

December 19, 2023

Honourable Kelly Regan, MLA  
Chair of the Standing Committee on Public Accounts  
c/o Legislative Committee Office  
Via email: [kim.langille@novascotia.ca](mailto:kim.langille@novascotia.ca)

Received LCO  
December 19, 2023

**Re: November 29<sup>th</sup> Appearance to the Standing Committee on Public Accounts**

Dear Hon. Kelly Regan:

Further to the letter from the Standing Committee on Public Accounts dated December 6, 2023, I am pleased to provide the information requested by the Committee, as follows:

**1. Provide the analysis that more supply will result in lower rents.**

As noted during the appearance before the Committee, the [Provincial Housing Needs Assessment Report](#), which was tabled for the Committee, contains detailed analysis of the variables in Nova Scotia that impact housing prices. More specifically, modelling was completed to identify how prices react to changes in demand, interest rates, and other parameters, in Nova Scotia housing markets. These reactions were used to understand how prices and housing affordability could have developed under alternative scenarios where varying magnitudes of new dwellings had been built. Page 46 of the Provincial Report describes the results of the modelling to assess the strength of the relationship of five different variables (dwelling stock, households, real income, user cost, and lagged housing prices) to housing prices. The model results indicate that the most significant impact on decreasing housing prices is to increase housing supply. The report offers a full explanation of the model and results in section 5 relating to Housing Shortage.

**2. Provide our Committee with a detailed analysis of the value for money that Nova Scotia is getting on those affordable housing investments?**

Since April 1, 2022, we have committed to 17 projects under the Affordable Housing Development Program (AHDP). These projects will deliver 398 new units, of which 292 units will be affordable. The total sum committed is \$29.7M which equates to \$102,000 per new affordable housing unit and the average term of affordability is 28 years.

Honourable Kelly Regan, MLA

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Rents for AHDP units are on average 76% of CMHC's 2022 Average Market Rent (AMR) and 72% of Property Valuation Services Corporation's 2023 (PVSC) AMR for Nova Scotia. The average rent for a 1-bedroom AHDP unit is \$825 (compared with CMHC AMR of \$1,113 and PVSC AMR of \$1,150) and a 2-bedroom AHDP unit is \$950 (compared to CMHC AMR of \$1,355 and PVSC AMR of \$1,340).

The average monthly cost to the taxpayer is \$303 per unit, which represents excellent value in comparison to other programs. AHDP also brings new housing supply to the market, which improves overall affordability.

I sincerely appreciate the Committee's keen interest in this topic and I'm very thankful for your questions. Please do not hesitate to let me know if you require any additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Byron Rafuse', is positioned above the printed name.

Byron Rafuse, FCPA  
Deputy Minister



## Executive Panel on Housing in HRM

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Hon. Kelly Regan, MLA Chair, Standing Committee on Public Accounts  
c/o Legislative Committees Office

Received LCO  
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**VIA EMAIL:** kim.langille@novascotia.ca

Dear MLA Regan:

Thank you for the opportunity to appear before the Standing Committee on Public Accounts with my colleagues to discuss investments in affordable housing programming in Nova Scotia. Please find below our responses to questions raised by the Committee.

- 1. Provide any analysis on the special planning area process compared to HRM's typical process, to see if this is actually making development approvals faster or getting shovels in the ground more quickly?**

The development process is not linear and is very site-specific. This type of analysis is difficult as we cannot compare apples to apples. At the time the Special Planning Areas were designated, analysis completed by HRM estimated that designation could shorten approval times between 3 and 24 months depending on the site. The designation of Indigo Shores in fact shaved 5 years off the time it would have typically taken for final approvals. There are approved development agreements in 6 of the Special Planning Areas, which means construction is either underway or will begin soon.

- 2. How many applications for new special planning areas are currently before the task force?**

There are currently 38 sites which have been submitted by developers to the Executive Panel for consideration to receive Special Planning Area designation. Details related to any sites that are designated Special Planning Areas in the future will be made public. Additional information related to the existing Special Planning Areas can be found here: [Special Planning Areas | Halifax](#).

- 3. Why didn't the Dartmouth Cove project move forward?**

Although planning for Dartmouth Cove began in 2012 in partnership with HRM, the development regimen required to enable medium to high-density mixed-use development did not come into place until 2021 with the adoption of HRM's Centre Plan. To support the increased density that Centre Plan enables, HRM requires upgrades to the street network and municipal services in the area. Build Nova Scotia is closely coordinating with HRM to support the necessary, upgrades to infrastructure over Build Nova Scotia's land to enable development of Dartmouth Cove.

Sincerely,

Vicki Elliott-Lopez, Chair  
Executive Panel on Housing in HRM