

Presentation to All Party committee on CAP

Feb 3, 2020

Madam Chair and members of the committee,

Thank you for the opportunity to present to the committee on the impacts of the CAP on first time homeowners, specifically from the perspective of newcomers to our province.

Immigrant Services Association of NS is one of the largest settlement agencies in Canada and delivers multiple innovative and client focused programs in the areas of settlement, language, employment, business development, community integration, and online services. Last year we served over 9,000 clients. We work with newcomers from a wide variety of backgrounds and our services are flexible and adaptive to many differing work and training, skills, and educational backgrounds. We work with people in regulated professions, tradespeople, entrepreneurs, young adults entering the job market, and have specialized programs that assist in labour market entry including an employment program for racially visible immigrant women from professional backgrounds and a professional drivers training program in partnership with the trucking sector.

Context for newcomers and housing in our province

- Nova Scotia just reached its highest population in 30 years and Canada has the highest growth out of all G7 nations. This population growth is supported by a large increase of immigration to the province of Nova Scotia and specifically Halifax.
- This places pressure on rental and housing markets. For many earners, increases in rental prices and home prices have outpaced their income growth.
- Low income earners including newly arrived immigrants are affected by the province's increasing lack of affordability (Canadian Rental Housing Index, 2019).
- The lowest income quartile spends most of their income on rent. Lack of housing supports has potentially negative consequence for the province's future retention of newcomers.

Retention of immigrants

- The retention of immigrants to NS is complex, with many varying factors. We do know that we want to increase retention of newcomers because of the positive impact on our economy and the return on investment made by government programs and by training and employment supports of employers. Currently our retention rate as a province is about 70%, which is the highest in the Atlantic region, but there is certainly opportunity for improvement. Newcomers, whether arriving through the provincial nominee program, the Atlantic Immigration Pilot or as refugees, will be on track for long term retention if they are able to afford and purchase a home.
- Many immigrants to NS will be first time home-buyers and as such, face many similar challenges of Canadian born residents: saving for a down payment, finding adequate housing for their family needs, and paying property taxes.

- Lack of housing supports has potentially negative consequence for the province's future retention of newcomers. The CAP can adversely affect newcomers from lower income brackets to secure and find adequate housing required due to the large ongoing tax obligation they can face when purchasing a new home.

CAP has complex impact on different immigrants and classes of immigration

- While many newcomers might adversely be affected by the CAP in buying their first home, there are a number of long term first generation immigrants who might be negatively impacted if the CAP lifted quickly or was eliminated altogether
- As such, it is important to balance the needs of first time home buyers and long term residents which would be accomplished through NSFM's proposed CAP phase out over the next 13 years.

Statistics and Figures

Geography in Focus: Immigration and Ethnocultural Diversity for Nova Scotia

<https://www12.statcan.gc.ca/census-recensement/2016/as-sa/fogs-spg/Facts-pr-eng.cfm?LANG=Eng&GK=PR&GC=12&TOPIC=7>

Halifax Index (Population 11-13 | Housing Affordability 46-49)