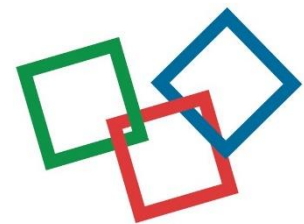




Photos courtesy of the City of Dieppe website

Housing Needs Assessment City of Dieppe

September 8, 2023



Prepared for and in collaboration with the City of Dieppe

Acknowledgement

Numerous stakeholders generously shared their expertise, resources, and personal experiences for this study. These individuals and organizations are aware of their invaluable support, which has played a pivotal role in allowing us to compile data and cultivate a rounded understanding of the City of Dieppe's housing landscape.

Additionally, we extend our gratitude to the more than 550 individuals who actively participated in the open community survey, sharing their thoughts, concerns, and personal narratives. Their firsthand insights shed light to the on the ground realities, serving as a poignant reminder that every data point represents a unique human story.

Sincerely,

David Harrison, MCIP
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 **TURNER DRAKE
& PARTNERS LTD.**

Executive summary

The City of Dieppe commissioned this housing needs study to help identify its role in housing, and in particular, its role in addressing the supply and affordability of housing. The study provides a wide range of market and non-market housing data, augmented by input from housing providers and members of the public. The City's housing survey generated 554 responses. **Appendix A** shows selected comments from respondents tied to some of the study themes and housing issues.

New Brunswick's positive economic outlook has clear implications for the supply and affordability of housing in Dieppe. Affordability has deteriorated significantly compared to pre-pandemic levels. Interest rate increases, inflation, supply chain problems, and rising construction costs are contributing factors. Perhaps most daunting is the shortage of construction workers across the Province – between 2011 and 2021, employment in the construction sector fell by 9,700 workers (though there has since been a recent increase in employment in the construction sector).

In June 2023, New Brunswick's 10-year housing strategy was refreshed. Some of the updated goals and actions include:

- creating conditions to develop 6,000 new homes per year;
- reducing the percentage of households spending more than 30% of their income on housing;
- incentivizing the creation of new student housing units;
- increasing housing options for seniors and those with accessibility needs; and
- establishing a Housing Working Capital Fund for municipalities and non-profits – over the next 3 years the Province will provide \$55.1 million to non-profits and the private sector to create 420 subsidized units.

This study includes an overview of Dieppe's economy as well as the City's planning and immigration policies related to housing. **Section 4** demonstrates the benefits associated with the provision of affordable housing. Put simply, safe, secure, adequate, and affordable housing is a critical element of human health and key to the success of Dieppe's economy and future sustainability.

Dieppe is a francophone city, with about 64% of the population's mother tongue being French. Dieppe also has a relatively young population – the average age is 39.5 years versus 46.1 for New Brunswick overall. The 2021 Census showed an 11% increase in population since 2016. The population increase was observed across all age groups, but most pronounced was the 37% increase in the senior population since 2016.

Understanding the relationship and dynamics between population trends and the housing market is vital for policymakers, housing providers, and individuals seeking to navigate the complexities of housing supply, affordability, and community planning.

To help, the study provides three population projections (low-, medium-, and high-growth scenarios). Using the medium growth scenario, Dieppe's population is expected to grow by 13% over the next 5 years and the City can expect its strongest growth amongst 15- to 25-year-olds and seniors (64 to 85+ year-olds).

The cost of housing and household income are key factors that need to be layered within any analysis of the housing market. The estimated share of household incomes includes:

- low and very low incomes (19%);
- moderate incomes (18%);
- median incomes (24%); and
- high incomes (39%).

Understanding the household incomes found in **Erreur ! Source du renvoi introuvable.** helps illustrate the pressures brought about by the significant increases in sale prices and continuing rent increases shown in **Erreur ! Source du renvoi introuvable.** and **Erreur ! Source du renvoi introuvable.**

There are an estimated 12,323 total dwelling units in Dieppe – some 69% of these units are owned and 31% are rented. Of interest, this statistic correlates closely with the survey results: 33% of survey respondents are renters and 67% own their housing units.

In the survey, 52% of renters are paying more than \$1,300 per month in rent, and the same number consider their housing to be too expensive. We cannot assume owners are immune to similar housing cost issues. From the survey, 21% of owners sometimes struggle to pay their mortgage and 22% are struggling with maintenance.

These and other factors suggest Dieppe is experiencing a worsening of its housing conditions based on indicators of inadequacy, unsuitability, and unaffordability for both owners and renters. The 2021 data shows 34% of renters are living in unaffordable dwellings, 12% were experiencing Core Housing Need, and 9% were in deeply unaffordable dwellings.

These are stark statistics, but the housing needs study provides some important analyses and tools which are now at the City's disposal. These include an affordability gap analysis, a unit gap analysis, and a non-market housing inventory.

The struggles of young or single households with limited incomes in accessing affordable shelter are well-known. The challenge faced by households led by individuals aged 55 and above in affording rent highlights the issue's complexity.

There is a decreasing trend in rental affordability over recent years, with fewer renters affording median 1-bedroom, 2-bedroom, and 3+ bedroom units. Similarly, non-dual income segments among owner households continue to face homeownership obstacles despite the potential for long-term equity benefits. Most median renter households cannot meet median homeownership prices, except those with children or comprising four or more individuals (these household categories report high enough earnings).

The projected housing unit balance from 2023 signals a potential shift from surplus to deficit, implying a looming housing shortage. This shortage could range between 270 and 690 units by 2033.

To address this upcoming housing demand, the City of Dieppe should plan for constructing 3,505 to 4,365 units by 2033, considering the current unit balance. Strategically distributing units across different bedroom requirements embraces a holistic approach to meet varied housing needs.

Lastly, the demand for affordable housing, particularly among low-income single individuals, calls for targeted efforts. Insights from this analysis stress the urgency of implementing policies and initiatives to enhance housing affordability and accessibility.

The non-market housing inventory is found in **Appendix B**. It lists 828 non-market housing units, with seniors, special care units, and rent supplement units forming the majority. A clear goal for Dieppe is to expand its non-market housing stock. The study includes a list of stakeholders and non-market housing providers the City can start working with. In addition, by keeping it updated, the non-market housing inventory can help monitor progress on this important goal.

But given that many housing factors that are outside the City's control, what should the City focus on?

The study authors suggest turning to the public survey for some guidance on this question. In order for Dieppe to meet its housing needs, 80% of survey respondents indicate the top barrier is affordability including construction cost, and while many housing cost factors are indeed outside the City's control, the establishment of incentives and partnerships with housing providers to support mixed-income or non-market housing projects can help chip away at the affordability challenge. The second-rated barrier (no housing strategy – 37%) and third-rated barrier (government rules and regulations – 34%) are within the City's ability to address.

The survey results shown in **Section 8.1** provide some insights into a potential response and how the City's actions might be best aligned with public expectation. The study authors note the City can positively influence some suggestions being made by members of the public, for example, ensuring enough land and infrastructure to support more housing supply, or adjustments to planning policy to support higher density. Specific needs such as seniors or student housing can and should be targeted.

Considering the public's second-ranked barrier (no housing strategy), **Section 12** recommends that Dieppe establish a housing needs strategy and makes 14 suggestions for actions organized under the categories of Planning and Development, Affordability, and Non-market Housing.

Recommendations

It is recommended that the City of Dieppe adopt a comprehensive housing strategy to address the housing needs and issues identified in this study. It is important that the housing strategy be well communicated to residents, businesses and adjacent communities, as well as provincial and federal housing authorities.

Planning and Development

- Consider all potential options and opportunities related to the Province's Review of Jurisdictional Best Practices listed in Section 3.3;
- Consolidate policies relating to housing in the Municipal Development Plan, and when updating the plan, scrutinize policies, design guidelines and regulations with respect to their effectiveness, ability to be implemented and potential impact on the supply and cost of housing;
- Relatedly, review policies and regulations surrounding unit intensification;
- Adopt mixed income (market and non-market) housing targets for the downtown and other areas that have access to central urban services and transit; and
- Develop an open dialogue with market stakeholders to understand existing obstacles within the control of the City.

Affordability

- Consider options to augment the Province's incentives for affordable housing in mixed-income buildings;
- Advocate for property tax relief for those providing affordable housing;
- Consider expanding parking incentives in the downtown to include support for mixed-income housing and/or differentiated land pricing in the Gauvin Block to help achieve mixed income housing in the downtown;
- Take the lead in facilitating partnerships between market and non-market housing providers; and
- Promote and protect the naturally occurring affordable housing inventory (old stock that is often at more reasonable prices).

Non-Market Housing

- Fully explore provincial funding programs, for example, the partnership initiative with Habitat for Humanity;
- Consider incentives to help support current non-market housing providers and attract new ones to Dieppe;
- Work with CCNB (Dieppe Campus) in advocating for student housing to be located in Dieppe, to help support the region's immigration efforts; and
- Use the non-market housing inventory as a benchmark to monitor progress, and keep it updated.