



CAPE BRETON
REGIONAL MUNICIPALITY

2025

CBRM HOUSING NEEDS ASSESSMENT

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Introduction

The following Supplementary Qualitative Report is provided in support of the 2023 Housing Needs Assessment (HNA), prepared by the Province of Nova Scotia on behalf of the Cape Breton Regional Municipality (CBRM).

In addition to the quantitative data and findings presented in the HNA, this report highlights key qualitative factors and emerging trends affecting housing demand, supply, affordability, and need in the CBRM.

Looking ahead, the CBRM is committed to undertaking another housing needs assessment in 2027 as part of its participation in the Canada Mortgage and Housing Corporation's (CMHC) Housing Accelerator Fund (HAF). The municipality is also anticipating the completion of a comprehensive Housing Strategy by the end of Summer 2025. Together, these initiatives will guide evidence-based planning and decision-making to address current and future housing challenges in the region.

The content that follows expands on several areas of housing need and pressure, including population and household trends, student enrolment impacts, affordability, short-term rental pressures, and Core Housing Need. These findings underscore the complex and urgent nature of housing issues facing the CBRM and reinforce the need for coordinated forward-looking strategies to support sustainable growth and community well-being.

History of housing in the CBRM

Historical Context and Demographic Trends: The CBRM has a history rooted in coal mining and steel production, industries that spurred early 20th-century population and economic growth.

The decline of these sectors led to economic hardship and sustained population decline, which began after CBRM's peak in 1961. This trend has been compounded by high out-migration and low birth rates.

CBRM now faces challenges related to an aging population, with a significant proportion of residents over the age of 50. These demographic trends place pressure on workforce sustainability, healthcare services, and housing needs.

Housing and Economic Landscape

The housing stock in CBRM is predominantly older and comprised of single-detached homes, which do not align with the needs of smaller households and an aging population. The report highlights the importance of diversifying housing options to accommodate various family sizes, incomes, and abilities. Additionally, the economic landscape is characterized by a reliance on service-oriented industries, with a notable concentration of low-income households. Strategic economic development is required to boost incomes and expand employment opportunities, both of which are crucial to stabilizing the housing market.

Immigration

Recent years have seen a modest increase in immigration to CBRM, with annual arrivals rising from fewer than 100 in the early 2000s to approximately 160. However, the current immigration rate (20 per 10,000 people) is far below what's needed to sustain or grow the workforce. To maintain the current workforce, CBRM would need to attract at least 1,100 immigrants per year—significantly higher than the current 150.

On the positive side, the region has welcomed an average of 750 non-permanent residents annually in recent years, many of whom could become permanent residents. Additionally, Cape Breton University and NSCC have seen a surge in international student enrollment, with many students working while studying. This growing student population could help strengthen the local talent pool in the future.

Long Term Housing Issues

CBRM faces several long-standing housing challenges that have compounded overtime. Much of the housing stock was built before 1960, resulting in high maintenance costs, poor energy efficiency, and limited accessibility for older adults. The municipality also struggles with a lack of affordable housing due to rising rental costs and limited new construction. Infrastructure issues, particularly aging water, sewer, and road systems, pose additional barriers to housing development, especially in areas not already serviced. Furthermore, the seasonal nature of tourism and the growth of short-term rental markets have reduced year-round housing availability in scenic parts of the region. These factors, taken together, have placed increasing pressure on CBRM's housing system. However, recent funding commitments and economic revitalization initiatives aim to address these persistent issues and create a more diverse and sustainable housing market.

(History of Housing in the CBRM Source: Economic Development Phase One Findings and Issues Report, November 2021 and CBRM Forward: Growth Management Strategy, 2022)

CBRM's Existing Housing Policy

CBRM's new Municipal Planning Strategy, Land Use By-law, and Subdivision By-law, which we refer to as CBRM Forward, were adopted by Council in July of 2023

Planning Documents

CBRM's recently adopted planning documents—CBRM Forward, which includes the Municipal Planning Strategy, Land Use By-law, and Subdivision By-law—represent a major step forward in supporting housing development across the municipality. Adopted by Council in July 2023, CBRM Forward replaces the original 2004 regional planning framework and was developed in alignment with the municipality's Economic Development Strategy and Growth Management Strategy. Both of these strategies emphasize housing diversity and increased residential density to accommodate changing population needs.

While the new planning documents were adopted prior to the release of the Housing Needs Assessment (HNA), they are closely aligned with the HNA's primary goals. Therefore, no immediate policy changes are anticipated as a direct result of the HNA. The HNA, along with future updated data, will serve as a valuable tool for informing future Council decisions and reinforcing achievable and prioritized housing development targets.

Through its updated planning policies, CBRM aims to maintain and expand its housing stock in a manner that promotes increased residential density, a greater variety of housing types, and affordable and accessible housing options that meet the needs of residents of all ages and abilities. The planning framework positions the municipality to manage future growth by ensuring sufficient and appropriate housing is available for both current and future residents.

CBRM's Existing Housing Policy

With the adoption of CBRM Forward, the municipality has also taken significant steps to eliminate regulatory barriers to housing development. Within the Service Area Boundary, six-unit dwellings are now permitted as-of-right when connected to municipal water and sewer services. The new planning documents also remove minimum parking requirements and increase lot coverage provisions, enabling more compact and higher-density forms of development.

In addition to the progress already made, CBRM is preparing to release a new Housing Strategy in the summer of 2025 under the Housing Accelerator Fund (HAF). This forthcoming strategy will build on the foundation laid by CBRM Forward and further advance municipal goals related to housing affordability, accessibility, and supply.

The 2023 Housing Needs Assessment, as well as annual data that CBRM is currently evaluating, will help to inform our housing strategy going forward.



CBRM's Existing Housing Policy

In 2024, CBRM Council adopted two significant policies to promote the development of affordable housing: the Affordable Housing Grant Policy and the Affordable Housing Property Tax Adjustment Policy.

Affordable Housing Policies

The Affordable Housing Grant Policy establishes a framework to increase the supply of affordable housing within the municipality by offering a one-time grant to support the construction of new affordable dwelling units.

Meanwhile, the Affordable Housing Property Tax Adjustment Policy is designed to incentivize developers by providing an annual partial property tax adjustment for newly created affordable housing units.

Together, these policies have already begun to contribute to the expansion of affordable housing options throughout the municipality.

Housing Accelerator Fund Initiatives

Building on this momentum, CBRM is currently developing a comprehensive Housing Strategy as part of its participation in CMHC's Housing Accelerator Fund. This strategy represents the next step in CBRM's approach to addressing housing needs and is expected to be completed by the end of Summer 2025. The Housing Strategy will explore the municipality's current and future housing needs, expand on existing incentive programs, and identify new opportunities to encourage residential development. It will also assess surplus municipal land and evaluate land banking strategies to support the development of new residential projects.

CBRM's Existing Housing Policy

Housing Accelerator Fund Initiatives continued...

In parallel with these efforts, CBRM is implementing several key initiatives through the Housing Accelerator Fund, including the introduction of pre- approved residential building plans and implementation of online permitting software.

Policy Direction on Infrastructure

CBRM Forward also provides clear policy direction for municipal infrastructure planning. To ensure the efficient use of existing water supplies and wastewater disposal infrastructure, CBRM intends to encourage development where this infrastructure already exists, or can be extended to with minimal service costs. By discouraging development in areas far away from existing infrastructure, CBRM aims to avoid the environmental and health risks associated with inadequate infrastructure, while also reducing the cost of building new infrastructure, which would otherwise be taken on by the municipality and taxpayers.



Labour Conditions

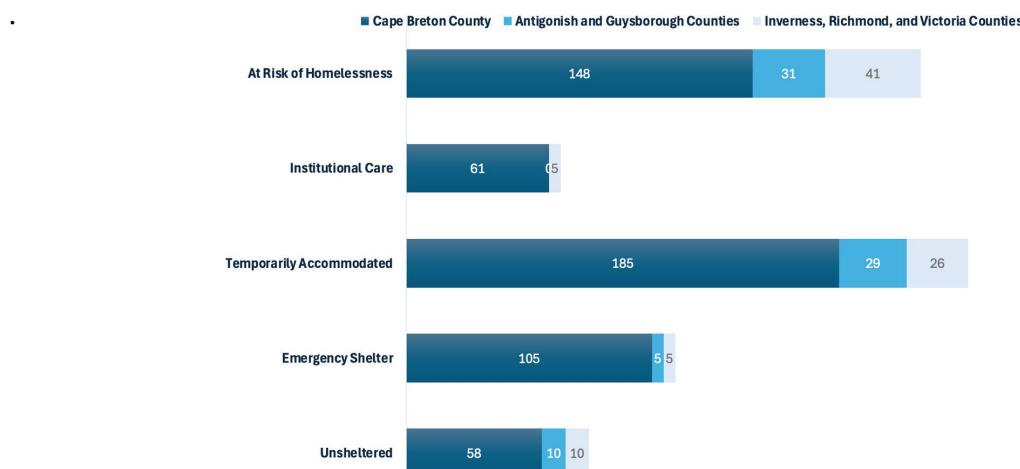
Labour conditions in CBRM have shaped the housing market through economic decline, lower wages, and workforce shortages. The collapse of coal and steel industries led to outmigration, leaving behind aging and vacant homes. An aging population, shrinking workforce, and seasonal employment has contributed to housing challenges, particularly around affordability and supply. A shortage of skilled trades has slowed housing development. An aging workforce is also driving demand for senior-friendly housing, further straining supply.

CBRM has experienced recent population growth, driven by immigration and international students. More effort is required to attract new residents and skilled workers to help revitalize the housing market. Addressing labour shortages and improving wages will be key to stabilizing the housing market. (Source Economic Development Phase One Findings and Issues Report, Nov 2021 and CBRM Forward: Growth Management Strategy, 2022)

Incidence and Severity of Homelessness

CBRM receives data on homelessness through various means. Since 2024, CBRM through Cape Breton Community Housing Association has been funded for a street outreach team by the Department of Opportunities and Social Development. The teams help connect people to services and create individualized plans to transition to short- and long-term housing. Cardiel Place are the reaching home entity for the region who work with New Dawn who are creating a Coordinated Access System which will maintain Cape Breton's homelessness numbers into the future.

Response related to homelessness in the CBRM is based on information provided to CBRM Council on March 5, 2025, by Catherine Leviten-Reid, professor at CBU. According to Leviten-Reid, the table below outlines the types of homelessness in Cape Breton County:



Incidence and Severity of Homelessness cont...

The demographics of people experiencing homelessness within the Eastern Zone of Nova Scotia Health are as follows:

- 12% (84 individuals) were Indigenous
- 4% (27 individuals) were Black/ African Nova Scotian
- 4% (25 individuals) were 2SLGBTQIA+
- 2% (15 individuals) were Newcomers to Canada
- 35% (253 individuals) were living with mental illness
- 36% (257 individuals) were living with addiction

Leviton-Reid's data was not broken down at the county level. Eastern Zone of Nova Scotia Health consists of Cape Breton County, Antigonish, Guysborough, Inverness, Richmond, and Victoria Counties. CBRM encompasses all of Cape Breton County.

For the Eastern Zone of Nova Scotia Health, Leviten-Reid identified the following barriers to accessing stable and permanent housing for individuals 16 years and older:

- 433 (60%) note that rents are too high
- 397 (55%) report low income, despite income being connected to Government Assistance
- 346 (48%) cite addiction/substance use
- 312 (44%) cite mental illness
- 142 (20%) said there was a lack of housing in good repair
- 141 (20%) cite family breakdown- conflict with family, "kicked out", separation/divorce, etc.

The report is online at https://www.endhomelessnesstoday.ca/images/Service_Based_Count_2024_Report.pdf, and the infographic is at https://www.endhomelessnesstoday.ca/images/2024_Service_Based_Count_Infographic.pdf

Affordable Housing

CBRM's involvement with affordable housing units is limited, with data primarily tied to initiatives supported through CMHC's Housing Accelerator Fund. Under the municipality's new Affordable Housing Grant Policy and Affordable Housing Property Tax Adjustment Policy, 47 new affordable housing units were created between February 15, 2024, and February 15, 2025. It is important to note that these policies are supported by time-limited funding through the Housing Accelerator Fund and may not remain in effect once the funding period ends.

As CBRM does not systematically track rental prices or the broader affordable housing inventory, comprehensive data on affordable housing gains or losses over the past five years is not available. Additional information on housing affordability can be found in the Key Findings from the HNA which is found at the end of the report. That being said, according to the Department of Growth and Development, the Province of Nova Scotia has supported the creation of 70 affordable housing units in CBRM since 2021. The decline in affordable housing units can be attributed to a combination of factors, largely triggered by a sudden and substantial influx of students into the area. This sharp increase in population placed immediate pressure on the rental market, driving up rents due to the imbalance between supply and demand. As a result, units that were once considered affordable rapidly increased in market value, reducing the overall stock of affordable rentals and eliminating nearly all vacant affordable options.

In response to heightened demand, many landlords undertook renovation projects to attract higher-paying tenants. These upgrades, while improving unit quality, often led to increased rents, further reducing affordability. Tenants unable to absorb these rising costs found themselves displaced or with limited housing options. Compounding the issue, general rent inflation continued alongside pandemic-driven increases in construction and renovation costs, placing even greater financial pressure on both landlords and renters. Meanwhile the broader need for affordable housing and a lack of sufficient social support programs left vulnerable populations with fewer alternatives.

Opportunities and Social Development funds four service providers in CBRM with diversion funding to help prevent individuals from falling into homelessness. Two trustee organizations also help individuals and families manage their finances.

Infrastructure Gaps

Based on the findings of the Cape Breton Regional Municipality (CBRM) Housing Needs Assessment (HNA), several infrastructure gaps are anticipated to create growth pressures that must be addressed in supporting forecasted housing development needs. CBRM's Transit, Water, Wastewater, Roads, and Parks and Ground assets make up the overwhelming majority of these needs.

CBRM's Public Transit System is currently operating at capacity, particularly due to the significant growth in student population at Cape Breton University and the NSCC Waterfront Campus. The types of housing growth projected—particularly for students, seniors, and low-income households—all lead to an increased reliance on public transportation. Without significant investment in transit services (buses, shelters, facilities, etc.), the system will struggle to meet future demand, especially in urban centres like Sydney where population growth is concentrated.

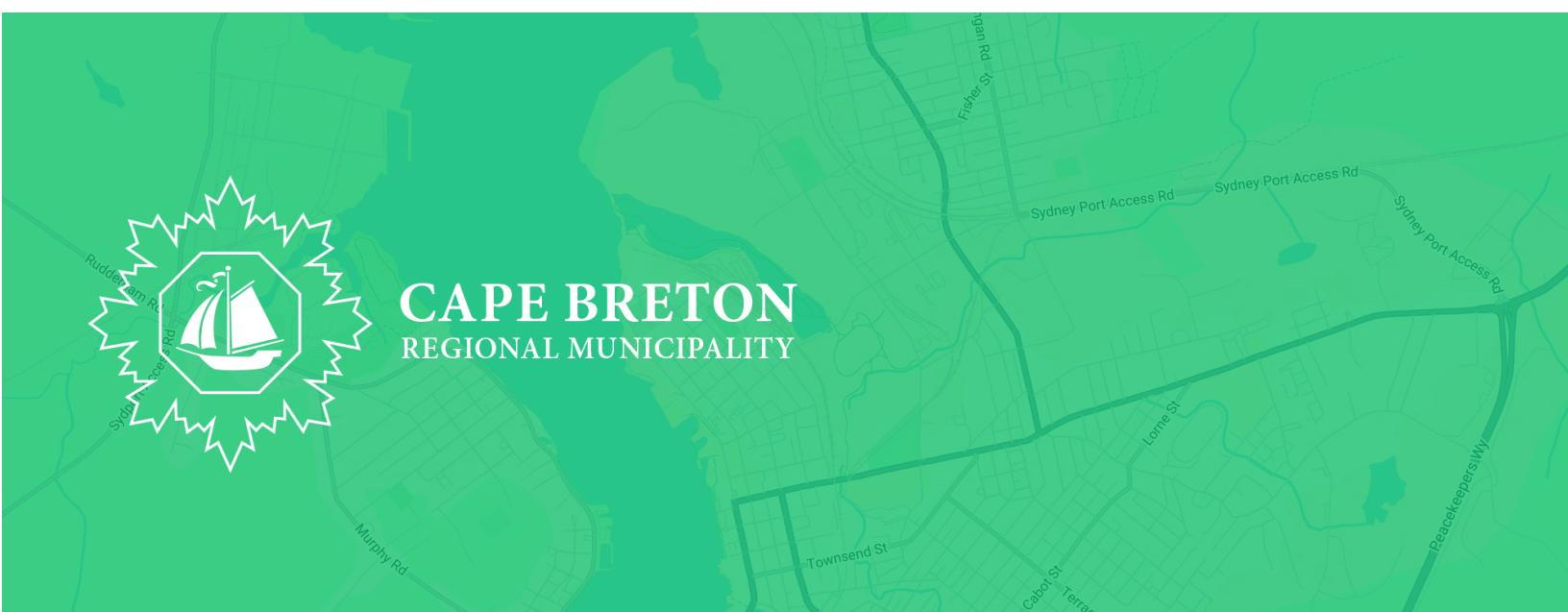
As with many municipalities across Canada, CBRM's water and wastewater infrastructure is aging and faces ongoing challenges with capacity, maintenance, and renewal. While we continue to work diligently to maintain systems to regulatory standards, forecasted housing growth will place additional demands on the existing infrastructure. While some developments may only require localized upgrades, others may necessitate larger-scale improvements related to water and wastewater transmission, collection, and treatment capacities. This variability underscores the need for proactive infrastructure planning to ensure service capacity aligns with projected housing growth.

In alignment with the CBRM Forward strategies, CBRM's focus will be to facilitate development within the existing road network to avoid increased financial burden on CBRM. This will lead to long-term sustainability but will put additional strain on the existing deteriorating roadways in the immediate future. Most large-scale developments will require road upgrades, while the broader network will need significant reinvestment to maintain an adequate level of service across CBRM's communities.

Infrastructure Gaps cont...

As population increases and demographics shift, there will also be growing demand for parks, recreational facilities, and community space. CBRM is presently assessing these assets in greater detail through the development of master plans that will identify where new amenities are required while ensuring that existing assets are maintained at acceptable service levels.

All these infrastructure needs are further exacerbated by the geographic spread of CBRM's communities and assets. As one of the largest municipalities by land area in Nova Scotia, CBRM encompasses a diverse range of urban, suburban, and rural communities, each with unique infrastructure requirements. This dispersion makes it more complex and costly to deliver consistent levels of service across the region, leading to significant funding requirements to maintain adequate service and support projected growth.



Next Steps

Key Findings from the Housing Needs Assessment 2023

Housing shortage

There is an urgent need for new housing supply in CBRM. As of the end of 2022, there was a shortage of 1,000 housing units in the CBRM due to an increase in housing demand, much of which has been driven by a significant increase in student population.

The increase in students did not outweigh the decline across the overall CBRM population. The base population growth scenario projects that this overall population decline will continue over the next decade, despite increases in student enrolments. Current trends suggest 125 units per year are added.

BASE GROWTH SCENARIO: Using the base growth scenario, there will continue to be a housing shortage over the next five-years, but it will be eliminated by 2032. The shortage would decline to 855 new units by 2027 (including consideration for the existing shortage), and to 510 by 2032. About 125 new units could be completed annually if trends continue. If that pace of construction endures past 2027, there may be a surplus of units in the CBRM by about 2028.

HIGH GROWTH SCENARIO: However, given Cape Breton University (CBU) plans to continue to increase international student enrolment, the new Nova Scotia Community College (NSCC) Waterfront Campus, and a new CBU medical school, it is possible that population growth in CBRM may follow the high- growth scenario. In this scenario, the existing shortage of 1,000 units could grow to 1,810 units by 2027 and 2,150 by 2032.

In a high growth scenario the housing shortage is increasing.

Key Findings from the Housing Needs Assessment 2023

continued...

Households

The CBRM's total households grew, even with a declining population, indicating increased household formation between 2016 and 2021. Non-census families (i.e., single persons or roommates) have seen the biggest change, with a 10% increase since 2016. Households in the CBRM are also getting smaller with a 7% increase in 1-person households and a 1% increase in 2-person households between Census periods.

Projections suggest that the CBRM's total households may decrease 2% from 2022 to 2027 (1,015 total). Considerable household losses may occur among young adult households (led by 15-24-year-olds) and older working professional-led households (45-64 year-olds). Similar to changes in population, the greatest rate of growth is anticipated to be among senior-led households.

Students and Student Housing

When enumerating a local population, Statistics Canada reports specifically on those persons who live within a community permanently. This means that most students who are Canadian and have moved to the CBRM for school would not be counted towards the local population since their permanent address would be allocated to their home community (i.e., where their family resides). CBRM (specifically Sydney) has experienced and is experiencing a dramatic increase in the total number of international students. This increase can be attributed to development of the new NSCC Marconi campus, CBU's plan to expand its international student population, and plans for a medical school building to open at CBU in 2025.

CBU experienced incredible increases in enrollment growing 52% from the 2017-2018 and 2021-2022 academic years. Much of this growth was due to increased international student enrollment. Over the same period, total students from outside Canada increased from 866 to 2,481 (a 186% growth over four academic years). This increased the share of international to total number of students from 29% to 54%. Furthermore, CBU anticipates higher enrollment totals over at least the short-term.

Key Findings from the Housing Needs Assessment 2023

continued...

CBU student growth, unchanging student housing inventories, and the introduction of the new Nova Scotia Community College (NSCC) Marconi campus and new CBU medical school are anticipated to continue to place pressure on the CBRM rental market, particularly within Sydney.

Short-term Rentals (STRs)

Registered Short-term Rentals in CBRM (May 28, 2025)

Whole Home Primary Residence 37

Traditional Tourist Accommodation 82

Commercial 37

Identified Short-term Rentals in Operation in CBRM (May 28, 2025)

Total STRs 241

Shelter Costs

Median rents reported by the CMHC increased 7% from 2019 to 2022, down slightly from 8% between 2016 and 2019. Both periods demonstrated tightening rental markets.

Median CBRM home prices increased 42% from 2019 to 2022, compared to 14% in the previous four years between 2016 and 2019. The rapid rise in prices is a combination of low interest rates (until recently) and other factors driving increased demand, and insufficient supply.

Affordability

In the municipality, affordability has fallen since 2016. About 28% of all couples, 62% of all lone-parent households, and 87% of all single person households earned below the estimated income required to afford the 2022 median sale price of a local dwelling. For rentals, at least 23% of renting couples, 46% of renting lone-parents, and 83% of renting single persons earned below the estimated income required to afford the 2022 median local rents.

Key Findings from the Housing Needs Assessment 2023 continued...

In the CBRM, those living in unaffordable dwellings decreased by 20%, those living in unsuitable dwellings increased by 19%, and those living in inadequate dwellings decreased by 5% between 2016 and 2021. While there was a decrease of 22% over the half decade, 31% of renter households in the CBRM remained in unaffordable dwellings. The increase in dwelling cost, which limits housing options, has been felt more acutely in low-income, marginalized, student, and senior populations.

Market Activity

Median sale prices across Nova Scotia have seen increases since 2016, with notable increases since 2019. The Cape Breton Regional Municipality's median sale price increased from \$120,000 to \$195,000 between 2016 and 2022. This represents a 63% increase in median sale price.

The overall median rent in 2022, per CMHC data, was \$800. This is an increase of 33% from 2010. There has been a 31% increase in studio units, a 27% increase in 1-bedroom units, a 41% increase in 2-bedroom units, and a 42% increase in 3+ bedroom units.

The CBRM's vacancy rate has fluctuated in and out of the healthy vacancy range (3% to 5%) over the last decade, save for a sharp decrease beginning in 2022. Since 2022, CBRM's vacancy for 2-bedroom units has followed provincial trends, falling to approximately 1.7%. As discussed in the shortage section, this is predominantly due to sudden in-fluxes of students (mainly international) who are seeking housing in and around Sydney.

Population

Historically, the CBRM experiences outflows of people to other provinces, Nova Scotian communities, or countries. In 2018/2019, a considerable jump in non-permanent residents occurred, tied to incoming international student populations. While net migration fell again from 2019 to 2021 (due to COVID-19), 2021/2022 represented a jump back to just below the earlier peak.

Key Findings from the Housing Needs Assessment 2023

continued...

Overall, from 2017 and 2022, the population of the CBRM decreased by 1%. Department of Finance & Treasury Board (FTB) projections suggest that the CBRM total population may continue its current rate of decline (1%) from 2022 to 2027, with a further decline of 3% by 2032. Even if a high-growth population scenario is applied, the overall CBRM population would be expected to decline by 1% by 2032. The growth in post-secondary students is not projected to be sufficient, in either mid or high population growth scenarios, to offset declines in the overall population in CBRM

While there have been losses in total young adult populations (15 to 24), more households were led by this age group in 2021 than 2016. Total households primarily maintained by a person 25 to 44 increased (following population trends) and so did senior led households.

Non-census families (i.e., single persons or roommates) have seen the biggest change, with a 10% increase since 2016. Families in the CBRM are also getting smaller with a 7% increase in 1-person households and a 1% increase in 2-person households between Census periods.

Housing Need

When a household lives in a dwelling that requires more than 30% of its before-tax household income, is overcrowded, and needs major repairs – and with no alternatives– it is in Core Housing Need. In 2021, about 8% of CBRM households (3,510 total) lived in Core Housing Need. Need is particularly prevalent among:

- 19% of renter households (2,250 total);
- 9% of Indigenous households (160 total);
- 10% of lone parent households (540 total); and
- 17% of single persons / roommate households (2,705 total)

Key Findings from the Housing Needs Assessment 2023 continued...

Generally, the number of people in and rates of Core Housing Need across segments has decreased since 2016. However, comparing to 2016 rates (particularly for affordability) is difficult given the influence of the Canada Emergency Response Benefit (CERB) on incomes. Overall, the municipality reported a lower rate of core need than Nova Scotia overall (10%) due to unaffordability criterion that saw the most widespread percentage decrease in affected populations, largely due to the influence of COVID-19 relief payments.

Conclusion

This Supplementary Qualitative Report reinforces the findings of the 2023 Housing Needs Assessment and provides essential context to better understand the full scope of housing-related challenges and opportunities within the Cape Breton Regional Municipality. While recent progress, including the adoption of CBRM Forward, new Affordable Housing Policies, and active participation in the Housing Accelerator Fund, demonstrates the municipality's commitment to addressing housing needs, it is clear substantial and sustained efforts will be required to ensure housing accessibility, affordability, and adequacy for all residents.

The qualitative insights presented in this report highlight the growing complexity of housing issues in CBRM, driven by demographic shifts, aging infrastructure, a limited housing stock, affordability pressures, and increasing rates of homelessness. They also underscore the importance of coordinated planning, strategic investment, and policy innovation to manage growth and improve housing outcomes across the region.

Looking ahead, the development of CBRM's Housing Strategy, alongside continued collaboration with provincial and federal partners, will be crucial to guiding future actions. This work must be supported by comprehensive data collection, community engagement, and sustained funding to ensure the housing system can meet the evolving needs of the population.

With a clear vision and strong foundation in place, CBRM is well-positioned to take bold and meaningful steps toward a more inclusive, resilient, and sustainable housing future.