

6 Focus Areas to Remove
Barriers and Energize
Housing in New Brunswick



THE ISSUE

The housing crisis is one of the biggest issues currently looming over the province, threatening to cripple New Brunswick's growth and the quality of life of its residents. Access to affordable and suitable housing has been deemed a human right for decades. However, since 2020, housing prices in New Brunswick have risen faster than virtually any other province in the country. Currently, the housing market is highly competitive, rents are escalating faster than ever before, and the supply is no longer keeping up with the demand. Households are struggling to make ends meet with cost-of-living pressures on people and families at an all-time high. People are requesting NB Housing assistance like never before and the waitlist is getting longer by the day. Both long-time New Brunswick residents and new people coming to the province are unable to access appropriate housing and find themselves forced into unaffordable and unsustainable living arrangements. Finally, the province is seeing record high numbers of unhoused people and still, the current housing system excludes people with mental health and substance abuse issues, and people with disabilities.

The lack of access to appropriate housing affects a number of sectors, including health care, education, population growth, and economic development. Housing gaps create unintended and unnecessary spending on incarcerations, Emergency Room (ER) visits, hospital stays, loss of businesses, lack of population retention and more. The longer housing needs remain unmet, the greater the pressures on existing social services such as food banks, shelters, government assistance, public safety and justice systems, and the more people feel unable to fully participate in the community.

The Official Opposition has spent months touring the province to understand each community's unique needs and has heard a number of issues and potential solutions that need to be addressed in the medium and long-term. Aside from the province investing more in existing subsidy programs for public, private and not-for-profit developments through NB Housing, there are a number of quick actions that can be done to stabilize and energize the housing sector. Everyone has a role to play in igniting the housing sector and these actions create a shared responsibility across all levels of government, developers, non-profits and individuals. The Official Opposition is coming to the table with 6 areas of focus in order to be part of the solution and provide New Brunswickers with opportunities to stabilize this crisis.



1. **Establish a rental cap**
2. **Regionalize New Brunswick's Residential Tenancies Tribunal**
3. **Empower municipalities and incentivize development**
4. **Leverage not-for-profit housing and housing co-operatives**
5. **Remove barriers to modular housing solutions**
6. **Refresh skilled trades education**

The time for action is now. Solving the housing crisis will build hope and increase the energy, resilience and strength of our communities, creating a safe environment for children to grow and making the space for our families and economy to prosper.

6 AREAS OF FOCUS

Focusing on housing first leads to long-term stability and provides a wide range of benefits such as making space for our growing population, housing vulnerable individuals, and contributing to the economic prosperity across the province. A Housing First philosophy has never been adopted at the provincial level. New Brunswick has the expertise to apply Housing First principles across the entire housing spectrum and in all policies and initiatives to solve the current crisis, including the following proposed solutions:



1. ESTABLISH A RENTAL CAP

With the constant rise in prices at the grocery store and gas stations, New Brunswickers need the comfort and security of knowing they can afford living in their homes. The rental cap put in place for 2022 provided some of this needed stability.

Across the country, provinces have introduced legislation in response to the housing crisis. In the Atlantic region, Nova Scotia opted to introduce rental caps, while Prince-Edward-Island froze rents completely. This is a stark contrast to the Higgs government declining to renew the rental cap for 2023. And while the government introduced a phased-in approach to large rent increases in December 2022, New Brunswickers identified and fell victims to loopholes in the legislation over the past few months, drawing attention to the vague language that has led to flexible interpretation within the Residential Tenancies Tribunal.

Tenants across the province are feeling the pressure of significant increases and new legislation has led to a lack of security and confusion amongst tenants, landlords and within the Residential Tenancies Tribunal.

We are calling on the government to:

- Reintroduce the rent cap as part of a clear rent control system, with further defined exceptions and guidelines that can provide stability to both tenants and landlords, and clarity to decision makers within the Residential Tenancies Tribunal.
- Amend the Residential Tenancies Act to require that the burden of proof be placed on landlords applying for an increase in excess of the established guidelines, as opposed to the current legislation that places the onus on the tenant to justify why an increase may be too high.





2. REGIONALIZE NEW BRUNSWICK'S RESIDENTIAL TENANCIES TRIBUNAL

Centralization is not always the most effective and efficient way to improve government services. The reality of the rental market differs drastically between rural and urban regions. In addition, the Tribunal is currently backlogged, meaning tenants and landlords are waiting weeks and months longer than they need to. This uncertainty is inefficient and unnecessary, leading to avoidable issues between tenants and landlords.

Whether it's a landlord requesting a cap exemption or a tenant challenging an increase, decisions on rental changes should be based on local market conditions by people who understand the needs at a community level.

We are calling on government to:

- Expand the Regional Tenancies Tribunal through a more regionalized model, allowing for greater focus on local market and community conditions to clear the backlog and provide tenants and landlords with faster and fairer decisions. Consideration should be given to the existing infrastructure and staffing of Service New Brunswick Offices located throughout the province.

With a focus on tenant rights and protections as well as clear guidelines for fostering development, an expanded and community-centered tribunal is crucial to helping solve New Brunswick's housing crisis.





3. EMPOWER MUNICIPALITIES AND INCENTIVIZE DEVELOPMENT

Inadequate access to housing is a barrier to economic and social growth in both urban and rural communities. The problem has worsened over the years with immigration efforts ramping up to address growing workforce demands. Developers are limited due to outdated development guidelines. Rental markets are now much more competitive in both urban and rural areas with many employers struggling to find housing for new employees leading to struggles with recruitment and retention. The provincial government has a major role to play in incentivising development in all communities across the province.

In the case of municipalities, despite their will to play a role in identifying and responding to their own community needs, they have found themselves handcuffed by a lack of proper funding for local housing needs assessments and an inability to acquire and convert local vacant buildings, most of which are owned by the provincial government. Moreover, private developers have been unable or unwilling to respond to the housing needs in New Brunswick due to a lack of ability to guarantee return on investment over the long term (20-50 years).

With the recent reforms to local government the province has already empowered local communities but needs to take another step to allow more municipalities to build local solutions to the housing problem and incentivize private development. This not only helps the residents of the municipalities, but also can act as a catalyst to spur economic growth.

We are calling on government to:

- Further empower and equip local governments with the resources to ensure they can access incentive tools to spur the development of adequate and affordable housing.
- Expand eligibility and allow flexibility to bonus development incentives and forgivable government loan programs.
- Provide funding for local governments to conduct housing needs assessments and ensure communities are ready to take action once the provincial housing strategy is released.
- Facilitate the transfer of Crown property to local municipalities by revisiting and optimizing the process for efficiency.
- Proactively engage municipalities on the repurposing of structures at least a year prior to them being vacated.



4. LEVERAGE NOT-FOR-PROFIT HOUSING AND HOUSING CO-OPERATIVES

To solve the housing crisis, the province needs all hands-on deck and that includes all levels of government, not-for-profit housing and housing co-operatives. Not-for-profit housing organizations and housing co-operatives remain a major untapped resource for affordable and suitable housing in the province. Out-dated guidelines and agreements create significant barriers for them to play a key role in being part of the solution.

Increasingly, the not-for-profit sector has been looked to for housing solutions as a large portion of the low-income and vulnerable population continues to struggle to find affordable homes. Moreover, communities have sounded the alarm over risks of public housing driven ghettoization throughout the province. In Fall 2022, the provincial government announced a \$100 million investment in public housing which will lead to the development of approximately 380 units across the province. Experts argue that leveraging the same amount of money through not-for-profit housing would have resulted in more units and greater balance between subsidized and market rates.

The province not only needs to increase investment in this sector, it also needs to recognize the value, knowledge, and expertise, which is currently under-utilized, and make the space for creativity in generating different housing opportunities focused on affordability and innovation. Funding models, guidelines and agreements should provide these organizations flexibility and promote the implementation of strategic plans such as the acquisition and conversion of vacant homes and government properties.

We are calling on the government to:

- Address funding challenges for not-for-profit and co-operatives, including inequitable resource disparity in rural versus urban regions of the province.
- Find innovative ways to further engage non-profit developers and co-operatives as their projects can usually be built more cost effectively and in less time than government developments.
- Engage not-for-profit housing organizations and housing co-operatives around the acquisition and conversion possibilities of government properties, at least a year prior to vacating them.
- Streamline the process around the acquisition of government property for the purpose of not-for-profit and co-operative housing development.
- Provide backstop financing agreements to secure Canada Mortgage and Housing Corporation (CMHC) funding for qualified not-for-profit housing projects.



5. REMOVE BARRIERS TO MODULAR HOUSING SOLUTIONS



Thanks to technological advances and new practices, modular housing has changed from pre-made moveable structures to high quality off-site construction with a wide range of applications including permanent structures, individual units, and multi-storey buildings. Modular housing has been adopted as a preferred building method in many countries around the world. The shift in North America has been slower, however, New Brunswick has a unique opportunity to take advantage of the many off-site construction companies already operating across the province.

Modular housing is not new to the province, and it offers a unique made-in-New Brunswick approach to help solve our housing crisis. Current modular housing practices provide a wide range of benefits including less public disruption (less noise, dust and traffic), less building space, customizability without impacting assembly lines, faster production, more control and consistency, improved safety and security, as well as reduced material waste and increased energy efficiency and sustainability.

Whether it be single dwellings or density housing, modular construction offers a faster, greener, and more efficient approach to increasing our housing and diversifying the types of housing available for New Brunswickers. Innovative use of modular solutions have been demonstrated recently in the province. Two notable and distinctly different projects are the 12 Neighbours Community in Fredericton, and the Amsterdam Inn in Florenceville-Bristol which demonstrate the vast range of opportunities that could be explored. The potential of off-site construction is significant and the positive impacts on the housing sector are enormous, however, several barriers need to be addressed.

We are calling on the government to work with the industry and municipalities to:

- Increase public awareness around modern modular housing to support the industry in changing the outdated stereotypes looming over it and allow the population to reimagine the role of modular housing to address this crisis.
- Provide guidance to municipalities who have limited the potential of the sector by banning modular construction within communities based on these outdated stereotypes and zoning laws.
- Work with the industry to address workforce shortages. Most firms have 2-years worth of backlogs. A new manufacturing plan and a new workforce strategy should be investigated.
- Support industry to familiarize architects, designers, consultants, and engineers who might not be familiar with modular construction practices and guidelines. Training should be available for these professionals.
- Re-evaluate procurement processes and policies to entice developers to see the value in off-site construction.





6. REFRESH SKILLED TRADES EDUCATION

The housing sector has not been immune to the workforce shortages facing the province and the country. In addition to the healthcare sector, skilled trades labour shortages are the most critical to address. It is time for the province to invest heavily in skilled trades education and these investments should have 3 main objectives: getting young people into skilled trades programs, providing training where needed around modular off-site construction and recruiting newcomers with the skills to fill labour gaps.

Over 50% of the skilled trades workforce is over the age of 50. Retirements are fast approaching, and the province needs to act fast. Refreshing the industry with a new generation and recruiting skilled newcomers is critical to respond to the housing crisis and invigorate the provincial economy.

We are calling on the government to:

- Develop matching skilled trades programs that are recognized for school credit, for middle school and high school aged youth, as well as apprenticeship opportunities on active construction projects.
- Create mentorship programs for contractors to acquire proper mentorship skills.
- Create an international skilled tradesperson recruitment hub.
- Develop bridging programs and foreign credential recognition pathways for skilled newcomers to easily transition into the workforce.
- Facilitate access to cultural awareness training across the sector.
- Facilitate access to sector-specific language training and supports for newcomers.
- Provide training in up and coming, critical practices, such as off-site modular construction, for professionals of all levels in the sector (engineers, architects, consultants, skilled workers, etc.)

Partnerships are critical for the success of these strategies. Ensuring the future of the skilled trades workforce is key to the housing crisis response and the future of the province.





Experts agree that this file requires bold, coordinated action from all sectors. Ultimately, investing in affordable, sustainable, quality housing leads to long-term stability, providing endless benefits including allowing individuals to regain work-life balance, work a sustainable number of hours by accessing better paying jobs, improve education outcomes, providing the space for a growing population, and freeing up income that would be invested back into the economy, benefiting local businesses and the community.

We can no longer wait. We owe it to ourselves and future generations to create a housing system that is affordable, stable, and sustainable. Everyone has a role to play. We need to come together through a proactive, coordinated, multipronged and community approach to put in place the policies and processes necessary to solve our housing issues and create solutions that will benefit everyone.

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