



Edmundston Housing Study

FINAL REPORT

January 2023



January 30, 2023

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Subject: Final Report – Edmundston Housing Study

Dear Ms. Laplante:

We are pleased to present our report on the above-mentioned subject. We trust that our observations regarding the current situation, recommendations and proposed solutions will help you achieve your objectives.

We would like to mention the excellent collaboration of all of the people we met during this assignment.

Thank you for your confidence. We are available to provide any additional assistance or to support you in attaining your objectives.

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Should you require any additional information, please do not hesitate to contact Jean-Philippe Brosseau at 418-647-5413.

Yours truly,



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Table of Contents

Background and Study Objectives	4
Current Housing Situation Overview	6
<i>Demographics</i>	
<i>Housing Stock</i>	
<i>Economic Activities</i>	
Housing challenges	43
Housing Needs Overview	51
Opportunities for the City of Edmundston	64
Observations and Recommendations	71
Appendices	76



Background and Study Objectives

Background

Context

Many Canadian municipalities are experiencing **housing-related problems in their territory**. On the one hand, the aging population creates new housing needs. On the other hand, attracting new workers and new families on the territories to counteract the effects of aging often requires a renewal of the housing inventory or the development of a new offer specific to this type of clientele. Lastly, certain clienteles have specific needs that must be met in partnership with other local stakeholders.

The City of Edmundston is no exception to this situation. Elected officials and local stakeholders have identified several problems: the quantity, quality, diversity and quality/price ratio of the current housing stock **are hampering the attraction and retention of new workers and their families on the territory**. According to data shared by the City, over the next 10 years, 2,865 workers will reach the age of leaving the labour market, while only 1,520 people will join the labour market (age 19), causing a deficit of 1,345 workers. The City must therefore develop a strategy quickly in order to repatriate citizens from the region and attract people from elsewhere in Canada and the world. **Access to housing is a key component in developing this strategy.**

This is why the City introduced targets in its strategic plan in 2019 to attract labour to its territory. Specifically, the City is targeting the retention and repatriation of young people and families, as well as the development of means at the municipal level to support an ecosystem favourable to receiving, integrating and retaining new citizens. Immigration is an essential lever for Edmundston's economic vitality.

Objectives

With this in mind, the City of Edmundston has retained the services of RCGT to assist it in conducting a study to document and analyze the housing needs and possibilities for all clienteles.

The specific objectives of the study are to:

1. Prepare a statistical overview of the current housing situation;
2. Assess future housing needs;
3. Document best and potential practices the region can use to develop housing;
4. Draw up observations and practical recommendations to support the development of an adequate housing Stock in the City.

Current Situation Overview

Demographics

Housing Stock

Economic Activities

In 2021, Edmundston's population was 16,580, 2% of the province of New Brunswick's population

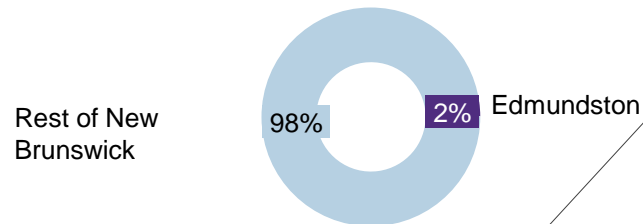
Demographics

In 2021, New Brunswick had a population of 775,610. As an urban centre in the Northwest, Edmundston had a population of 16,437 on its 106.85 square kilometre territory. The population density in Edmundston is 153.8 inhabitants per square kilometre.

After the upcoming merge with Rivière-Verte in January 2023, the population in the new territory is expected to increase to 18,389. The data in this study relate to Edmundston's current territory rather than the new post-merger territory.

Distribution of the population

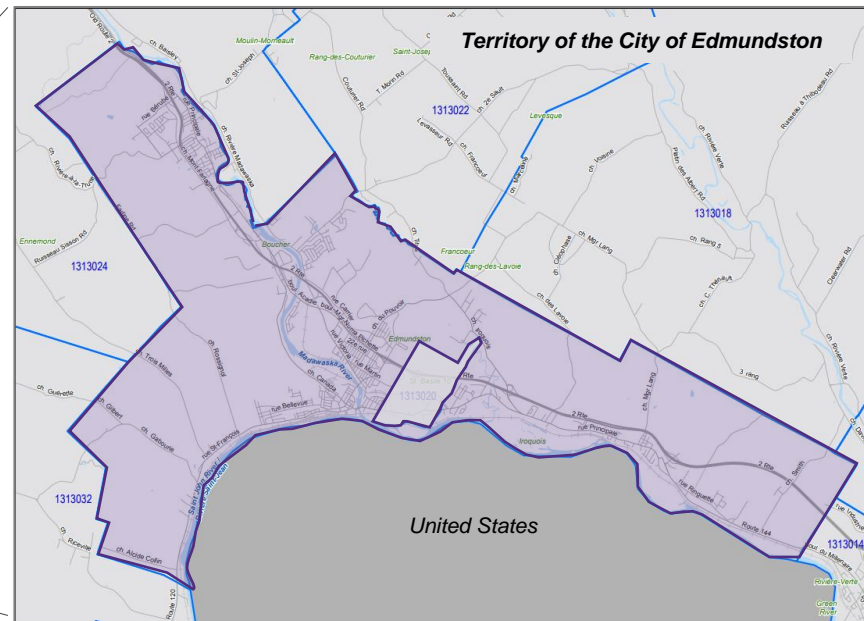
New Brunswick, 2021, as a % of the population of N.B.



Map of New Brunswick



Map of the City of Edmundston



Sources: Statistics Canada, 2021; RCGT Analysis.

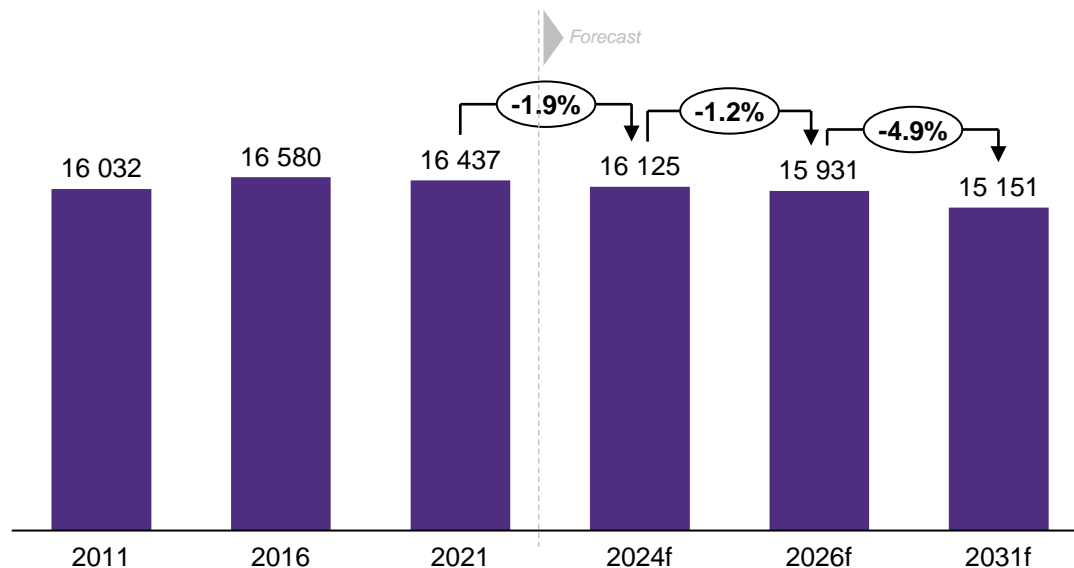
Uncertain forecasted demographic growth in Edmundston

Demographics

The population in Edmundston grew by 548 people between 2011 and 2016. However, due to the aging of the population, it declined between 2016 and 2021. This downward trend is expected to continue over the next few years. However, these forecasts are based primarily on natural population growth assumptions and factors and do not take into account certain elements that could reverse the trend. These include the New Brunswick Population Growth Strategy (2019-2024) and the effects of the COVID-19 pandemic.

Population changes and forecasts

Edmundston, 2011 to 2026f, number of inhabitants



Sources: Statistics Canada; Sitewise forecasts; RCGT analysis.

Potential growth levers:

1. New Brunswick Population Growth Strategy (2019-2024)

With the objective of developing, mobilizing and retaining a skilled workforce to meet labour market needs, New Brunswick has put in place a Population Growth Strategy.

The measures introduced by this initiative should ensure, among other things, that immigration continues to increase, for example, to stimulate population growth in New Brunswick.

2. Impact of the COVID-19 pandemic

New Brunswick has become more attractive since the beginning of the pandemic. The opportunity to work, proximity to nature, and housing prices that are more affordable than in major metropolitan areas are some of the factors that have encouraged many people to move to New Brunswick and contribute to a growing population.

→ **These two trends could have a positive impact on Edmundston's population growth.**

Edmundston's population is older than in N.B. and the trend will increase in the coming years

Demographics

People 65 years of age and older represent 29% of Edmundston's population, whereas this age group accounts for only 22% in the province overall. Among the population 19 years and younger, Edmundston also has proportionally fewer residents.

Currently, the median age in Edmundston is estimated at 52 years, which is well above the median age of 46 years in New Brunswick. The median age of the population in Edmundston has increased by more than a year since 2016 and is expected to continue to increase to 53 years in 2031.

Although New Brunswick also experienced an increase in median age between 2016 and 2021, the trend is expected to reverse and the median age is projected to be below 46 years in 2031.

Median age changes and forecasts

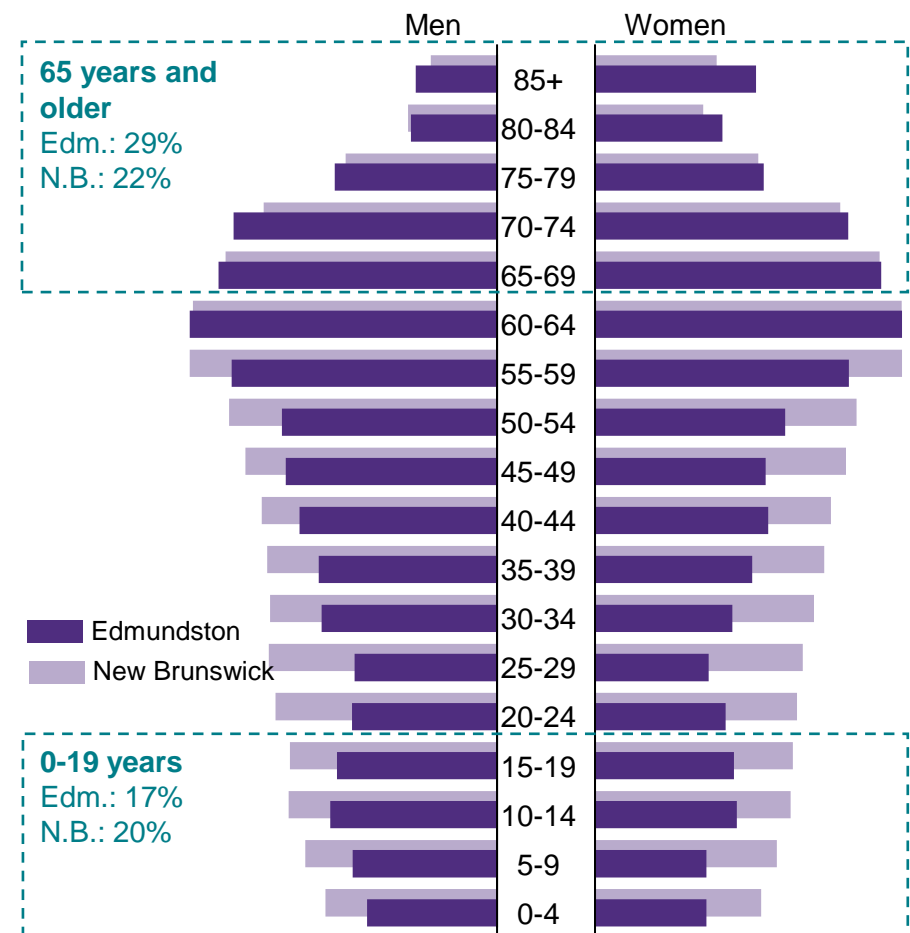
Edmundston and N.B., 2021, as a % of the population

	2016	2021	2031f
Edmundston	51.2 years	52.4 years	53.3 years
New Brunswick	45.7 years	46.2 years	45.8 years

Sources: Statistics Canada; Sitewise forecasts; RCGT analysis.

Population pyramid

Edmundston and N.B., 2021, as a % of the population



The older population represents a greater burden and creates workforce replacement issues

Demographics

The population groups requiring more public services such as education or health services are included in the 0-19 and 65 and over age groups. Compared to the province as a whole, in Edmundston, these residents represent a greater weight relative to the 20 to 64 age group. The demographic dependency ratio is 6 percentage points (hereafter “p.p.”) higher in Edmundston than in New Brunswick. Moreover, this dependency ratio is likely to increase significantly in Edmundston by 2031, rising from 86% to 109%.

In terms of the workforce, the retirement of workers and the arrival of new, younger workers in the workforce can be represented using the labour replacement index. Retirements equivalent to the entry of new workers are represented by an index of 100 percent.

Currently, for every two retirements, there is only one new entry in the labour market in Edmundston.

Population indicators

Edmundston and N.B., 2016 to 2031f

	2016	2021	2031f	2021 N.B.
Demographic dependency ratio <i>Number of persons aged 0-19 years and 65 years and over compared to the 20-64 years of age population – the higher the index, the greater the dependence.</i>	75%	86%	109%	72%
Seniors/youth ratio <i>Ratio of persons 65 years of age and older to persons 0-19 years of age – A high ratio indicates a population that is older and fewer young people.</i>	148%	171%	201%	114%
Labour replacement index <i>The ratio of persons 20-29 years of age to persons 55-64 years of age – An index higher than 100% indicates labour replacement while a lower index indicates the labour pool is not sufficient to index replace retirements.</i>	45%	47%	69%	70%

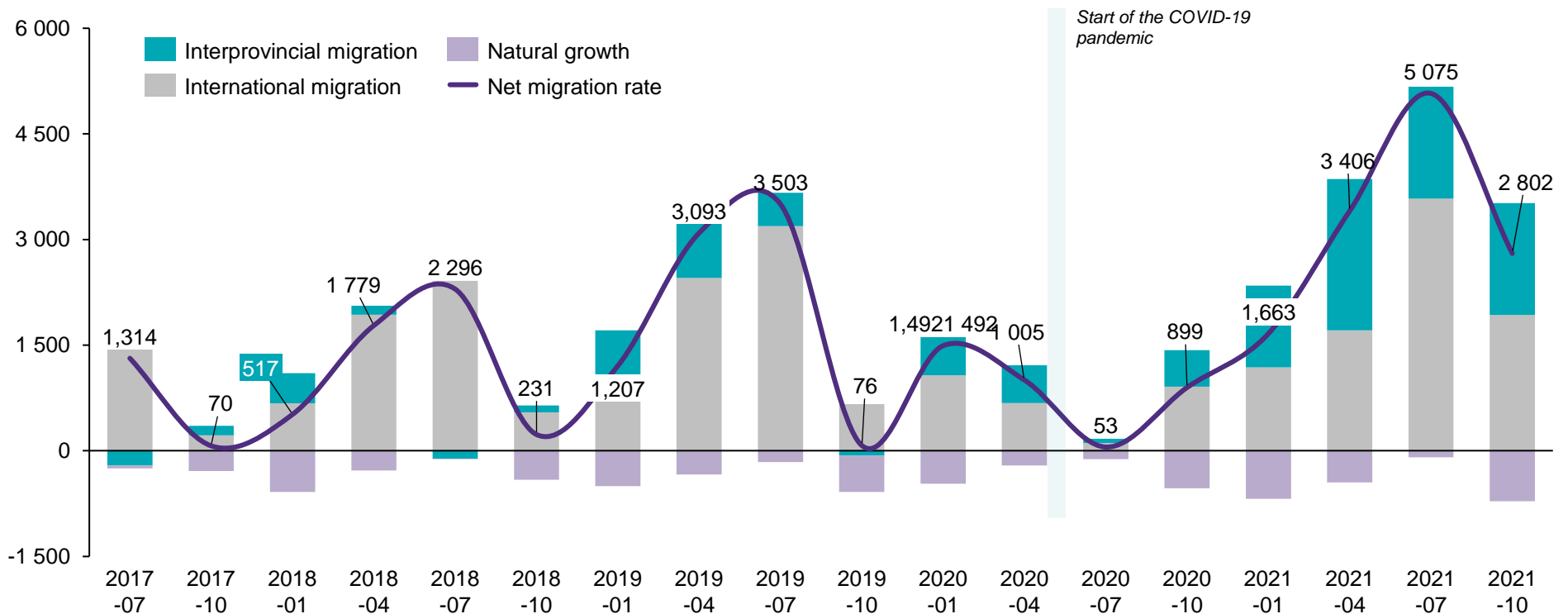
Sources: Sitewise; RCGT analysis.

International and interprovincial migration are contributing to New Brunswick's population growth

Demographics

In recent years, international migration has been the main population growth driver, with a positive migration rate ranging from 53 at the height of the COVID-19 pandemic to 3,503 in the summer of 2019. However, since the start of the pandemic, New Brunswick has been highly successful, compared to its Canadian counterparts and reached a peak. In July 2021, 1,588 people moved to New Brunswick from other Canadian provinces, resulting in the highest net migration in many years.

Migration by quarter and by source
New Brunswick, 2021, in number of persons



Sources: Statistics Canada; RCGT analysis, 2022.

Note: Edmundston data are not available

New residents are primarily from Ontario and Alberta

Demographics

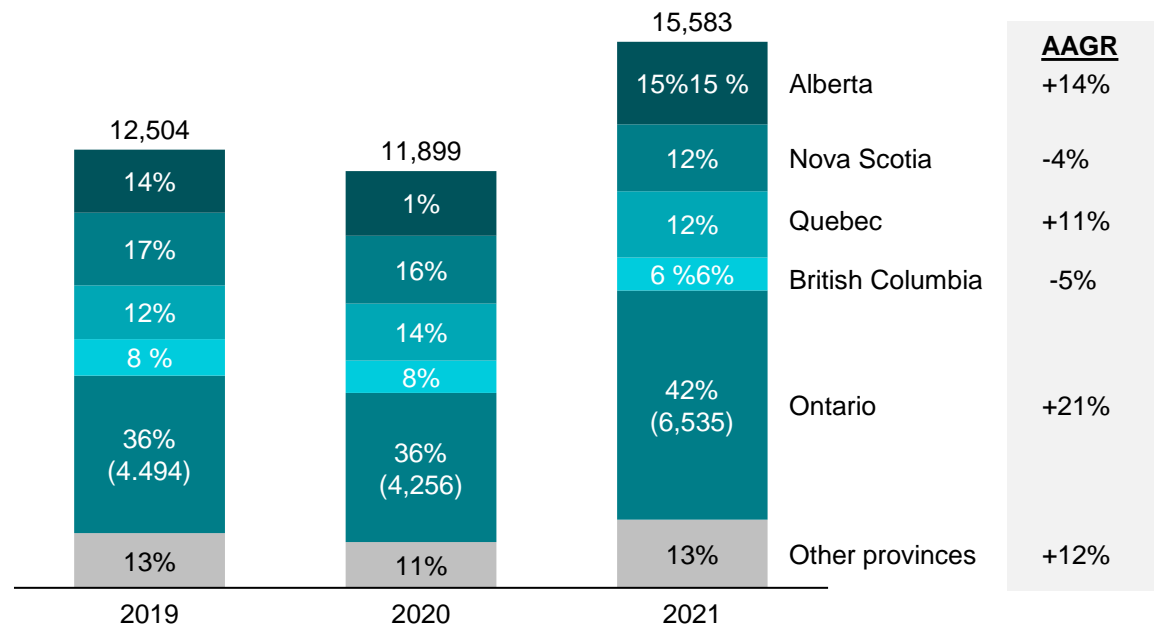
New Brunswick has experienced record population growth in the past year, primarily as a result of interprovincial migration.

The COVID-19 pandemic had a disruptive impact on numerous aspects, leading a significant number of people to move to New Brunswick. New work habits, such as remote work, prompted a reassessment of where residences could be located with the work location becoming a secondary factor. Additionally, housing costs increased significantly in urban locations such as Toronto, where prices were up by 22% in 2021.

Many Ontarians were attracted by more affordable housing, proximity to nature and better lifestyles in 2021. Between 2019 and 2021, the number of Ontarians moving to New Brunswick increased by an average of 21% per year. This accounted for 42% of the 15,583 interprovincial migrations to New Brunswick in 2021.

Interprovincial migration by province of origin

New Brunswick, 2019-2021, as a % of interprovincial migration to N.B., AAGR as a %



Sources: Statistics Canada; Financial Post; Radio-Canada; RCGT analysis.

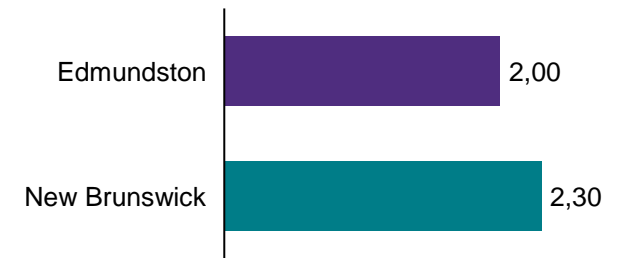
More persons live alone in Edmundston than in New Brunswick

Household composition

Slightly more than one-third of dwellings in Edmundston are occupied by persons living alone, whereas as the proportion is 29% for the province.

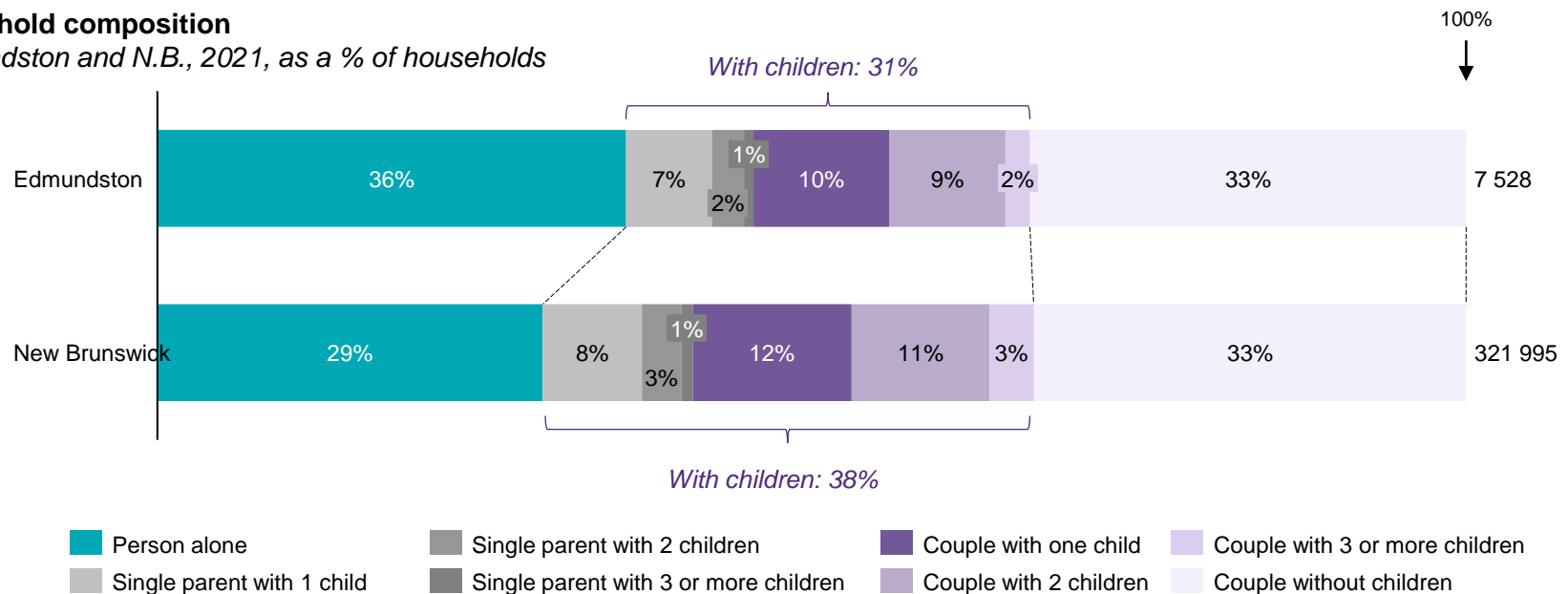
The size of households is also smaller in Edmundston. This variance is likely due to the city's more urban situation. This can also be seen in the lower proportion of households with children in Edmundston than in the province as a whole.

Average number of persons per household
Edmundston and N.B., 2021, number



Household composition

Edmundston and N.B., 2021, as a % of households



Sources: Sitewise; Statistics Canada, 2021; RCGT analysis, 2022.

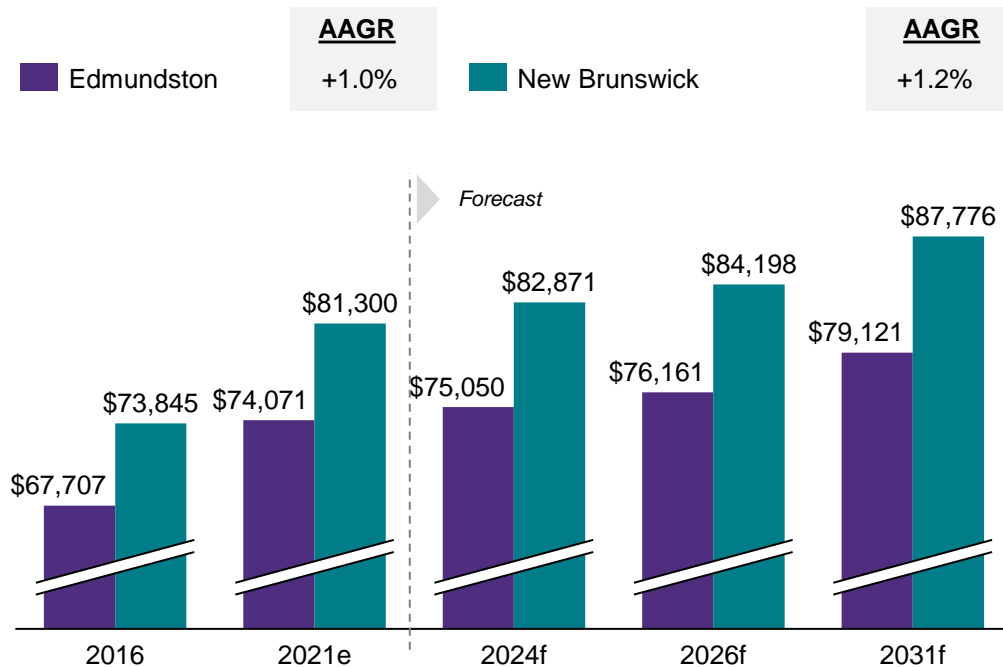
The average household income is 10% lower in Edmundston than in New Brunswick

Income

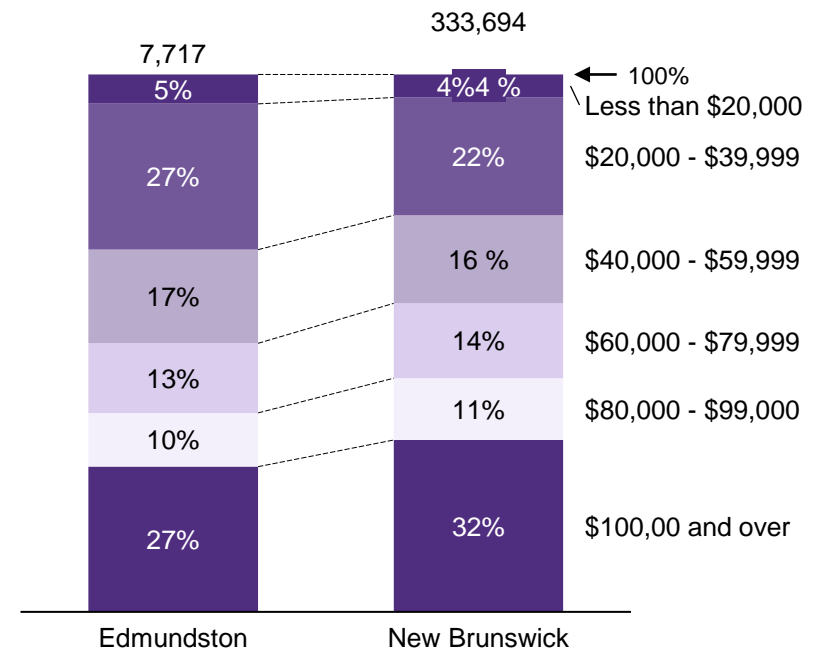
Not only is household income lower in Edmundston than in New Brunswick, income growth is also slower than in the province. As a result, the income gap will likely increase.

The current average income is \$74,071, however, 32% of Edmundston households have annual income that is less than \$40,000, where as the percentage for the province is estimated to be 26%.

Average income changes and forecasts by location
Edmundston and N.B., 2016 to 2031f, in constant 2015 \$



Distribution of household income
Edmundston and N.B., 2021e, in current \$



Sources: Sitewise; Statistics Canada, 2021; RCGT analysis, 2022.

One in five household spends too much of its before-tax income on housing in Edmundston

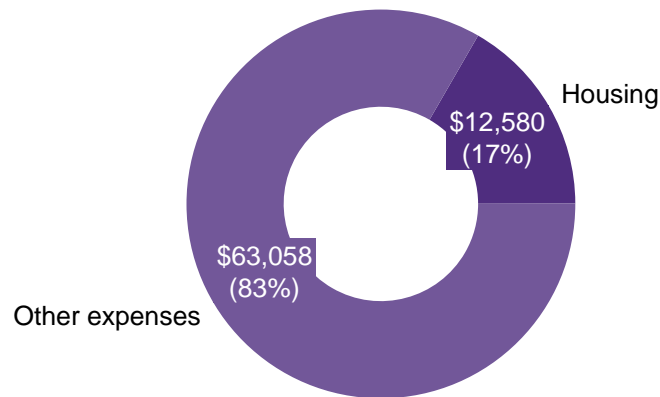
Income

According to the CHMC, 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.

Compared to New Brunswick, more households spend more than 30% of their income to pay for housing.

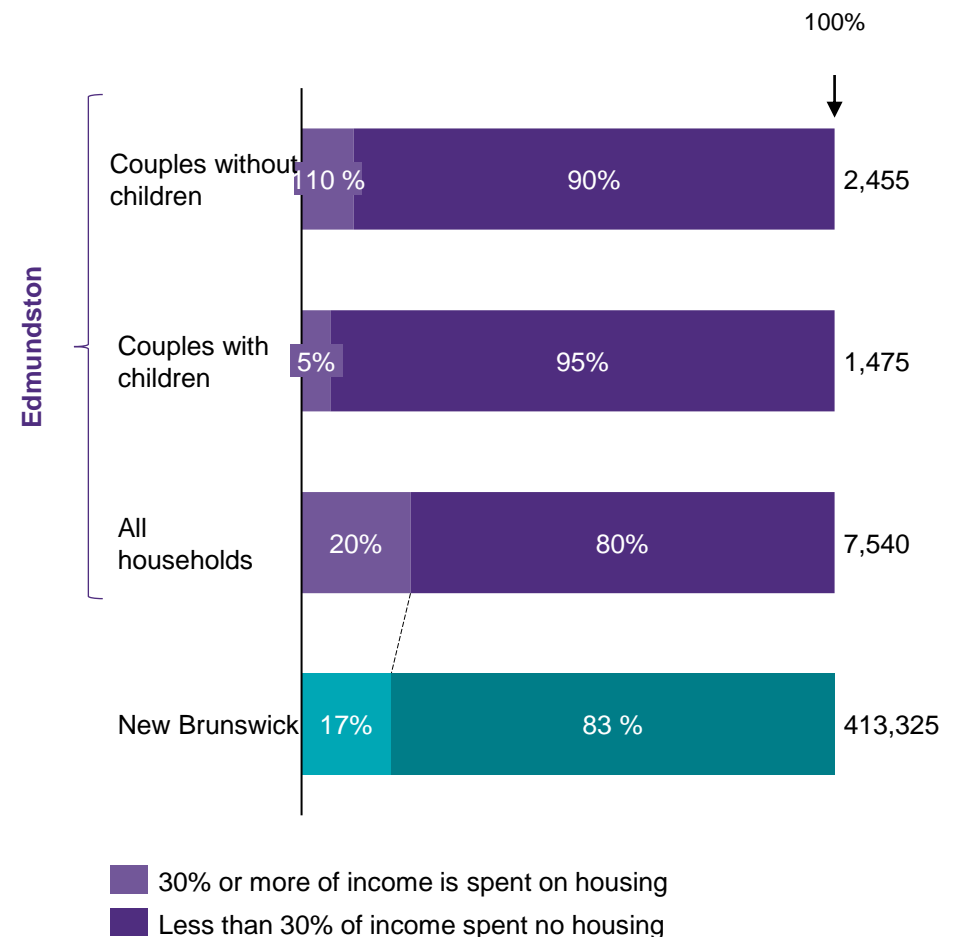
Otherwise, on average, 17% of household income in Edmundston is spent on housing.

Distribution of housing expenses by category
Edmundston, 2021, in \$ and as a % of total expenses



Sources: Statistics Canada; Sitewise; RCGT analysis.

Weighting of housing by income and household type
Edmundston and N.B., 2016, as a % of households



There is a higher proportion of low-income households in Edmundston than in New Brunswick overall

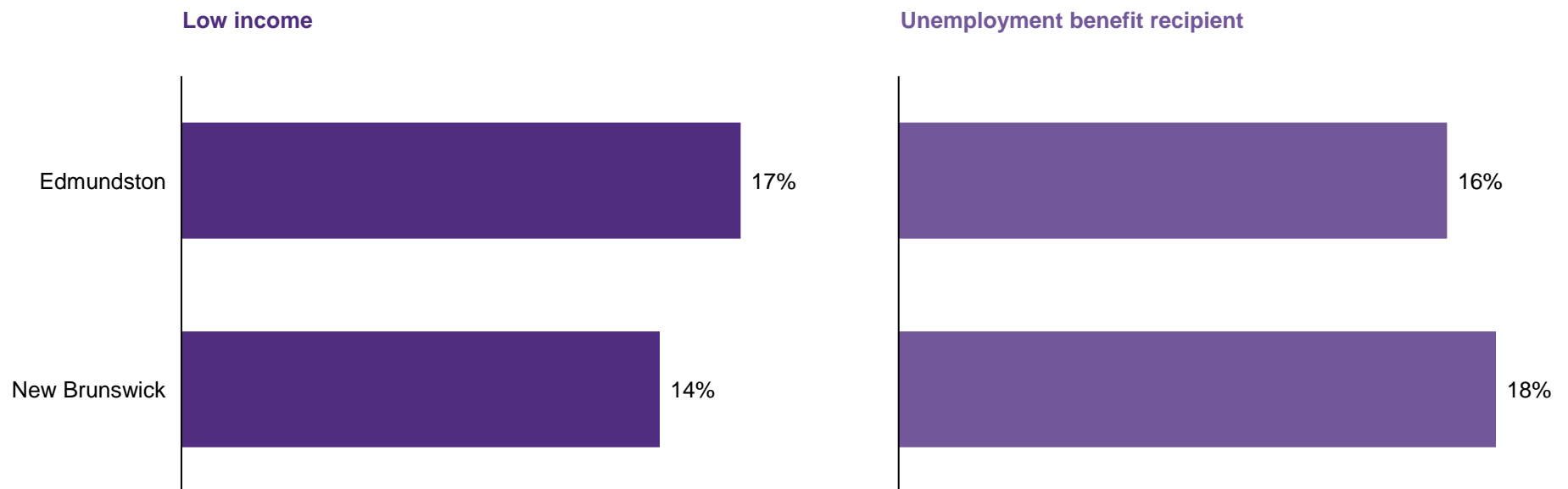
Vulnerable population

The rate of low-income residents is calculated by Statistics Canada and is based on measuring after-tax income. The threshold is 50% of the median of after-tax income adjusted for private households. As a result, 17% of households in Edmundston are considered low-income, which is 3 p.p. higher than the provincial average.

Some Edmundston residents receive unemployment benefits. They represent 16% of persons 15 years of age and older. This proportion is lower than the 18% for the province of New Brunswick.

Proportion of vulnerable population by type

Edmundston, New Brunswick, 2021, as a %



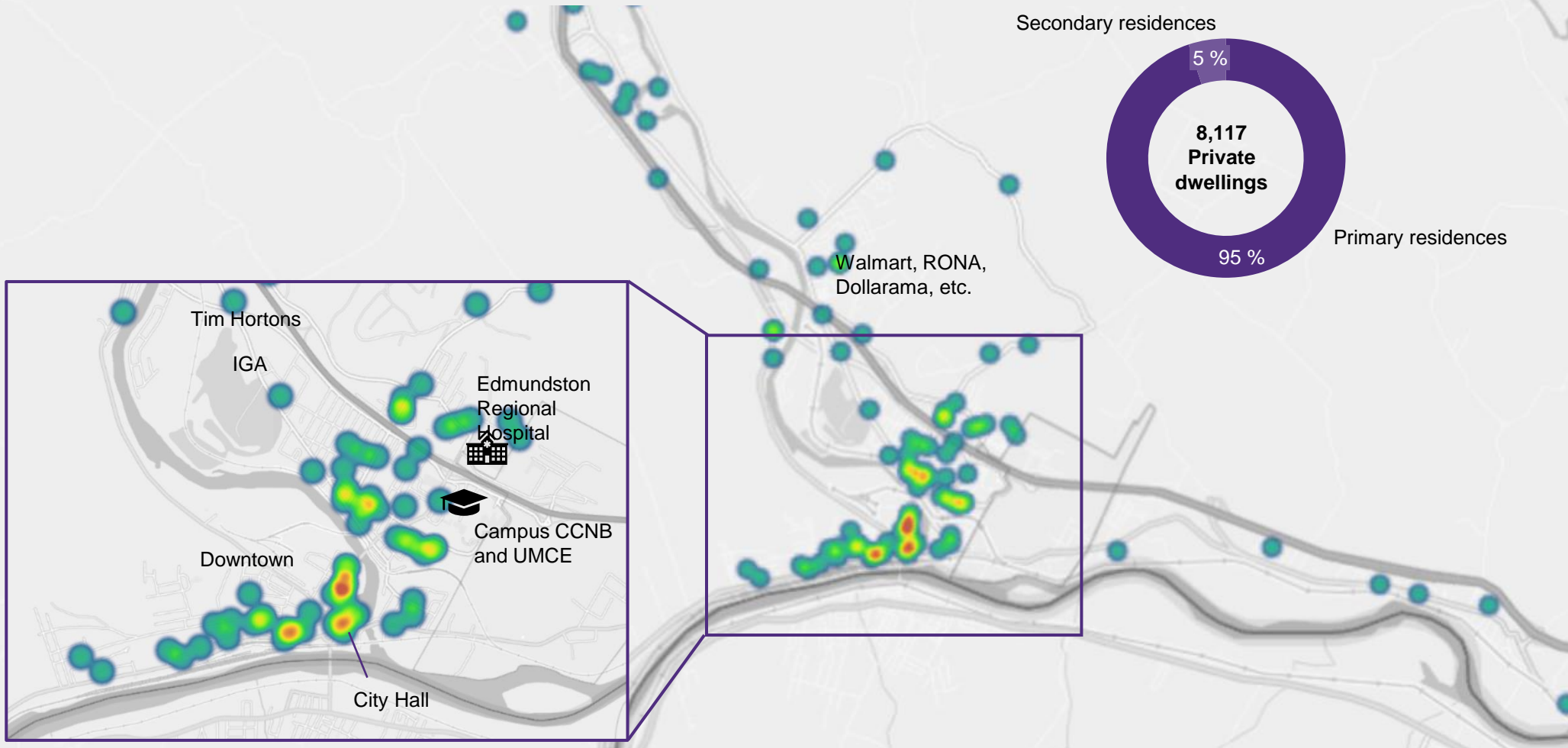
Sources: Statistics Canada; RCGT analysis, 2022.

There are 8,117 private dwellings in the Edmundston territory

Location of housing

Location of dwellings in the real estate Stock ⁽¹⁾
Edmundston, 2022, n=260 buildings

Distribution of housing by type ⁽²⁾
Edmundston, 2021, as a% of dwellings



Sources: (1) Housing inventory, City of Edmundston, (2) Statistics Canada, RCGT analysis

Almost one-fourth of households in Edmundston live in inadequate housing

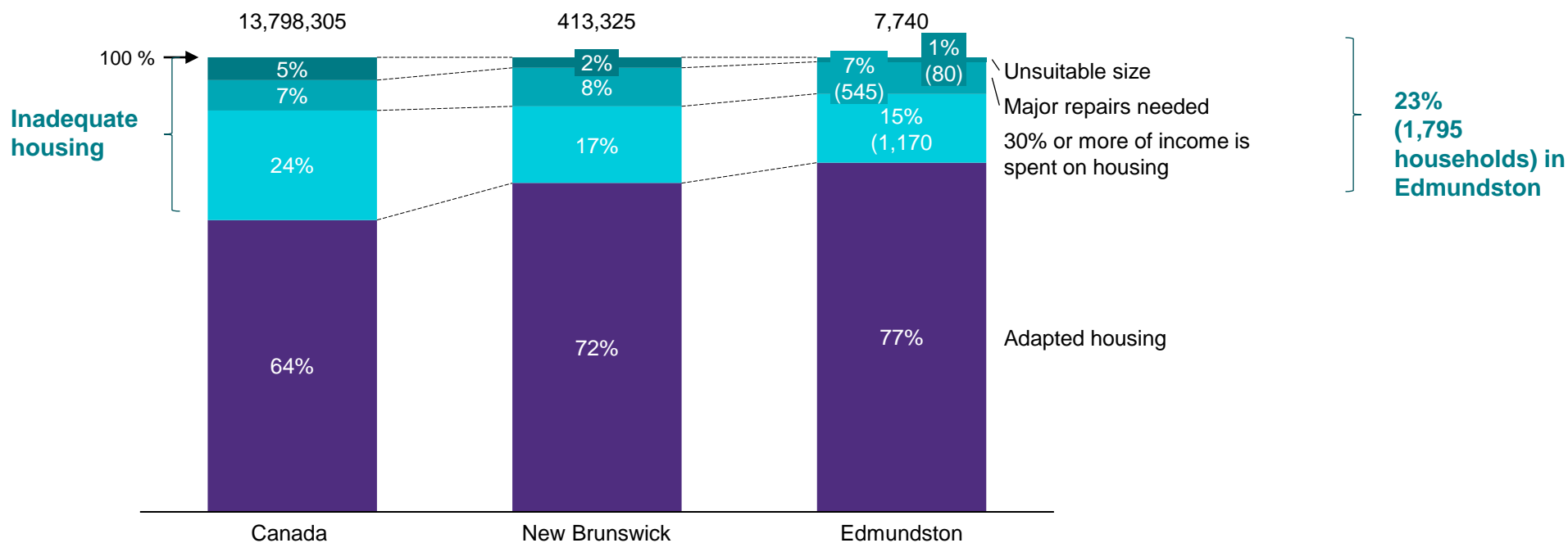
Housing characteristics

Compared to the Canadian and New Brunswick averages, the proportion of people living in inadequate housing is lower. However, the number of people living in inadequate housing remains relatively high, with 1,795 households living in inadequate housing.

The proportion of income spent on housing is the main issue for persons living in inadequate housing.

Distribution of households by type of housing

Canada, New Brunswick, Edmundston, 2021, proportion as a % households



Sources: Statistics Canada; RCGT analysis.

One household in three are tenants in Edmundston and 222 of them are in core housing need

Housing characteristics

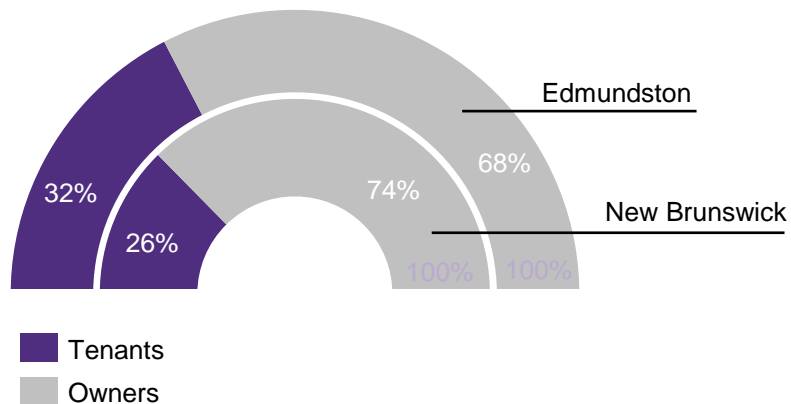
The share of renters in Edmundston is higher than in New Brunswick. One out of four dwellings is occupied by a tenant in New Brunswick, while in Edmundston, it is one out of three.

Among the 2,665 tenants in Edmundston, 394 reside in subsidized housing, which is proportionally the same number as in New Brunswick. Fewer tenants spend 30% or more of their income on housing costs in Edmundston than in New Brunswick. However, this number is still significant, since it concerns 722 tenants.

Of these 722 units, 222 do not meet the threshold for at least one of the housing quality, affordability or size indicators and are therefore in **core housing need**.

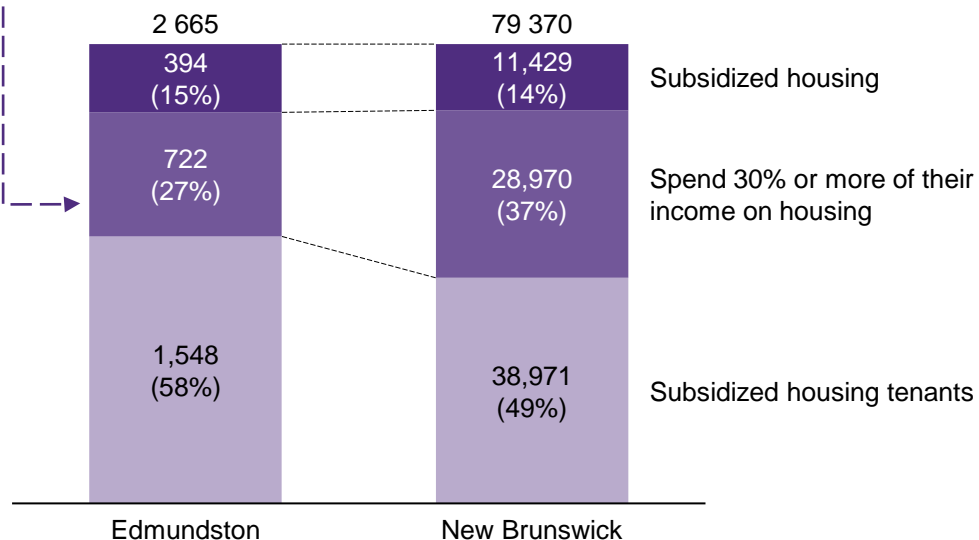
Allocation of housing by type of occupancy

As a % of occupied dwellings; Edmundston, New Brunswick, 2021



Allocation of tenants

As a % of occupied dwellings; Edmundston, New Brunswick, 2021



Sources: Statistics Canada, 2016; Government of New Brunswick, 2018; RCGT analysis.



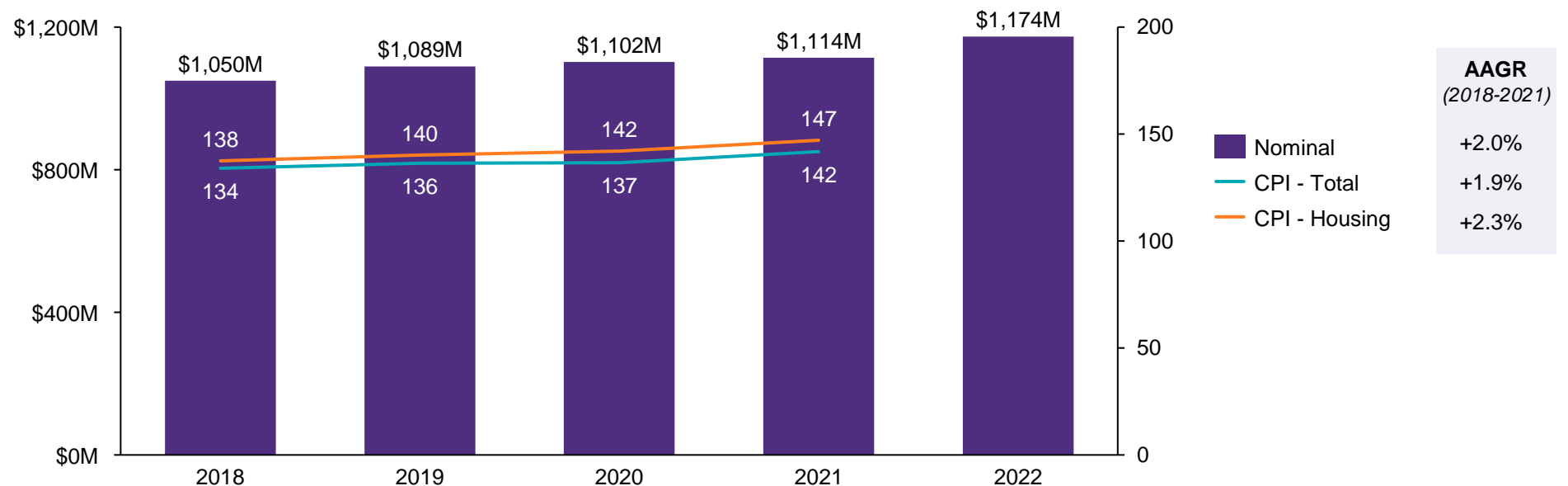
The Edmundston municipal tax rate has not changed since 2013

Housing stock

- Over the past few years, residential assessment has been steadily increasing in Edmundston.
- This slight increase of 2.8% per year on average between 2018 and 2021 follows the inflation trend. The CPI for all products has seen an average increase of 1.9% during this period, while the CPI for housing has increased by 2.3%.
- As a result, the real change in property values has remained relatively constant as has the municipal tax rate.

Changes in nominal residential evaluation and the consumer price index (all products and housing)

Edmundston, in millions of \$, AAGR as a %, CPI Index



Sources: Department of the Environment and Local Government – Government of New Brunswick, RCGT analysis

Almost 60% of households in Edmundston live in individual dwellings

Housing stock

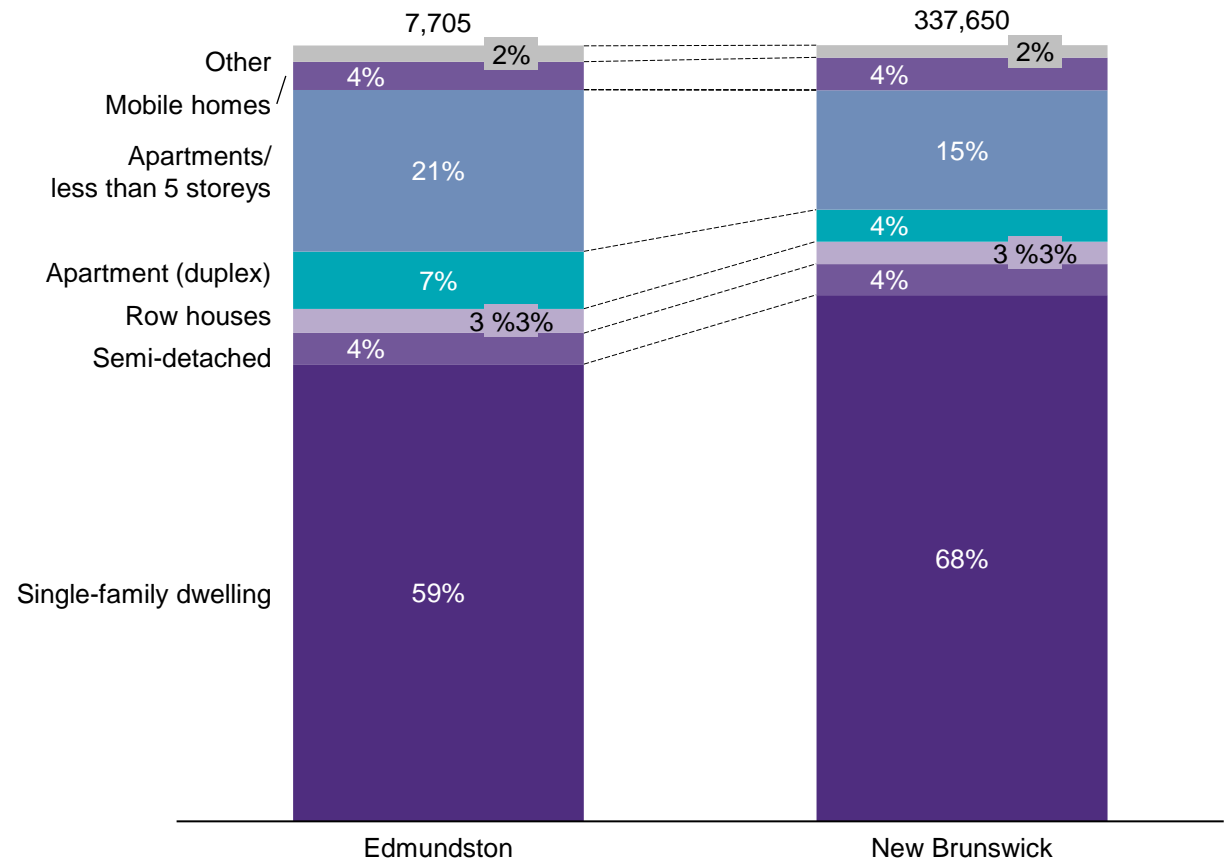
The types of construction accommodating the most households are single-family homes accounting for 59% and apartments in a building of less than five storeys accounting for 21% of households.

This is followed by apartments in a duplex with 7% of Edmundston households living in this type of housing.

By way of comparison, single-family homes and apartments located in a building of less than five storeys are also the main types of residential construction inhabited in the province. Respectively, 68% and 15% of households in New Brunswick reside in this type of dwelling.

Allocation of households by type of residential construction

Proportion of total households, Edmundston and N.B., 2021



Sources: Statistics Canada, 2021; RCGT analysis, 2022.

The proportion of households in dwellings increases as the size of household increases

Housing stock

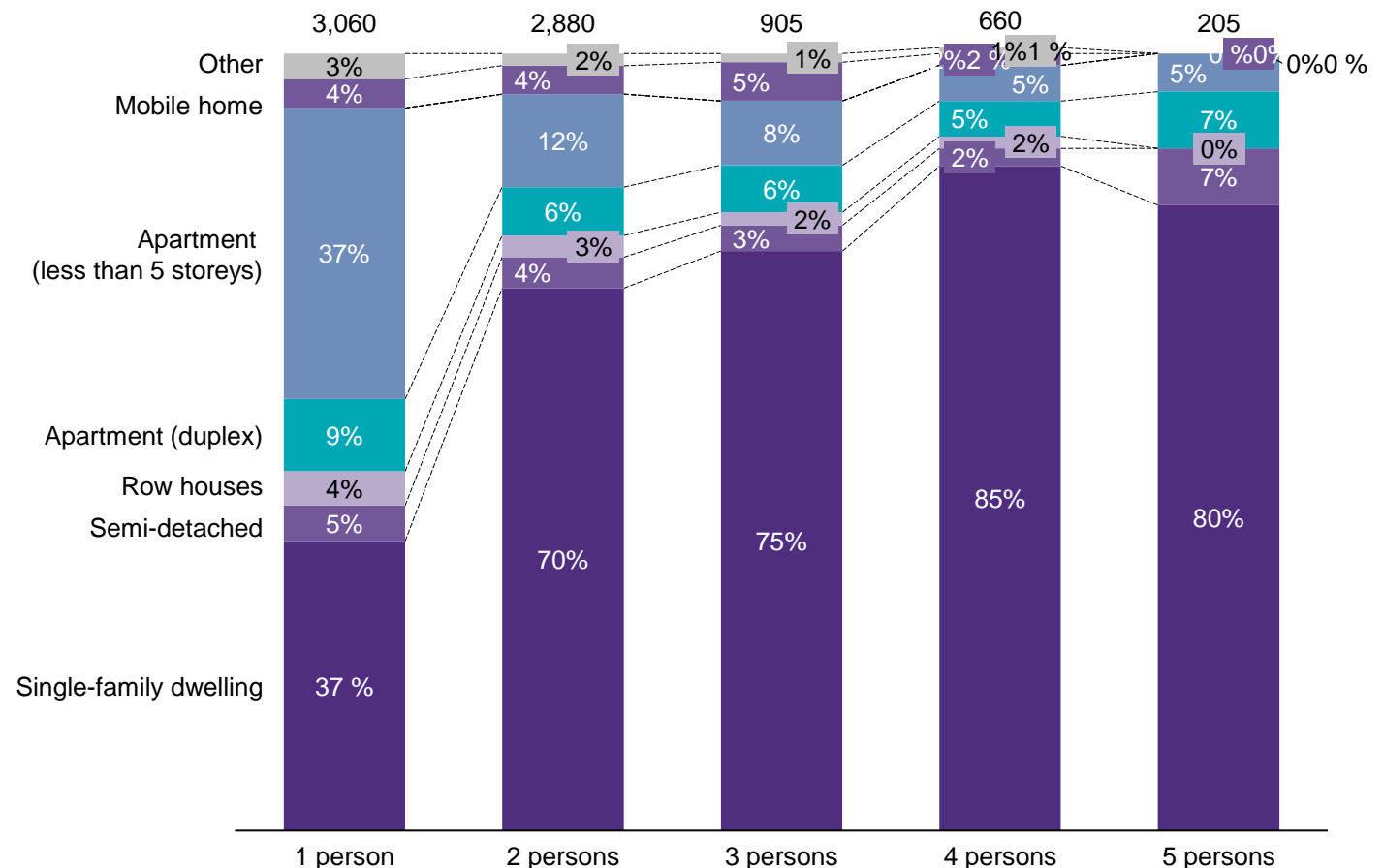
Household size affects the type of residential construction occupied. Larger households occupy more houses than do smaller households.

Conversely, the proportion of households in apartments is greater for one- and two-person households and decreases for households with three or more persons.

The proportion of two-person households residing in single-family dwellings is 70%.

Allocation of households by type of residential construction

Proportion of total households in each category, Edmundston, 2021



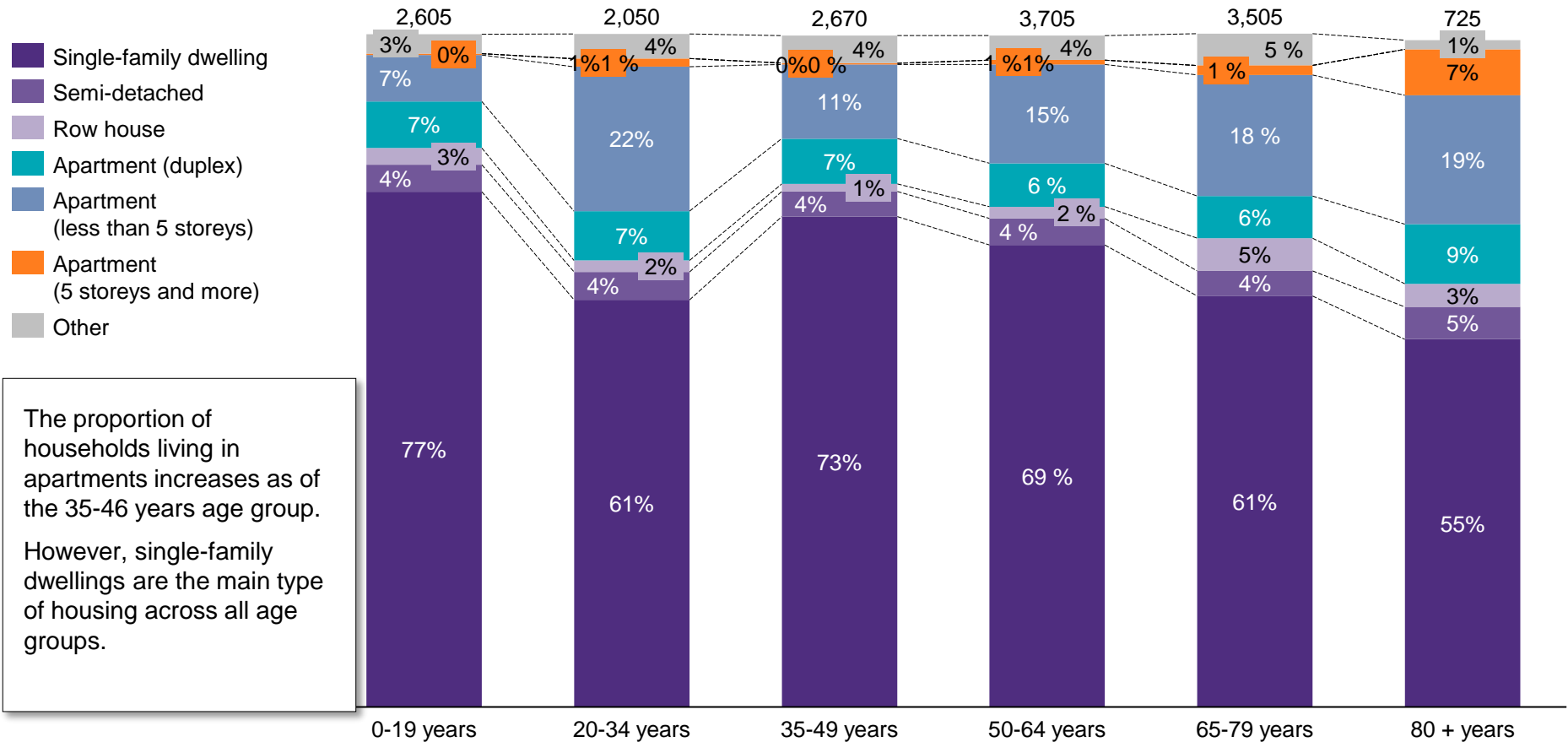
Sources: Statistics Canada, 2021; RCGT analysis, 2022.

People in the 20-34, 65-79 and 80 + years age groups are the ones who live most in apartments

Housing stock

Allocation of residents by age group and type of residence

Proportion of total resident in each age group, Edmundston, 2021



The proportion of households living in apartments increases as of the 35-46 years age group. However, single-family dwellings are the main type of housing across all age groups.

Sources: Statistics Canada, 2021; RCGT analysis, 2022.

Almost 65% of housing units in Edmundston were built over 50 years ago

Housing stock

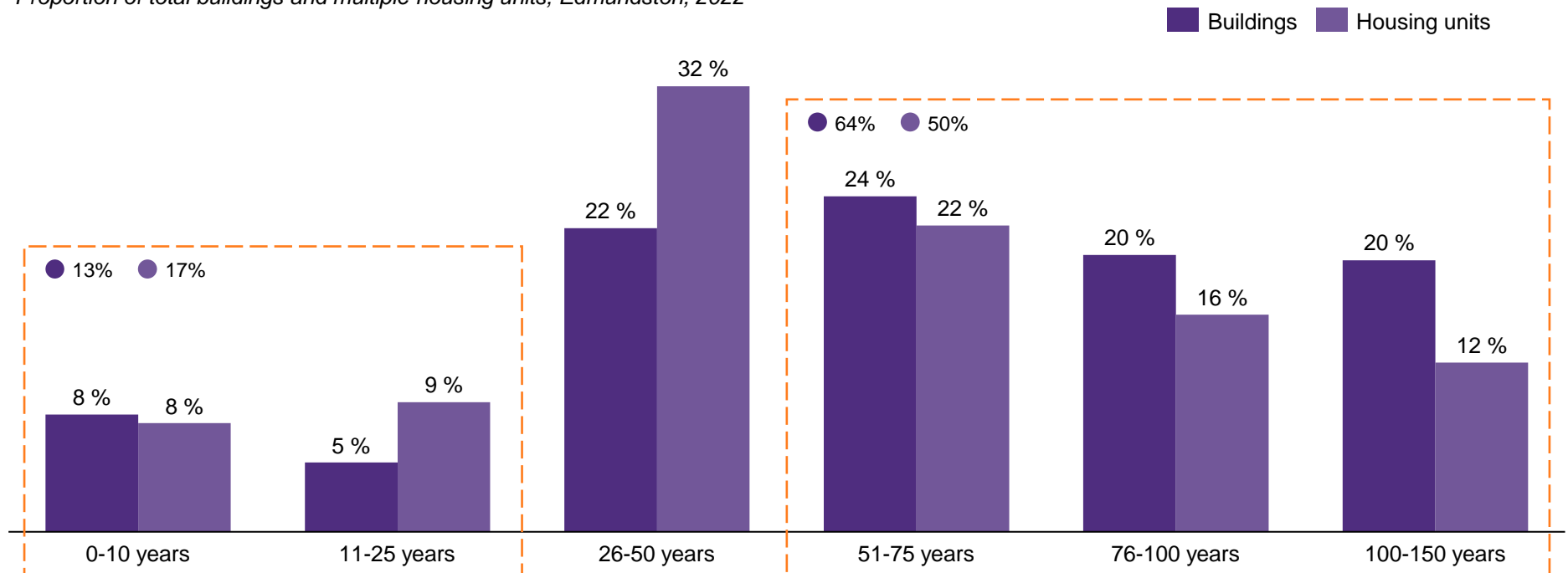
According to the data provided by the City of Edmundston, there are a total of 259 multiple housing units on the city's territory.

Of these, only 13% were built in the last 25 years, representing 17% of these housing units. Similarly, 22% of the buildings are between 26 and 50 years old and these represent 32% of the multiple housing units.

Nearly one in four multiple housing units is between 51 and 75 years old. One in five multiple housing units is between 76 and 100 years old. This is the same proportion for those built between 101 and 150 years ago.

Allocation of rental multiple housing units in Edmundston by building age

Proportion of total buildings and multiple housing units, Edmundston, 2022



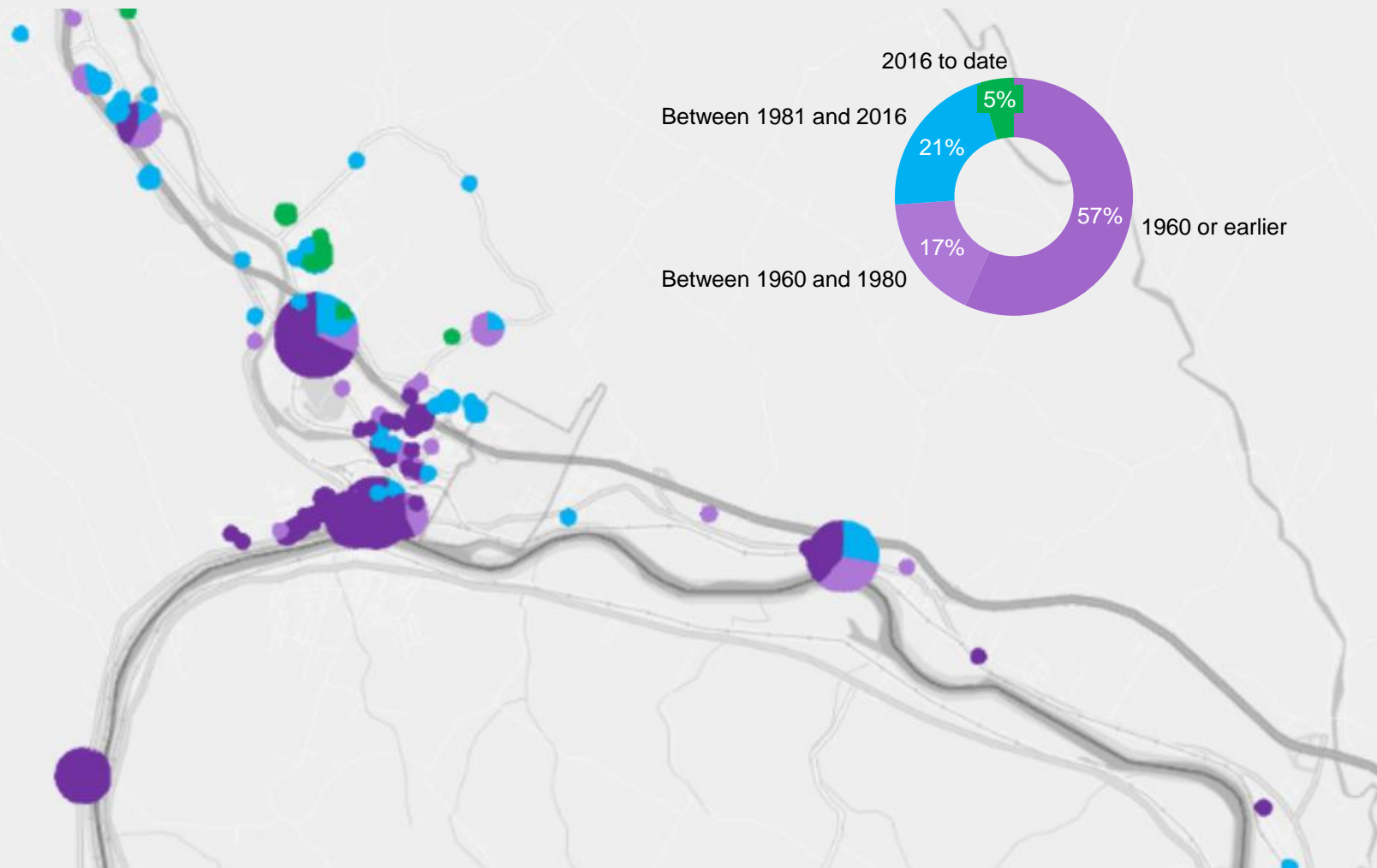
Sources: Data provided by the City of Edmundston; RCGT analysis, 2022.

Several multiple housing units were built in 1960 or earlier and are centered in the downtown area

Housing stock

Location of multiple housing units and year of construction

Edmundston, 2022, % of number of buildings



Sources: Data provided by the City of Edmundston; RCGT analysis, 2022.

Most multiple housing units are buildings with four or more units

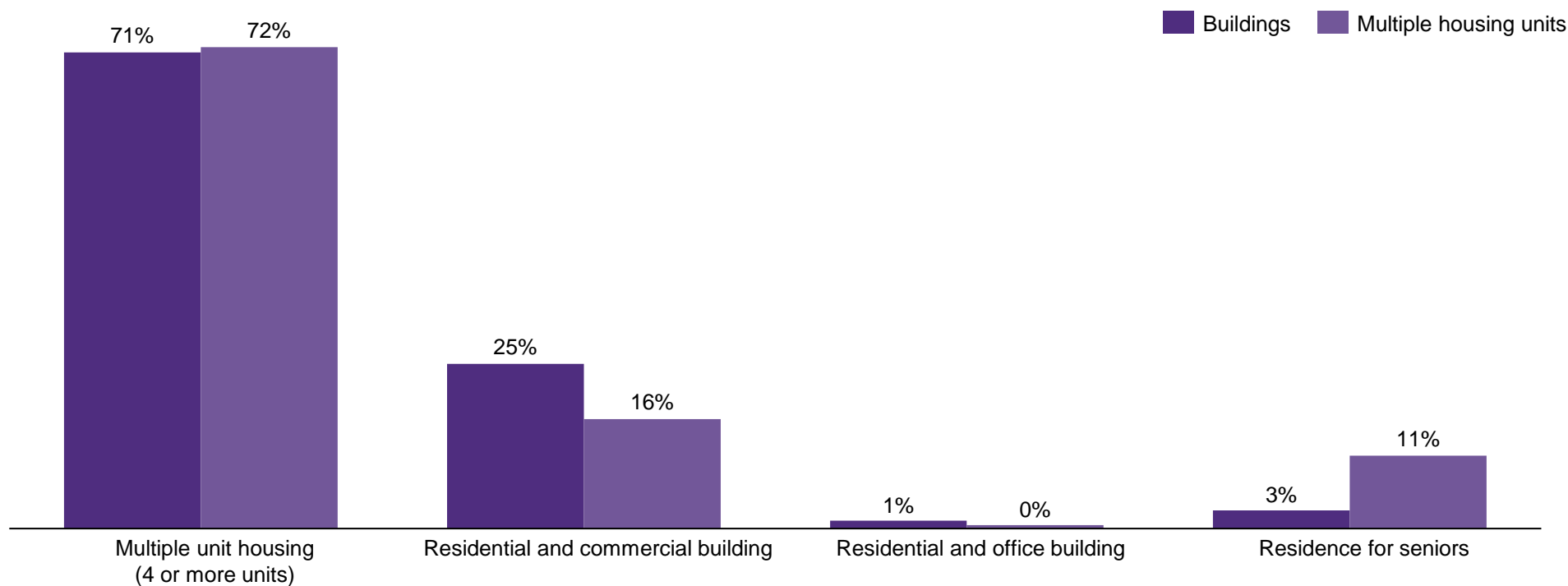
Housing stock

In Edmundston, the most frequent multiple housing units are buildings with more than four units (71%). They also represent 72% of the housing units offered. Residential and commercial buildings account for 25% of the multiple housing buildings and 16% of the available units.

There are few seniors' residences, but they supply 11% of the housing units in Edmundston's multiple housing buildings.

Allocation of multiple housing units in Edmundston by type of housing

Proportion of total buildings and units, Edmundston, 2022



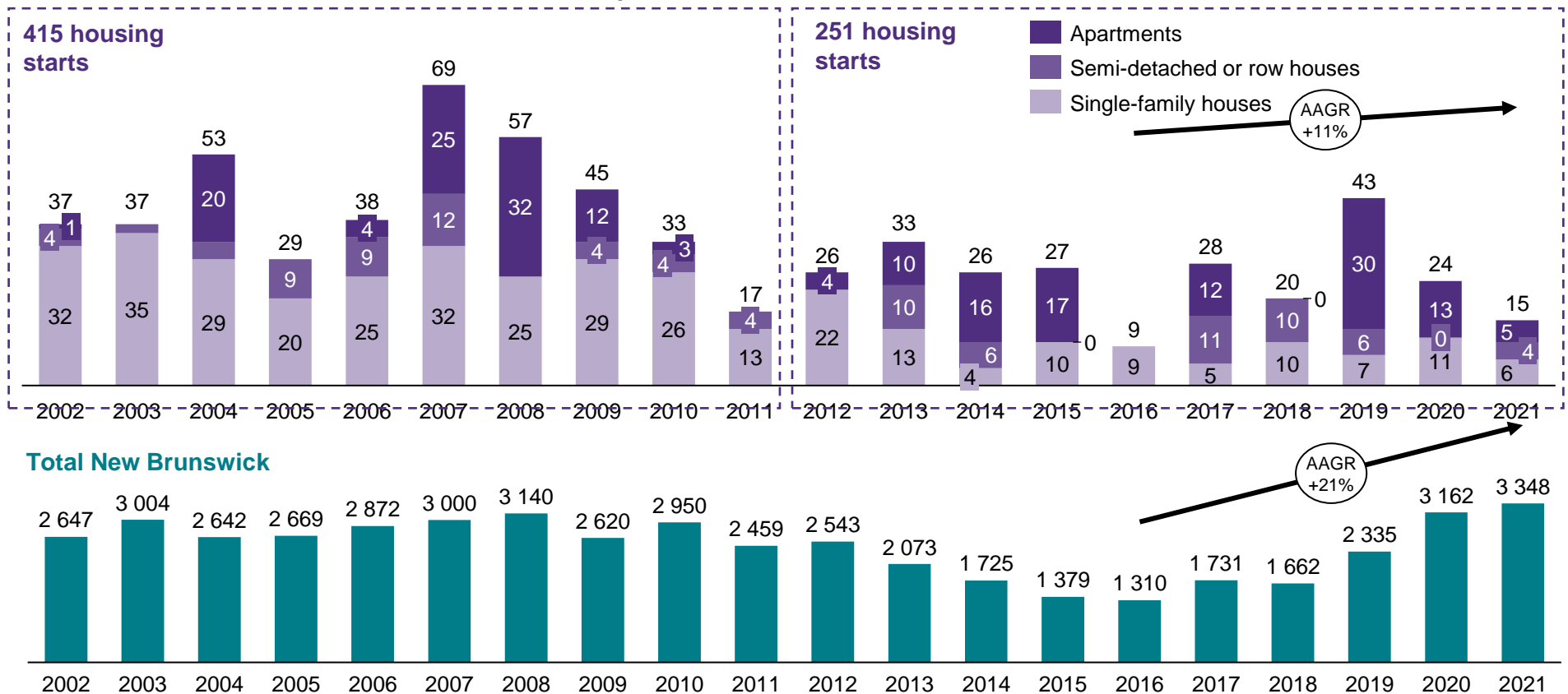
Sources: Data provided by the City of Edmundston; RCGT analysis, 2022

Housing constructions in the last decade are lower than at the start of the century

Housing starts and renovations

Since 2012, there have been 251 housing constructions that have started in Edmundston, a slowdown compared to the previous ten years when there were 415 started constructions. On the other hand, since 2016, New Brunswick has experienced a constant growth in housing constructions of 21% per year on average, while the trend is less pronounced in Edmundston.

Housing constructions by type and location of housing
Edmundston and N.B., 2002-2021, in number of housing starts, AAGR %



Sources: CMHC; RCGT analysis.

The number of permits issued has dropped an average of 8.5% per year since 2017 and costs are rising

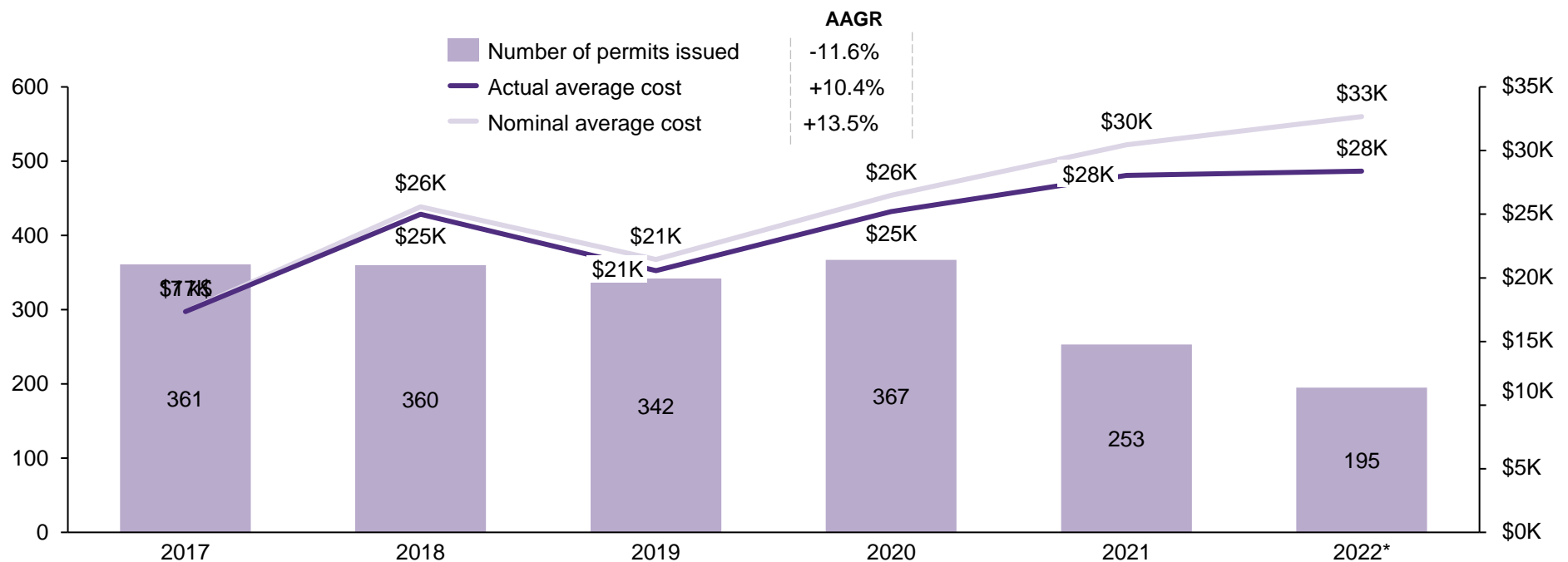
Housing starts and renovations

Presented in 2017 dollars to reduce the effects of inflation, the average renovation and construction costs on permits was \$28K in 2021, an average increase of 12.8% since 2017. Keeping costs nominal, i.e., adjusting for inflation, the growth in average costs per permit is 13.5% annually.

A total of 253 permits were issued in 2021, which represents a decrease compared to the average observed in recent years.

Number of permits issued and average cost of residential renovations and construction

Edmundston, 2017-2022, in current dollars and in constant dollars, in thousands of dollars, average annual growth rate (AAGR) as a %



Sources: Data provided by the City of Edmundston; Statistics Canada; RCGT analysis, 2022.

* Includes permits issued from January 2022 to September 2022

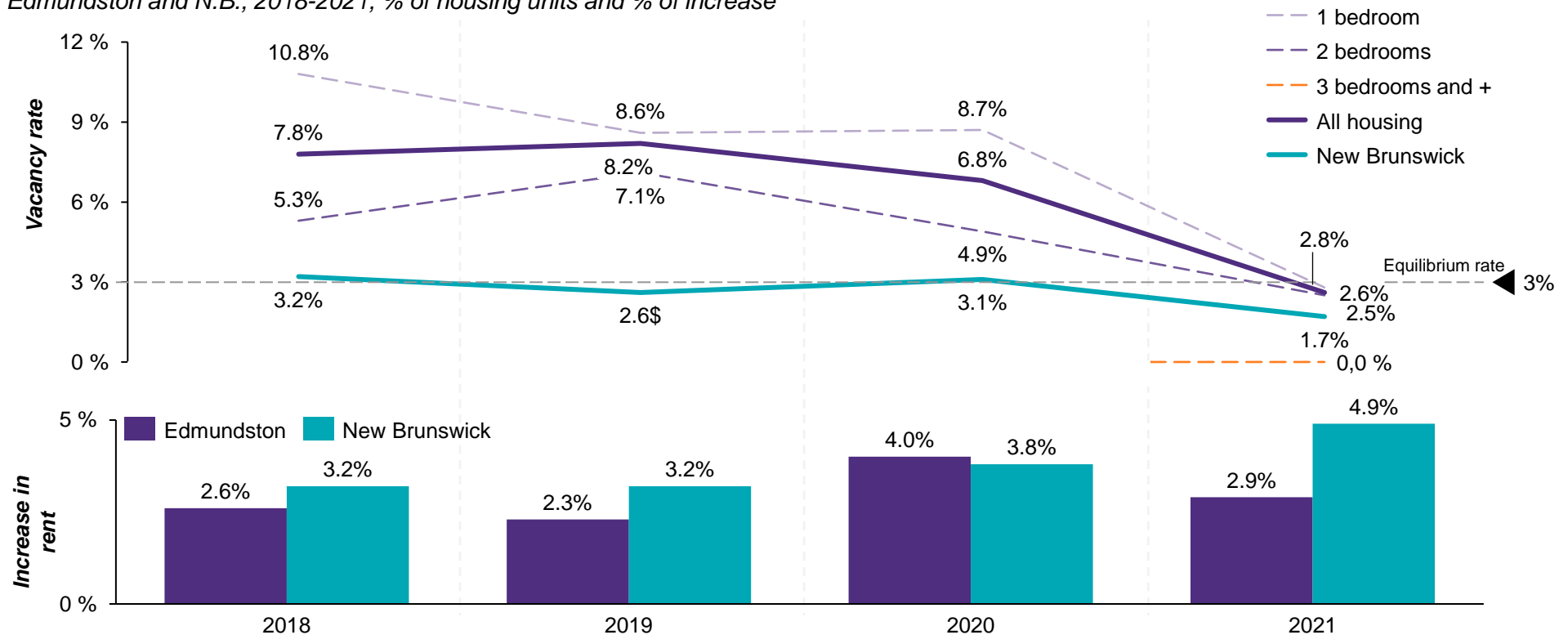
The housing vacancy rate declined significantly in 2021 in Edmundston and is below the equilibrium rate

Rental market

Overall, the vacancy rate is higher in Edmundston than in New Brunswick. However, over the past few years, this rate has been on a downward trend. Since 2021, the supply has not met the demand in Edmundston, considering that the vacancy rate has reached 2.6%, which is four p.p. below the equilibrium rate. Below this equilibrium threshold of 3%, there is a shortage situation. The scarcity of housing is particularly present for larger units (3+ bedrooms) where the vacancy rate was 0% in 2021.

Vacancy rate and annual increase in rent by region

Edmundston and N.B., 2018-2021, % of housing units and % of increase



Sources: CMHC; RCGT analysis.

*Data only available for 2021

There was a higher increase in rent for larger apartments in recent years

Rental market

Overall, rents in Edmundston have increased by an average of 2.1% annually since 2002. This increase is lower than the increase observed in New Brunswick as a whole, which is 2.7% on average per year.

The increase in rental costs has been lower for small units, i.e. studios and one-bedroom units, while the increase for units with two or more bedrooms has been over 2.3% annually since 2002.

Edmundston

Studios	+1.8%
1 bedroom	+1.8%
2 bedrooms	+2.3%
3 bedrooms and +	+2.5%
All rental units	+2.1%

AAGR

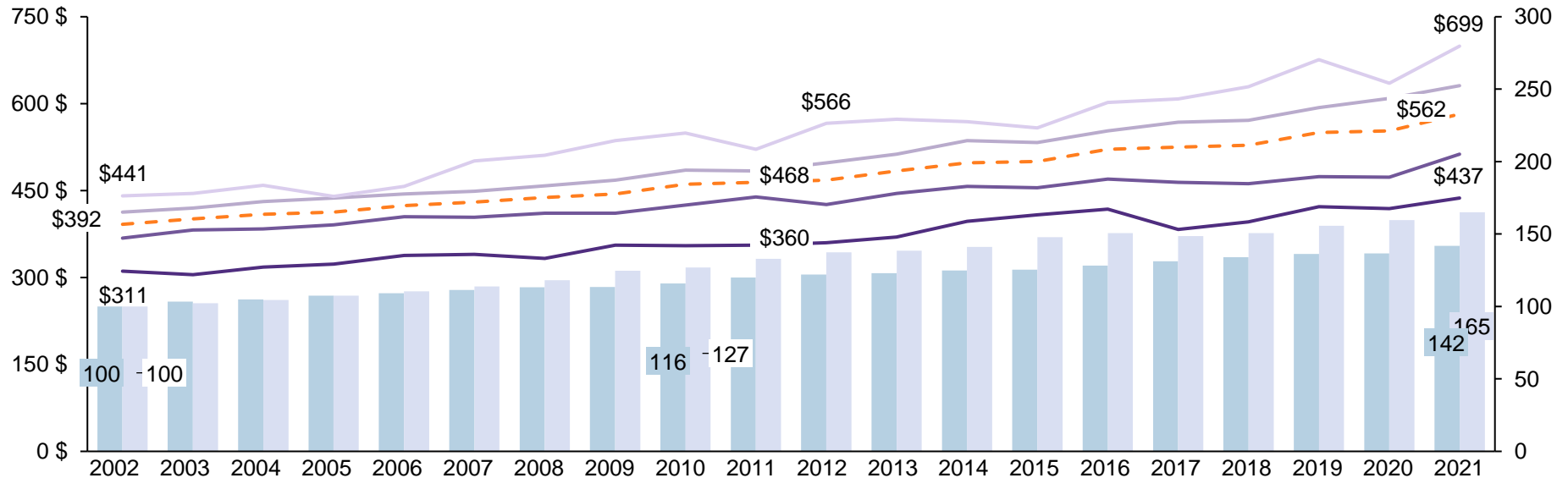
New Brunswick

CPI for N.B.	+1.9%
CPI for apartments in N.B.	+2.7%

Cost or rent by size in Edmundston and as per N.B. CPI

Edmundston and N.B., 2002-2021, in for rent, base 100 in 2002 for index

Cost of rent



Sources: CMHC; Statistics Canada; RCGT analysis.

*Graph details on page 70

The number of homes sold increased by 15% between June 2018 and June 2022 in the Northern Region

Real estate market

The Canadian Real Estate Association presents data for New Brunswick by its four main regions:

- Saint John;
- Greater Moncton
- Fredericton;
- Northern Region.

Edmundston is part of the Northern Region along with the towns of Caraquet and Bathurst.

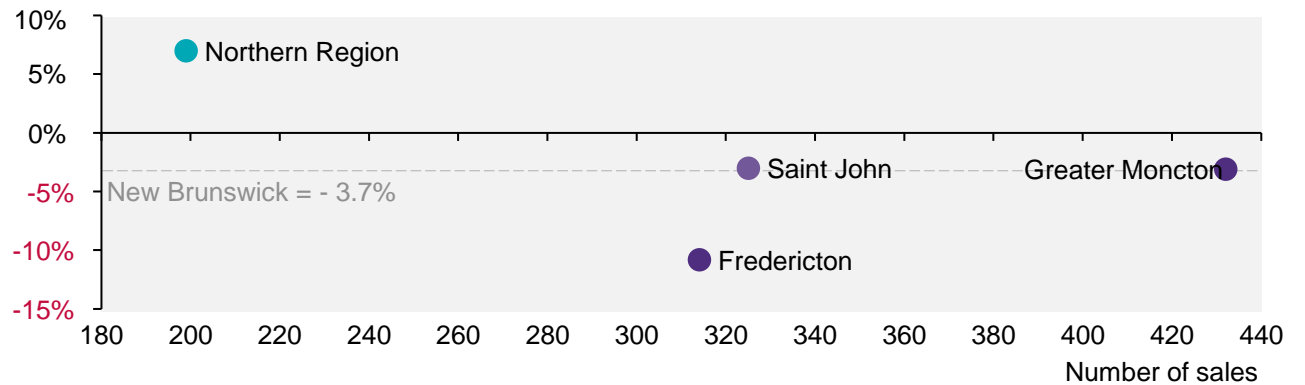
The number of homes sold increased by 7% between June 2021 and June 2022 in the Northern region, while all other regions of the province recorded negative changes.

Home sales in the Northern region have increased significantly over the past five years.

Number of homes sold in June 2022 and change since June 2021

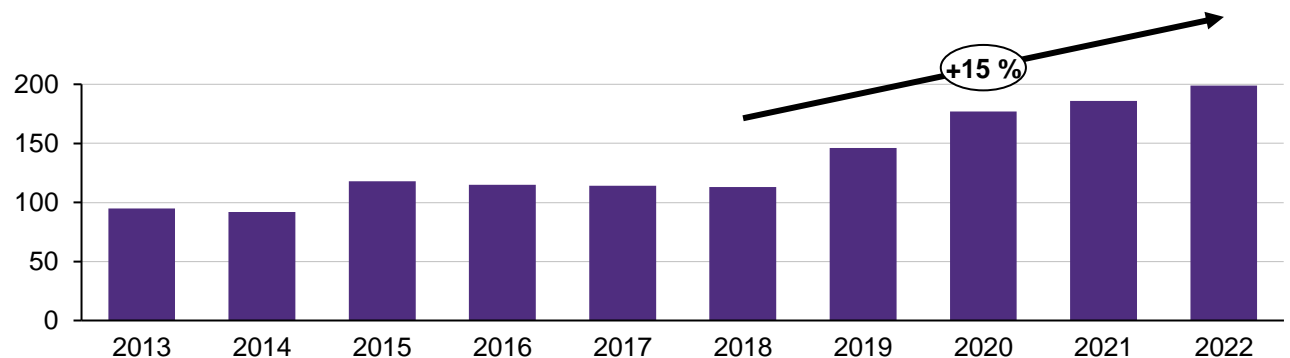
In number of sales in June 2022, change % since June 2021, New Brunswick regions

Variation (%)



Number of homes sold in the Northern Region of New Brunswick

In number of sales, in June each year, Northern Region of New Brunswick, AAGR %, 2013-2022



Sources: Canadian Real Estate Association; RCGT analysis, 2022.

1. Average annual growth rate (AAGR)

The real estate market in the Northern Region is currently a sellers' market

Real estate market

Based on June 2022 data, the inventory-to-sales ratio for the Northern Region real estate market is 3.9. This result shows that the market is currently a sellers' market. This may put upward pressure on the sale price of homes.

For example, in order to achieve an L/S ratio of 9 and have a balanced market in the North Region, the inventory of homes for sale would have to be approximately 1,790, or 1,006 more listings (128%). With these additional listings, the market would be in balance.

A measure of market conditions, the **listing-to-sales (L/S) ratio** is used to determine if the market is in balance.

If the L/S ratio is between 8 and 10, the market is balanced, i.e. the market does not favour buyers or sellers.

The market is favourable to sellers when the L/S ratio is below 8. Conversely, a ratio greater than 10 indicates that the market favours buyers.

Listings on the market	Number of homes sold	Listings/Sales ratio
784	199	3.9

Notes: Listings on the market is the total number of homes for sale at the end of June 2022. The number of homes sold is the total number of homes sold during June 2022.

Sources: Canadian Real Estate Association; Association des professionnels de la construction et de l'habitation du Québec; RCGT analysis, 2022.

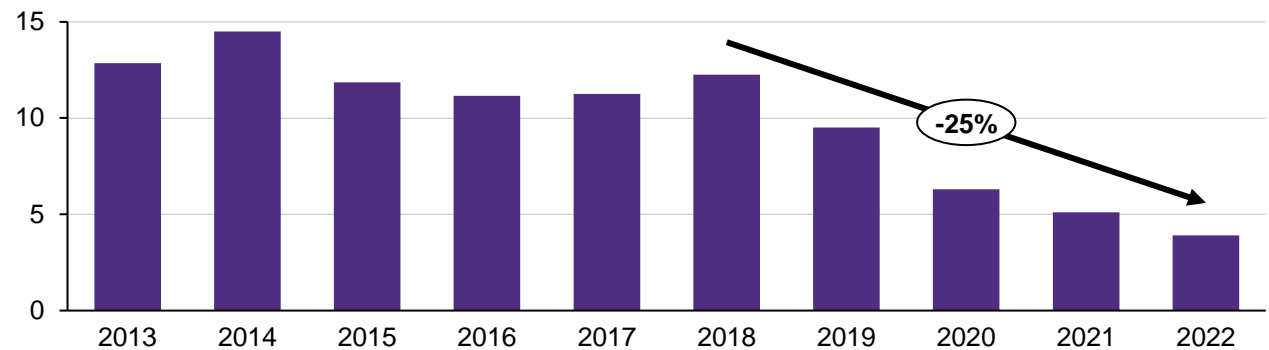
The average price of homes increased by 21% between the first six months of 2021 and 2022

Real estate market

There has been a decline in the number of months that homes in the Northern Region have been on the market for the past five years. In fact, it has dropped from about 12.25 months in June 2018 to 3.9 months in June 2022, a 25% decrease.

Average number of months homes stay on the market

In number of months, in June each year, change between 2018 and 2022 %, Northern Region

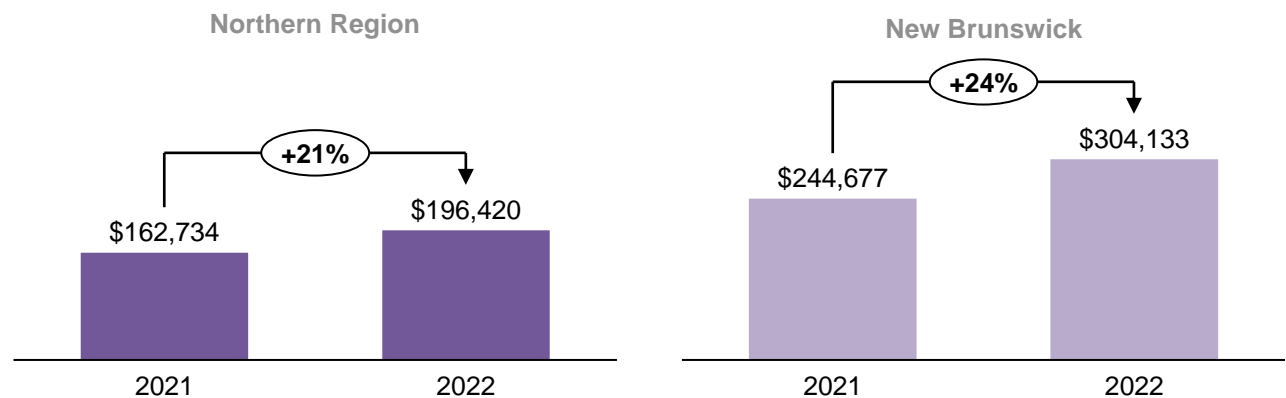


The average price of homes sold in the first six months of 2022 in the Northern Region was \$196,420, an increase of 21 percent compared to 2021 data.

The increase in average price observed between 2021 and 2022 in the Northern Region is 3 p.p. lower than that observed in New Brunswick during the same period.

Average price of homes sold in the first six months of 2021 and 2022

In dollars, June 2021 and 2022, Northern Region and New Brunswick



Sources: Canadian Real Estate Association; RCGT analysis, 2022.

The average selling price of apartment buildings has fluctuated in the past five years

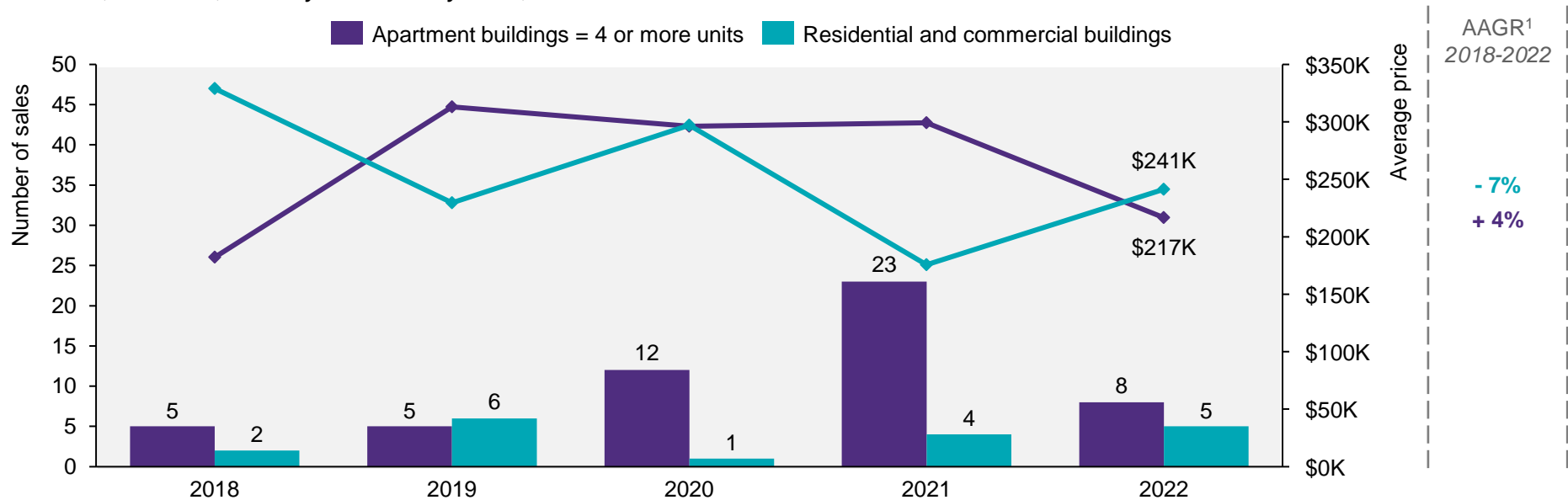
Real estate market

A total of 53 apartment buildings of four units or more and 18 residential and commercial buildings sold between January 2018 and May 2022 in Edmundston. Nearly half of the sales of residential buildings occurred during the year 2021. On the residential and commercial side, 9 and 18 units were sold between January 2021 and May 2022.

The average sales prices for the apartment and residential and commercial properties were \$300,000 and \$175,750, respectively, in 2021. Between January 2018 and May 2022, the average annual growth rate (AAGR) of the average sales price of apartment buildings was +4% for apartment buildings and -7% for residential and commercial buildings.

Number of sales and average sale price of apartment buildings in Edmundston

In dollars, AAGR %, January 2018 to May 2022, Edmundston



Sources: Data provided by the City of Edmundston; RCGT analysis, 2022.

1. Average annual growth rate (AAGR)

Unregulated rental units have little impact on the Edmundston housing market

Short-term lodging

A total of 32 unregulated rental units have been identified in the City of Edmundston. These are found on the Airbnb and Vrbo websites.

Since there are 8,117 private dwellings in Edmundston, it is possible to calculate the ratio of private dwellings per rental unit, which is 254, which is relatively high. This indicates that unregulated rental housing is not causing much pressure on the housing market.





The ratio of private rental units to rental units is an indicator of the impact of unregulated rental units on the private housing supply.

A high ratio indicates that unregulated rental housing has a minimal impact on the territory's housing supply.

Conversely, a low ratio indicates that rental housing has a strong presence in the area, which can create pressure on the housing market..

Accommodations listed on unregulated rental unit reservation sites¹

Edmundston, 2022, for two persons

		Total number of rental units available	Number of private dwellings	Ratio of private dwellings per rental unit
24	8	32	8 117	254

Sources: Statistics Canada, 2021; Airbnb, 2022; Vrbo, 2022; RCGT analysis.

1. Maximum units available over different periods

57% of the population in Edmundston is part of the labour force, 3 p.p. below the N.B. average

Labour market

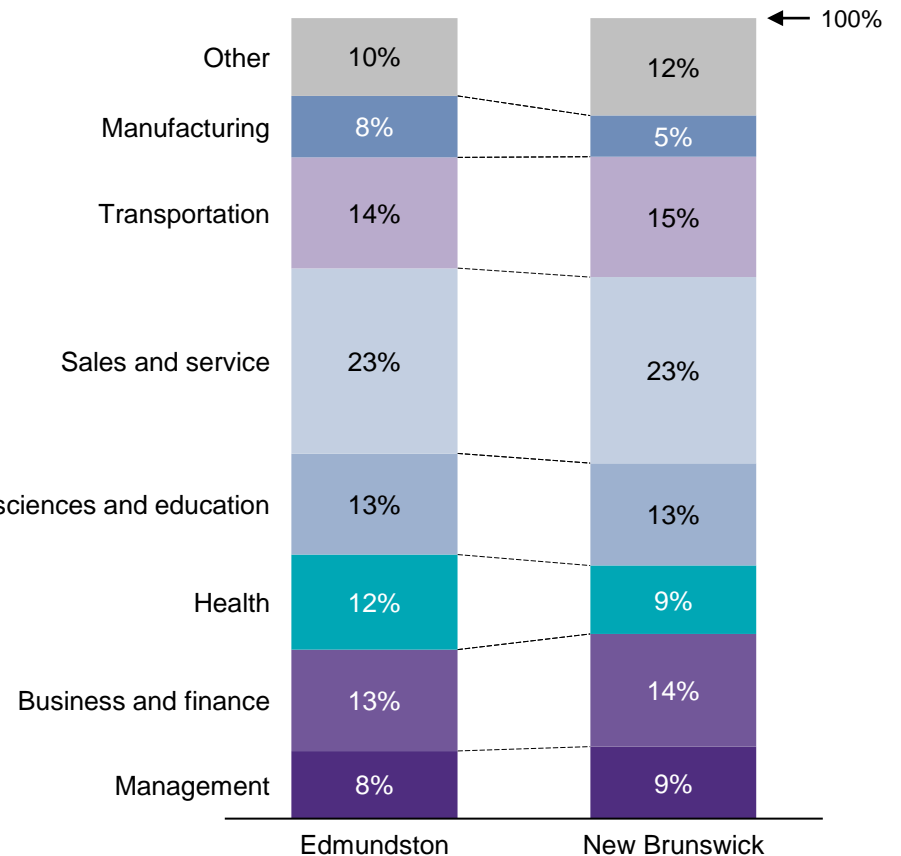
More specifically, 54% of Edmundston residents are employed and 5% are unemployed. These proportions are higher in the case of New Brunswick, making 60% of the province's residents in the labour force.

The four most common fields of employment represent more than 60% of the city's active population. These fields are "sales and service" (23%), "transportation" (14%), "social sciences and education" (13%), and "business and finance" (13%).

By comparison, the proportion of workers in manufacturing and health occupations are each 3 p.p. higher than the provincial average.

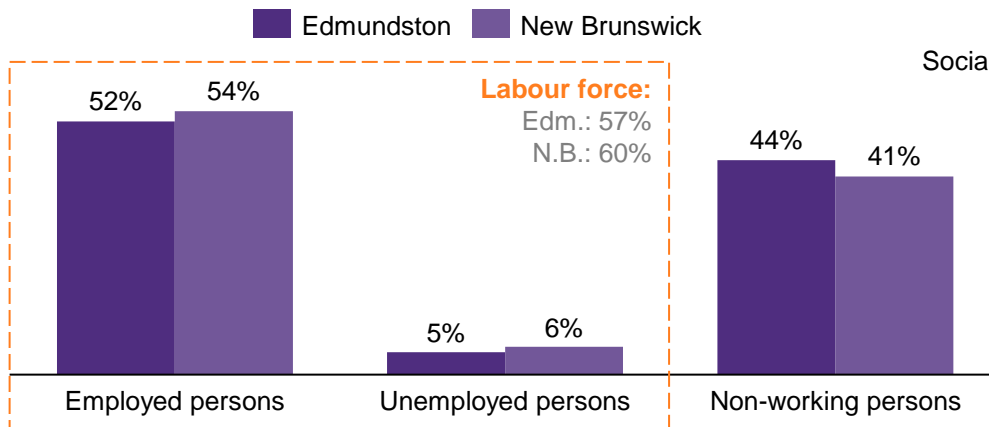
Main fields of employment and occupation types

Edmundston and N.B., 2021, % of the work force



Participation in the labour market

Edmundston and N.B., 2021, % of the population aged 15 years and over



Sources: Sitewise; Statistics Canada, 2021; RCGT analysis, 2022.

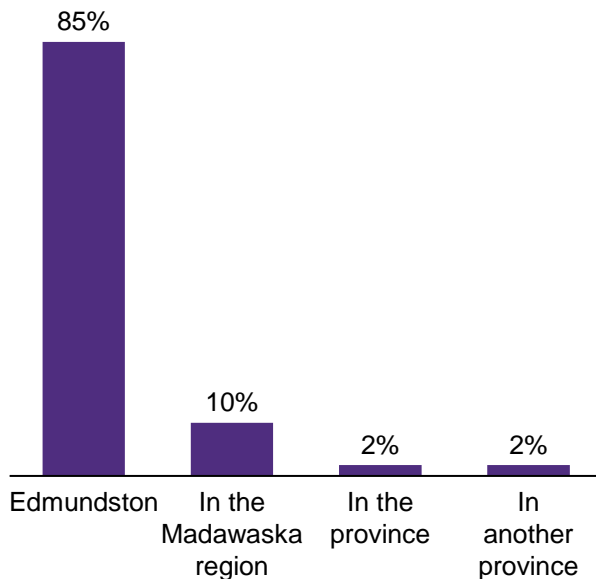
Most of Edmundston residents also work there

Labour market

As shown by the time required to get to work, the vast majority of employed people in Edmundston work in the city. According to 2016 data, 85% of the people employed in the city worked in the city and 68% of them take less than 15 minutes to get to their workplace. In addition, almost all residents travel to work by car.

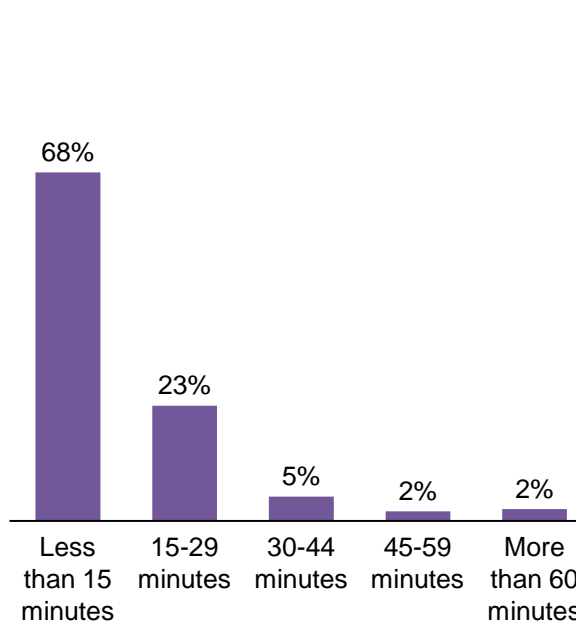
Work location of employed persons in Edmundston

Edmundston, 2016, % of the working population aged 15 years and over



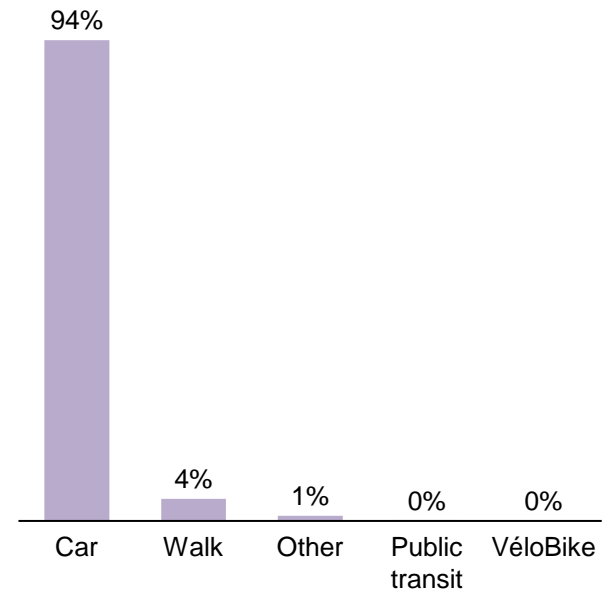
Worker allocation by length of time to travel to work

Edmundston, 2016, % of workers aged 15 years and over



Worker allocation by means of transportation used to travel to work

Edmundston, 2016, % of workers aged 15 years and over



Sources: Sitewise; Statistics Canada; RCGT analysis, 2022.

There are several manufacturing businesses in Edmundston

Activity sectors

Major manufacturers located in Edmundston

2022

Activity sector



Manufacturing

Plant part of the East Papers pulp and paper complex, the Edmundston pulp mill provides raw materials for paper manufacturing. It also generates biomass to generate electricity. It employs over 280 persons.



Manufacturing

Atlantic Star Uniforms is a local business that manufactures personal protection clothing. The owner is involved in the housing issues in Edmundston.



Manufacturing

Pattison Sign Group is a manufacturer of signs specializing in signage. This establishment is part of a group with hundreds of branches.



Manufacturing

The Boise Cascade AllJoist plant in Edmundston produces AllJoist joists which are shipped to Canadian provinces and the United States.



Manufacturing

Prelco is a manufacturer of value added glass. The Edmundston plant specializes in glass and screen printing.



Manufacturing

Russel Metals distributes and processes various metals, especially steel. The Edmundston branch is a service centre for Atlantic region clients.



Manufacturing

IPL is a supplier of packaging for the food, consumer, agriculture, logistics and environment sectors. The Edmundston plant produces consumer packaging.

Sources: ZoomInfo; Government of Canada; Boise Cascade AllJoist; Prelco; Russel Metals; IPL; RCGT analysis, 2022.

Governments and the retail sector are major employers in Edmundston

Activity sector

Major employers located in Edmundston

2022

Activity sector



Retail sales

Large grocery stores and big box stores employ a significant number of people to run their operations.



Public services –
institutional

The three levels of government as well as the Health and Vitality Network have offices in downtown Edmundston.



Educational
establishments –
institutional

Édupôle is the grouping of major educational institutions in Edmundston.



Grey Rock Casino –
Entertainment center

An entertainment center including a casino, restaurant and bingo, the Grey Rock is located outside of Edmundston and was developed by the Madawaska Maliseet First Nation.

Sources: IGA, Atlantic Superstore, Walmart Canada, City of Edmundston, Service NB, Service Canada, Édupôle, Grey Rock Casino, RCGT analysis, 2022.

Two internationally reputed educational institutions are located in Edmundston

Educational institutions

The Edmundston campus of the Université de Moncton (UMCE) and the Collège communautaire du Nouveau-Brunswick are located on the same campus, close to downtown.

The University experienced a record growth of 143 students on its Edmundston campus in the fall of 2022. This is particularly due to international students in the Business Administration program, which has been remarkably successful.

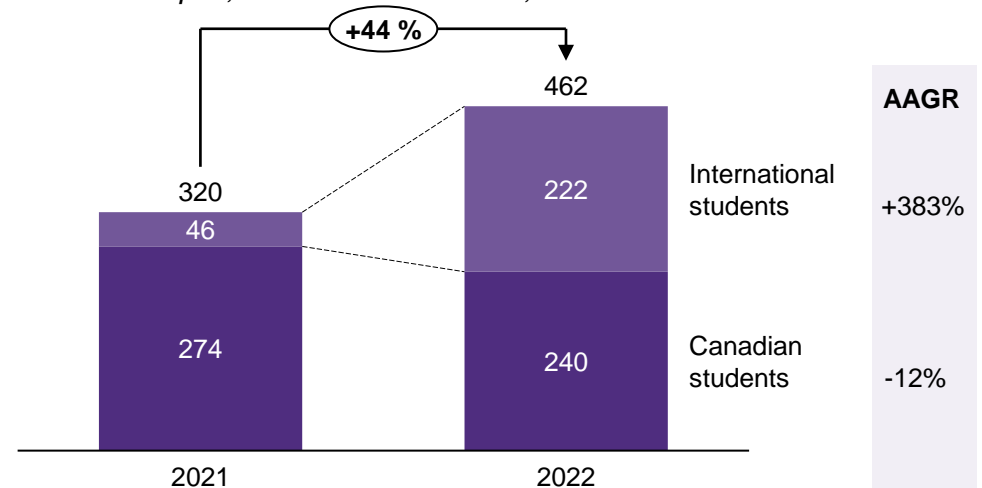
Both educational institutions are proactive in growing their enrolment, particularly internationally. The Université de Moncton, for example, recently hired an international recruiter. As a result, it is expected that the number of new international students will increase significantly over the next few years. The institutions estimate that the annual growth will be 5%.

The Université de Moncton has a student residence with 77 units. However, for the 2022-2023 academic year, the institution has received between 150 and 180 requests for a room.

The complete progression and forecast of student numbers is presented on page 56.



Number of students at Université de Moncton à Edmundston
Edmundston campus, in number of students, A2021 and A2022



Sources: CCNB, UMCE, RCGT analysis

The growth in international students will not decline in the upcoming years



Although there has been a significant growth in international students at UMCE, the institution is close to saturation level. As a result, further strong growth cannot be expected, considering that the university's capacity is estimated at 530 students.

Moreover, growth is taking place in stages. To open an additional class in the business administration program, for example, additional students are admitted in increments of 60 at a time.



The Haut-Saint-Jean Local Immigration Partnership of the region (PLI-HSJ) is a group of stakeholders who exchange and consult on the levers that can be used to promote immigration in the region.

Currently, the PLI partners are developing attraction strategies. For example, it could be anticipated that the growth of international students will continue and affect other programs at international institutions.

In any event, the influx of new international students will not decline in the coming years. Some leveling off may be expected, but the overall trend for educational institutions is upward.

Sources: UMCE,

Observations



Demographics

- Aging population
- Demographic dependence ratio will increase in coming years
- Increase in interprovincial and international migrations since the COVID-19 pandemic
- One third of households is persons living alone, one third is families and one third is couples without children
- Average income is 10% lower in Edmundston than in New Brunswick
- Greater proportion of households in financial difficulty in Edmundston than in N.B.



Housing Stock

- Edmundston has a total of 8,117 private housing units compared to 7,567 in 2016
- Most are units serving as primary residence
- Aging housing stock
- Shortage of rental housing
- Increase in rent between 2.3% and 4% annually since 2018
- Real estate market under pressure: increase in prices and sales, low Listings/Sales ratio



Economic Activities

- Lower labour force in Edmundston than in N.B.
- Edmundston residents work within the city's territory
- Edmundston workers are primarily in the sales and services and transportation sectors
- There are several vacancies in the Edmundston-Woodstock region
- Six economic activity sectors stand out in Edmundston compared to the rest of N.B.

Housing Challenges

Interviews with a range of stakeholders helped to identify the main challenges in the Edmundston housing market

The Edmundston housing market is facing many issues that limit the growth of the housing supply in the territory.

The barriers can be internal or external factors, but all have a negative impact on the housing market. Internal constraints can generally be addressed by the City, while external constraints generally cannot. The interviews identified five main categories of challenges in the Edmundston housing market.

Barriers	Internal	External
1 Lack of development support	X	X
2 High construction costs		X
3 Limited supply of contractors		X
4 Region's socio-economic profile		X
5 Discrimination	X	X

Details on the housing market challenges (1/3)

Development barriers

Scope refers to the weight of each impact identified.

1. Lack of development support

Problem	Impacts	Scope
Government subsidy programs are not adapted to the region's current situation.	<ul style="list-style-type: none"> Promoters' initiatives are slowed down; Potential developers are developing a lack of trust in public authorities. 	
Although the City does solicit projects, it rarely accepts or makes available land and new roads for developer-initiated projects. In addition, the City does not offer financial incentives.	<ul style="list-style-type: none"> Promoters' initiatives are slowed down; There is less willingness to get involved with projects on collaboration with the City. 	
There are few tax or financial incentives to build affordable housing.	<ul style="list-style-type: none"> There is less willingness to get involved with projects on collaboration with the City. There are few affordable housing starts. 	
Some CMHC data does not represent the actual situation and the complexity of their programs makes them less accessible.	<ul style="list-style-type: none"> Difficult to get measurements that respond to realities; Little CMHC support in the Edmundston region and the banks subject to its conditions. 	

2. High construction costs

Problem (more details on page 48)	Impacts	Scope
Rising interest rates.	<ul style="list-style-type: none"> Little new construction on the market, leading to an ageing housing stock; 	
Materials are much more expensive than they were a few years ago. Over the past two years, the annual increase in material costs is estimated to be between 20% and 40%.	<ul style="list-style-type: none"> Contractors limit their work; Real estate developers turn to an older more affluent clientele; 	
Labour costs are also on the rise due to labour shortages.	<ul style="list-style-type: none"> Owners increase rent. 	

Sources: Consultations with stakeholders regarding the housing and accommodation situation; RCGT analysis.

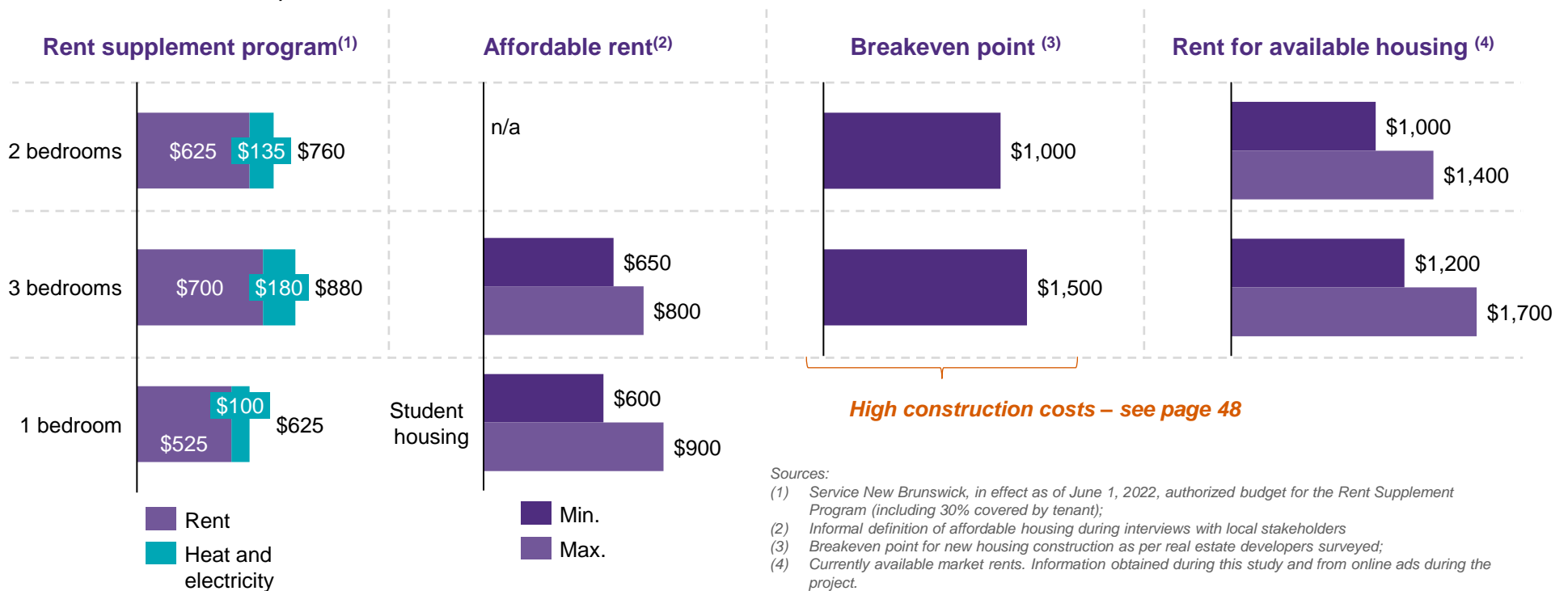
The gap between affordable rent and N.B. programs does not align with market rents

Housing affordability is a major issue for Edmundston residents. The budgets allocated to the Rent Supplement Program (RSP) do not correspond to the price of available housing on the market. For example, a three-bedroom unit is eligible for the RSP up to \$880 including charges. However, available housing prices in the region are more in the \$1,200 to \$1,700 range.

The organizations consulted denounced the strong growth in rents which explains, among others, the gap observed between the budgets granted by the existing programs and the prices observed on the market.

Rent and breakeven points by unit size

Edmundston, 2022, in \$ per month



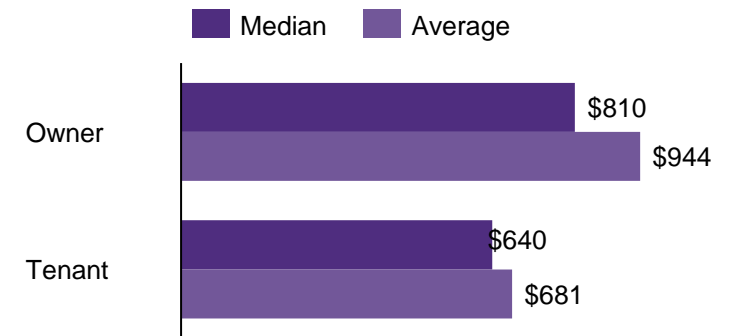
Median rents have gradually increased but do not reflect available rent

Official rent figures vary by source and are in the range of \$550 and \$640. However, these rents include all occupied units, including those requiring major repairs.

A newcomer to Edmundston therefore cannot expect to get a dwelling in this price range, since the dwellings available on the housing market are on average much higher, as presented on the previous page.

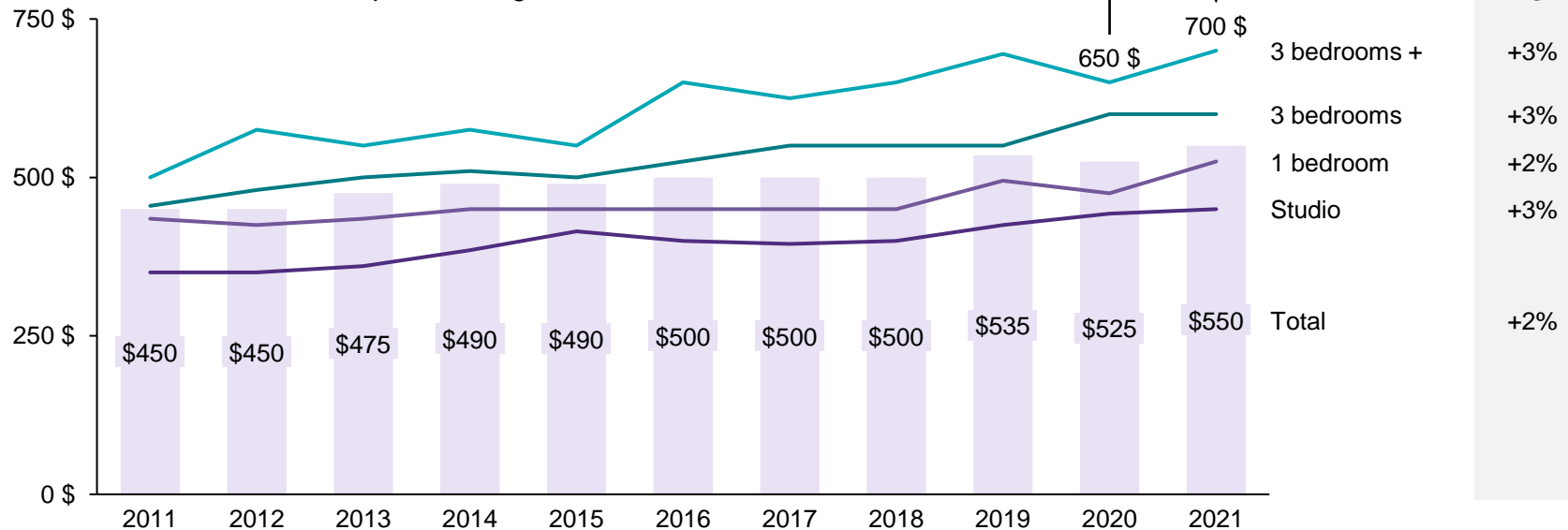
Monthly housing costs

Edmundston, 2021, in \$



Change in median rent for all rental units

Edmundston, 2011-2021, in \$ per month, growth %



Sources: Change in median rent, CMHC, Median monthly housing costs., Statistics Canada; RCGT analysis.

New apartment rents have increased significantly due to construction costs

Several factors have contributed to the sharp rise in rents for new housing and the difficulties faced by developers in providing affordable and profitable housing.



Labour shortage and limited capacity to accept contracts



Increase in construction costs



Increase in interests rates and insurance premiums

Several real estate projects planned by developers have been abandoned in the last two years due to high costs.

"Over the past two years, I have experienced a 36% growth in construction costs. New units that I used to rent for \$900, I now have to rent for \$1,400."

"Insurance costs are growing between 10% and 15% per year. The premium on nursing homes has doubled."

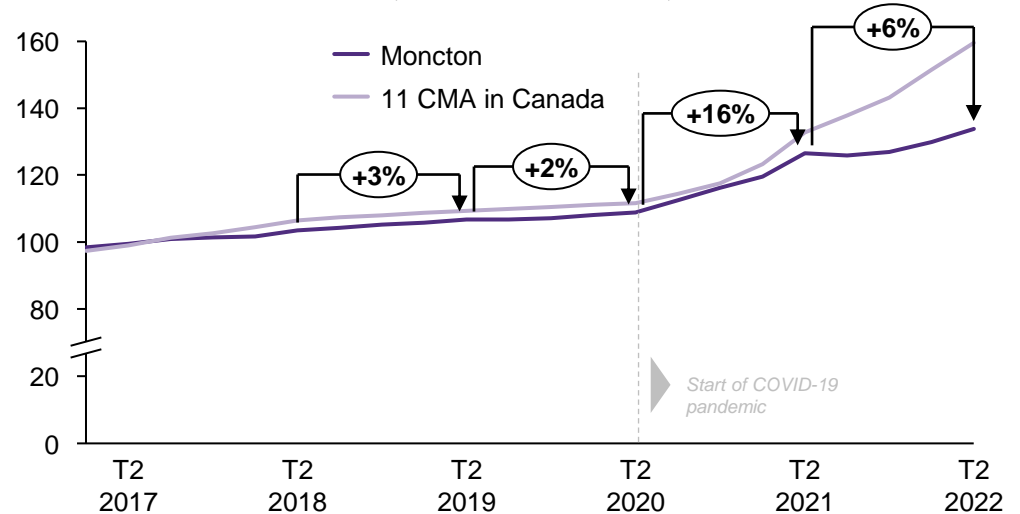
"While I have not made any claims since 2011, my insurance has gone up 25%."

"Some of my buildings have seen a 35% increase in property assessment, which has greatly increased my property taxes."

Interviews with real estate developers

Change in residential construction price index

Moncton and 11 CMA in Canada, T1 2017 to T2 2022, Index 2017 = 100






Sources: Interviews conducted during this study; Statistics Canada; RCGT analysis.

Details on the housing market challenges (2/3)



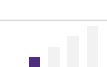
Development barriers

Scope refers to the weight of each impact identified.

3. Limited supply of contractors

Problem	Impacts	Scope
There are only a small number of developers who could carry out real estate development projects in the region.	<ul style="list-style-type: none"> Few real estate projects are launched in the region. 	
Existing contractors are already stretched thin for the next few years due to limited supply.	<ul style="list-style-type: none"> The numerous renovations required cannot be carried out. 	
The abundant demand for housing allows developers to choose only the most profitable clientele.	<ul style="list-style-type: none"> Few affordable housing units started; Rental of substandard housing; Creation of permanent homelessness issues that did not exist before. 	

4. Region's socio-economic profile




Problem	Impacts	Scope
Residents' financial capacity is low, which limits the amount they can spend on rent.	<ul style="list-style-type: none"> Household working incomes are not in line with rental prices; Tenants' ability to pay reduces developers' interest. 	
The territory's population is aging.	<ul style="list-style-type: none"> Seniors live in large units and only a small proportion of these units become available. 	
Newcomers do not have the resources or contacts to find housing that meets their needs.	<ul style="list-style-type: none"> People of immigrant background reside in unhealthy conditions or cannot get to Edmundston to start their new job. 	

Sources: Consultations with stakeholders regarding the housing and accommodation situation; RCGT analysis.

Details on the housing market challenges (3/3)

Development barriers

Scope refers to the weight of each impact identified.

5. Discrimination regarding some types of tenants		
Problem	Impacts	Scope
<i>The abundant demand for housing allows developers to discriminate against certain types of tenants.</i>		
Families with children are not welcome because of the noise and the reputation that housing deteriorates faster.	<ul style="list-style-type: none"> • There has been little construction of large-scale housing; • Families live in unsanitary conditions; 	
Cultural differences are reasons for landlords to refuse to rent to newcomers.	<ul style="list-style-type: none"> • Slows the attraction of skilled and available labour; • Reduces retention of newcomers; • Families live in unsanitary conditions; 	
Social housing is scarce and vulnerable people are being denied private housing.	<ul style="list-style-type: none"> • Creation of permanent homelessness; • People living in unsanitary or unsafe conditions. 	

Sources : consultations with stakeholders regarding the housing and accommodation situation; RCGT analysis.

Housing Needs Overview

Four clienteleles were identified having the greatest housing needs

Priority clienteleles

By targeting the clienteleles with the greatest needs, it is possible to prioritize projects and solutions in a realistic context where it is not possible to solve everything immediately.

The interviews conducted identified four main clienteleles with the greatest short-term housing needs. In addition, the interviews were used as input to estimate the number of additional units required to meet the most urgent needs. The client groups identified as having the greatest housing needs were:



Single workers



Workers with families



Canadian and international students



Vulnerable persons

These categories include current residents, Canadian and international newcomers, and potential international newcomers to fill vacancies.

Persons 50 years and over: targeted by developers

Because of the high demand for housing, real estate developers and owners are able to select the most profitable clientelele both financially and in terms of daily management.

With the aging of the population, couples or persons living alone aged 50 and over are opting for quality new housing with the income obtained from the sale of single-family homes.

Thanks to the income obtained from the sale of their home, this group of clients has the purchasing power for smaller, renovated homes.

These tenants are the target group for developers because of the ease of management. They are quiet, have no children and require little intervention from the owners.

Sources: Consultations with stakeholders regarding the housing and accommodation situation; RCGT analysis.



An average of 150 job vacancies are posted in Edmundston and the actual number is estimated to be at least 300

Single workers and workers with families

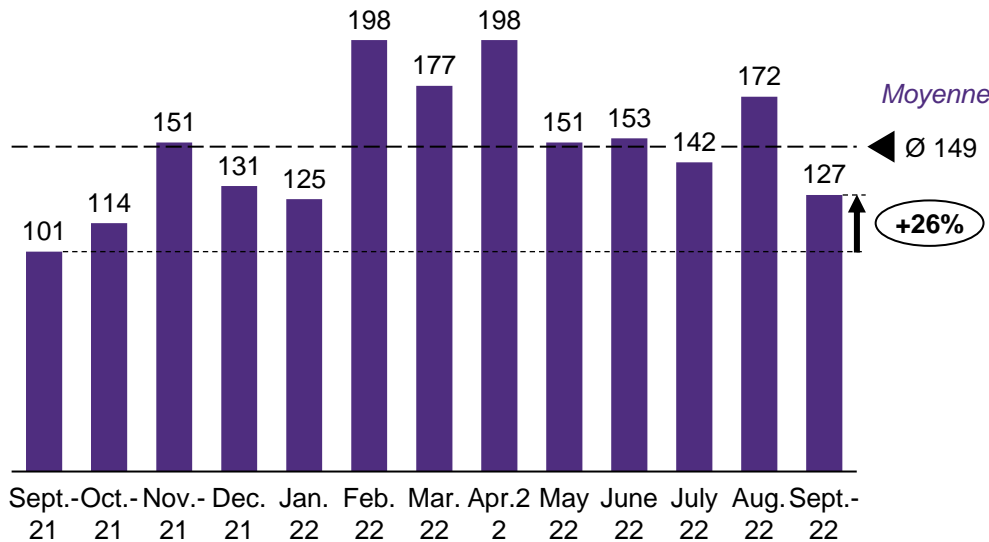
With the economic recovery of the last few months, the number of job vacancies is on the rise throughout New Brunswick. In Edmundston specifically, the number of job postings online increased by 26% between September 2021 and September 2022.

Over the past year, an average of 149 notices were posted online. However, it can be estimated that the actual number of vacancies is at least twice as high based on discussions with the City of Edmundston.

According to the consolidated data for Edmundston-Woodstock, manufacturing, trades, transportation and machinery occupations are particularly in demand, followed by sales and service occupations.

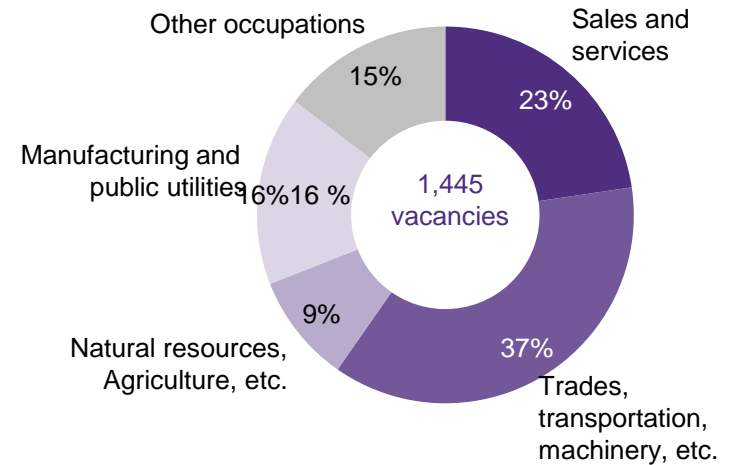
Number of online job postings

Edmundston, Sept. 2021 to Sept. 2022, in number and growth %



Vacancies by occupation

Edmundston-Woodstock, Q1-Q2 2022, % of vacancies



Sources: jobsNB – Hiring Demand Bulletins; Statistics Canada; RCGT analysis.



A significant number of newcomers are and will be arriving in Edmundston

Single workers and workers with families

The number of permanent residents (PR) admitted who have indicated Edmundston as their destination has grown significantly. Edmundston is following New Brunswick's trend of attracting a significant number of newcomers.

Since 2019, there has been strong growth in the number of PR admissions. According to New Brunswick's targets, it is estimated that the trend will continue and that the annual growth of newcomers will be 29% per year.

The Foreign Worker Program is not widely used by Edmundston employers, considering that only five positions were admitted through this program between Q3-2021 and Q2-2022.

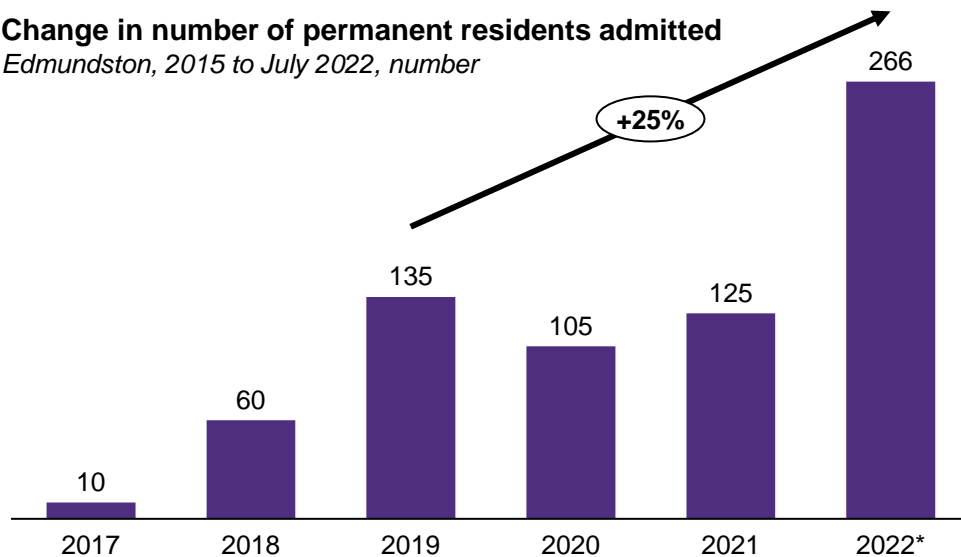
Temporary Foreign Worker Program jobs

Edmundston, number of positions, Q3-2021 to Q2-2022

Profession	No. of positions
0124 – Advertising, marketing and public relations managers	1
6322 - Cooks	1
9423 – Rubber processing machine operators and similar staff	1
9619 - Other labourers in processing, manufacturing and utilities	2

Change in number of permanent residents admitted

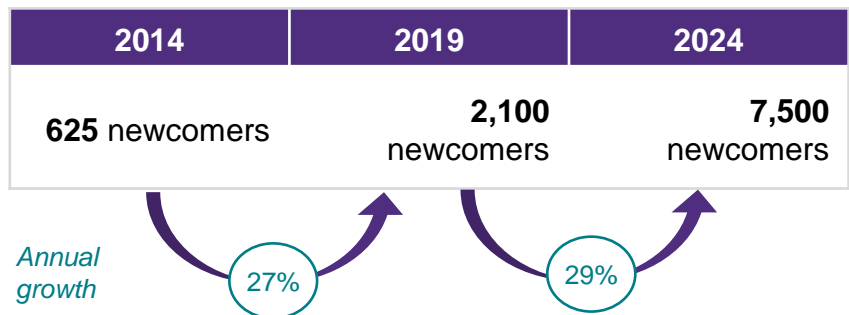
Edmundston, 2015 to July 2022, number



Sources: Government of New Brunswick – New Brunswick Population Growth Strategy; IRCC – Canada; RCGT analysis, 2022.

New Brunswick annual newcomer targets

New Brunswick, number of persons, 2014 to 2024f



* 155 January 2022 to July 2022, 266 is an annual estimate



The number of newcomers will peak in 2025

Single workers and workers with families

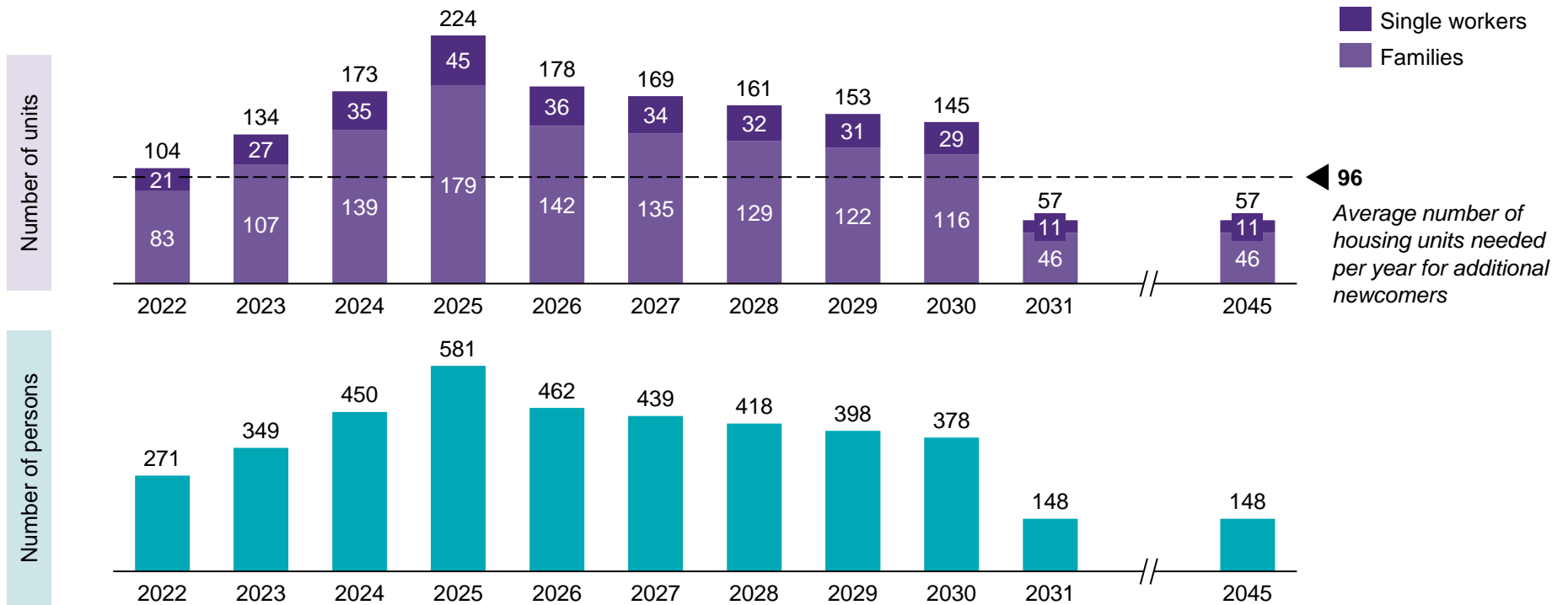
The numerous vacancies result in an active attraction policy for new arrivals. By following the attraction targets and the current trend of newcomers, it is possible to estimate the number of units needed over the next few years.

Newcomer growth is expected to slow down beyond 2025, while still maintaining some flow. Many positions will be filled and the City will need to adjust for newcomers.

On average, 96 additional units will be needed per year to accommodate newcomers through 2045.

Forecasted housing needs for single workers and workers with families

Edmundston, 2022-2045f, number of units and number of persons



Source : RCGT analysis.

*Assumptions on page 77



By 2045, over 2,000 dwellings will be needed to accommodate newcomers

Single workers and workers with families

- By 2025, 127 dwellings will be required to accommodate the single workers who will arrive in Edmundston and 508 dwellings for new workers with families.
- In the medium term, the demand for housing will be even greater for these two groups, reaching 161 for single workers and 645 for workers with families.
- It is important to note that due to the aging of the population, some units will be vacated and that the needs presented below do not constitute the requirements for new construction or provision of housing⁽¹⁾.
- By 2045, a total of over 2,000 units will be needed to accommodate single workers (459 units) and workers with families (1,837 units).

Forecasted housing units needed for single workers and workers with families

Edmundston, 2022-2045f, number of units

	Short term 2022-2025		Medium term 2026-2030		Long term 2031-2045		Total	
	Total for périod	Annual average	Total for périod	Annual average	Total for périod	Annual average	Total for périod	Annual average
En nombre d'unités								
Single workers	127	32	161	32	171	11	459	19
Workers with families	508	127	645	129	685	46	1 837	77

Source : RCGT analysis.

*Assumptions on page 77



There will be an increase in international students in both educational institutions

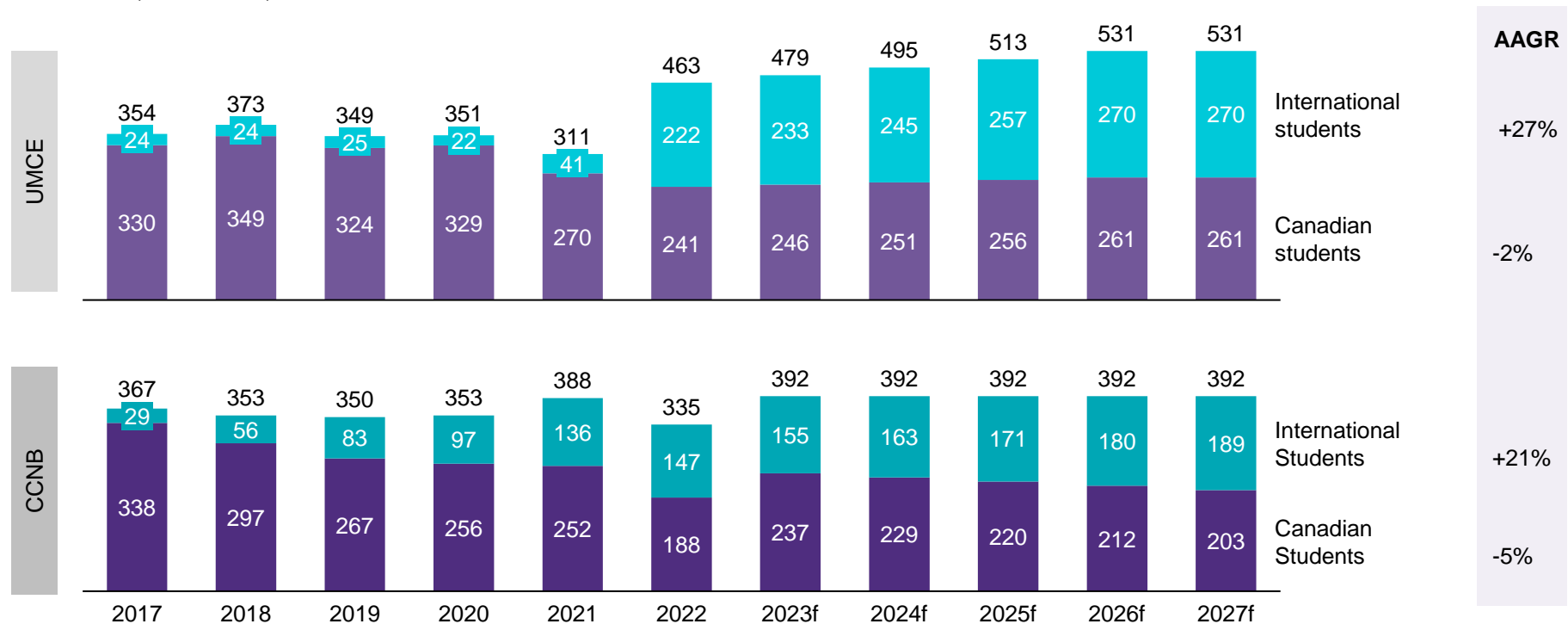
Canadian and international students

A large increase in the number of international students has been noted at both educational institutions between 2021 and 2022. Based on discussions with both institutions on projections and attraction strategies, a total of 922 students will be enrolled at one of the two institutions in 2027.

For both institutions, the total student pool will remain relatively stable over the next few years. However, the share of international students is expected to continue to grow over the next few years.

Number of international and Canadian students – UMCE and CCNB

Edmundston, 2017-2027f, number of students



Sources: UMCE; CCNB; RCGT analysis, 2022.

*Assumptions on page 77



Housing needs are rising to accommodate the increasing number of international students

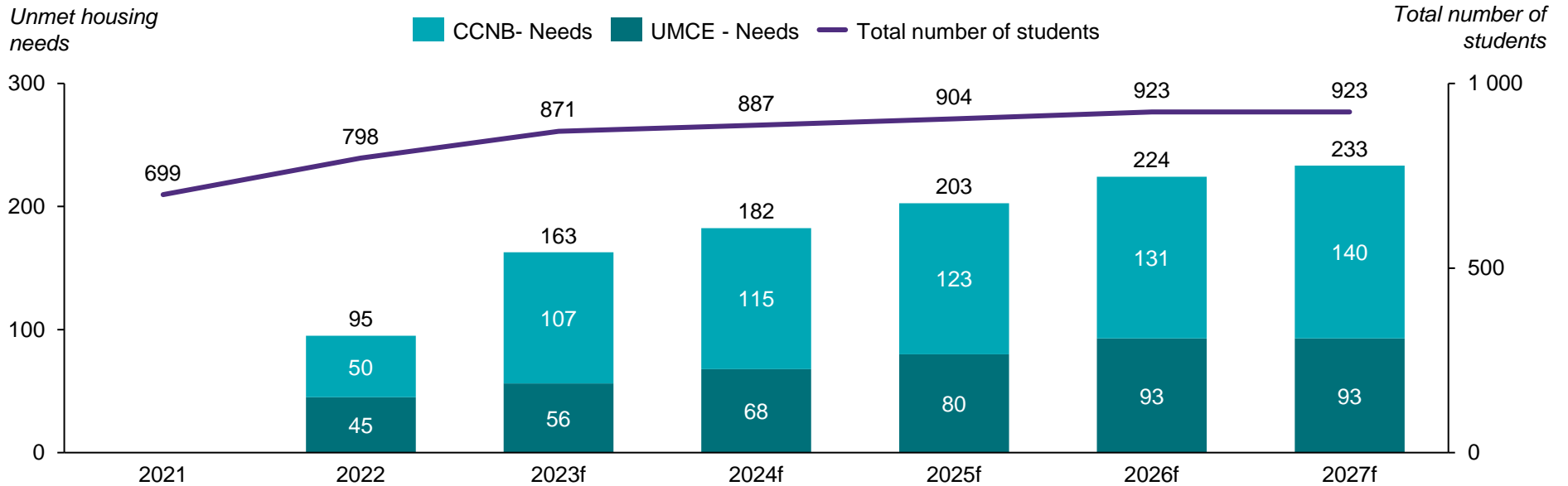
International students

If no action is taken and the number of available student housing units remains constant, the housing shortage will persist and even increase. The unmet demand in 2022 is estimated at 50 units at UMCE and 45 units at NBCC. Of these 95 students, some are currently living in unsanitary, unsuitable conditions or have had to be closely and urgently accompanied to obtain housing for the start of the 2022 school year. Considering that the supply of housing available for students is currently very low and that the number of international students is expected to grow, the unmet demand for housing will increase at the same rate as the increase in the number of international students.

A new reality that Edmundston is experiencing is student retention. The professional opportunities in the region encourage students to stay after their studies. While this is beneficial for the labour market and provides a valuable pool of workers, it also puts pressure on the housing market. Once students have completed their studies, housing is not available for new enrollees and newcomers.

Forecasted total number of students and unmet housing needs

Edmundston, 2017-2027f,



Sources: UMCE; CCNB; RCGT analysis, 2022.

*Assumptions on page 77

Over 650 persons are on the waiting list for provincial government subsidized housing



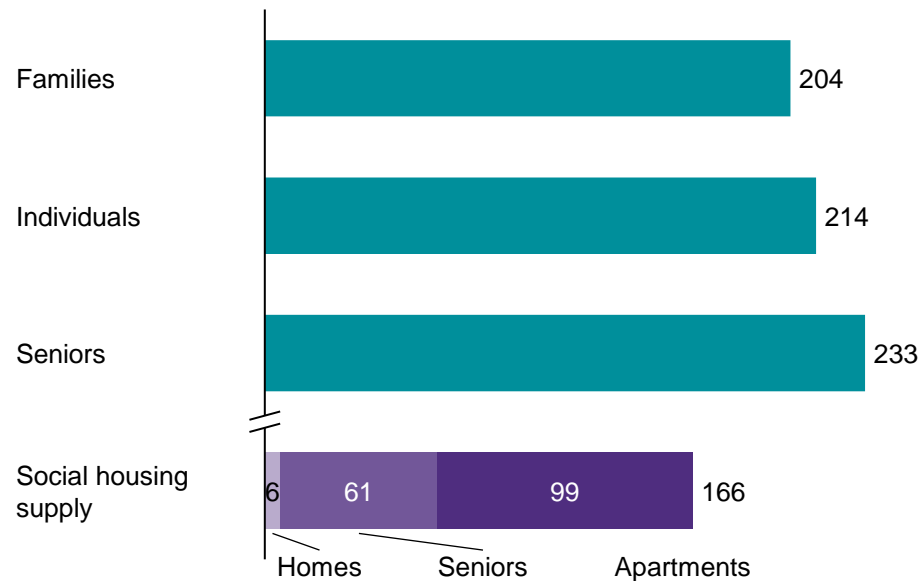
Vulnerable persons

People experiencing homelessness were rare in Edmundston before the pandemic. Over the past two years, community organizations have observed a growing need for housing and basic necessities, and consequently an increase in homelessness. These people are frequently turned away from social housing as well as by private landlords.

It was reported by the stakeholders surveyed during this study that individuals and families with very low incomes sometimes live in unsanitary conditions. The significant pressure of demand on the supply of housing does not encourage owners of modest housing to renovate or invest to offer better conditions to tenants.

Waiting list for Service N.B. housing (public and/or Rent Supplement Program)

Edmundston, 2022



There are 166 public housing units available in New Brunswick. However, there are currently 651 people on a waiting list for public housing or housing covered by the Rent Supplement Program.

Low-income seniors may be considered as a target clientele for housing support interventions. However, real estate developers are very active in building projects for middle and high income seniors. Some of the growth in the senior age group can be addressed by these new projects.

Sources: Service New Brunswick, RCGT analysis.

There will be a decrease in the number of residents in the 25-74 years age group, freeing up apartments for newcomers

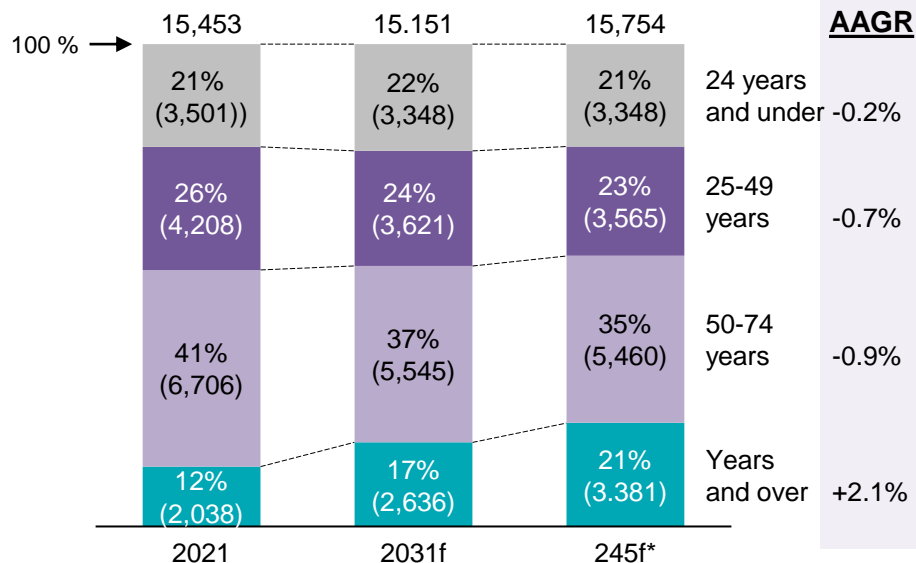
Other clientele

The share of the population between the ages of 25 and 74 will gradually decline over the next few years. Mainly related to the aging of the population, this decrease will consequently free up housing. Considering that there is an average of 2 persons per household, we can estimate that between 2021 and 2045, a maximum of 944 additional dwellings would be available*. Thus, the weight of new housing creation will be reduced by this evolution.

On the other hand, the number of people aged 75 and over will increase. The type of housing occupied by this age group differs from that of younger generations. The demand for serviced studios or senior centers will increase significantly, considering that by 2045, 1,342 more people will be 75 years of age or older than today. However, there is significant interest from developers to develop housing for this clientele. It is also possible to develop or adapt the dwellings in which seniors currently reside and support home care.

Forecasted number of residents by age group

Edmundston, 2021-2045F, % of the total population and no. of residents



Source : RCGT analysis.

*RCGT forecast based on N.B. population growth. The 2031-2045 N.B. trend was applied to Edmundston. Details on page 77

Potential maximum number of units freed up and additional persons 75 years and over since 2021

Edmundston, 2021-2045f, number of persons

	2022	2030	2045
Number of units freed since 2021 (maximum potential)	(87)	(787)	(944)
Additional number of persons 75 years and over	60	538	1 342

Summary of housing needs in Edmundston

- In the short term, in 2022 for example, 1,013 units are needed to satisfy unmet housing demand. The maximum number of units potentially released by the aging population is far too small to meet these needs and could only cover less than 10% of the need.
- The needs of single workers and those with families will diminish over time, but will remain. The unmet demand for vulnerable clients will increase in the long term due to the aging of the population.

Unmet housing needs in the short-, medium- and long-term and number of units freed up

Edmundston, 2021-2045f, number of units

	Short term 2022-2025		Medium term 2026-2030		Long term 2031-2045	
	Total period	Annual	Total period	Annual	Total period	Annual
Single workers	127	32	161	32	171	11
Workers with families (units)	508	127	645	129	685	46
Canadian and interntaitonal students		203		233		<i>n.d.</i>
Vulnerable persons		651		719		1 041
Annual needs (units)		1 013		1 114		1 098
	Cumulative since 2021	Annual	Cumulative since 2021	Annual	Cumulative since 2021	Annual
Maximum potential units freed up	87	87	787	87	944	39

Sources: RCGT analysis

*Assumptions on page 77

Housing needs differ by clientele

Priority housing for each clientele

Overview of apartment and housing needs by type of clientele

City of Edmundston, 2022

	Type of clientele			
	<i>Single workers</i>	<i>Workers with families</i>	<i>Students</i>	<i>Vulnerable persons</i>
Profile	<ul style="list-style-type: none"> • Foreigners • Generally persons under 45 years of age • No dependents 	<ul style="list-style-type: none"> • Foreigners • With spouse • With dependents, such as children 	<ul style="list-style-type: none"> • Current residents of Edmundston and New Brunswick • Foreigners • 18-27 years – average 24 years 	<ul style="list-style-type: none"> • Current residents of Edmundston • All age groups • Women • Person with mental health issues
Type of appropriate apartment	<ul style="list-style-type: none"> • Room in a home shared with other single workers • Small apartment (1 bedroom) • Shared apartment (3 bedrooms and over) 	<ul style="list-style-type: none"> • Medium-sized apartment (2 bedrooms) • Large apartment (3 bedrooms and over) 	<ul style="list-style-type: none"> • Room in student residence • Small apartment (1 bedroom) • Shared apartment (2 bedrooms or 3 bedrooms and over) 	<ul style="list-style-type: none"> • Room in a residence with related services • Small apartment (studio or 1 bedroom)
Apartment occupancy	<ul style="list-style-type: none"> • Rental (weekly, monthly or yearly) • Furnished 	<ul style="list-style-type: none"> • Rental, monthly or yearly 	<ul style="list-style-type: none"> • Rental (monthly or yearly) • Furnished 	<ul style="list-style-type: none"> • Transition housing • Rental • Social housing
Services or related needs	<ul style="list-style-type: none"> • Accessibility and proximity to workplace and stores 	<ul style="list-style-type: none"> • Accessibility and proximity to workplace and stores 	<ul style="list-style-type: none"> • Accessibility and proximity to stores • Proximity to CCNB and UM campus 	<ul style="list-style-type: none"> • Psychological support • Social reintegration support • Security • Financial assistance

Sources : consultations with stakeholders related to the housing and accommodation situation; RCGT analysis.

Housing needs differ by clientele

Priority housing for each type of clientele

Overview of apartment and housing needs by type of clientele

City of Edmundston, 2022

	Type de clientèle			
	Single workers	Workers with families	Students	Vulnerable persons
Economic model	<ul style="list-style-type: none"> Affordable housing Community housing (non-profits or co-op) Real estate developers 	<ul style="list-style-type: none"> Affordable housing Community housing (non-profits or co-op) Real estate developers 	<ul style="list-style-type: none"> Affordable housing Community housing (non-profits or co-op) 	<ul style="list-style-type: none"> Affordable housing Community housing (non-profits or co-op)
Type of housing requiring investments	<ul style="list-style-type: none"> New housing 	<ul style="list-style-type: none"> New housing 	<ul style="list-style-type: none"> New housing Adapted housing 	<ul style="list-style-type: none"> Adapted housing Affordable and new housing



Sources : consultations with stakeholders related to the housing and accommodation situation; Tourism Edmundston, RCGT analysis.

Opportunities for the City of Edmundston to capitalize on

Based on the observations, there are development opportunities for the City

Opportunities for the City of Edmundston



Alternative housing

- Multiple purpose building with both housing and non-profits.
- Cooperative housing that could also include participation by various businesses.
- Accommodations that evolve according to the needs of their clientele



High potential zones

- Identification of available and priority land in high potential areas
- Collaboration with local employers
- Alignment with the development of a public transit system



Convert existing housing

- Conversion of certain buildings
- Bi- or multi-generational homes



In addition to the housing development opportunities, the City has begun to consider developing a public transit service. This opportunity will help students and newcomers who rarely own a vehicle.

Adapting the opportunities in collaboration with progress in this area will promote Edmundston's economic and urban development.

The housing co-op model is not well known in Edmundston and would provide a host of benefits

Housing co-op

Benefits of a co-op model

While the process to start a housing co-op can take anywhere from two to five years, it offers a range of benefits to both residents and host communities. More specifically, the housing co-op:

- Allows for significant subsidies that can reduce costs and keep rents low for residents;
- Promotes an important social mix, housing cooperatives are a way to avoid social segregation, impoverishment and isolation of certain groups in society;
- Can be combined with social economy projects, for example by integrating local non-profits;
- Can integrate a specific vocation that responds to the needs of the host community, particularly for people with reduced mobility or low incomes;
- Represents an interesting opportunity to revitalize strategic sectors.

Process to start a housing co-op

1. Assemble a group of developers to identify needs
2. Find a site ready to host the project
3. Develop an innovative housing co-op project that meets the needs of the host community
4. Write a preliminary financial plan, paying particular attention to costs
5. Prepare grant applications, negotiate and secure financing
6. Improve the financial plan according to the financing obtained
7. Hire an architectural firm to develop the plans and specifications
8. Hire a general contractor to take charge of the construction
9. Select the people who will live in the project based on the co-op's criteria

Sources: Co-operatives and Mutuals Canada, Confédération québécoise des coopératives d'habitation, RCGT analysis.

Its main advantage is the available financing to build a co-op

Housing co-op

Several sources of funding are available and the financial involvement of governmental bodies can be up to 50% of the total budget. Funding can be granted through the following programs

Program	Description	Available assistance
Affordable Rental Housing	The New Brunswick Affordable Rental Housing Program is aimed at non-profits and housing co-operatives. It targets housing for people with low to moderate incomes. This includes families and individuals who are single, disabled or have special needs.	The financing under this program is in the form of a forgivable loan from the New Brunswick Housing Corporation
Housing Co-Investment Funding	The CMHC's Housing co-investment funding provides capital (low-interest loans, forgivable loans, contributions) to partner organizations for build and renovate or repair affordable community housing	The maximum amount granted varies by project.

Sources: CMHC, Government of New Brunswick, RCGT analysis.

Other interesting mechanisms could also be considered by the City of Edmundston

Interesting mechanisms

Examples of co-operatives in N.B.

- Eastwood Housing Co-operative Ltd. (Woodstock)
- Glenn Abbey Housing Co-operative Ltd. (Moncton)
- Golden Terraces Seniors Housing Co-operative (Moncton)
- Housing Alternatives Inc. (Saint John)
- Cornerstone Co-operative Housing Ltd. (NB) (Moncton)
- Unified Saint John Housing Co-op Ltd. (Saint John)

All of these co-ops are members of the **Co-operative Housing Federation of Canada**. Many of these co-ops have been providing affordable housing for over 20 years, demonstrating that it is possible to create models that are sustainable and provide housing for the long term.

Foncier solidaire Brome-Missisquoi

Foncier solidaire Brome-Missisquoi is a non-profit organization that develops and preserves a housing stock that is permanently affordable, ecological and of high quality in the Brome-Missisquoi RCM. More specifically, the organization protects land and housing from speculation in order to democratize and perpetuate access to housing for all, but more particularly for vulnerable clientele (low-income households, first-time buyers, families, seniors, immigrants, etc.)

UTILE – affordable student housing

L'Unité de travail pour l'implantation de logement étudiant (UTILE) is a social economy enterprise dedicated to the issue of student housing in Quebec. The organization develops and manages projects for students, while promoting access to housing for this population. Seven projects are currently completed or under development. Within the framework of its projects, UTILE collaborates with stakeholders in the student and higher education communities.

Of particular interest for New Brunswick and the City of Edmundston: the Province of Quebec's right of pre-emption

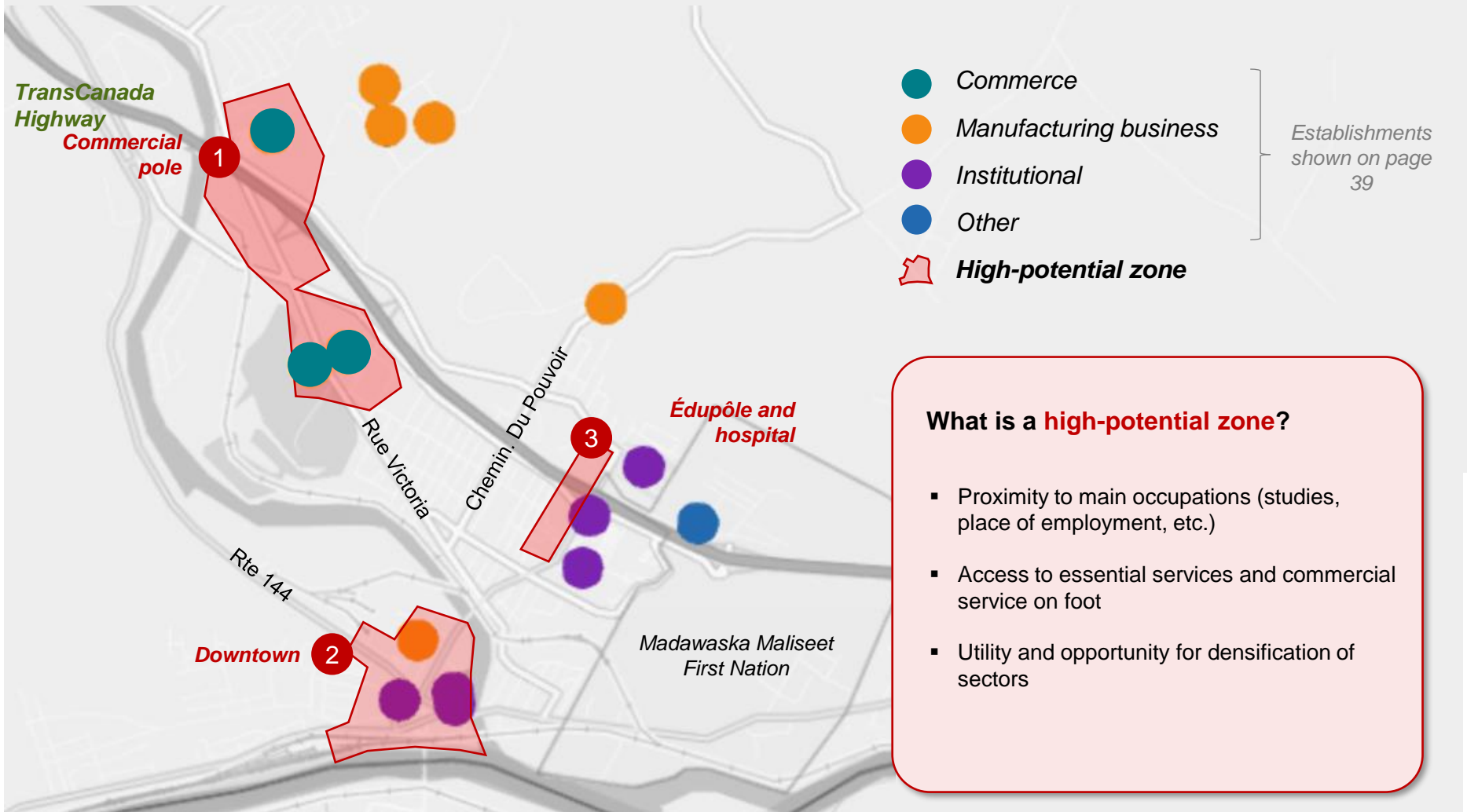
Recently, Quebec municipalities have had a new tool at their disposal that was until recently reserved for Montréal to buy land at low prices. This is the right of pre-emption, a tool that Rimouski and Saint-Hyacinthe were among the first to use. This mechanism is a right that allows municipalities to subject land that they wish to acquire to a bylaw by identifying the purposes for which it would be acquired, for example, for social housing, housing for seniors, etc. This gives them priority in acquiring strategic land or buildings, which can be an interesting tool to counter the housing crisis.

Sources: Foncier solidaire Brome-Missisquoi Vivacité, UMQ, Co-operative Housing Federation of Canada, RCGT analysis.

Three high-potential development zones were identified

High-potential zones

Map of Edmundston with high-potential zones and major employers



Sources: RCGT analysis

The urban development strategy should be adapted according to the high-potential zone

High-potential zones

The approaches undertaken for each high potential zone will have to be differentiated according to the targeted clientele as well as the sector.

Downtown – High-potential zone 2	Education and hospital – High-potential zone 3
<p>The downtown area should be a priority area from an urban planning perspective to ensure economic vitality and dynamism. One of the avenues is urban densification.</p> <p>This allows for increased economic activities, productivity and innovation, while reducing transportation and infrastructure maintenance costs.</p> <p>Urban densification best practices include:</p> <ol style="list-style-type: none"> 1. Streets adapted to pedestrians; 2. Promoting mixed-use development; 3. Development in collaboration with comprehensive transit system. <p>Target clientele: Vulnerable persons and workers whose job is in walking distance.</p>	<p>The proximity to the two educational establishments and the hospital also supports urban densification in this area.</p> <p>Target clientele: Land in this area should be prioritized for student and single worker housing. International employees in the hospital, professors and doctoral students will also be able to reside in these one-bedroom, furnished units.</p>

Sources: RCGT analysis

Observations and Recommendations

This study highlighted a number of observations in connection with the current situation

Main observations

Needs

- In the short term, the clientele identified as having the greatest housing needs are: workers, alone and with their families, international students and vulnerable clientele.
- Edmundston would need more than 1,000 additional housing units in the short term, the majority of which would be rental units.
- In the longer term, demographic forecasts predict that Edmundston will need to house its seniors in addition to workers and students.

Barriers to real estate development

The following barriers to real estate development in the Edmundston territory have been identified:

1. Lack of development support
2. High construction costs
3. Limited availability of contractors
4. A unique socio-economic profile requiring a varied approach
5. Discrimination against certain types of tenants

Regional socio-economic profile and housing supply

- Edmundston has an aging population;
- The region anticipates a strong growth of newcomers to fill the many vacant positions;
- Educational institutions have experienced strong growth in recent years, particularly because of their policy of attracting international students. These students are experiencing difficulties in finding housing;
- The rent supplement program and affordable rents are well below market prices. One of the reasons is the significant increase in construction costs and interest rates;
- Considering that the demand exists for housing at these higher rents, developers are targeting this type of construction. The construction of affordable housing creates profitability issues;
- International tenants face significant discrimination issues.

The main observations led to the identification of some regional recommendations

Recommendations



DEVELOP REGIONAL HOUSING LEADERSHIP



PROVIDE SUPPORT TO OWNERS



FOSTER ALTERNATIVE HOUSING PROJECTS



DEVELOP A SPECIFIC STRATEGY FOR NEWCOMERS

Details on the actions to implement are presented in the following pages



DEVELOP REGIONAL HOUSING LEADERSHIP

Actions	Scope
Prioritize real estate development in the three high-potential zones with an approach tailored to the target clientele	●●●
Undertake a complete inventory of land that could be developed for construction on the Edmundston territory and make it available to developers, contractors and the population	●●●
Lobby the New Brunswick government to facilitate access to certain financial assistance programs Example: to make the admission criteria for certain housing-related programs more flexible	●●●
Work with the New Brunswick government to adapt budgets for the Rent Supplement Program	●●●
Initiate discussions with CMHC for a better representation of Edmundston's situation in published data	●●●
Integrate the public transit development plan with measures taken to support real estate development	●●●



PROVIDE SUPPORT TO OWNERS

Actions	Scope
Offer new incentives for owners undertaking renovations to encourage them to maintain their building.	●●●
Offer new incentives to encourage promoters to build housing.	●●●
Coach and support young entrepreneurs in their first real estate projects. For example, through a business mentoring program.	●●●



FOSTER ALTERNATIVE HOUSING PROJECTS

Actions	Scope
Ensure political pressure to improve programs aimed at the creation of cooperative housing and raise awareness of this type of affordable housing.	● ● ●
Adapt land-use regulations to facilitate the development of alternative housing (multifunctional buildings, social housing by and for women, student residences, etc.).	● ● ●
Foster the creation of co-op housing to address the profitability issue of upcoming real estate projects	● ● ●
Involve companies in the creation of rental spaces so that these homes meet the needs of their workers.	● ● ●
Offer land to developers for the development of high potential rental projects that could contribute to improving the quality of the living environment. For example, a rental housing project that integrates social non-profits could be interesting.	● ● ●








DEVELOP A SPECIFIC STRATEGY FOR NEWCOMERS

Actions	Scope
Initiate an awareness program with owners to support inclusion	● ● ●
Create a committee bringing together host organizations, educational institutions and the City to define the specific needs of this clientele	● ● ●
Work with educational institutions to identify specific needs and develop a joint plan for the design of new student housing	● ● ●

Appendices

Study approach

Steps

 01 Project kick-off	 02 Overview of current situation	 03 Housing needs	 04 Observations and recommendations	 05 Report and presentation
<p>Objective: Clarify the assignment goals and identify resource persons.</p> <ul style="list-style-type: none">• Kick-off meeting with the City of Edmundston;• Validation of the proposed approach;• Sharing of available documentation;• Finalization of work plan.	<p>Objective: Prepare an overview of the current housing supply on the territory.</p> <ul style="list-style-type: none">• Collect secondary data to prepare an overview including economic activities, residents and the housing supply;• Main sources: CMHC, Statistics Canada, Service New Brunswick, City's inhouse data, etc.;• First progress report.	<p>Objective: Evaluate housing needs for the City of Edmundston, both currently and until 2045.</p> <ul style="list-style-type: none">• Consultation with the City's stakeholders : over 20 organizations were surveyed through semi-directed interviews;• Secondary data was used to prepare forecasts;• Workshop with the City.	<ul style="list-style-type: none">• Identify housing development barriers and opportunities;• Draw up observations and recommendations.	<p>Objective: Present results and observations.</p> <ul style="list-style-type: none">• Draft preliminary report;• Present preliminary report;• Adjust report based on comments received;• Draft final report and submit to the City of Edmundston.

Forecast assumptions

Forecasts	Assumptions
<p>Single workers and workers with families</p>	<ul style="list-style-type: none"> • Sum of permanent resident admissions for Edmundston (125 in 2021) and LMIA admissions (5 from Q3-2021 to Q2-2022); • Proportion of units: 25% single workers and 75% families; • Each family has four people; • Growth to 2025: 29%, New Brunswick's target growth; • Growth from 2026 to 2030: slowdown in immigration due to jobs being filled, expected change in annual immigration of -5% over this horizon; • Evolution 2031 to 2045: average of 2018 to 2022.
<p>Students</p>	<ul style="list-style-type: none"> • Number of students through 2022 for UMCE and 2024 for CCNB from the educational institutions; • In discussions with stakeholders, the schools have validated their growth intentions and the capacity of the institutions. The expected growth of international students is 5%, while for Canadian students, between 0 and 2%; • The current need for 45 to 50 students in 2022 is also coming from the educational institutions.
<p>Vulnerable persons</p>	<ul style="list-style-type: none"> • The number of individuals and families on the waiting list will remain stable over the next few years; • The evolution of the number of seniors follows the projected growth of the "75 and over" age group.
<p>Additional or freed-up housing to meet demand</p>	<ul style="list-style-type: none"> • Difference between the "25-74" years age group between 2021 and 2031.

Details – Changes in Rent and CPI

Changes in rent based on size in Edmundston and N.B. CPI

Edmundston and N.B., 2002-2021, in \$ for rent, Index base 100 in 2002

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Studios	338	340	333	356	355	356	360	370	397	408	418	383	396	422	419	437
1 bedroom	405	404	411	411	425	439	426	445	457	455	470	464	462	474	473	513
2 bedrooms	444	449	458	468	485	484	498	513	536	533	553	568	571	593	609	631
3 bedrooms and over	457	501	511	536	549	521	566	573	569	558	602	608	629	676	635	699
All apartments	424	430	438	444	461	464	468	484	498	500	521	525	528	550	553	582
N.B. CPI	109.2	111.3	113.2	113.5	115.9	120	122	123	124.8	125.4	128.2	131.2	134	136.3	136.6	141.8
CPI Housing in N.B.	110.4	113.9	118.2	124.6	126.9	132.8	137.3	138.5	141.1	147.9	150.6	148.6	150.6	155.6	159.6	165.1

Sources: CMHC; Statistics Canada; RCGT analysis.



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