in order for new units to be produced.

Purpose-built rental housing generally includes multi-unit structures of three or more units constructed for rental purposes, and typically includes apartment buildings and row houses. There is some measure of permanency and security in their long term tenure as rental. In larger

³ Dr. Tom Carter, Canada Research Chair in Urban Change and Adaptation at the University of Winnipeg, notes that for small markets, “... 3-4% is probably too low to indicate a balanced market, particularly because the 3 to 4 units may all be one bedroom, leaving no choice at all for households that need two and three bedroom accommodation. You really have to look beyond the actual rate itself to see what the vacancies actually consist of, if in fact you can get this information.” (Personal communication, April 5, 2008)

urban markets of 10,000 or more, the owners of these units are surveyed each year by CMHC in order to provide market intelligence to stakeholders about the nature of the local market.

On the other hand, in all rental markets some part of the overall supply includes units that are classified as subsidiary or secondary units. These rental units were not necessarily purpose-built as such; for example, single-detached houses; semi-detached houses originally intended for sale; accessory apartments or basements suites added to existing ownership units; rented condominiums; and so on. They are thought to be an important component of the rental market, even though they may be somewhat unstable in terms of their persistence in one form of tenure (Clayton Research Associates, 1991: 39-40; Linton, 1992; TD Economics, 2003). For example, some of the single-detached houses available for rent may only be available for relatively short periods of time, because they can easily be “deconverted” back to ownership at the whim of the property owner. Typically there are few single-detached houses which are rented on a permanent basis like apartments. In terms of semi-detached houses (also called duplexes in some markets), the likelihood of a unit being available for longer periods for rent is somewhat greater. Often one finds a duplex which is owned by one household, and they rent the other half for the purpose of income generation. In other cases both units in a duplex are owned by someone who rents both to two separate households (Clayton Research Associates, 1991; 14).

An increase in the supply of subsidiary units may be due to a variety of short and long term factors, more often associated with those which restrict the supply of new construction of rental units. Clayton Research Associates (1991) identified the following conditions which collectively contribute to an increase in the supply of subsidiary units:

- the economics of rental investment are poor (building new units in relatively larger scale developments would create a negative cash flow for developers);
- a rise in condominium construction (this diverts potential renters away from similar structural types, shrinking demand for new rental units in larger developments);
- shortage of land pre-zoned for large scale multiple unit residential development (there would be carrying costs for developers to go through a re-zoning process, and smaller property owners may respond to pent-up demand for rental units); and
- falling mortgage interest rates (which make homeownership viable for would-be renter households, some of whom may choose to incorporate a subsidiary rental unit in their home to provide rental income).

There has been a growing interest in recent years in the role of the subsidiary rental market in the overall supply of rental housing and its role in the provision of affordable rental housing options. Almost all of these studies have been focused on larger urban centres (Bruce, 2005, Market Quest Research Group Inc., 2003; TD Economics, 2003; The Starr Group, 2001) and the relative size and importance of the subsidiary market: “...the secondary market makes up a large share of the overall rental market in most CMAs – from one-fifth in Winnipeg to a high of one-half in Vancouver. And, anecdotal reports suggest that – with the important exception of the condominium segment – it is an especially important source of supply at the lower end of the income scale.” (TD Economics, 2003: 11).

The Starr Group’s study of the subsidiary market focused largely on accessory apartments in urban centres in Ontario. They concluded that these units played a significant role in the supply

of affordable housing, but that there were a number of factors limiting the subsidiary rental market's role in the overall supply. These included the fact that the occupancy rate of accessory apartments can vary significantly from year-to-year, or even season-to-season; and that these variances are dependent on the needs of the homeowner, overall economic conditions, the state of the conventional rental market, and the presence of a large temporary population such as students (Starr Group, 2001: 5). In a study of the Halifax subsidiary market, Bruce (2005) found that the presence of such units provided rents that on average were less than in the overall marketplace, provided housing options for larger households (especially those with children), and led to some measure of neighbourhood stability as occupants of these units were found to remain in them for longer periods of time than those in purpose-built rental housing units.

One concern about the role and presence of these units in the marketplace relates to their quality and upkeep, and, to a certain extent, the degree to which there should be regulations in place to ensure minimum standards and protect the health and safety of occupants. The Halifax study found that subsidiary rental units were more likely to need either minor or major repairs than purpose-built rental units (Bruce, 2005). A national study looking at rental repair and renovation found that fewer single-detached rented units underwent repairs and renovations in 1996 compared to other types of rented units, that fewer of these units compared to other rental units had maintenance and replacement work completed, or had additions, renovations, and new installations completed (Clayton Research Associates, 1998).

With respect to regulatory issues concerning the subsidiary market in general and accessory apartments or secondary suites more specifically, many municipalities (mostly large urban centres) have, since the 1990s, examined the issue in their local contexts and have introduced reasonable measures which address the needs of owners, occupants, and neighbourhoods (see, for example, City of New Westminster, no date; City of Saskatoon, 1997; City of Surrey, 1997; District of North Vancouver, 1999; Eberle and Kraus, 1998; Starr Group, 2001). In large part the studies (and subsequent regulatory changes) identified and affirmed the important role of this type of housing for people who cannot afford to rent in apartment buildings, or for people who cannot afford to rent or buy in a neighbourhood where they wish to live (e.g., to be closer to work, closer to school, etc.).

Other studies in large urban centres have examined other forms of non-conventional rental supply, such as dividing large houses (APCHQ, 1997; City of Quebec, 2002; City of Sillery, 1995). One rural study examined the issue of adding second units on the same property of a primary residence (McNeely-Tunnock, 1995).⁴ These studies have also concluded that such approaches to increasing housing options meet the needs of some households, while preserving an older housing stock that may not be financially viable for aging households to maintain.

Notwithstanding the foregoing discussion about the range of supply possibilities and issues, Pomeroy (2004) identified that one key issue in the overall supply of housing has been the ongoing erosion of the existing rental stock. Some rental housing has been taken off the market because of lack of financial incentives to maintain its quality, while other portions of the stock have been allowed to deteriorate to poor quality.

⁴ In addition there have been several studies completed in the past 15 years on the issue of garden suites and the potential role they can play in meeting the aging in place needs of seniors.

There has been some published research examining the nature of rental property ownership in larger urban centres, but none on the specifics of rental ownership in small towns or rural regions. The focus of this work has been to explore the nature of why people invest in rental properties and their experiences with the activity from financial and other perspectives. For example, one study found that small rental property owners cited “a stable investment” and “assistance in paying off a mortgage” as the most important benefits of being in the business (Arcturus Solutions, 2005). The same study found that “tenant quality” and the possible “lack of liquidity of rental unit investments” are the most important challenges faced by rental property owners. However, since this study was carried out in just five large urban markets across Canada, it is not known if the findings are transferable to the experiences of rental property owners in small markets.

3.2. Rental Demand

Just as the nature of rental supply changes with changes in markets and other processes, the nature of rental demand continues to evolve. The number and type of households and individuals looking to rent is changing, primarily owing to demographic factors such as an aging population, smaller households, delayed household formation and child-bearing, household splitting, and so on. There has been relatively little examination of the evolving nature of demand specific to rural and small town markets as a whole; the focus has been on demographic trends more generally on a national basis. What does exist are a wide variety of community-specific need and demand assessment studies, which are for the most part unique to each community in which they have been conducted.

In recent years we have witnessed the rapid aging of our population as the front end of the baby boomers are beginning to retire. This generation is looking for, and the market is in some cases responding with, housing that is smaller in scale, ground floor oriented, provides for an active lifestyle, and allows them to “age in place” (Bryant and Joseph, 2001; Moore and Rosenberg, 2000). In addition, new forms of tenure such as condominiums and other arrangements, in a wide range of structural types, have emerged (CMHC 2005; CMHC 2006a; CMHC 2006b). The challenge in responding to the demands of aging baby boomers in small town and rural settings is that economies of scale may not be sufficient to ensure financial viability (i.e., it may be more difficult to build a large enough development in order to recover costs and earn a profit). Linking new housing developments to extended health care services can also pose challenges, since many health care facilities such as hospitals are located in larger centres.

At the same time, younger generations are faced with rising student debt as they leave post-secondary education and enter the workforce. Many in this generation are finding challenges concerning their ability to make a first home purchase, thus delaying household formation (CMHC 2002). Further evidence from the most recent census suggests that larger numbers of adult children are living at home with their aging parents (Milan et al., 2007), likely due in part to the need to address their inability to provide for their own housing in the private marketplace.

Some research from the late 1990s found that an ongoing shift into homeownership by renter households resulted in the rental market becoming more polarized, with low income households

most likely to comprise the rental population (Pomeroy et al., 1999). In rural regions and small towns in particular, where homeownership costs were less than in urban centres, the problem may have been more exacerbated by the loss of higher income renter households to the ownership market (although Pomeroy et al., did not differentiate their findings by size or type of market). This effect, known as “residualization”, results when renters with higher income and greater capacity for self-sufficiency move on to ownership while a core group with less education, lower employability and higher dependence on income support remain in the rental sector (Pomeroy, 1998). Residualization creates a climate where potential investors in new rental housing are wary of the potential “problems” they may encounter, and the relatively lower rates of return on their investment.

The impacts of residualization were also uncovered in a more recent study looking at the housing needs of low income persons in rural Canada (Bruce, 2003). In six of the eight case study communities from that study, there was a lack of new rental housing construction. The result was very little rental housing choice – low vacancies, poor state of repair, and high operating costs associated with heating, maintenance, and repair. In two of the case study communities, where the economy was growing, there were a modest number of new units being built. These were primarily aimed at higher income seniors, usually with extended services and amenities.

The nature of “who rents” in smaller rental markets is very much linked to the local economic context within which the community operates. The changing rural economy influences household decision-making about whether to stay in the community or leave to find better economic fortunes. For those who choose to stay, some face tough decisions about whether to sell their home and move to rental or to delay their move from rental to homeownership (Bradbury, 1993; Mitchell, 1997; Rothwell et al., 2002). The situation will vary and be unique in each specific community; some will choose to stay in the community but seek another form of tenure, while others will move, depending on local economic and housing market circumstances.

From their assessment of major socio-economic trends affecting housing and consumer markets, Bruce and Carter (2003) found that housing choice in the rental sector is more limited in many of the smaller rural and remote communities than in larger urban centres. This is because of the small size of the inventory, and the gap between the rents necessary to stimulate rental construction and what households can afford to pay is even wider than in larger urban centres. There are two major reasons for this gap: incomes of households seeking rental accommodation are often lower in rural and remote communities; and the cost of providing rental accommodation is often higher, particularly in remote communities where construction costs reflect higher transportation costs for materials. This limits the ability of the private sector to provide affordable rental accommodation in smaller rural and remote communities to an even greater extent than is true of larger urban centres. Households that rent in these smaller rural and remote communities are even more dependent on units provided with government assistance or on older private rental stock that is often of poorer quality (Bruce and Carter, 2003; see also Bruce et al., 2005).

3.3. Financial Constraints

The literature on financial issues in rental markets, and for rental property owners, is largely confined to studies of large urban centres or national examinations of such owners that do not differentiate the size of market. There are a wide variety of financial barriers and issues discussed in the literature concerning the supply and maintenance of rental housing. These include:

- The limited access to or difficulty obtaining project and operating capital (Bruce, 2000; Clayton Research Associates, 2000);
- Limited profit margins (Bruce, 2000; Clayton Research Associates, 2000; Pomeroy et al., 1999; Verenka and Little, 2007);
- Income tax treatment of rental properties which makes these investments less attractive than other forms of investment (FCM, 1999; FCM, 2008; Pomeroy et al., 1999; Verenka and Little, 2007);
- Property tax treatment of rental properties which increase costs and limits profitability (Clayton Research Associates, 2000; Pomeroy et al., 1999; Verenka and Little, 2007);
- Rising input costs (e.g., land, labour and materials) (Clayton Research Associates, 2000; Verenka and Little, 2007); and
- Competing opportunities for investment (Clayton Research Associates, 2000; Pomeroy et al., 1999; Verenka and Little, 2007).

While these issues were identified in a broad sense and primarily in urban contexts, there are some points which are likely transferable to the smaller market setting. For example, rising input costs are generally universal, especially those concerning labour and building materials. Even in smaller markets, land prices continue to rise, impacting the financial viability of some proposed developments. Two issues concerning access to finance were reported by Bruce (2000) in an earlier study of small rental markets. One issue was that rental property owners reported that banks were requiring high levels of equity (25% to 35%) for projects of four or more units; many of these people did not have the financial capacity to meet these equity requirements. The second issue focused on the perception that national standards for assessing loan applications were being applied to local situations (where economic circumstances are very different), and that local decision-making and approvals were being overturned. In both cases, rental property owners felt that the relatively less stable or less vibrant rural and small town economy was a contributing factor limiting the ability to obtain loan approvals.

3.4. Presence of Students in Rental Markets

There are few studies which focus specifically on the presence of students in rental markets. Most of what we know come from reporting in the popular press about the impacts (usually negative social impacts) that students have on the neighbourhoods they occupy. Furthermore, these “stories” generally originate from larger urban centres. Finally, as noted earlier, what has been discussed in the literature is primarily about university students in larger urban centres rather than about community college students in smaller centres.

One recent study (2005) by Phoenix Strategic Perspectives Inc. focused on understanding the housing situation of university students in large urban centres. This study confirmed that there

was little information on how students are housed and on the student housing market, despite rising post-secondary enrolments. In some communities, they are known to make up a large portion of the local market, and there has been an important increase in the number of older students who are more likely to seek lodging away from the parent family. The study also found that despite the range of on- and off-campus housing options available to students, most students choose to live at home while pursuing their post-secondary education. Cost consideration was the primary driver for respondents who choose to stay at home during the school year. Apartment living was found to be the most common form of off-campus housing – not surprising given the large urban centre focus of the study. (Phoenix Strategic Perspectives Inc. 2005).

Some work has been done on examining the impact of students in neighbourhoods in the United Kingdom. The expansion of higher education has had the effect of increasing concentrations of students in residential areas in many towns and cities in that country (and elsewhere). This phenomenon, sometimes called ‘studentification’, has led to cultural, social, physical and economic transformations of communities and especially neighbourhoods. For some individuals and groups, the added dynamism and other positive effects which students can bring (including a positive impact on the local economy) appear to have outweighed any disadvantages. For others, changes to the characteristics of local neighbourhoods have been interpreted as largely detrimental. This emphasises the diverse impacts that students can bring to university towns and cities, depending on the local context. (Smith, 2006 p.8).

Those who have examined the “studentification” process feel that there are at least four dimensions to the process of change in communities with a large student presence (the specific nature of change will vary from one community to the next depending on local circumstances):

- Social: the replacement and/or displacement of established residents by a transient, generally young and single, social grouping;
- Cultural: the growth of concentrations of young people with shared cultures, lifestyles, and consumption practices, which in turn results in an increase of certain types of retail and service infrastructure;
- Physical: the downgrading or upgrading of the physical environment, depending on the local context;
- Economic: the inflation of property prices and a change in the balance of the housing stock resulting in neighbourhoods becoming dominated by private rented accommodation and houses converted to multiple-unit rental properties, and decreasing levels of owner-occupation (Smith, 2006 p. 12).

3.5. Summary: Community College Towns – Unique Rental Markets?

Given the dearth of literature which focuses on the two subjects of community college students and smaller rental markets, it is difficult to offer a definitive statement based on the literature review about the extent to which community college towns are unique rental markets. In some respects, the rental markets in these college towns are likely to exhibit features which are quite similar to those in larger urban centres, especially those with universities. This may include features such as more diversity in the rental housing stock than in other communities of similar size, and higher rents given the presence of a steady market demand. On the other hand, they may have features similar to small towns that do not have a college campus, including limited

capacity of the local development community to provide housing diversity, and competition with other market segments (such as seniors and low income households) for a limited number of available units.

The key factors influencing the rental market in small communities as identified in the literature include: local economic context; affordability; local planning; taxation; and rental property ownership structure. Rental markets in these communities are small and relatively less robust with little new investment in new units over time. The residualization of lower income households in the rental market creates financial challenges for investors who struggle to find a balance between charging enough to earn a small profit and charging what the lower end of the market can afford (or risk higher vacancy rates). This reality points to ongoing affordability challenges facing those living in rental units in rural communities and small towns – smaller markets do not necessarily imply a greater degree of affordability when compared with urban markets. Certainly the changing demographics, highlighted by a rapid increase in the proportion of seniors' households, will have a profound impact on the potential future market orientation of existing and new units. Taking these points together, prospective students attending community colleges located in small housing markets may find it difficult to obtain appropriate and affordable housing.

4. Evidence from Three Nova Scotia Communities with Community College Campuses

In this section, the report explores evidence about rental market issues in small communities, drawing on information collected about the three case study communities. Particular emphasis is placed on students and their ability to find appropriate housing in each of the communities, within the context of the larger local market dynamics.

4.1. Summary of Secondary Data

Information about supply and demand issues in smaller rental markets varies significantly from one market to the next. Generally speaking, there is less information available as the size of the market declines. Census information is available for all markets. CMHC Rental Market Analysis information is only available for smaller markets which have a population of at least 10,000 residents. For this study, such information is available for the Truro market and for the New Glasgow market, of which Stellarton is a part (CMHC, 2007).

Demographics

In each of the three case study locations, the communities experienced a decline in population and an increase in total number of households over the 1986-2006 period (Table 3). In Truro the population fell by just 360 persons or 3% while the number of households grew by 655 or 13%. The population declines were much steeper in the two small communities, where populations fell by about 10% in that time period. Household growth was 10% in Stellarton and 13% in Port Hawkesbury. The increase in households despite population loss is a reflection of the increase in the number of smaller households due primarily to delayed marriages, families having fewer children, and the aging of the population coupled with an increase in widows and widowers. Household growth lagged behind that for the province as a whole, which saw an increase of 28%, in addition to a population growth (driven largely by rapid growth in the Halifax area) of 4.6%. The changes in these smaller communities point to an evolving need for the housing supply to respond to the demands of smaller households.

Table 3: Population and Household Change, Case Study Market Locations, 1986-2006

	Nova Scotia		Truro		Stellarton		Port Hawkesbury	
	1986	2006	1986	2006	1986	2006	1986	2006
Population	873,180	913,460	12,125	11,765	5,260	4,720	3,870	3,515
Households	295,780	376,845	4,900	5,555	1,850	2,040	1,225	1,390

Source: Statistics Canada, 2006. Age Groups (14) and Sex (3) for the Population of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 100% Data, 97-551-XCB2006013; Statistics Canada, 2006. Household Type (11) and Age Groups of Primary Household Maintainer (8) for Private Households of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 20% Sample Data, 97-554-XCB2006035; Statistics Canada, 1986. Census of Canada 2A Profile.

In most rental markets, the majority of renter households consist of lower income households, single persons, and seniors. Students compete for rental accommodations with these groups. Table 4 summarizes changes in the age distribution of the population and in the distribution of household types in each of the case study communities between 1986 and 2006. The proportion of the population aged 15-24 years declined in each of the communities, but in 2006 was nonetheless slightly above the 13% average for the province. In contrast, the percentage of persons 65 years of age and over has risen substantially since 1986: while it increased from 12% to 15% in Nova Scotia as a whole, it jumped from 18% to 22.3% in Truro and nearly doubled in Port Hawkesbury to 13.5%. Growth in Stellarton, where this age group represented 16% of the total population in 2006, was marginal. . In each of the three communities, one-person and two-person households have increased as a percentage of all households. The strongest growth in one-person households was in Stellarton, where the proportion increased from 21.4% to 32.1% over the 20-year period, while the increase in Port Hawkesbury was about 7 percentage points. When one- and two-person households are combined, they represent 63% of all Nova Scotia households. This compares to 75% in Truro, 64% in Stellarton, and 59% in Port Hawkesbury.

Table 4: Age and Household Size Distribution, Case Study Market Locations, 1986-2006

	Nova Scotia		Truro		Stellarton		Port Hawkesbury	
	1986	2006	1986	2006	1986	2006	1986	2006
Persons aged 15 to 24 years	17.6%	12.9%	17.7%	13.1%	16.3%	13.3%	19.9%	13.9%
Persons aged 65 years and over	11.9%	15.1%	18.0%	22.3%	15.3%	16.0%	7.0%	13.5%
1 person households	18.6%	26.5%	30.2%	38.3%	21.4%	32.1%	18.0%	24.8%
2 person households	28.9%	36.8%	32.8%	36.4%	28.6%	32.6%	23.7%	34.5%

Source: Statistics Canada, 2006. Age Groups (14) and Sex (3) for the Population of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 100% Data, 97-551-XCB2006013; Statistics Canada, 2006. Household Type (11) and Age Groups of Primary Household Maintainer (8) for Private Households of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 20% Sample Data, 97-554-XCB2006035; Statistics Canada, 1986. Census of Canada 2A Profile.

Housing Supply

Each of the three case study communities is more “rental-intensive” than the province as a whole. Half of the occupied housing units in the Truro market are rented, compared to 36% in the other two case study markets (Table 5). The provincial figure is almost 28%. The highly rural nature of large parts of the province – characterized by mostly owner-occupied units – helps to bring the provincial figure down. By comparison, rental units comprise 36% of all occupied units in the Halifax Regional Municipality, and 25% in the Cape Breton Regional Municipality.

Table 5: Housing Tenure Profile, Case Study Market Locations, 2006

	Nova Scotia	Truro	Stellarton	Port Hawkesbury
Total number of occupied private dwellings	376,845	5,555	2,045	1,390
Owned	72.0%	49.4%	63.8%	64.0%
Rented	27.6%	50.6%	36.2%	36.0%

Source: Statistics Canada, 2006. Age Groups of Primary Household Maintainer (8), Number of Household Maintainers (4) and Housing Tenure (4) for Private Households of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 20% Sample Data, 97-554-XCB2006020; and Statistics Canada, 2006. Period of Construction (11), Structural Type of Dwelling (10), Housing Tenure (4) and Condition of Dwelling (4) for Occupied Private Dwellings of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 20% Sample Data, 97-554-XCB2006023.

The most recent rental market survey (October 2007) by CMHC for the Truro market shows that the universe of all rental units in properties of three or more units was 2,400, up slightly from 2,361 in 2006 (CMHC, 2007). The vacancy rate had dropped from 4.0% in 2006 to 3.1% in 2007; vacancy rates were highest for one-bedroom and lowest for two-bedroom units. Average rents were \$628, up from \$604 in 2006. Rents ranged from \$429 for a bachelor's unit to \$532 for a one-bedroom, \$676 for a two-bedroom, and \$704 for a three-bedroom unit. Rents increased modestly for each unit size over the previous year. Two-bedroom units make up 64% of the surveyed rental stock while 28% are one-bedroom units.

CMHC also provides rental market data for the New Glasgow market (of which Stellarton is a part). The October 2007 survey shows that the universe of all rental units in properties of three or more units was 1,146, unchanged from 2006 (CMHC, 2007). The vacancy rate rose from 2.8% in 2006 to 3.8% in 2007; they were highest for one-bedroom and lowest for two-bedroom units. Several interviewees noted that there is a lack of vacancies in quality rental properties. Average rents were \$532, up from \$516 in 2006. Rents ranged from \$404 for a bachelor's unit to \$477 for a one-bedroom, \$577 for a two-bedroom, and \$606 for a three-bedroom unit. Rents increased modestly for each unit size over the previous year, except for bachelor's units. Two-bedroom units make up 61% of the surveyed rental stock while 28% are one-bedroom units.

The Port Hawkesbury market is too small for CMHC rental market survey data capture. The only reliable data comes from the census. There were 500 occupied rental units at the time of the 2006 census, and the median rent (based on payments for rent, heat, and electricity) was \$646.

Self-reported date of construction by census respondents shows a very different age profile of housing units across the case study communities and in comparison with the province as a whole. Across the province, just under one-third of the occupied rental stock was built prior to 1961 and almost one-third was built since 1981, with just over one-third completed in the 1961-1980 period. However, more than half of the occupied rental stock in Stellarton, about 41% in Truro, and less than 20% in Port Hawkesbury, was built prior to 1961. In fact, 44% of such units in Stellarton were built prior to 1946. The majority of the occupied rental stock in Port Hawkesbury was built in the 1961-1980 period.

For the most part, the distribution of period of construction for both occupied ownership and rental units is quite similar within each case study community, but slightly different in

comparison among the three communities. The minor variations within each community include the fact that in Truro, 19% of the rental units and only 8% of the ownership units have been built in the 1991-present period; at the same time, 58% of the occupied ownership units were built prior to 1961, compared with 41% of the occupied rental units. In Port Hawkesbury, 16% of the occupied ownership has been built since 1991, compared with 22% of the occupied rental stock.

The much older rental stock in the Truro and Stellarton markets may prove challenging (in terms of state of repair and cost of operations for electricity and heat) for student renters if the units have not been reasonably well looked after. Furthermore, in the Port Hawkesbury market, many of the units are 30 to 50 years old and may also be of questionable quality.

Table 6: Occupied Housing Stock by Period of Construction and Tenure, Case Study Market Locations, 2006

	Nova Scotia		Truro		Stellarton		Port Hawkesbury	
	Owned	Rented	Owned	Rented	Owned	Rented	Owned	Rented
Total units	271,160	103,870	2,745	2,815	1,310	730	890	500
Pre-1946	21.1%	17.9%	32.0%	26.6%	38.9%	43.8%	10.7%	6.0%
1946 to 1960	13.1%	13.8%	25.7%	14.6%	13.7%	11.6%	7.3%	11.0%
1961 to 1970	9.6%	16.6%	13.7%	10.8%	9.2%	6.2%	26.4%	25.0%
1971 to 1980	8.3%	19.9%	14.6%	16.3%	19.8%	17.1%	29.2%	27.0%
1981 to 1990	17.5%	15.7%	5.9%	13.2%	11.5%	11.0%	10.2%	10.0%
1991 to 2000	13.9%	10.5%	4.6%	8.8%	5.3%	7.5%	9.0%	15.0%
2001 to 2006	6.6%	5.6%	3.6%	9.9%	1.9%	2.7%	6.7%	7.0%

Source: Statistics Canada, 2006. Period of Construction (11), Structural Type of Dwelling (10), Housing Tenure (4) and Condition of Dwelling (4) for Occupied Private Dwellings of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 20% Sample Data, 97-554-XCB2006023.

As noted in the literature review, the subsidiary or secondary rental stock potentially plays an important role in the supply of rental housing options in some markets. These units are generally all of the rental units which were not purpose-built for rental use but are currently rented (such as single-detached houses, condominiums, semi-detached, etc.), basement or accessory apartments, and so on. As noted in Table 7, the dominant rental supply type in the province and in the three case study communities (based on the units occupied at the time of the 2006 census) is small apartment buildings with fewer than five storeys.⁵ These typically have eight to sixteen units each. This supply is especially prominent in Truro, where 70% of the occupied rental units are of this type. Accessory apartments (noted as “apartment, duplex” in Table 7 and in the census) and single-detached homes are also important in Truro. In Stellarton and Port Hawkesbury, semi-detached houses and single-detached houses are the most important sources of supply other than low-rise apartments. These two markets are smaller than the Truro market, but they also have more diversity in their overall supply distribution. This evidence suggests that in smaller rental markets semi-detached housing and accessory apartments are important components of the rental

⁵ It is important to note that Table 7 does not show the total supply of all rental units in each location. This is because it is based on the self-reporting by census respondents about the units occupied on the date of the census. It does not include any vacant units.

supply and that appropriate land use planning regulations be in place to support their development.

Table 7: Rental Market Supply by Structural Type, Case Study Market Locations, 2006

	Nova Scotia	Truro	Stellarton	Port Hawkesbury
Total occupied rented dwellings	103,870	2,815	730	500
Apartment, building with fewer than five storeys	47.2%	70.5%	46.6%	55.0%
Single-detached house	20.0%	11.0%	13.7%	15.0%
Apartment, building with five or more storeys	12.1%	0.4%	0.0%	0.0%
Semi-detached house	7.3%	2.5%	21.2%	16.0%
Apartment, duplex	6.6%	13.7%	6.2%	11.0%
Row house	4.3%	1.1%	9.6%	0.0%
Movable dwelling	1.9%	0.4%	2.1%	0.0%
Other single-attached house	0.5%	0.5%	1.4%	0.0%

Source: Statistics Canada, 2006. Period of Construction (11), Structural Type of Dwelling (10), Housing Tenure (4) and Condition of Dwelling (4) for Occupied Private Dwellings of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 20% Sample Data, 97-554-XCB2006023.

Truro is the only market location where there has been ongoing construction of new rental housing. In fact, 42 such developments (almost 300 units) were built in 2005-2007 period (Table 8). This compares with 43 developments and 104 units in the previous four years.

Table 8: Town of Truro Building Permit Activity, Apartment Developments, 2001-2007

Year	Number of Permits	Number of Units	Value of Construction
2007	12	77	\$7,407,400
2006	14	99	\$6,643,500
2005	16	114	\$7,994,100
2004	12	32	\$2,350,150
2003	15	17	\$824,900
2002	5	2	\$34,500
2001	11	53	\$2,736,000

Source: Town of Truro Planning Office. Various years.

The surge in new multiple-unit development has been due to the changes in demographics and the traditionally low vacancy rates. There is now an oversupply which has kept prices moderate to a certain extent. Approximately 100 units are in progress with another 100 units planned. Most new developments are aimed at seniors – typically two-bedroom unit buildings with underground parking – but the range of amenities varies significantly from one development to the next. Some of the older stock in the downtown has also been renovated and upgraded, and some observers felt that a number of the so-called “slum” properties are disappearing as the new units come into the market.

By comparison, Stellarton has seen some increase in new rental housing for seniors. In the last three years alone (2004-2007) there have been four new projects (three 12-unit buildings and one 26-unit building). One of the properties was a conversion of a former school to apartments (Pictou District Planning Commission building permit statistics). There has been very little construction of new rental housing in the past 15 years in Port Hawkesbury. Since 1992, only 3 new buildings, each with 12 units, have been constructed, and none since 2002 (Eastern District Planning Commission building permit statistics).

At both Pictou and Strait campus locations, NSCC campus staff prepare and distribute a listing of available rental housing for students.⁶ It only includes those rental options proactively advertised with the campus by the owners. Table 9 summarizes the nature of this supply for both campuses locations, and shows the number and type of units in the immediate municipality (Stellarton and Port Hawkesbury) and those in adjacent and neighbouring towns and rural areas.⁷ About half of the listings at both campus locations are found in the host towns themselves. More than 60% of the listings at the Pictou campus are for boarding opportunities (and many of those are in Stellarton and New Glasgow); about half of units listed with the Strait campus are of this type. Single-detached houses (typically older, larger homes) which have been subdivided into individual rooms for rent (usually with a common or shared kitchen and washroom facilities) are common at both locations.

There are also some types of subsidiary (non-traditional) units listed at one campus but not at the other. There is one rooming house with 16 units and a hostel with 10 units, listed with the Pictou campus (and no such units with the Strait campus); and for the Strait campus there are 22 motel units listed, 8 bed and breakfast units listed, and 7 cottages listed (and none listed with the Pictou campus). The latter three supply types may be targeted more to older, mature students coming to the Strait campus for short-term courses associated with the nautical programs. The broad mix of non-traditional rental units available in each community for students is an indication of their importance as part of the overall rental supply.

Table 9: Available Housing Supply for Pictou and Strait Campus Students, by Location and Structural Type, 2007-2008

Type	Pictou Campus			Strait Campus		
	Stellarton	Elsewhere	Total	Port Hawkesbury	Elsewhere	Total
Room in a family home	46	54	100	57	25	82
Apartment	23	16	39	20	20	30
Motel	0	0	0	2	20	22
Rooming House	16	0	16	0	0	0

⁶ At the Truro campus, NSCC staff do not prepare such a listing or directory. This practice was stopped a few years ago in favour of a web-based listing service (www.places4students.com) on which interested rental property owners are encouraged to list their available units. Students with inquiries about rental accommodations are directed by staff to this website.

⁷ It was not possible to construct a similar type of “inventory” for the Truro campus and market location. Available listings on the website were few given that once a listing had been rented, the owner removed the listing. In addition, listings of available units from other sources such as classified advertisements in newspapers would be relatively few since many potential units aimed at students were occupied at the time of the study.

	Pictou Campus			Strait Campus		
Type	Stellarton	Elsewhere	Total	Port Hawkesbury	Elsewhere	Total
House (subdivided) (1)	10	4	14	4	5	9
Hostel	0	10	10	0	0	0
Bed and Breakfast	0	0	0	0	8	8
Cottage	0	0	0	0	7	7
Basement Suite	0	3	3	2	3	5
House (family)	0	1	1	2	3	5
Total	95	88	183	87	81	168

(1) For the Pictou campus location, The 14 subdivided houses encompass a total of 63 separate rooms for rent; for the Strait campus location, the 9 subdivided houses encompass a total of 35 separate rooms for rent.

Source: Compiled by NSCC Campus staff at each location as part of their annual listing of rental units. Information supplied to NSCC staff voluntarily by owners as well as through call backs by staff to owners from the prior year.

When one compares the supply of rental units as reported in the census (based on occupied units only) or through the CMHC annual rental market survey (CMHC, 2007) with the listings supplied to the NSCC campus staff, it is clear that there is a large portion of the local rental supply which is relatively “hidden” in terms of formal reporting. For example, the supply of boarding rooms in individual homes, motel units, bed and breakfast units, and so on, provide broader options for students which may not be readily apparent without the important role of a medium in which to communicate such information. It also points to the important role of students as part of the local market which may make it viable for some businesses (such as motels and bed and breakfasts) to operate; a revenue stream from tourists in the summer months is augmented by rental income from students for the balance of the year. At the same time, taking in boarders may make homeownership viable for some households.

About two-thirds of the units listed with the Pictou campus and three-quarters of those listed with the Strait campus provided price information, and these are summarized in Table 10. Most boarding opportunities are available on a weekly basis, at about \$90 to \$100 per week in the Stellarton area and slightly more in the Port Hawkesbury area. Most other arrangements appear to charge rents that are at or below the rents charged in the larger rental apartment properties in the New Glasgow market (based on CMHC annual rental market survey reporting) and in Port Hawkesbury (based on census reporting), as noted on page 19. Rents charged for basements suites and houses (intended for family occupancy) appear to be higher in the Port Hawkesbury area than in the Stellarton area. The rents for the apartment listings are more expensive than those for all other types of housing arrangements. Most listings do not adequately describe the number of units (especially for subdivided houses) or bedrooms; therefore, the price summary should be treated with caution since it does not control for unit size and quality.

Table 10: Available Housing Supply for Pictou and Strait Campus Students, by Price Features and Structural Type, 2007-2008

Type	Pictou Campus		Strait Campus	
	Mean Price	Range	Mean Price	Range
Room in a family home (weekly)	\$91	\$70 to \$125	\$112	\$75 to \$280
Apartment	\$529	\$300 to \$850	\$505	\$350 to \$1350
Motel	n/a	n/a	\$540	\$500 to \$600
Rooming House (weekly)	\$100	n/a	n/a	n/a
House (subdivided, total) (1)	\$1,465	\$950 to \$2250	\$1,465	\$1200 to \$1875
House (subdivided, by room) (2)	\$353	\$300 to \$450	\$366	\$325 to \$400
Hostel (weekly)	\$75	n/a	n/a	n/a
Bed and Breakfast	n/a	n/a	\$425	\$425
Cottage	n/a	n/a	\$588	\$500 to \$700
Basement Suite	\$383	\$300 to \$450	\$588	\$400 to \$900
House (family)	\$450	n/a	\$588	\$500 to \$675

(1) For listings identifying the price to rent the entire house but not identifying the number of units in the house.

(2) For listings identifying the price per room for rent in a house. These units were clearly advertised as such, and not as boarding rooms in a family home.

Source: Compiled by NSCC Campus staff at each location as part of their annual listing of rental units. Information supplied to NSCC staff voluntarily by owners as well as through call backs by staff to owners from the prior year.

Table 11 summarizes the self-reported condition or state of repair by occupants of rented dwellings. Compared to the need for repair in the province as a whole, in general, there is a greater need for minor and major repairs to the rental stock in each of the three case study communities. The only exception to this would be for accessory apartments (listed as “apartment, duplex” in Table 11), where the need for repair is greater in the province as a whole. These findings suggest that in smaller markets owners of rental properties may have difficulty accessing financing and generating enough rental income to re-invest in property maintenance and repairs. It also suggests that students looking to rent in these markets may have trouble finding quality rental units.

In Truro, about one-third of rental units are in need of minor repairs and an additional 12% are in need of major repairs – these rates are slightly higher than for the province as a whole. However, the incidence of need for repair is very high among single-detached houses and row houses (even though there are relatively few of these on the market). Close to 40% of the most common type of rental unit – apartments in small scale apartment buildings – is in need of repair. Rented single-detached houses in Truro are in relatively poor shape, with almost two-thirds reported to be in need of some type of repair. In both cases, these rates are higher than for the province as a whole.

The rental stock in Stellarton is also in relatively poor shape – almost half of the occupied stock was self-reported by occupants to be in need of repairs in 2006 – including almost 19% requiring major repairs. This contrasts with less than 40% across the province as a whole. Of most concern is the self-reporting that almost 30% of the apartments in smaller buildings are in need of major repair, compared with just 9% across the province as a whole. More than half of the semi-detached homes and more than 40% of the row housing are in need of minor repairs – again, these rates are much higher than for the province as a whole.

One-quarter of the rental stock in Port Hawkesbury is self-reported by occupants to be in need of minor repairs, with another 13% in need of major repairs. These rates are reasonably consistent with the rates for the province as a whole, although the need for major repair is slightly higher in Port Hawkesbury. There are some structural types that are in worse condition than others. For example, a relatively high percentage of semi-detached and single-detached rental units are in need of major or minor repairs; and semi-detached houses and apartments in buildings with less than five storeys have higher rates of need of major repairs than other types of rental housing in town (and higher than across the province as a whole).

Table 11: Condition of Occupied Rented Dwellings, by Structural Type, Case Study Market Locations, 2006

	Nova Scotia	Truro	Stellarton	Port Hawkesbury
Total occupied rented dwellings	103,870	2,815	730	500
Minor repairs	28.1%	32.3%	30.1%	25.0%
Major repairs	10.6%	11.7%	18.5%	13.0%
Apartment, building with fewer than five storeys	49,070	1,985	340	275
Minor repairs	26.1%	29.5%	20.6%	21.8%
Major repairs	9.0%	10.3%	27.9%	14.5%
Single-detached house	20,805	310	100	75
Minor repairs	35.2%	41.9%	25.0%	33.3%
Major repairs	15.4%	22.6%	20.0%	13.3%
Apartment, building with five or more storeys	12,560	10	0	0
Minor repairs	19.6%	0.0%	0	0
Major repairs	5.9%	0.0%	0	0
Semi-detached house	7,570	70	155	80
Minor repairs	31.7%	28.6%	58.1%	37.5%
Major repairs	11.6%	21.4%	6.5%	18.8%
Apartment, duplex	6,885	385	45	55
Minor repairs	31.1%	36.4%	22.2%	18.2%
Major repairs	11.0%	9.1%	0.0%	0.0%
Row house	4,475	30	70	0
Minor repairs	28.5%	33.3%	42.9%	0
Major repairs	12.4%	33.3%	14.3%	0
Movable dwelling	2,025	10	15	0
Minor repairs	33.8%	100.0%	0.0%	0
Major repairs	19.5%	0.0%	0.0%	0
Other single-attached house	475	15	10	0
Minor repairs	22.1%	66.7%	0.0%	0
Major repairs	16.8%	0.0%	0.0%	0

Source: Statistics Canada, 2006. Period of Construction (11), Structural Type of Dwelling (10), Housing Tenure (4) and Condition of Dwelling (4) for Occupied Private Dwellings of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 20% Sample Data, 97-554-XCB2006023.

Generally speaking, a measure of housing affordability is that a household should pay less than 30% of its monthly income for shelter costs – including rent, electricity, heat, and any charges for municipal services such as water and sewerage usage. This is not a perfect measure, since some households have the financial ability to pay more than this without impacting their other needs, such as food and clothing and other necessities.

Looking specifically at 2006 and examining the shelter costs paid by different types of renter households, we find that in Truro and Stellarton the biggest challenges are faced by lone parent families and by one-person (non-family) households (Table 12). The percentage of lone-parent families paying 30% or more of income before taxes on shelter⁸ is higher than for the province as a whole. In Port Hawkesbury, relatively more of both one-person and two-person non-family households than other types of households have these affordability problems. In both Stellarton and Port Hawkesbury, there are relatively fewer renting couples with children paying 30% or more of their income for rent than in Truro.

Table 12: Percentage of Households Spending 30% or More of Household Income Before Taxes on Shelter Costs, by Household Type, Case Study Market Locations, 2006

	Nova Scotia	Truro	Stellarton	Port Hawkesbury
All renter households	39.2%	41.7%	42.9%	43.0%
Family households	30.6%	38.2%	34.7%	25.9%
Couples without children	24.4%	36.7%	33.3%	25.0%
Couples with children	19.4%	35.9%	10.0%	12.5%
Lone-parent family households	50.7%	54.0%	63.0%	37.5%
Other family households	18.1%	10.5%	0.0%	0.0%
One person households	49.2%	46.8%	54.5%	66.7%
Two or more person households	32.5%	16.2%	0.0%	42.9%

Source: Statistics Canada, 2006. Household Type (11), Housing Affordability (4) and Housing Tenure and Presence of Mortgage (8) for the Private Households with Household Income Greater than Zero, in Non-farm, Non-reserve Private Dwellings of Canada, Provinces, Territories, Census Divisions and Census Subdivisions, 2006 Census - 20% Sample Data, 97-554-XCB2006039.

A household is said to be in core housing need if its housing falls below at least one of the adequacy, suitability, or affordability standards and it 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 (meets all three standards). Adequate dwellings are those reported by their residents as not requiring any major repairs. Suitable dwellings have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. Affordable dwellings cost less than 30% of total before-tax household income (CMHC, 2005).

As shown in Table 13, core housing need among renters in Nova Scotia did not change much between 1996 and 2001 (the data for 2006 are not yet available). About one-third of renter

⁸ Statistics Canada excludes households with shelter costs greater than income. In effect, the data in Table 12 refer only to households paying 30% to 99% of income for shelter costs, but for simplicity we use the phrase “30% or more” in the text.

households were in core housing need (they fell below one or more housing standards and did not have enough income to afford the median rent in their community). The average shelter-cost-to-income ratio (STIR) – the percentage of before-tax income spent on shelter – for those not in core housing need was significantly less (21%) than for those in need (about 49%). Average STIRs for both groups were essentially unchanged between 2001 and 2006.

In Truro, housing conditions have generally been more difficult than in the province as a whole. In 1996, the incidence of core housing need was actually somewhat lower than in the province, with 30% of renters being in core need, but average STIRs for those in core need were higher than the provincial average. By 2001, the number of renter households in core need grew by 85 to 830 in total, and the incidence of core need jumped to 36% - higher than for the province as a whole. On a slightly more positive note, the average shelter cost for renters in core need in 2001 was not much more than it was for those who were in core need in 1996. The average STIRs for renters in core need dropped marginally in this time period to 50% - still very high.

In Stellarton, the situation has also been more difficult than in the province as a whole. From 1996 to 2001, the percentage of renter households in core need increased and was higher than province-wide, reaching 38% in 2001. However, the average STIR of renters in core need in 2001 was 46%, a drop from 53% among those in core need in 1996.

Core need among renters in Port Hawkesbury paralleled conditions in the province as a whole. The incidence of core need was just below the provincial rate in 1996, rising to just above it in 2001 (35% of renter households). However, average STIRs for renters in need improved in this period from 55% in 1996 to 47% in 2001. The incomes of renters in core housing need were appreciably higher than five years previously. Average shelter costs for renters in need increased by more than they did in the province as a whole.

Table 13: Incidence of Core Housing Need, Renter Households, Case Study Market Locations, 1996-2001

	Households not in core housing need	Households in core housing need	% in Core Housing Need	Households not in core housing need	Households in core housing need	% in Core Housing Need
Nova Scotia	1996			2001		
# Rented	53,480	30,190	33.6%	54,335	31,790	33.9%
Average Household Income	\$39,231	\$13,410		\$45,510	\$14,708	
Average Shelter Cost	\$578	\$508		\$645	\$545	
Average STIR	21.0%	49.0%		20.6%	48.9%	
Truro						
# Rented	1,650	745	29.9%	1,440	830	35.9%
Average Household Income	\$31,272	\$11,424		\$35,149	\$12,604	
Average Shelter Cost	\$493	\$477		\$559	\$483	
Average STIR	24.0%	54.0%		23.3%	50.0%	
Stellarton						
# Rented	355	220	35.8%	355	235	37.9%
Average Household Income	\$30,027	\$12,372		\$39,495	\$14,682	
Average Shelter Cost	\$519	\$507		\$512	\$524	
Average STIR	23.0%	53.0%		20.3%	45.7%	
Port Hawkesbury						
# Rented	230	125	32.5%	245	145	34.9%
Average Household Income	\$48,468	\$10,548		\$47,998	\$13,343	
Average Shelter Cost	\$498	\$424		\$598	\$507	
Average STIR	20.0%	55.0%		20.2%	46.9%	

Note: A household is said to be in core housing need if its housing falls below at least one of the adequacy, affordability or suitability, standards and it 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 (meets all three standards). Adequate dwellings are those reported by their residents as not requiring any major repairs. Affordable dwellings cost less than 30% of total before-tax household income. Suitable dwellings have enough bedrooms for the size and make-up of resident households, according to National Occupancy Standard (NOS) requirements. A household is not in core housing need if its housing meets all of the adequacy, suitability and affordability standards, or, if its housing does not meet one or more of these standards, but it has sufficient income to obtain alternative local housing that is acceptable (meets all three standards).

(1) STIR refers to "shelter-cost-to-income ratio".

Source: CMHC (census-based housing indicators and data).

Summary

The three rental housing markets with community college campus have features which may create some challenges for students as they seek rental accommodation during their school year(s). There are an increasing number of smaller households and older households in each market, some of whom would likely look to rental housing to meet their housing needs. Based on the limited data available, renters in the three communities are more likely to be spending high fractions of their incomes on shelter and to be in core housing need than renters in the province as a whole. Rental housing in these communities is characterized by relatively high rates of disrepair. The rental supply is dominated by small scale apartment buildings, semi-detached

houses, and single-detached houses, although in the Truro and Port Hawkesbury there are relatively more accessory apartments in the mix. There has been a relative lack of new rental housing construction in the Stellarton and Port Hawkesbury markets, while the new construction in Truro has been aimed at the seniors' market.

4.2. Summary of Key Informant Interviews

This section of the report summarizes the main evidence provided by the key informant interviewees in each of the case study locations, concerning the local rental markets and the presence of students in those markets. The discussion is organized around the six major research questions for this project.

Impact of Students in the Local Market

Key informants in the Truro case study felt that there is no distinct student neighbourhood – students are living in a variety of places within walking distance to the campus. Collectively the interviewees provided a number of observations about students in the rental market. Younger students tend to pair up or live with several others, while older and more mature students tend to rent alone. Students generally have few difficulties finding an apartment, but it may not always be what they want. Most interviewees felt that “there’s always enough vacancy” available in the community to meet students’ needs. Students generally end up in lower quality and less expensive rental housing, but they generally pay relatively high rents compared to what they can afford. Students who register late may be more hard pressed to find something, especially at a price and location that suits their needs. Students today (compared to those in the past) want privacy and are less interested in being a boarder in someone’s home.

There was no strong consensus among interviewees about the “quality” of students as renters. Some felt that students from the former teachers’ college were “better renters” than those from the NSCC today, because the former were generally highly focused on preparing for their teaching career, while the latter tend to be younger, right out of high school (despite the fact that the overall mean age of students in the NSCC is over 25 years of age). On the other hand, some felt that NSCC students were more mature than university students, because they are career-oriented and in a relatively short, two-year program.

Several of the interviewees (including a real estate agent, two rental property owners, and an economic development official) felt that the price of rental units in Truro is driven primarily by what seniors are able and willing to pay, and not by what other segments of the market (including students) can or will pay.

There are conflicting comments about the presence of students in the Stellarton rental market. Some of the interviewees noted that as a collective group, students on the whole are difficult tenants – they party, cause damage, etc. They believe this may be in part due to the fact that there are more male students at this campus compared to the other campuses, given the heavy emphasis on trades programs. On the other hand, some noted that mature students make excellent tenants, and others stated that they were unaware of any issues associated with student tenants.

Several of the people interviewed in the Stellarton market felt that there is potential demand for residence space at the Pictou campus. Campus staff report that students find it challenging to find a decent place to live that is clean and affordable; many students have to settle for “less” than they would really want. In addition, interviewees report that some of the older students or mature students with children at this campus have problems finding suitable rental housing because some landlords are not interested in having children in their units.

Interviewees felt that students are not competing with other market segments for available housing. The supply is large enough to meet most needs. For example, a representative of a large call centre noted that many of its employees live in the New Glasgow part of the market and therefore do not compete with students for lower priced rental housing in Stellarton. Furthermore, there does not appear to be a single portion of the rental market driving the prices charged, although most of the new rental housing is targeted to seniors. In fact, two real estate agents, one rental property owner, and two economic development officials noted that the rents charged in the local market are relatively low compared to neighbouring markets in Truro and Antigonish. While this might seem to be good for renters, the reality is that it makes it difficult for investors to build quality units and charge sufficient market rents for a reasonable return on investment. Some observers suggested that many rental owners are charging rents (e.g., \$575 for a two-bedroom unit, heat included) that are just high enough to earn some profit, but that they are forgoing possible re-investments in their properties. The general sense from several interviewees is that rents need to be higher to attract better renters and to attract investors who will build and maintain quality units.

The comments and observations from most interviewees in the Port Hawkesbury market suggest that the local housing market is highly constrained and offers little choice for people looking for affordable housing of any type, and that seniors have a difficult time due to the lack of rental housing that meets their aging-in-place needs.

Almost all of the interviewees provided their comments about local market issues and the presence of students in the market within the context of the industrial nature of the town. The local economy has been on an up-and-down roller coaster of speculation common to boom-bust economies. When there are announcements about new economic activity, rents go up and houses go on the market for sale. Another feature of the market noted by interviewees is that housing prices and rents are geared to the “mill wages” (the upper end of the incomes in the community) and therefore not oriented around median or mean wages, or the wages of most of the workers in the community. Prices and rents are definitely not geared to students or service or retail workers. The opening of call centres in the community is thought to have modestly increased the overall demand for rental housing. When EDS opened several years ago, they were employing close to 500 people, and many moved into town to take these relatively lower paying jobs. This led to a drop in vacancy rates, and created some problems for students.

Rental property owners have noted some change in the mix of renters over the past number of years. Today students make up a larger proportion of the renters than they ever did (even though they are still in the minority), due in part to the increase in enrolments and in part due to the closure of the residence. In addition, there are now more renters who are on social assistance,

and more who are single mothers, than in the past. As recently as ten years ago, most renters were working adults and seniors. Today, there are more younger people (either single persons, or two or more unrelated person households) renting, and more seniors moving into care facilities or moving away.

In recent years there have been many conversions of houses into rental properties, and an increase in the number of absentee landlords. One interviewee noted that there were a significant number of Antigonish residents (a university town located about 30 minutes from Port Hawkesbury) who own rental property (mostly houses and semi-detached units) in town as absentee landlords. In part these individuals have responded to the evolving needs of the local market, especially to the needs of a growing number of students renting in the community. In general this trend has led to an increase in the number of rental properties in some neighbourhoods.

Access to Market Information for Private Sector Decision-Making about New Rental Housing Construction

In all three markets, most interviewees (including many of the rental property owners themselves) stated that most rental property owners and developers do not make much or any use of published and other market information in their decision-making activities. Instead, most rely on their tacit local knowledge and “gut feeling”, for the most part, when making a decision about whether or not to build new rental properties. However, there was a slight variation on this general theme in the Truro market, where several larger and more sophisticated developers of rental properties from the Halifax area have begun to build in the local market. They are making use of market information.

In terms of housing information for the Truro market, there are conflicting perspectives about its quality and availability. CMHC does conduct its annual rental market survey for this market, but some questioned the accuracy of the information – perhaps because some rental properties owners are not fully participating in the survey. Furthermore, it was noted that there is wide variation in what a renter gets for the same price across the market (e.g., does the price include parking or utilities, what is the quality, etc.) – and that the consumer has a difficult time getting this information.

The use of housing market information appears to be ad hoc at best in the Stellarton market. Most property owners and others are not familiar with or aware of CMHC rental market information products. There is a great deal of information about the local market, however, should anyone wish to use it. Many of those interviewed believe that most people don’t know how to access it or are not interested. CMHC conducts an annual rental market survey in this market – but some interviewees suggested that the data are likely not very accurate and therefore not widely used. The rental market survey data might not be particularly useful because it is based on conditions on a specific, single day when the survey is done. This might be appropriate for large urban markets, but given the reality of smaller markets such as this, it might be more appropriate to take into account an entire month (for example, a person may not have a vacancy on the day of the call from CMHC, but might have vacancies at some point in that month – but that would not be captured).

A similar response to the issue of information was given by interviewees in the Port Hawkesbury market. They noted the distinct lack of housing information in the community. There is no central registry of rental properties and their availability (including rents and size of units). Information is shared primarily through word of mouth. There is a lack of newspaper ads about available rental properties. Broader information about the market as a whole is mostly just related to starts, building lots, and resale values. Within this context, the municipal government commissioned an informal needs assessment a few years ago and identified seniors housing as a pressing need; however, nothing was formally reported in the media or to the development community, and the town continues to seek a developer with interests in responding to this need for a seniors' development.

Planning and Regulatory Issues

Truro

There were no significant or major planning issues identified by any of the interviewees in the Truro market. The current municipal plan was adopted in 2004 and amended in 2007. Development agreements (a planning and development tool to facilitate a negotiated – and flexible – agreement between a developer and a municipality concerning all aspects of an individual property development proposal) are preferred over strict, precise zoning by-laws and regulations. This approach allows for a broader range of housing options throughout the community. Planning staff feel that Truro's use of development agreements has created a more open and flexible approach to development and has led to some creative developments in the community. In addition, the Heritage Advisory Committee has a formal role in providing comments and feedback on all proposed development agreements for multi-unit residential buildings (MURBs) within the urban regional core, including the downtown heritage district.

The municipal plan is quite flexible and provides for diversity. For example, a residential mixed use zone allows many possibilities and covers much of the downtown (e.g., commercial on ground floor with residential above). In addition, there is a commercial zone which, in 2004, was changed to allow residential on the ground floor as well. There has been grandfathering of some older higher density sites to allow for multi-unit development without a development agreement.

However, in single-detached housing zones, new properties are not permitted to have a secondary suite; they were allowed in the past and are protected. These structures are listed as double units and they have to be registered with the municipality.

One interviewee felt that while the municipal planning strategy was comprehensive and reasonable, the town should be more aggressive in using the provisions allowed within the municipal planning strategy to facilitate approaching developers to partner for development on town-owned property and with vacant buildings. The perception is that there is an opportunity for the town to be more than just a regulator; it could be a partner or broker on some development opportunities, especially to meet the needs of lower income households, including students.

Council wants more housing and residents in the downtown, so there has been a relaxation of parking standards as well. The availability of land is becoming a constraint for new development – the price of land in and near the downtown is very high because of its scarcity. The size of parcels of land for sale is relatively small.

One planning concern in Truro related to rental units is the conversion of older homes into apartment units. The town has attempted to manage their impact on the surrounding properties and neighbourhoods. The general observation is that these income properties are less well maintained than newer developments, and that there has been some conflict between the tenants' activities and those of neighbouring property owners. Planning staff have noted that the town has been very permissive when it comes to allowing conversion of older homes into up to four units in many areas. There are concerns that this is beginning to have a negative effect on older neighbourhoods. Some people have questioned whether or not these types of rental properties provide good quality housing, since many are known to be in relatively poor shape.

A second planning concern relates to the issue of regulating rooming or boarding houses. There are a small number of these in the older downtown area which tend to be sporadically problematic (e.g., crime, noise, and maintenance).

In response to these growing concerns, a few years ago the town undertook an education programme with all property owners concerning minimum property standards and unsightly premises. This led to lots of "clean up" and property improvement on a voluntary basis without inspections and heavy handedness. Later, when a small number of complaints about some properties were made, inspections were done and this led to further cleanup. The town now has an effective minimum standards bylaw, and a bylaw enforcement officer.

Stellarton

There were also no major planning issues identified in the Stellarton market. The current municipal plan was adopted in 2007. Council began the process of plan renewal in 2004. At that time there was considerable interest among councillors in examining opportunities for affordable housing in five neighbourhoods, including the potential for new small lot development, for open space development, and for multi-unit residential buildings in new neighbourhood development. The plan provides new directions for the town concerning affordable housing development, taking into account the changes in demographics, especially household size, type, and composition; incomes; and other community profile elements. The planning strategy now has a variety of broad policy statements concerning affordable housing, and has introduced measures to permit vacant lot development, infill, etc., designed to keep market costs down. The plan also considers potential NSCC expansion and the demands that it would place on the community. In general, Council would like to see (and is committed to), reasonable, appropriate development.

Stellarton pre-zones for multi-unit residential development. There was some debate about the use of development agreements versus pre-zoning for multi-unit construction. The decision to go with pre-zoning was based on the thinking that there should be provision of space for new rental housing without having development proposals tied up in extensive community consultations.

However, there is a policy section in the plan to permit multi-unit residential development to occur by development agreement in areas not already pre-zoned for such development.

A number of other creative measures were introduced into the most recent plan. In the downtown commercial zone, parking requirements have been relaxed, which allows for more flexibility to include housing in commercial developments. For example, the new land use by-law permits residential on either the first or second floor, but residential space is not permitted to face the main commercial street if it is on the ground floor. These changes (and others) are designed to encourage more housing options in the downtown, in part to meet student housing needs. Secondary suites are permitted as of right in modest density zones. Semi-detached housing and small boarding houses are also permitted

One of the planning and development challenges in the community concerns conversion of single-detached housing (especially older and larger structures) to rental units. There have been many older buildings which have been converted to 3-5 units, but they have not been well taken care of. The municipality utilizes the “Unsightly Premises” section of the Municipal Government Act of Nova Scotia, but standards are often difficult to enforce. Usually, there is a need for a complaint to come forward before action is taken.

In the other towns in the county, there is generally a lack of pre-zoned land for multi-unit residential development. Most are loath to pre-zone too much land for fear of missing other opportunities. The not-in-my-backyard or NIMBY syndrome is a factor as well. In the past, some municipal councils have been known to turn down good development proposals which faced some opposition.

It is important to note that neither New Glasgow nor Stellarton are anti-development *per se*. Both councils have been supportive in recent years and there has in fact been an increase in the number of new multi-unit residential developments in the last four years compared to the previous five to six years. However, more than one rental property owner felt that there was a very long period of time required to obtain all of the necessary permits and to adhere to the processes required by the Municipal Government Act of Nova Scotia (which in turn directs municipalities in terms of how they conduct planning and approvals). There is a sense that everything is very bureaucratic – to the point of being a nightmare for the private sector to “do business”. Development agreements were seen to result in a long process – longer than necessary – especially when there is a re-zoning involved.

There are also limitations associated with land available for development in all of the Pictou County communities. There is a density issue where the most desirable locations for new rental housing have already been built upon and there are fewer “good sites” available now compared to the past, especially near shopping and service areas. Although there has been some pre-zoning, most existing land zoned for multi-unit residential which has not already been built upon is pretty much located too far from amenities and services – a good reason for the region to invest in public transit.

Port Hawkesbury

There are few planning issues in Port Hawkesbury as well. The current municipal plan was updated in 2006. Most of the community is zoned for single-detached housing. Some parts of the community are zoned for higher densities where semi-detached housing (known locally as duplexes) and secondary suites are permitted. Planning officials note that in most cases people do not obtain a building permit for their secondary suites, so they are illegal. This issue emerges when neighbours complain when someone is selling their home and the listing describes both units; or when an owner is trying to rent both units. In addition, illegal suites are uncovered when an owner attempts to get a civic address for the second unit.

Some vacant land in the community has been pre-zoned for multi-unit residential apartment buildings. These are scattered throughout the town to permit council to better control the site and location of such developments and to avoid an overconcentration in one or more neighbourhoods. A limit of six new units per building is permitted as of right, and larger developments require a development agreement. Despite this pre-zoning of some parcels of land for apartments, some observers feel that there is a lack of suitable land for development, especially within walking distance to the civic centre and to services and retail. There may be scope for more appropriate and effective pre-zoning of land within walking distance for additional multi-unit residential buildings. This lack of sufficient pre-zoned land near the central commercial core is a potential development challenge for the community, because it could lead to contentious decisions about what can and cannot be built, and where, and by whom. Recently, however, the municipal council approved proposals for two new apartment buildings – an 18-unit and a 12-unit – but developers are not yet ready to build.

The town has an unsightly premises bylaw, which is a bit weak, and the interpretation is broad, making it difficult to enforce. Some observers feel that the local government simply does not have an appetite for enforcing minimum property standards, leaving the impression that not much is being done on this issue. However, action is taken on any complaints and generally there is compliance from property owners.

Housing Market Capacities and College System Decisions about Expansions/Changes

Staff at each of the three campuses who were interviewed felt that there was generally sufficient capacity within each of their local housing markets to absorb a modest increase in the number of students attending their campuses, should that occur. Collectively they felt that if there was any increase in the number of students in the coming years (short term), most of them would be local persons who already have permanent accommodations or they would be within a reasonable commuting distance and not likely to relocate. In addition, the principal of each campus (and in some cases, other senior campus staff) are quite involved in their local communities serving on various boards and committees, and participating in community organizations. This has meant that they are well-attuned to the changing nature of the community and the role and presence of the campus in the community. It also means that discussions about expansions or changes to programs or facilities are well-grounded in the knowledge about potential impacts in the community.

The Truro campus is the only campus in the system with a residence. This was inherited as part of the former Teachers' College campus on which the current campus sits. The residence holds 150 students. Campus staff feel that there will always be a need for a residence to house younger students. There is a strong sense that a new residence would be an asset because the existing residence is old and, despite many upgrades over the years, likely does not satisfy the needs or demands of today's students (who are typically looking for single rooms, better access to technology, and individual or shared washrooms). The residence is usually full each year, and in recent years there has been a trend towards more students staying in residence for their second year of study. The Campus Living Centres feasibility study (2003) showed that up to 100 new spaces could be filled. The study suggested extensive renovations to the existing residence and an expansion, for a total of 250 new, high quality units. Furthermore, the consultants felt that such an expansion would not have a negative financial impact on the private rental market because part of the "un-met demand" they identified were people who might otherwise commute or live at home.

A similar study was conducted for the Pictou campus at the same time. Student demand for housing is growing, and many observers both inside and outside of the campus system feel there is a need for a residence in Stellarton to respond to perceived student interest. Several of the people interviewed felt that students in general find the Stellarton market to be difficult due to limited choice of quality units within walking distance of the campus. Increasingly, campus staff are hearing more anecdotal evidence about this problem, which suggests that perhaps some students would welcome a residence option.⁹

There is some interest in and potential for a residence at this campus location. When the NSCC business plan was publicly presented in the Stellarton area a few years ago, there were a number of initial inquiries from people interested in real estate and housing issues (i.e., wanting to buy a house and rent it out, wanting to pick up some land, wanting to work with the campus to build a residence or apartment building, etc). There is some NSCC-owned land behind the college which could offer some potential for residence space. All parties involved recognize that if the NSCC were to build a residence here there would be a need for careful consideration of the costs of and approaches to managing it, the range and types of housing (e.g., apartment, townhouse, dorm rooms, etc.) and services offered (e.g., meals or dining room facilities, kitchen facilities in rooms or apartments, etc.).

The Strait campus did have a small residence option for students until recently. The NSCC inherited a residence building that pre-dated the NSCC, and the top floor of the building was kept as a residence for several years; 2005-06 was the last year for a residence. There were a number of reasons for closing it: the location was poor (not on the campus grounds but rather in the main part of town); no on-site staffing was provided; it was not managed well nor was it attractive (there were complaints about noise, etc); and it ran into financial difficulties (there was an operating deficit and a need for capital improvements). Observers feel that a new residence

⁹ In 2004 a team of NSCC Pictou campus students undertook a survey of students to determine levels of interest in a residence. More than 80% of 317 students surveyed felt there was a need for residence, with most suggesting an apartment-style complex as being preferable. Most students who responded agreed that there were more advantages than disadvantages associated with living in a residence. However, this survey was not a true needs assessment or assessment of real or potential demand for residence space.

might be an asset, given the location and type of programs at this campus, but that it would likely be pricey. In fact, a study by Campus Living Centres in 2003 on a potential residence identified potential demand at \$650 per month per student in shared two-bedroom units, aimed at 18-21 year old students. This price would be higher than the median market rent of \$646 in Port Hawkesbury in 2006, as reported in the census (see page 19). However, that median market could be shared by two or more persons in units larger than one-bedroom, whereas the potential rate charged for a residence would be per person.

Available Housing Choice and Impact on Student Decisions about Programs and Campuses

Campus staff who were interviewed at each of the three campus locations were not aware of any students who chose not to come to their campus because of a housing issue or because of a concern that they would not be able to find appropriate and affordable housing.

In Port Hawkesbury, an economic development interviewee felt that the price of rental housing in the town was relatively expensive compared to the cost of living in rural areas and that some people currently living in the rural areas and wanting to attend the local campus were “trapped” and not able to do so. This is both because moving to town was deemed to be too expensive and because affordable transportation (and in some cases, any transportation) from rural locations to the campus was lacking. This individual did not have specific numbers to support these comments but knew from personal contact with a large number of families in the region that this was their experience and situation.

Barriers to and Opportunities for Providing Affordable Housing Options

In addition to some of the minor barriers and challenges discussed early, several other issues emerged from the key informant interviews as barriers or concerns.

Access to financing and making rental housing work from a business case perspective appear to be the most significant challenges facing rental property owners and new development projects in smaller markets. In each of these three markets there are rising input costs for new construction – land, materials, labour. From an ongoing operating perspective for existing properties, rents are primarily driven by input costs – the costs of electricity, heat, and fuel, supplies, repairs, contract labour. All have risen, and there have been corresponding increases in rents over the years.

Property owners in each of the three markets expressed concern about the increasing difficulty in obtaining financing for new developments. For example, in Truro, one property owner noted that banks need to be more flexible when working with owners of smaller rental properties. For example, some expressed an interest in being able to borrow against their existing rental properties in order to expand their investments in additional rental properties (this is known as an “equity take-out” – borrowing against the mortgage on an existing property). However, the observation was that commercial banks either will not offer such a financing product, or were unwilling to make it available to smaller property owners in smaller markets.

In Stellarton, two rental property owners discussed the challenges faced by those with very small rental portfolios. The profit margins are relatively slim. As portfolio size increases, economies of scale allow for more efficient management of property services – there is a larger equity and asset base to support a loan application, for example. It was felt that in the 1990-2000 period banks were fairly open to financing rental properties, but today there is a demand for a higher degree of equity in the loan application.

In Port Hawkesbury the financing concerns were more related to the uncertain nature of the local economy. Access to financing and mortgages for multi-unit residential construction is a challenge in small markets like Port Hawkesbury. Banks and credit unions were perceived to be difficult to work with because decisions are no longer made locally. Instead, they are made in Halifax and/or Toronto. Generally speaking, there appears to be concerns about the ability to recover the value of loans should a project fail. The criteria for assessing loan applications are perceived to be too high concerning the projected long term expectation about whether or not the rental property would remain financial viable and stable. There appear to be concerns about the poor economic forecasts for the region, against which the “risk” of a loan would be assessed.

Several interviewees in each market expressed concern about the cost of mortgage insurance or the inability to secure mortgage insurance from CMHC. They felt that CMHC was less likely to insure mortgages in smaller markets, and they have set the standards too high by applying criteria used in large urban centres for making their decisions. These include the projected long term expectation about whether or not the rental property would remain financial viable and stable; and the forecasted economic growth for the community or its region against which the “risk” of a loan would be assessed.

In Stellarton, both planning and economic development officials who were interviewed felt that while there were no land use or regulatory barriers *per se*, the lack of public transportation services serves as a barrier to wider housing choice. They felt that if there was public transit in place, students moving into the community to attend the campus would have a broader range of housing choices beyond the immediate walking distance to campus. This would make it possible, for example, to seek rental accommodation in New Glasgow, the largest of the communities in the area, without requiring a vehicle for transportation. The net effect might be to provide access to more units of higher quality (real or perceived), and to reduce the possibility of a “captive market” in the immediate Stellarton area where prices might be higher and quality might be lower, than in other parts of the region.

Few “opportunities” for new affordable housing development were identified by the interviewees. A few interviewees (especially in the Port Hawkesbury and Stellarton markets) pointed to the opportunity to build new rental housing that responded to the needs of the seniors’ market, which in turn would free up existing units for other households, including students. In Truro two interviewees suggested that municipal-owned land could be developed to provide affordable housing for lower income households.

4.3. Summary of the Student Surveys

The survey results discussed below are primarily focused on two components:

- The responses from renters living alone or with others unrelated to them (referred to below as “individual renters” – these would mostly be younger students who have relocated to the community for the NSCC program, or who may be from the community originally but have chosen to rent rather than live at home with parents); and
- The responses from renters living in a family situation (these would be students living with their partner or spouse, with or without children).

Based on the student responses concerning the amount they pay for rent and utilities, there is no clear pattern in terms of a comparison with what is charged in the general marketplace. In some markets, for some types of student renters, they are paying more than the average market rent, while in other markets, they are paying less. It is very difficult to make direct comparisons given different data sources and the wide range of student accommodation.

In the Truro marketplace, the average rent for a one-bedroom unit in October 2007 was \$532, but individual students living alone or with others reported paying less than this on average (\$501). In contrast, the average rent for a two-bedroom unit (\$676) was well below the average rent paid by students in a family situation (\$745) (Table 14). In Port Hawkesbury the median rent reported in the 2006 census was \$646, but both individual renters and renters in family situations from the Strait campus reported paying less than this amount in the fall of 2007 (\$451 and \$654, respectively). In Stellarton, the reverse was true. Individual students paid about \$30 more than the average in the marketplace for a one-bedroom unit, while families reported paying \$708 for a two-bedroom unit compared with \$577 in the general marketplace.

Student respondents were asked to comment about the extent to which they felt they could reasonably afford the rents they were paying. Among individual renters, 25% of those from the Truro campus, 29% from the Stellarton campus, and 53% from Strait campus felt they were paying more than they could afford; this was the case for 29% to 35% of the students in family situations. These rates are generally below the incidence of core need among all renter households in these three markets, as reported in Table 13.

In all three communities, the percentage of individual student renters reporting they were paying more than they could reasonably afford was less than the percentage of one-person renter households paying 30% or more of their incomes on shelter (see Table 12). Both figures were very high in Port Hawkesbury, with 53% of Strait students reporting difficulty affording their housing and 67% of renters living alone reporting they paid 30% or more of their incomes on shelter. This suggests a significant mismatch between incomes and rents in this market for both students and non-students. Turning to those in a family situation, 36% of all couples with children renting in the Truro marketplace were paying 30% or more of their income on shelter – very similar to the 33% of student renters in a family situation reporting they were paying more than they could reasonably afford. Affordability for student families in the other two markets appears to be more of an issue than it is for couples with children generally – only 10% of renting couples with children in Stellarton and 13% in Port Hawkesbury reported paying 30% or more of their income on shelter, as compared to about a third of family student renters reporting

affordability concerns. This points to a potential lack of appropriate and affordable housing for older students with families who wish to attend these two campuses.

Table 14: Average Rents Paid and Affordability Perceptions Among Student Renter Households, Case Study Locations

	Truro Campus (Truro)		Pictou Campus (Stellarton)		Strait Campus (Port Hawkesbury)	
	Individuals (n=28)	Families (n=24)	Individuals (n=17)	Families (n=23)	Individuals (n=15)	Families (n=14)
Average rent (including utilities)	\$501	\$745	\$509	\$708	\$451	\$654
I can manage this amount without problem	32%	21%	12%	22%	20%	14%
This amount is what I have budgeted for but would have trouble if I had to pay more	43%	46%	60%	44%	27%	57%
This amount is more than I can really afford	25%	33%	29%	35%	53%	29%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

Student renters occupy a wide range of housing types in each of the market locations, based on the responses to the survey. In general the units they occupy (shown in Table 15) mirror the distribution of supply by type (summarized in Table 7). For example, in Truro, the most common types of occupied rental units in the marketplace are apartments in buildings of less than five storeys, accessory apartments or basement suites (reported as “apartment, duplex”); and single-detached houses; these are also the most commonly occupied by student renters. In both Stellarton and Port Hawkesbury the most commonly occupied units in the marketplace are apartments in buildings of less than five storeys, semi-detached houses, and single-detached houses. Among the student respondents in Stellarton, however, accessory apartments and rooms in subdivided homes are more common than semi- and single-detached houses. Single-detached houses are the most important supply for students in a family situation in Port Hawkesbury, and accessory apartments are just as important as apartments in apartment buildings for individual student renters.

No students in the Port Hawkesbury market reported renting a motel unit, a cottage, or a bed and breakfast unit – despite these types of units being listed with the campus directory and being available in the marketplace. It is likely that many of the students renting these types of units were older students, attending the campus for a short term course or program, who did not respond to the survey.

Table 15: Structural Type of Housing Occupied by Student Renter Households, Case Study Locations

	Truro Campus (Truro)		Pictou Campus (Stellarton)		Strait Campus (Port Hawkesbury)	
	Individuals (n=28)	Families (n=24)	Individuals (n=17)	Families (n=23)	Individuals (n=15)	Families (n=14)
Apartment in an apartment building	57%	46%	35%	35%	33%	29%
Apartment attached to or part of house, such as a basement suite or loft	25%	13%	18%	18%	33%	7%
Single family house	11%	21%	18%	0%	13%	43%
Apartment / room in a house that has been converted from a “family dwelling” to “student rental”	4%	4%	6%	22%	7%	0%
Rented room with no separate or private entrance from the outside	4%	0%	6%	0%	7%	7%
Semi-detached house	0%	8%	6%	0%	7%	0%
Other	0%	0%	0%	18%	0%	14%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

Students offered their own assessments of the state of repair of their occupied rental units. The incidence of need for major repair as reported in the census (and summarized in Table 11) ranged from 12% in Truro to 19% in Stellarton. This is generally consistent with the self-reporting by students as shown in Table 16. However, 22% of student family renters in Truro and 31% of individual student renters in Port Hawkesbury reported that their units needed major repairs. More than 40% of the student respondents from the Truro campus reported a need for minor repairs, compared with just 33% reported by renters in the census.

Table 16: Self-Reported State of Repair of Occupied Dwelling by Student Renter Households, Case Study Locations

	Truro Campus (Truro)		Pictou Campus (Stellarton)		Strait Campus (Port Hawkesbury)	
	Individuals (n=28)	Families (n=24)	Individuals (n=17)	Families (n=23)	Individuals (n=15)	Families (n=14)
Need for minor repairs	41%	48%	31%	32%	7%	33%
Need for major repairs	0%	22%	13%	18%	31%	8%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

Approximately half of the student respondents at each campus took two weeks or less to find their housing (Table 17). In general, students in a family rental situation took longer to find their housing in each of the markets compared to individual student renters. For example, in Stellarton (Pictou), over one-third of families took more than four weeks (and almost one-quarter took more than 50 days) compared to just 20% of individuals. At the Truro campus, there was not as

much difference between the two groups. These findings suggest that the rental needs of students with families are more difficult to satisfy than those of individual students.

Table 17: Length of Time to Find Current Housing Among Student Renter Households, Case Study Locations

	Truro Campus (Truro)		Pictou Campus (Stellarton)		Strait Campus (Port Hawkesbury)	
	Individuals (n=28)	Families (n=24)	Individuals (n=17)	Families (n=23)	Individuals (n=15)	Families (n=14)
Less than 7 days	31%	39%	60%	23%	36%	33%
7-14 days	21%	9%	7%	18%	14%	17%
15-28 days	25%	26%	13%	23%	36%	25%
29-50 days	15%	9%	13%	14%	7%	8%
More than 50 days	14%	17%	7%	23%	7%	17%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

Students generally rely on three common sources of information to assist them in finding rental housing – classified advertisements in local and regional newspapers; the internet (using websites that are not necessarily specific to the campus or the municipality); and word of mouth (Table 18). This is somewhat surprising given that students at the Truro campus are directed to a website recommended to rental property owners by the NSCC staff, and that a directory of available rental listings is prepared by and made available on an as-requested basis to students, by NSCC student services at the Pictou and Strait campus locations.

Table 18: Most Common Sources of Information Used to Find Housing by Student Renter Households, Case Study Locations

	Truro Campus (Truro)		Pictou Campus (Stellarton)		Strait Campus (Port Hawkesbury)	
	Individuals (n=28)	Families (n=24)	Individuals (n=17)	Families (n=23)	Individuals (n=15)	Families (n=14)
Newspaper/classified ads	57%	46%	59%	30%	47%	29%
Internet - general	39%	4%	35%	39%	33%	43%
Word of mouth/contacts/friends	36%	29%	29%	0%	27%	29%
Walking/driving tours	32%	21%	12%	9%	13%	7%
Family	0%	17%	12%	0%	0%	0%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

While about half of the student respondents found their housing within a two-week period, close to half of the respondents from each campus reported that they found it moderately difficult, difficult or very difficult to find their current housing (Table 19). It was noted in Table 17 that a larger number of family student renters took longer to find rental housing accommodation. In Table 19 we note that about two-thirds of student renters in a family situation from the Strait campus found it moderately difficult to very difficult to find their housing, compared with 50%

of individual student renters. Similarly, 47% of student family renters compared with 40% of individual student renters at the Pictou Campus, reported that it was moderate to very difficult to find rental housing. The reverse was true for renters at the Truro campus, with slightly more than half of the individual student renters and slightly more than 40% of family student renters identifying this range of difficulty.

Table 19: Degree of Difficulty in Finding Current Housing Among Student Renter Households, Case Study Locations

	Truro Campus (Truro)		Pictou Campus (Stellarton)		Strait Campus (Port Hawkesbury)	
	Individuals (n=28)	Families (n=24)	Individuals (n=17)	Families (n=23)	Individuals (n=15)	Families (n=14)
Not at all difficult	25%	42%	53%	39%	29%	8%
Minimally difficult	21%	17%	7%	13%	21%	25%
Moderately difficult	37%	25%	20%	26%	29%	58%
Difficult	15%	4%	7%	4%	21%	8%
Very difficult	0%	13%	13%	17%	0%	0%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

The most common difficulties for students in finding the housing they wanted were consistent across the three campus locations (Table 20). Their difficulties stemmed from their perceptions that the housing they wanted was too expensive or that they were concerned about the quality of the housing they viewed. A lack of information was cited by more than half of the students in a family situation and 43% of individual student renters, at the Strait campus – it could be that these students were unaware of the availability of the campus housing directory. The lack of information about the local housing market was identified by fewer students at the other campuses as a problem.

Table 20: Most Common Difficulties Encountered in Finding Housing Among Student Renter Households, Case Study Locations

	Truro Campus (Truro)		Pictou Campus (Stellarton)		Strait Campus (Port Hawkesbury)	
	Individuals (n=28)	Families (n=24)	Individuals (n=17)	Families (n=23)	Individuals (n=15)	Families (n=14)
Cost/housing too expensive	59%	71%	80%	39%	57%	50%
Lack of good quality housing	41%	50%	67%	30%	50%	58%
Lack of available housing	33%	38%	53%	35%	50%	17%
Lack of information	33%	29%	40%	30%	43%	58%
Couldn't find what you wanted	30%	50%	33%	0%	43%	50%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

There was no consistent pattern to the responses concerning whether or not students placed importance on the availability of housing in their choice of a campus location to attend. In part

this can be explained by the fact that each of these case study campuses has some programs which are unique to their campus. Thus, students wishing to take those programs would not be considering the nature of the housing market and the availability of housing as a high priority – since they likely committed to the program itself. On the other hand, for students living a considerable distance from any campus location in the province, the availability of appropriate and affordable housing would more likely be part of the decision-making process, especially considering that most of the common first year programs are available at most campus locations. Approximately half of the individual student renters at the Truro and Pictou campuses felt that housing was a somewhat or very important consideration in their choice of a campus to attend (Table 21). Almost 40% of students in a family situation at the Truro campus and more than half at the Strait campus felt that housing was a very important consideration. These findings suggest that each campus location should ensure that quality information about housing options for all potential students interested in renting, including students with families, is made available to them. It also suggests that a dialogue with local rental property owners and developers to inform them about the concerns that some of their students have about finding appropriate housing may prove fruitful and lead to new construction responding to their needs.

Table 21: The Importance of Housing as a Consideration in Choosing a Campus Location, Among Student Renter Households, Case Study Locations

	Truro Campus (Truro)		Pictou Campus (Stellarton)		Strait Campus (Port Hawkesbury)	
	Individuals (n=28)	Families (n=24)	Individuals (n=17)	Families (n=23)	Individuals (n=15)	Families (n=14)
Not at all important	30%	22%	29%	32%	42%	22%
Little importance	4%	22%	14%	10%	8%	11%
Neutral	9%	17%	7%	26%	16%	11%
Somewhat important	26%	0%	14%	11%	17%	0%
Very important	30%	39%	36%	21%	17%	55%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

Students at all NSCC campuses, not just the three case study locations, were asked if they had definitely ruled out attending any campus in the NSCC system because of their concern that they may not be able to find appropriate and affordable housing. Examining the results for all of the 692 respondents to the survey from across the entire campus system who identified themselves as renters, we find that about 8% each of all individual renters at other campuses had rejected the idea of attending the Truro, Pictou, and Strait campus locations because of concerns about finding appropriate housing (Table 22). A larger percentage of these renters had ruled out attending any of the other campuses (these data are not shown in the table) located in much smaller markets elsewhere in the province. Among students renters in a family situation at all other campuses, about 18%-19% each had ruled out attending the three campus locations in this study. Similarly, a larger percentage rejected the idea of possibly attending campuses in smaller market areas elsewhere in the province.

Students were also asked if there were specific campuses that they wished to attend or preferred to attend but were unable to because of concerns about lack of housing or cost of housing. Few

students were forced to choose another campus other than those in this study. The student group most affected were the 6.1% of family renters within the NSCC system who wanted to attend the Truro campus but chose another location. This was the second highest percentage across the system, behind only the three Halifax area campuses.

Table 22: Students Unable to Attend Campus Locations Due to Housing Issues, All Student Renters in NSCC System

	Ruled Out Attending This Campus		Wanted to Attend this Campus but Could Not	
	Individuals (n=350)	Families (n=342)	Individuals (n=350)	Families (n=342)
Truro Campus (Truro)	8.0%	18.4%	3.7%	6.1%
Pictou Campus (Stellarton)	8.0%	18.4%	1.7%	2.3%
Strait Campus (Port Hawkesbury)	8.3%	19.3%	2.6%	2.0%

Note: “Individuals” includes renters living alone or with others unrelated to them; “Families” includes renters living in a family situation (these would be students living with their partner or spouse, with or without children).

Summary

The responses to the student survey suggest that students in a family situation and looking to rent in these smaller market face the most challenges – they are paying more for their rental units than the average rent for a two-bedroom in the general marketplace in Truro and in Stellarton. They were also more likely than individual renters in those markets to feel that they are paying more than they can afford. They also took longer than individual student renters to find their housing, and more of them reported that they found the process to be difficult. Many report need for repairs to their units, especially in the Truro and Stellarton markets. Individual student renters generally pay less than what is paid in the general marketplace for a one-bedroom unit in each of the locations, but those at the Strait campus identified specific concerns about affordability and about the need for major repairs to their units. At other campuses, relatively more students renting in a family situation than individual student renters ruled out attending Truro, Pictou, and Strait campuses because of concerns about finding housing. Overall, few students at other campuses had wanted to specifically attend one of these three campuses but could not because of housing issues.

5. Key Lessons for Planners, Rental Housing Providers, and Community College Systems

This section of the report identifies a number of recommendations for action based on the primary research, secondary data, and the literature review. The recommendations are organized into three categories: those for municipal planning officials; those for rental housing providers and developers; and those for community college systems (with a particular emphasis on the NSCC itself).

5.1. For Municipal Planning Officials

There are a number of initiatives and examples from the case study communities and stemming from the research findings which are of interest to municipal planners.

Using pre-zoning for multi-unit development in targeted areas is a useful consideration. This approach ensures that there will be adequate and suitable land for future development. This is especially important in municipalities where there may be little available land in existing built up areas near retail and other services. Proactively seeking and designating land for such purposes will signal to the development community the interest in, support for, and need for such new developments.

Development agreements have been effective in facilitating new rental development in Truro. Planning officials and council have been pleased with the use of development agreements for handling development proposals, especially those in the downtown core. This approach has been taken to ensure that both the developer and the municipality benefit from approvals which take into account the unique aspects of each development site and proposal.

Municipalities may wish to consider adopting a “residential mixed use” zone to allow many possibilities for residential development within a downtown core area (e.g., commercial on ground floor with residential above). In addition, “commercial” zone designations could be reviewed to ensure that the by-laws within them offer flexibility and do not impede creative approaches to residential development. For example, in Truro this zone was revised in 2004 to allow residential on the ground floor as well as on other floors of commercial properties. This was also done in Stellarton. Relaxation of parking standards in the downtown to encourage residential has also proven to be effective.

The wording and tone of the municipal planning strategy is also very important. For example, in Stellarton, the strategy has a variety of broad policy statements concerning affordable housing, and has introduced measures to permit vacant lot development, infill, etc., designed to keep market costs down. The strategy and the specifics of the plan also consider potential NSCC expansion (the campus is located in a residential neighbourhood) and the needs and demands that would place on the community. Municipalities with college campuses in residential settings must ensure that their plans consider the possibilities of physical expansion of the local campus in the future. This may especially be the case in smaller municipalities where the campus may be one of the largest land uses in the community.

Accessory apartments and secondary suites are an important part of the overall rental supply for students. There is wide variation across municipalities about whether or not these are permitted within their boundaries, and the extent to which they are regulated in any way. The evidence from the literature is that these units do not undermine neighbourhood integrity and do not place undue burdens on municipal services. Furthermore, the evidence shows that these types of units provide important housing options for a broad range of households and individuals, including students and families. Municipalities with community college campuses should examine their zoning by-laws and regulations in the context of their municipal development history and needs, and consider if and where such units could be permitted.

The need to minimize the potentially negative impact of unsightly premises is important in any municipality. In many cases these tend to be rental properties, in some cases occupied by students and / or owned by absentee landlords. In Truro, the municipality has worked hard to develop and improve its unsightly premises by-law. It encourages self-policing and has coupled its by-law implementation and enforcement with a proactive education program designed to make property owners fully aware of their obligations. This led to significant improvements on many properties, and follow-up was conducted in response to any complaints made by neighbours.

Evidence from the secondary data analysis (the census) and the student survey, suggest that many rental units are in need of major or minor repair. While the onus is on the private sector to address these issues, there are two roles that municipal planning staff and others might play in helping to address the problem. The first is linked to the concerns about unsightly premises noted earlier. Municipalities could invest in more inspections of properties. This would help reduce violations of building codes and promote adherence to any unsightly premises by-law. This might have the effect of encouraging rental property owners to improve their properties. The second role would be to play a proactive approach with property owners to provide them with sufficient information about available rental repair assistance programs available through various levels of government. Brokering this information in a constructive manner may lead to overall property improvements in the municipality and better housing circumstances and choices for all types of renter households, including students.

5.2. For Rental Housing Providers and Developers

A number of findings from the research suggest some potential action items for rental housing providers and developers in smaller rental markets with community college campuses.

There is a gap in rental housing supply to meet the needs of students with families. This group has identified that they have the most difficulty finding the housing that meets their needs. In addition, with changing demographics, there are ongoing needs for seniors and for smaller households (one- and two-person households). New rental construction that meets the needs of these types of households is needed, and will have the effect of creating more overall supply that will benefit other students as well. Of course, there are significant challenges in developing a new project, taking into account rising input costs, availability of land (and pre-zoned land in particular), and assembling the necessary financing to carry the project. However, given the

relative lack of new rental housing development in most small markets, there may be sufficient pent-up demand to respond to a quality development with affordable rents.

Stemming from this discussion is the opportunity to develop some type of partnership with local community college campuses. These partnerships may be for nothing more than information sharing about the changing nature of the local student body and their housing needs. However, given that there has been interest in developing residence options at most of the campus locations (in the NSCC system), the partnership may be more formal and lead to some type of development arrangements to meet the needs of the local student body. The details of the partnership – land, financing, equity, management, ownership, etc. – will be specific to each community and opportunity.

Several rental property owners in each of the case study communities identified that they faced challenges with access to financing for new rental housing construction, and that obtaining mortgage insurance was sometimes difficult. Real or perceived higher levels of equity up front, combined with loan review processes that may not take into account the unique economic situations of smaller economies in rural regions, seem to be the major concerns. There may be a role for rental property owners and developers to work through their industry associations (such as homebuilders' associations, real property associations, and so on) to lobby for or work with the financial industry and government to review its lending practices in smaller markets. More research and background work on this issue may be required.

Self-reporting in the census and by students who responded to the survey identified that there are many rental housing units in need of major or minor repair. It is recognized that profit margins are relatively slim in many smaller markets given the wide gap between the costs of construction and operation of rental properties, and what renters are able to pay. However, there is a pressing need for rental property owners to identify sources of financing to address the repair needs in their units, where these needs exist.

5.3. For Community College Systems

There are a number of potential action items that could be taken by community college campuses (individually at each campus) and across province-wide college systems as a whole. Primarily these actions concern support for their current and potential students in their search for rental housing and in their interactions with the private sector.

The results of the student survey suggest that students who are part of a family situation (with a spouse, with or without children) have the most difficulty in finding rental housing that meets their needs. This appears to be an important gap in the supply of rental housing in smaller markets. Given this reality, each campus, and the college system as a whole, should consider the potential to invest in a small residence development for “mature” students and their families. A starting point for the NSCC in particular would be to revisit the various residence feasibility studies conducted at each campus in 2003. This could be supported with a more direct and targeted needs assessment at each campus for this sub-group of their student body. Finally, creative approaches to providing this type of housing will need to be considered, including the possibility of partnerships with the private sector to build, own and manage such developments,

and consideration of year-round revenue-generating activities for such developments when they are not in use by student families.

The evidence from the student survey also suggest that 25% to 50% of students in some market locations feel that they are paying more than they can reasonably afford for their rental housing. This is a serious concern. It points to perhaps relatively lower incomes among some groups of students in the college system, who need financial assistance to afford to attend. The NSCC (and other college systems in other provinces) may feel that there is an opportunity to push for enhancements to existing financial support programs. One example is the Lone Parent Student Housing Pilot Program (Province of Nova Scotia, no date) currently designed to provide rent supplements to low income lone parents attending university. This program could be modified to include those attending community college. There may also be opportunity to work with other government departments to design financial assistance programs that meet the specific housing needs of students.

A reasonable number of students reported difficulty finding housing. There may be a larger role to play for college campuses and systems in assisting students by providing more housing information. For example, two of the campus locations in this study have developed inventories of available rental housing and other housing options, targeted to their students, and provide this on an as-requested basis. A third campus in this study makes use of an independent website to link renters and rental property owners. Regardless of the specific approach chosen by any campus or college system, it should be proactive in nature – informing the rental property owners in a more progressive manner about how they can best reach their students as a target audience for their rental units, and informing the entire study body about the available source(s) of information concerning rental properties. Related to this is the potential need to provide overall market intelligence, if possible, to prospective students. For example, approximately 8% of individual student renters and 18% of student family renters in the NSCC system had dismissed the possibility of attending each of the three campus locations in this study, because of a pre-conceived notion that housing would be difficult to find. Information about the types of rental housing available, the locations of such units, and their prices (in a general sense) may help to reduce this concern.

A further information brokering role for community college systems is to assist their students to better understand their rights as tenants, and to assist them in finding the most appropriate housing possible in the local market. Examples of information brokering activities might include: a checklist of items to investigate and assess in a rental property unit when searching; the role of the rentalsman in support of the rights and responsibilities of tenants; understanding their own rights and responsibilities as tenants; and so on. Many of these information tools exist in one form or another from CMHC and/or provincial governments. The key, however, is to share this information in a proactive manner through workshops and presentations, or through links to websites via email distribution to the student body, for example. Simply placing information brochures and pamphlets in a public area or in the student services reception area may not reach the intended audience nor have the desired effect. Another possibility may be to invite the rentalsman to each campus at an appropriate time of the year to provide an information session to students about renting in the community and about their rights and responsibilities as tenants.

This may be appropriate for first year students who may be considering moving to another community and campus location for a second year specialty program.

6. Conclusions and Further Research

This research focused on the rental market situation in Nova Scotia small towns where there are campuses of the Nova Scotia Community College (NSCC) system. The primary subject of the research was the housing situation of students within the context of three local markets of various sizes (Truro, Stellarton, and Port Hawkesbury). The research examined the rental market capacity of small communities to provide a range of affordable housing options for residents and for students attending community college campuses located in small towns in Nova Scotia. The evidence was drawn from a brief literature review, analysis of census data, an on-line survey of students at each campus location, and interviews with key informants in each of the case study locations.

Responsiveness of Small Markets To Student Needs

A rental market that is responsive to the needs of students would provide a range of choices, with an adequate supply of reasonable quality, at prices students can afford. Across the three communities there was a wide range of rental choices for students; however, more of the family student renters than individual student renters took longer to find the housing they wanted.

In terms of the quality of rental housing occupied by students, a larger percentage of student renters reported that their units were in need of major repairs compared with the self-reported state of repair by the general population of renters in each of the three market locations. Furthermore, a larger proportion of family student renters than individual student renters reported a need for major repairs in each of the market locations.

Issues concerning price and affordability among student renters varied across the market locations. Individual student renters paid less than the average market rent for a one-bedroom apartment in Truro and Port Hawkesbury, while family student renters paid more than the average market rent for a two-bedroom apartment in all three market locations. However, the incidence in which students identified that they were paying more than they could afford (a proxy measure for being “in need” or for experiencing affordability problems) was actually slightly less than the incidence of core need among all renters in each of the market locations (based on calculations from the 2001 census). The only exception to this was for individual student renters from the Strait campus – where more than half reported they were paying more than they could afford in the Port Hawkesbury market.

The general conclusion that one can draw from this evidence is that smaller markets are less responsive to the needs of students on matters of choice and quality, especially for students with families. While there is some concern about affordability among student renters, the extent of the problem appears to be no different than (or even slightly better than) that for the general population.

Barriers to Providing Affordable Housing

Several issues emerged from the research as barriers to providing affordable housing options in smaller markets with community college campuses. Access to construction financing and

mortgage loan insurance was identified by some rental property owners in all three markets in this study. The small size of the markets themselves, and the relatively small scale of individual developments (typically eight to sixteen units in size), make it a challenge to achieve healthy and reasonable profit margins warranting the risk in new developments. The limited availability of land in Truro and Stellarton markets in particular was noted. In both Truro and Stellarton, key informants noted concern that almost all of the new rental market developments have been built for seniors to the exclusion of other market segments, leaving lower income households and students with little or no new supply to choose from. The economic uncertainty in some market locations deters investment. This was especially noted in the Port Hawkesbury case study.

Housing as a Factor in Student Choice of Community College Programs and Campuses

None of the interviewees were able to identify that any prospective students were not able to attend their campus or take their programs because of a real or perceived lack of housing choice. However, the responses to the student survey from across the entire NSCC system suggest that some students eliminated each of the three campuses in this case study from their list of possible campuses to attend because of concerns about housing. However, relatively few actually identified that they were unable to attend the campus of their choice due to housing concerns. Among student respondents from each of the three case study locations, housing was identified as an important consideration in the choice of which campus to attend by individual student renters at both Truro and Pictou campus, and by family student renters at the Strait campus.

Local Planning and Regulatory Issues

There were very few planning and regulatory issues identified by interviewees. There were some issues concerning the fact that secondary suites are not necessarily permitted as a right in some markets. The lack of pre-zoned land for new rental housing development was also identified. Concerns about unsightly premises were identified in all three markets, and in Truro the planning department implemented a successful pro-active, education-based approach to dealing with such properties.

Use of Market Information for Decision-Making

There appears to be adequate market information available on the Truro and Stellarton markets, although some rental property owners questioned its accuracy and usefulness. There is very limited information about the smallest market, Port Hawkesbury. In all cases, rental property owners themselves noted that they did not rely on published or other market information for decision-making purposes. Instead, they rely on their own personal knowledge and networks, and their gut feelings about the opportunity for investment.

Local Housing Market Capacities and College System Decision-Making

There was very little evidence that local housing market capacities were or are taken into account when planning and making decisions about changes to the college system as a whole or to specific campus locations. However, since most students attend a local campus from the immediate surrounding geographic area, any natural or planned increases in enrolments will

likely have no significant impact on local housing markets. Indeed, all NSCC staff who were interviewed felt that there was still room in the local markets to absorb more students if necessary. In terms of residence space, independent studies commissioned by the NSCC in the early 2000s indicated that there would be limited or no financial impact on the private rental market in these markets. The residence space in Truro could be expanded, and the loss of the residence space at Strait campus a few years ago could be replaced, in both cases, with minimal impact on the private market. Senior campus staff are involved in their local communities and are attuned to ongoing issues and potential impacts of any local and system-wide decisions.

Presence of Community College Students in Local Housing Markets

Generally speaking, students appear to have minimal impact on the ability of others in each of the case study communities to find affordable rental housing. In all cases they are important to the overall economic health of their communities and to the housing sector as well. In Truro the market focus at the moment is seniors, leaving other supply to students. Stellarton is a submarket within the New Glasgow marketplace. There is no evidence that others are impacted by anyone renting to students. New seniors housing has been built in both Stellarton and New Glasgow in recent years. Employees in the call centre industry are generally housed in the New Glasgow area. In Port Hawkesbury, the smallest of the three markets, seniors are not getting the housing they require because the private sector cannot afford to build it and earn a reasonable return on investment, and much of the present rental housing is of a quality and type that better suits students than it does seniors. But the market there is driven more by migrant labour demands and fluctuations in the economy.

6.1. Further Research

There are three potential areas of further research stemming from the findings of this research. The first is an investigation of concerns expressed by rental property owners about access to financing for new rental housing and about access to loan insurance. These concerns could be explored to determine the extent to which they are widespread as opposed to isolated to specific types of small rental markets. The research should include interviews or discussions with the financial industry (locally, regionally, and nationally), mortgage loan insurance providers, rental property owners and developers, and others.

The second potential topic for further research relates to the notion of market balance. In small markets with few rental properties, vacancy rates of 3% to 4% may not necessarily be good measures of health or balance. Research could identify new approaches to assessing the health of small rental markets and develop measures of market balance in order to provide improved intelligence to rental market participants, including renters themselves.

Third, research could examine the feasibility of developing student residences on community college campuses in small markets. The cost of building and maintaining residence space is high, and development is potentially risky. Documenting actual need is required. Understanding successful partnerships between the private sector and educational institutions will provide useful examples that may lead to creative development approaches.

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8. Student Questionnaire

1. What is the name of the NSCC Campus you are attending?
 - a. Akerley Campus
 - b. Annapolis Valley Campus
 - c. Burridge Campus
 - d. College of Geographic Science
 - e. Cumberland Campus
 - f. Halifax Campus
 - g. Institute Of Technology
 - h. Kingstec Campus
 - i. Lunenburg Campus
 - j. Marconi Campus
 - k. Pictou Campus
 - l. Shelburne Campus
 - m. Strait Area Campus
 - n. Truro Campus
2. Which of the following best describes your current housing situation? (Please check one only)
 - a. Living at home with your parent(s) or guardian(s)
 - b. Living with your partner/spouse and/or children in an ownership situation (including condominium and co-operative housing)
 - c. Living with your partner/spouse and/or children in a rental situation
 - d. Living alone or with others not related to you in a rental situation
 - e. Other (please specify): _____

Characteristics of Your Housing

3. What type of housing do you currently occupy? (Please check one only)
 - a. Apartment in an apartment building
 - b. Apartment attached to or part of house, such as a basement suite or loft
 - c. Apartment / room in a house that has been converted from a “family dwelling” to “student rental”
 - d. Townhouse
 - e. Single family house
 - f. Rented room with no separate or private entrance from the outside
 - g. On campus NSCC dormitory (Truro only)
 - h. Other (please specify): _____
4. What is the size of the housing unit that you currently occupy? (Please check one only)
 - a. Bachelor unit (no separate bedroom)
 - b. One bedroom unit
 - c. Two bedroom unit
 - d. Three bedrooms or more

5. How many other occupants live in your housing unit with you? If you live in a two – bedroom apartment with one other person, check “one other”. If you live in a house converted to five separate “rooms” but with a shared kitchen, check “four others.” (Please check one only)
- No one else
 - One other
 - Two others
 - Three others
 - Four others
 - Five or more
6. What is your monthly rent for your current housing? If you are sharing your housing with others, please only provide the total for your share of the rent.
- Enter dollar amount \$ _____
 - Does not apply to me
7. How do you feel about the amount you are paying for your housing?
- I can manage this amount without problem
 - This amount is what I have budgeted for but would have trouble if I had to pay more
 - This amount is more than I can really afford
8. Please identify which of the following items are included in your monthly rent (i.e. the amount you identified in your previous response). (Please check all that apply)
- Heating
 - Electricity
 - Furnishings (some furniture included, such as a bed, sofa, etc)
 - Local telephone service
 - Cable service
 - Satellite service
 - Internet access (standard)
 - Internet access (high speed)
 - Fridge
 - Stove
 - Meals/meal plan
 - Parking
 - Laundry facilities (free or coin-operated)
 - Private washroom/shower
 - Storage space
 - Other (please specify) _____
9. If heat and/or electricity are not included in your monthly rent, what is the amount you pay for each of these (or your share if you pay part of the amount)
- Heat \$ _____ per month
 - Electricity \$ _____ per month

10. Please identify which of the following terms or obligations apply to your current housing.
(Please check all that apply)

- a. You had to sign a lease
- b. You had to pay the first and last months' rent
- c. You had to allow a credit check
- d. You had to provide references
- e. You had to provide a damage deposit (not including the first or last month's rent)
- f. You needed someone to guarantee or co-sign your lease
- g. You are allowed to sublet your housing
- h. Other (please specify) _____

11. What is the length of your lease?

- a. 12 months
- b. 10 months
- c. 8 months
- d. Other
- e. No lease arrangement – just month-to-month

12. If 12 months, does the length of this lease create a financial problem for you?

- a. Yes, I have to pay for housing that I did not or will not be using for part of the year
- b. No, I was able to or plan to find someone to sublet from me
- c. No, it's just part of being a student renter

Process of Looking for Student Housing

13. Which of the information sources listed below did you use to help you find your current housing? Please identify all of the sources you used regardless of whether or not they were helpful.

- a. NSCC Student housing office / student services office
- b. NSCC website
- c. NSCC admissions office
- d. Word of mouth/contacts/friends
- e. Newspaper/classified ads
- f. Bulletin boards / posted notices
- g. Student association
- h. Internet – general
- i. Internet – municipal or town website
- j. Walking/driving tours of the community on your own or with friends / family (looking for “for rent” signs)
- k. Other (please specify): _____

14. Please rate the usefulness of each of the sources that you used to help you find your current housing. To do this, use a 5-point scale, where '1' means not useful at all and '5' means very useful.

Not useful at all 1-2-3-4-5 Very Useful [Did not use]

- a. NSCC Student housing office / student services office
 - b. NSCC website
 - c. NSCC admissions office
 - d. Word of mouth/contacts/friends
 - e. Newspaper/classified ads
 - f. Bulletin boards / posted notices
 - g. Student association
 - h. Internet – general
 - i. Internet – municipal or town website
 - j. Walking/driving tours of the community on your own or with friends / family (looking for “for rent” signs)
 - k. Other (please specify): _____
15. How long did it take you to find the housing you currently occupy? Please include the total number of days since you started actively looking. (Please check one only)
- a. Less than 7 days
 - b. 7-14 days
 - c. 15-28 days
 - d. 29-50 days
 - e. More than 50 days
16. How difficult was it to find your present housing? Please use a 5-point scale, where '1' means not difficult at all and '5' means very difficult.
- Not difficult at all 1-2-3-4-5 Very difficult
17. What difficulties did you encounter? (Please check all that apply)
- a. Lack of information
 - b. Incorrect information
 - c. Lack of available housing
 - d. Cost/housing too expensive
 - e. Started looking late
 - f. Distance/unable to visit location
 - g. Couldn't find what you wanted
 - h. General inexperience searching for housing
 - i. Lack of good quality housing
 - j. Difficulty finding suitable roommates
 - k. Difficulty being accepted as a tenant
 - l. Other (please specify): _____

Housing Selection Criteria

IF LIVING IN RESIDENCE:

18. Why did you choose to live in the NSCC student residence? (Please check all that apply)

- a. Overall quality
- b. Ease or simplicity
- c. Cost
- d. Location/proximity to campus
- e. Lack of public transit
- f. Safety
- g. Comfort/amenities
- h. Meal plan
- i. Cleanliness
- j. Community/peers/to meet people
- k. No choice/no other option
- l. Other (please specify): _____

19. Which three factors were the most important reasons for choosing to live in residence?

Please rank 1-2-3.

- a. Overall quality
- b. Ease or simplicity
- c. Cost
- d. Location/proximity to campus
- e. Lack of public transit
- f. Safety
- g. Comfort/amenities
- h. Meal plan
- i. Cleanliness
- j. Community/peers/to meet people
- k. No choice/no other option
- l. Other (please specify): _____

IF RENTING FROM SOMEONE ELSE:

20. Please rate the importance of the following factors or considerations in your selection of your current housing, using a 5-point scale, where '1' means not important at all and '5' means very important.

Not important at all 1-2-3-4-5 Very Important

- a. Overall quality
- b. Cost
- c. Location (e.g. proximity to campus)
- d. Access to public transit
- e. Safety
- f. Privacy
- g. Comfort/amenities
- h. Cleanliness
- i. Other (please specify): _____

Quality of Your Housing

21. How satisfied are you with the overall quality of your current housing? Please use a 5-point scale, where '1' means that you are very dissatisfied with the quality of your current housing, and '5' means that you are very satisfied with it.

Very Dissatisfied 1-2-3-4-5 Very Satisfied

22. Why are you dissatisfied with the overall quality of your current housing? (Please check all that apply)

- a. Poor neighborhood
- b. Poor building quality/condition
- c. Indoors is not comfortable (too hot, too cold, no ability to control heat)
- d. Too noisy
- e. Too small
- f. Relationship with roommates
- g. Relationship with neighbours
- h. Poor location/too far from school/transit
- i. Other (please specify): _____

23. To what extent has the quality of your current housing met your expectations?

- a. Exceeded expectations
- b. Met expectations
- c. Fell below expectations

24. How satisfied are you with the quality of each of the following aspects of your current housing? Please use a 5-point scale, where '1' means that you are very dissatisfied with that aspect of your current housing, and '5' means that you are very satisfied with it.

Very Dissatisfied 1-2-3-4-5 Very Satisfied

- a. Overall quality of the building
- b. Overall quality of your housing unit/apartment
- c. Size of your housing unit/apartment
- d. Cost
- e. Location
- f. Safety
- g. Privacy
- h. Comfort
- i. Amenities
- j. Cleanliness
- k. Attentiveness of landlord/property manager

25. Would you choose to live in the same housing again if you could?

- a. Yes
- b. No

IF NO:

26. Why not? Please be specific in your answer.

27. Is the unit in which you are living in need of any repairs? (Please check one only)
- a. No, only regular maintenance is needed (e.g. painting, furnace cleaning, etc.)
 - b. Yes, minor repairs are needed (e.g. missing/loose floor tiles or bricks, defective steps, etc.)
 - c. Yes, major repairs are needed (e.g. plumbing, electrical wiring, structural repairs to walls, etc.)
 - d. Do not know/uncertain

Students Living at Home

ONLY THOSE LIVING AT HOME WITH PARENTS:

28. Earlier you indicated that you are living at home with your parent(s) or guardian(s). Why did you choose to live at home during your current NSCC year? For each of the potential reasons listed in the table below, please identify the extent to which that potential reason was a factor in your decision to attend your current NSCC campus. To do this, please use a 5-point scale, where '1' means it was not a factor at all and '5' means it was a very important factor. If something does not apply to you, please indicate this.

Not a factor at all 1-2-3-4-5 Very important factor Does not apply

- a. To save money
- b. Only way I could afford to attend school
- c. The program I wanted was available at my local NSCC campus
- d. Prefer to live at home
- e. Parents wanted me to live at home
- f. I already live close to campus
- g. Safety
- h. Privacy
- i. Some/most meals, laundry, provided at home
- j. Use of the family vehicle
- k. Other (please specify): _____

Housing and Community

29. How important was the availability/choice of housing in your decision-making about which campus of the NSCC to attend?

Not at all important 1-2-3-4-5 very important

30. Were there any campuses of the NSCC you definitely ruled out based on your concern that you would not be able to find appropriate and affordable housing? (Please check all that apply)

- a. Akerley Campus
- b. Annapolis Valley Campus
- c. Burrridge Campus
- d. College of Geographic Science
- e. Cumberland Campus
- f. Halifax Campus
- g. Institute Of Technology
- h. Kingstec Campus
- i. Lunenburg Campus
- j. Marconi Campus
- k. Pictou Campus
- l. Shelburne Campus
- m. Strait Area Campus
- n. Truro Campus

31. Were there any NSCC campuses you wished or preferred to attend but chose not to because of concerns about lack of housing or cost of housing? (Please check all that apply)

- a. Akerley Campus
- b. Annapolis Valley Campus
- c. Burrridge Campus
- d. College of Geographic Science
- e. Cumberland Campus
- f. Halifax Campus
- g. Institute Of Technology
- h. Kingstec Campus
- i. Lunenburg Campus
- j. Marconi Campus
- k. Pictou Campus
- l. Shelburne Campus
- m. Strait Area Campus
- n. Truro Campus

[IF ANY WERE SELECTED]

32. Were you unable to register for / take a specific program that you wanted because it is not offered at this NSCC campus, but is offered at the campus(es) you wanted to attend, because of this lack of housing in another community?

- a. Yes
- b. No

If yes, which program?

33. How do you usually travel to the NSCC most days?
- Walk
 - Bike (in season)
 - Car – your own
 - Car – carpool with other(s)
 - Car – belonging to your parents or other household member (you either use their car or are driven by them)
 - Taxi
 - Public transit
 - Other (please specify): _____
34. Approximately how long does it take for you to travel (no matter what form of travel you use) from your place of residence to the NSCC most days? Please provide your answer in MINUTES.
- _____ minutes
35. Approximately how far is your of residence to the NSCC campus? Please provide your answer in KILOMETRES. If you live less than 1 km from campus, please provide an answer of less than one km, such ‘0.5’ for 500 metres.
- _____ kilometres
36. Are there other places in this community or nearby that you would like to live in or you have considered living in, but did not or could not because of a transportation barrier?
- Yes
 - No
- If yes, please comment or describe:
- _____
37. Assuming that a reasonably priced public transit service was available in this community, with schedules that reasonably accommodated your needs, how likely is it that you would regularly (most days) use this service?
- Not at all likely 1-2-3-4-5 Very likely Don’t know
38. If an NSCC owned and operated residence (on or near campus) was available to you as a housing choice, how likely would it have been for you to choose this as your preferred option?
- Not at all likely 1-2-3-4-5 Very likely

Background Information

These last questions are for background and statistical purposes only. Please remember that your responses to these and other questions will be kept completely confidential.

39. In what year were you born?

Year: _____

40. Are you female or male?

- a. Female
- b. Male

41. Did you move from another community / town to attend this NSCC campus?

- a. Yes (Name of the community or town _____)
- b. No

42. Are you...?

- a. Single
- b. Married or living common law

43. If you have any other comment on any aspect of your housing situation as an NSCC student, please provide it in the space below.

Thank you.

9. Key Informant Interview Guide

For all interviewees

1. One of the impacts of students living in the community is that they take up affordable housing that could be occupied by residents of the community; or they drive up rental housing prices. Is this an issue in this community? Please describe.
2. Another potential impact is the decline in “neighbourhood integrity” – in other words, more and more of the housing ends up in the hands of people who do not live here, and/or the overall quality of the housing drops as the housing is neglected or abused. Is this an issue here? Are there problems with houses being converted to rental properties?
3. How else can the affordable and appropriate housing needs of students and residents in this community best be met? What needs to change?
4. If student enrolments at this campus were to increase, how easily could the community respond to a potential increase in demand for affordable rental housing? What would need to happen / change?
5. Is there sufficient market intelligence / sources of information in this community about the each of the following::
 - a. supply and demand of housing
 - b. potential housing demand / needs
 - c. changing nature of housing needs
 - d. housing market indicators (MLS sales and listings, rental property listings, vacancy rates, etc)
 - e. other (specify):
6. If there is insufficient market intelligence for any of the above, is there a need for this information? If yes, how could the information be obtained or who should be responsible for obtaining and sharing it?

For NSCC Staff

7. What specific support services are provided to students to help them find appropriate and affordable housing?
8. Are you aware of any students in the past five years who wanted to attend this campus but could not because of housing issues? Please describe.... What program(s) were affected, if any?
9. What specific things have students told you about housing in this community? Can this be supported with any evidence? What are the issues, concerns, and needs? Are these

widespread or restricted to particular types of students (for example, are some issues specific to a particular gender, age group, or to local students vs those who relocate from other communities, etc)?

10. Is there a need for a residence on this campus? What evidence do you have? What evidence is needed?
11. What support services in the general community are needed for students? Why? (transit, day care, etc)
12. Are there any housing issues or concerns which result from a large number of students taking short courses and needing temporary accommodations (such as motels)? (For example, in Port Hawkesbury where students would enroll in short term courses 6-12 weeks in Marine Training and Fisheries) How do these students deal with their housing needs? Are there impacts on the broader community? On access to accommodations for tourists and others? Do these part time, short term students voice concerns about the need to find accommodations?
13. How is the relationship between the NSCC and the community / neighbourhood concerning student housing issues? Is there cooperation in addressing issues or problems? Is it easy or difficult to advertise rental properties to students? Is there a role for the NSCC to do anything different in terms of helping students find housing, helping them understand their rights and responsibilities as tenants, and so on?
14. What are the plans and projections over the next ten years for this campus in terms of number and types of students? If there are projected increases, what is being done to take into account potential housing needs? Are local housing market conditions factored into decision-making about program offerings, planned increases in the number of students, and so on? Should these issues be considered? What needs to be done, within NSCC and by others?
15. Is there an opportunity for the NSCC and developers/builders/landlords to work together to identify the housing needs of students and to ensure that enough new rental housing is built / available in the community? What would be the developer role? The NSCC role? What kinds of information could be shared? What mechanisms could be put in place to more formally communicate and share information?

For planners

16. Does the municipal plan provide scope for a broad range of housing choices to be made available in the community or in the neighbourhood(s) near the NSCC campus? Describe.
17. Are there any issues associated with subsidiary or secondary rental market housing (accessory apartments, basement suites, etc)? Is it allowed? Can it be easily approved? Are there any servicing issues, tracking issues, taxation issues, etc?

18. Are there any planning restrictions people have encountered in this community when they have tried to build rental housing or have tried to open up a secondary or basement suite for rent? What are the issues? What needs to change? Should the rules allow more or fewer rental units? Why?
19. How is the relationship between the NSCC and the community / neighbourhood concerning student housing issues? Is there cooperation in addressing issues or problems? Is it easy or difficult to advertise rental properties to students? Is there a role for the NSCC to do anything different in terms of helping students find housing, understanding their rights and responsibilities as tenants, and so on?

For major employers / business sector

20. Describe the affordable housing situation in this town. Do your (potential) employees have challenges finding appropriate and affordable housing? Is there a potential impact from the student population in any way? (for example, do students and your employees “compete” for the same housing?)

For economic development agencies

21. Describe the affordable housing situation in this town. Do (potential) employees have challenges finding appropriate and affordable housing? Is there a potential impact from the student population in any way?
22. Are there any planning restrictions people have encountered in this community when they have tried to build rental housing or have tried to open up a secondary or basement suite for rent? What are the issues? What needs to change? Should the rules allow more or fewer rental units? Why?

For developers, landlords, real estate agents, others

23. What are some of the challenges in this community in terms of building new rental housing to meet the needs of students and residents? (Probe for specifics like access to capital, access to land, planning and land use regulations, return on investment issues, etc.)
24. What specific information do you seek / use / analyse to assess whether or not there is a need / opportunity / business case to build more rental housing? (Probe for interest rates, debt financing, loan to market value ratios). What are the sources of market intelligence you use? (Probe for CMHC publications, banks, province, home builders, etc.)
25. Are there any planning restrictions people have encountered in this community when they have tried to build rental housing or have tried to open up a secondary or basement suite for rent? What are the issues? What needs to change? Should the rules allow more or fewer rental units? Why?

26. Are there any housing issues or concerns which result from a large number of students taking short courses and needing temporary accommodations (such as motels)? (For example, in Port Hawkesbury where students would enroll in short term courses 6-12 weeks in Marine Training and Fisheries) How do these students deal with their housing needs? Are there impacts on the broader community? On access to accommodations for tourists and others? Do these part time, short term students voice concerns about the need to find accommodations?
27. How is the relationship between the NSCC and the community / neighbourhood concerning student housing issues? Is there cooperation in addressing issues or problems? Is it easy or difficult to advertise rental properties to students? Is there a role for the NSCC to do anything different in terms of helping students find housing, understanding their rights and responsibilities as tenants, and so on?
28. Is there an opportunity for the NSCC and developers/builders/landlords to work together to identify the housing needs of students and to ensure that enough new rental housing is built / available in the community? What would be the developer role? The NSCC role? What kinds of information could be shared? What mechanisms could be put in place to more formally communicate and share information?

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