



**Housing Need and Demand Study for a Neighbourhood in Glace Bay**

**Prepared by  
Cape Breton University Research Team  
for the  
Cape Breton Regional Municipality (CBRM)**

**June 9, 2014**

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The authors would like to thank Alicia Lake, Andrew Boogards, Laura Syms, and Monika Dutt for their assistance

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## **Literature Review of Comparable Housing Initiatives**

### **Introduction**

The purpose of this section is to present and summarise the findings of existing research into housing development projects so that relevant lessons might be appreciated and applied in the specific case of a possible development of no. 2 neighbourhood, Glace Bay. The review acknowledges that specific socio-economic factors play a major role in determining the success or failure of housing development projects in different areas. Following from this acknowledgement, the review focuses its attention on regions of North America that provide the most suitable comparables to Glace Bay in terms of their socio-economic profile.

The review will consider the literature relating to social, economic and environmental aspects of housing development projects. The social, environmental and economic effects of a given activity are the three components of the so-called 'triple bottom line' (Elkington, 2004; Berke et al, 2006). It is now widely recognized and accepted that long-term sustainability is found in achieving a balance between responding to social, environmental and economic concerns and responsibilities (Conejos et al, 2011; Conejos et al, 2012; Falk, 1984; Preservation Green Lab, 2013; Elefante, 2007).

### **Structure**

This review begins by introducing the prominent literature on residential mobility with a view to establishing and detailing the various factors that influence the decision of a household to relocate. The review then moves on to identify and define the nature, causes and extent of shared problems facing areas of North America with unfavorable housing market conditions. In this context, the review considers the literature pertaining to neighborhood blight before moving on to consider the research that has evaluated initiatives aimed at addressing the problem of blight. This section of the review ends by reviewing the literature covering development initiatives based around renovating the existing housing stock in an urban core, rather than new build construction. In conducting this analysis, the review considers literature pertaining to socio-historical, economic and environmental aspects of renovation projects.

### **Residential Mobility**

The success of housing developments depends on many factors, a key one of which is residential mobility. Residential mobility denotes the relocation of one household to another location. The literature shows mixed results for people attempting to move within a region to escape poor neighbourhoods; often, patterns of poverty are replicated in new places as people relocate. The literature distinguishes between inter-urban mobility and intra-urban mobility (Weinberg, 1977). These two categories are distinguished by distance. Whereas inter-urban moves relocate people from one region to another, intra-urban moves occur within a single region (Weinberg, 1977; Quigley and Weinberg, 1977). There are two essential determinants of residential mobility: push factors and pull factors (Bluestone et al, 2008; Coulton et al, 2012; Lawson Clark, 2010). Whereas push factors cause people to leave a residence, pull factors attract inward migration to a region (Bluestone et al, 2008).

The literature discusses multiple factors that determine a move in residence but predominantly tends to focus on economic matters. Unemployment, underemployment, and job dissatisfaction are prominent push factors while employment opportunities serve as significant pull factors in attracting new residents to a redeveloped area (DeVanzo, 1976). Households that have moved on a number of past occasions are more likely to relocate in future compared to sedentary families (DeVanzo, 1976).

Weinberg concludes that employment possibilities are strong drivers of inter-urban migration but adds that individual households often move within a given city without a corresponding change in workplace (1979). Ermisch and Washbrook (2012) identified a positive correlation between a household's residential mobility and housing equity. Speare et al. (1974) identify four common factors in determining household's propensity to relocate within the same urban area:

1. Household characteristics and goals
2. Housing unit characteristics (for example the size of a house)
3. Location characteristics (for example when a change of location would significantly improve quality of life or reduce travel expenses)
4. The household's social ties to the neighbourhood (friends, family, houses of worship, schools, etc.)

Lawson Clark (2010) researched the most prominent push factors forcing households to relocate. The most significant causes included unemployment, difficulty paying housing costs, overcrowding, dissolution of household, denial of housing due to discrimination, criminal history, bad credit, foreclosures, fire and evictions (Lawson Clark, 2010).

In an attempt to establish the effect that distinct government policies have on levels of residential mobility, Caldera Sanchez and Andrews (2011) studied the difference in regulation between 25 Organization for Economic Cooperation and Development (OECD) member states. This study found a positive correlation between higher residential mobility and lower transaction costs, tenant protection provisions, less onerous rent controls, greater access to credit and a more responsive housing supply (Caldera Sanchez and Andrews, 2011). Van Ommeren and Van Leuvensteijn (2005) similarly found higher transaction costs to be positively correlated with lower residential mobility. Other studies confirm that prohibitive moving costs will keep a household in place in spite of push and pull factors (Amundsen, 1985; Weinberg et al, 1981).

Broad consensus exists in the literature that residential mobility is closely related to the local labor market in terms of both pull and push factors. However, there exist significant differences in how individual researchers have categorized this relationship (Blanchflower and Oswald, 2013; Caldera Sanchez and Andrews, 2011; DeVanzo, 1976; Kronenberg and Caree, 2012; Weinberg, 1977; Weinberg, 1979). In an inter-urban residential mobility study, DeVanzo (1976) approached the subject in the context of the match between human resources and the locations where those resources would be most valuable. DeVanzo's study finds that the unemployed are especially responsive to the push from their current place of residence and to the pull factors offered by the lure of prospective employment elsewhere (1976).

In contrast, Weinberg (1977; 1979) established in an intra-urban study that households made their workplace and location of residence choices interdependently. Weinberg identified a probabilistic relationship between decisions about where to work and where to live, identifying an increased probability that a household will move following a change in workplace. Weinberg (1977; 1979) added that a household move increased the likelihood that the household will experience a change in workplace. However, according to the study the relationship was not binary since other factors such as changes in family size were just as likely to increase the probability of a location move (Weinberg, 1979; Kronenberg and Caree, 2012). Meanwhile, age was negatively correlated with residential and workplace mobility for both renters and owners (Weinberg, 1979). Weinberg (1979) and Kronenberg and Caree (2012) agreed that service sector and skilled workers generally have higher levels of residential mobility. Kronenberg and Caree additionally established that higher salaries tended to encourage both residential and workplace mobility (2012).

### **The Problem: Neighborhood Blight and Abandonment in the Comparative Context**

Many industrial cities in North America, including Glace Bay, have suffered from steady economic decline over the recent past (Ryan and Campo, 2012). There is a well-documented and demonstrable pattern of deterioration to the urban residential landscape following the onset of economic decline and it is to the literature documenting this decline that this literature review now turns its attention. Routine maintenance on properties is deferred to the degree that repairs become required. When necessary repairs are not made in a timely manner, abandoned properties quickly deteriorate further and become targets for crime and vandalism. The onset of vandalism and theft in turn intensifies the rate of deterioration of buildings in affected neighbourhoods as blight sets in (Cantell, 2005; Falk, 1984). Those residents that remain in an affected neighbourhood typically suffer from a decline in property values, neighbourhood aesthetics, public safety and public services (Falk, 1984, Hollander, 2010).

Crucially, cities do not shrink in physical size as residents move away from the urban core. Rather, centers become characterized by landscapes of abandoned structures providing a cover for a range of socially undesirable activities (Cantell, 2005; Hollander, 2010; Schilling, 2002), including arson (Thomas et al 2011). As a strategy of adapting to, and coping with, the deteriorating physical environment, residents change their activities and streets become less populated by ordinary citizens as a result (Kelling and Wilson, 1982; Kelling and Coles, 1996). While neighbourhood blight may not lead directly to crime, it helps nurture those conditions where traditional systems of informal social controls become dysfunctional, leaving a vacuum for crime to enter (Gault and Silver, 2008; Kelling and Coles, 1996).

According to the *broken windows theory* first introduced by Kelling and Wilson (1982) and developed by Kelling and Coles (1996), a building that has a single broken window that is left unrepaired will soon have a number of additional broken windows as those responsible for the vandalism feel empowered to engage in the wilful destruction of property (Kelling and Wilson, 1982; Kelling and Cole, 1996). According to the theory, police are required to act swiftly against minor offenders who damage property to help re-establish perceptions of neighbourhood safety (Jacobs, 1961; Lynch, 1960).

The problem of neighbourhood blight has been a longstanding concern in many cities, but perhaps the problem is most evident in the City of Detroit, Michigan and the review now duly turns its attention to compare the situation facing Detroit to that facing the CBRM. The CBRM shares similar socio-economic

trends and problems to Detroit, albeit that on a number of indicators the situation facing Detroit is more severe.

Lying at the heart of the Southeast Michigan metropolitan area, Detroit is historically famous as a manufacturing center, and as the center for the US automotive industry. However, a long period of de-industrialization and suburbanization following World War II significantly altered the structure of the city (Widner, 1986). In the 1950s Detroit boasted the highest median income and highest rate of home ownership of any major American city (Harris, 2009). Between 2000 and 2010 Michigan lost one million jobs, fully one quarter of the jobs that had existed in 2000. There is now only 1 job for every 4 residents in Detroit (City of Detroit, 2012). Between 2000 and 2010, the number of Detroit residents with manufacturing jobs declined by 63 percent from 62,000 to 23,000. Residents with any job fell by 38 percent during the same decade while the unemployment rate rose from 10.3 to 22.8 percent (Sands and Skidmore, 2013). The official unemployment rate in Detroit in April 2013 was 16.0 percent, more than 200 percent the US national unemployment rate average of 7.6 percent. In comparison, unemployment in the CBRM in March 2013 was 18.6 percent, up 1 percent from the month before and likewise over 200 percent the Canadian national average (Statistics Canada, 2013c).

Population loss has been one notable consequence of the loss of the manufacturing employment base in Detroit. From a peak of 1.85 million residents in 1951, the population of Detroit had declined to 713,777 by 2010 (U.S. Census, 2010). Many of those who left Detroit relocated to the city's suburbs, creating what Pallagst and Wiechmann refer to as the 'doughnut effect.' Under this effect, population and economic activity are stronger and more robust in a ring around the city than in the city itself (2005). On a proportional basis population decline in the CBRM has been less severe than the attrition witnessed in Detroit, having declined from 128,000 in 1976 to 97,398 in 2011 (Statistics Canada, 2013c).

Notable trends in housing in Detroit resulting from the decline in population include rising foreclosure rates, falling home and property values, and an excess supply of vacant land relative to demand. The city has an estimated 20 square miles of vacant land, an area equivalent in size to Manhattan, comprising in total 150,000 vacant lots and properties (City of Detroit, 2012). Of these tax delinquent lots, roughly 65 percent are vacant parcels of land and 35 percent are vacant buildings. Eight public landholding entities control 66,000 of these properties.

In 2006 the median house price in Detroit was US \$78,000. This price had declined to US \$60,000 by 2013 (Trulia, 2013). In comparison, the 2013 median house price in the CBRM was slightly higher than Detroit at CA \$86,100 (Canadian Mortgage and Housing Corporation, 2013). The cost of a median house in Detroit in 2013 was 29 percent the US national average house price of US \$206,000 (Trulia, 2013). In comparison, the cost of a median house in the CBRM is 22 percent of the 2013 Canadian national median house price of \$385,000 (Canadian Mortgage and Housing Corporation, 2013). The median price of a house in Detroit in 2013 was 2.4 times the median annual income of a Detroit household. The median price of a house in the CBRM in 2013 was 2.1 times the median income of a Cape Breton household and amongst the lowest of any urban area in Canada (Canadian Mortgage and Housing Corporation, 2013).

## **Responses, Initiatives and Results**

### *Recent initiatives in Detroit*

45,000 parcels of land have been tax foreclosed in Detroit between 2010 and 2012. 79,725 of Detroit's 349,170 housing units are now vacant (City of Detroit, 2012: 272). As detailed above, this oversupply of housing weakens real estate market conditions. The median sales price for houses in Detroit in 2011 was only US \$17,500, adding significantly to the constraints on the range of options regarding what can be done with the land (City of Detroit, 2012: 272). The cost of rehabilitating vacant and abandoned buildings often exceeds the resultant market value. The City of Detroit viewed this situation as an opportunity rather than as a crisis (City of Detroit, 2012: 271). In order to turn the situation around, the city identified the need to transform vacant land into an asset that (i) contributed tax dollars, (ii) produced jobs or (iii) became a public amenity (City of Detroit, 2012: 11). To achieve one or more of these stated objectives for vacant lands, public landholding entities were encouraged to utilise suitable land to foster innovations in use of public open space, urban agriculture, renewable energy projects and to facilitate the building of new infrastructure for the needs of a new generation, including the large scale planting of new trees to clean the city air and to attract new residents (City of Detroit, 2012: 271).

Specific suggestions for the use of lands focused on developing maintenance systems and strategies for disposition and reuse (City of Detroit, 2012: 276). Individual properties can be placed in a public land bank and apportioned into one of the following categories: (i) demolish and consolidate for green reuse or economic growth, (ii) demolish and sell as a side lot to a neighbour, (iii) green reuse (for example a small community maintained park or a community garden), (iv) rehabilitate and sell to a home buyer, (v) sell to a home buyer 'as is', (vi) hold and assemble for large scale reuse, (vii) hold and assemble for future redevelopment with interim green use, (viii) bundle properties to sell to developers for infill development, (ix) use as community open space by a neighbourhood association, (x) identify potential non-development reuse alternatives or (xi) hold and defer the decision (City of Detroit, 2012). The decision of which of these options to choose for any particular plot of land is based upon a transparent set of criteria which include (i) vacancy rates in an area, (ii) suitability for assembly/bundling of lots, (iii) location demand factors and (iv) the presence of adjacent homeowners willing to purchase lots (City of Detroit, 2012: 292). Accompanying these factors, the City of Detroit has taken strict enforcement action against negligent landowners in charge of vacant lots or properties. It is important to note that these initiatives have only been introduced by Detroit in the past 3 years in response to widespread public criticism of its previous policy of selling tax delinquent lots to the highest bidder irrespective of any broader social, economic, environmental or developmental thinking (Dewar, 2006).

### *Addressing vacant buildings*

While it remains too early to evaluate the long term successes of the change in course adopted by Detroit, there exists considerable consensus in the literature that Detroit is heading in the right direction in moving to a more strategic and nuanced system for divesting of vacant lands. A 2010 study by a US public interest law and policy research center identified two approaches that together constituted best practice in how municipalities might best address issues of vacancy and abandonment (Business and Professional People for the Public Interest, 2010). Firstly, a vacant buildings registry was identified as a pre requisite to an effective strategy at dealing with vacancy and abandonment (Business and Professional People for the Public Interest, 2010). Such a registry requires owners to register vacant buildings. Registrants are required to pay a fee to the municipality to initially register a building and at regular intervals thereafter. These fees work to (i) offset the public costs of dealing with problems associated with vacant properties, (ii) offer a financial incentive to encourage owners of vacant properties to return those buildings to

productive use while also (iii) generating a modest revenue stream for the municipality. Registrants are required to provide 24 hour contact information allowing swift communications in the event of a problem occurring on the property (Business and Professional People for the Public Interest, 2010).

Secondly, in those cases where the responsible party cannot be found or else in cases where the owner is unable or unwilling to register a vacant property, a neglected abandoned building could be acquired by the municipality via a land bank initiative. Such acquisition would prevent harm to the surrounding neighborhood and help ensure that, where possible, owners would properly supervise and maintain their buildings. Furthermore, when owners are encouraged to maintain their vacant properties, they have a vested interest in eventually rehabilitating those structures to become an asset rather than a hindrance. The threat of acquisition can thereby help reverse the problem of blight (Business and Professional People for the Public Interest, 2010). The study noted that acquiring properties must always form part of a long term regeneration strategy since it offers success only in the long term, rather than a quick fix solution (Business and Professional People for the Public Interest, 2010).

#### *Demolition, Material Re-use and Partial Demolition*

In certain circumstances, vacant and deteriorated structures are viewed as a liability by governments and communities alike and are ultimately designated for demolition (Fitch, 1982). The scale of demolition in North America can be demonstrated in the fact that 20 million houses, fully 44 percent of the housing stock that existed in the US in 1950 had been demolished by the year 2000 (Mallach, 2011). Residential buildings are constructed from materials which differ significantly in their durability and lifespan. Although it may be financially unrealistic to renovate a particular building, many of the component elements within it may be extracted and reused elsewhere (Gorgoleski, 2008; Fournier and Zimmnicki, 2004; Nordby et al, 2009). Fournier and Zimmnicki (2004) characterize houses as reservoirs of materials that can be deconstructed with care at the end of their useful lives and their remaining salvageable elements recycled wherever possible. Durable materials such as bricks may be able to be reused many times over (Gorgolewski, 2008; Nordby et al, 2009).

The pilot project of *partial deconstruction* operating in the Springwells Village sector of Detroit offers an innovative example of an initiative aiming to re-use suitable materials from damaged properties with the aim of salvaging re-usable materials. Launched in November 2013, the project involved partnering with deconstruction and demolition contractors to eliminate blighted structures in a southwest district of Detroit that suffered from moderate levels of abandonment. Ten abandoned, stripped and fire damaged residential structures used in the pilot project were acquired from the Wayne County Tax Foreclosure Auction. Roof joists, floor joists and load bearing studs were all removed from the properties prior to the initialisation of demolition. Salvaged materials were then processed by the company EcoWorks, who would remove all nails before selling the materials. After the remaining building shells were removed, lots were made available to neighboring lot owners for the cost of the taxes owed, typically around US \$3,000 per parcel. The project is currently being measured to establish the economic and environmental viability of using the partial deconstruction technique and the results are anticipated to be made publicly available later in 2014 (Detroit Works Project, 2013b).

### *Addressing vacant lots*

The neglect of vacant lots, rather than buildings, constitutes a second component of neighbourhood blight and abandonment. While vacant lot owners have the responsibility of securing and maintaining their property, many lots fall below the standards of care required. Overtime, high weeds combined with littering and illegal dumping exacerbates the overall perception of blight in a neighbourhood. The City of Philadelphia has approximately 40,000 vacant lots, 75 percent of which are privately owned (City of Philadelphia, 2014). In response to the problems of blight caused by the neglect of vacant lots, the City of Philadelphia initiated a vacant lot program. To utilise this program, residents call a number to lodge a complaint regarding neglect of a vacant lot. An inspector will be sent to review the lot and if the complaint is verified, violation notices are sent to the property owner who is given 10 days to clean the lot. In the event that the owner complies with the notice, no further action is taken. In the event that the owner does not comply with the notice, a vacant lot abatement crew is dispatched to clean the property within 30 days. Under the scheme, the owner is billed for all associated costs which are placed against the property in the form of a lien if the bill is not promptly paid (City of Philadelphia, 2014).

### *Pre development investigations*

Whenever vacant lots are brought back into use, the literature notes the importance of preliminary site investigations to ascertain the extent and presence of environmental contaminants. Common contaminants include material from long demolished buildings that have not been fully removed, oil and other fuel contamination and other hazardous materials. A geo technical assessment would be required to ascertain the environmental quality and suitability of vacant plots as potential candidates to house new units and to ascertain the extent and cost of remediation required prior to on site construction (Nassauer and Raskin, 2014).

### *Land banks as instruments of revitalisation*

Land banks offer a useful potential instrument through which municipalities can strategically coordinate activities in addressing the challenges facing cities affected by neighborhood blight. The Genesee County Land Bank, Michigan, offers a good example of an urban municipality that has successfully managed the shrinking city syndrome through use of an innovative land banking system. Flint, the county seat and population center for Genesee County, had fortunes that rose and fell with General Motors. The population of the city peaked at 200,000 in 1960 since which time it has declined to a current population of 120,000 (Gillotti and Kildee, 2012). This led to a considerable problem of property abandonment which was compounded by a tax foreclosure system that either sold properties to private speculators or else transferred ownership to the state. Private speculators were often unable to restore vacant properties given the amount of time between abandonment and tax foreclosure which typically took around 5 years.

The Genesee County Land Bank was formed in 2002 charged with the task of finding alternatives to tax foreclosure in reusing tax delinquent properties (Gillotti and Kildee, 2012). Over the last decade, the land bank has developed a suite of potential end uses for properties including demolition, redevelopment projects and environmental cleanup. In 2012, the land bank owned 3,800 properties, 70 percent of which were vacant plots of land (Gillotti and Kildee, 2012). The significant holding costs associated with such

an inventory resulted in the adoption of a greening strategy which aimed to see abandoned buildings and vacant lots transformed from being a nuisance into offering social, economic and environmental opportunities to the local community.

The Genesee County Land Bank obtains its income from the proceeds of the tax foreclosure process and collects half of property taxes for properties resold for 5 years after the transaction (Shingley, 2008). The land bank can then designate use with the best interests of the community in mind. These interests explicitly include social, environmental and cultural uses as well as financial interests. Therefore a more inclusive approach to development planning is facilitated as compared to selling the properties to the highest bidder with no further control over future use (Gillotti and Kildee, 2012). Successful examples of tax delinquent properties being renovated for the future good of the community include the transformation of a former hotel into apartments to be used by students attending the University of Michigan, Flint (Shingley, 2008). Other end use alternatives to a sole model based around selling properties to the highest bidder include (i) tax-foreclosure prevention programs,<sup>1</sup> (ii) a housing program promoting home ownership, (iii) rehabilitating strategically important housing that can stabilise local housing markets, (iv) a rental program for suitable properties that enter the land bank with tenants and (v) demolition for removing unsafe structures (Gillotti and Kildee, 2012).

Under the Genesee County Land Bank system, taxes generated through the redevelopment of tax delinquent properties are cross collateralized to fund demolition and clean-up projects for less valuable land and properties. The land bank works on the simple basis that the taxes captured from more valuable properties supports the re-use of all properties (Gillotti and Kildee, 2012). This system has proved successful in part since the county wide reach of the scheme enables the more diverse and stable real estate markets to support re-use projects in the less desirable urban neighborhoods (Gillotti and Kildee, 2012).

Since between 700 and 1,000 properties enter the land bank in any single year, the Genesee County Land Bank has approximately 4 years' worth (3,800) properties in its current inventories. The City of Flint has not yet been able to eliminate its excess housing stock and until this point is reached, the land bank expects to acquire more properties than it is able to sell, especially with regard to vacant land plots (Gillotti and Kildee, 2012). The land bank is currently exploring possibilities of divesting plots to community groups that could improve, enhance and care for vacant lots (Gillotti and Kildee, 2012). By 2008, the land bank had demolished over 800 buildings, created numerous community gardens and facilitated the consolidation of urban parcels by allowing neighbors to purchase adjacent plots. It should also be noted that the land bank had helped to stabilise the local real estate market and raise property values through undertaking all of these initiatives (Shingley, 2008).

Dewar provides an engaged and analytically rigorous study into the best practice of handling tax reverted properties by reviewing the success of the Cleveland Land Bank. Cleveland introduced a novel land bank approach for expediting the transfer of tax reverted lands including provisions to help clear title (Dewar,

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<sup>1</sup> As an example of an effective tax-foreclosure prevention program highlighted above, Jacksonville, Florida, earmarked US \$250,000 to prevent foreclosures by offering forgivable loans up to \$5,000 to homeowners who could demonstrate that those funds could enable them to maintain mortgage payments. Eligible homeowners were required to attend credit counselling and financial literacy courses as a condition of acceptance into the program (Shingley, 2008).

2006). Successful divestment is a key indicator of the success of a land bank and by 2005, Cleveland's Land Bank had sold over two thirds of the land parcels that it had acquired since it was introduced in the 1970s (Dewar, 2006). Yet the success of the Cleveland Land Bank is not solely a function of sales. Rather, Cleveland was selective and strategic in the parcels that it accepted. The Cleveland Land Bank adopted an integrated and long term vision of re-use for vacant lots than can be summarised in the following 6 points.

Firstly, the Cleveland Land Bank had the clearly stated objective 'to return all non-productive lands to a tax-producing status'. So rather than simply aiming to sell as many parcels as possible to the highest bidder, the focus was instead placed on prioritising sales that allowed new construction or that would lead to further desirable development (Dewar, 2006). Second, the land bank in Cleveland was carefully integrated into a long term development strategy that aimed to enhance the city's fiscal situation. Third, 1988 legislative reforms in Ohio required giving due notice to all persons with a potential claim on tax foreclosure properties. This enabled the Cleveland Land Bank to hold clear and uncontested title to tax-reverted lands. Fourth, Cleveland's Land Bank had an accurate and regularly updated registry of all properties held in its inventory (Dewar, 2006). Fifth, Cleveland had the ability to hold land for strategic redevelopment while developers worked on the feasibility of potential projects. Sixth, Cleveland was flexible and innovative in how it interpreted the statutory requirement to sell land a fair market value. Whereas other municipalities would typically sell parcels to the highest possible bidder (up to \$3,000 or more for a typical residential lot), Cleveland took the position that fair market value equated to between \$1 to \$100 per plot and this low value worked to encourage redevelopment (Dewar, 2006). In Syracuse, New York, the city acquired abandoned homes and would likewise sell them to the private sector or not for profit organisations for a nominal sum on condition that those buildings were restored or replaced (Shingley, 2008).

Of the notable strategic advantages offered by land banks, one key element identified in the literature is the capacity for a public authority to intervene in a failing market and correct over supply problems by reducing that supply through the innovative methods detailed above including transforming plots into gardens or consolidating urban plots by selling vacant parcels to neighboring property owners (Shingley, 2008).

### *Smart decline*

Land banks can play a vital role in a process of smart decline. Smart decline has been proposed in the literature as a possible solution for the shrinking city syndrome. Popper and Popper (2002) define smart decline as 'planning for less-fewer people, fewer buildings, fewer land and uses'. Options include converting vacant land to parkland and recreational space, or by individual homeowners purchasing adjacent lots to reduce housing density (Hollander, 2010).

Youngstown is one city that has prepared for smart decline (Finnerty, 2003). The population of Youngstown has declined from a peak of 116,000 residents in the 1960s to 82,000 today and has likewise seen the disappearance of some 50,000 manufacturing jobs (Finnerty, 2003). Youngstown has attempted to embrace the concept of a shrinking city and turn the syndrome to its advantage by managing the decline, rather than attempting to reverse it. The vision provided by Youngstown is encapsulated in a 4 point platform that provides a community based agenda for the future. The first platform required

acknowledging the reality that Youngstown is a smaller city because of the loss of its industrial base. The second platform seeks to redefine Youngstown's role in the new regional economy by diversifying the local economy and encouraging growth sectors. In the case of Youngstown these growth sectors were identified to comprise health care, arts and a vibrant University. The third platform involved Youngstown improving its image and the quality of life of its residents. Here, the focus was placed on addressing issues of public safety and dereliction through supporting initiatives aimed at improving neighbourhoods, the downtown core and the education system. The fourth platform involved mobilising social capital to foster public excitement and involvement in the visioning process (Finnerty, 2003).

## **Renovations**

Interventionist development projects require deciding whether to engage in new build construction, restoring existing structures, or else adopt a mixture of both. This following section reviews the literature which covers initiatives aimed at reversing neighbourhood blight through an approach of renovating existing buildings. This analysis incorporates a review of cultural, economic and environmental aspects of renovation as covered in the literature.

Renovating existing structures helps to focus development efforts back onto the center of conurbations, rather than to the margins and suburbs. Renovation efforts are therefore presented in the literature as a potential component aspect of a wider, regional development strategy of maintaining core density (Schilling, 2002; Conejos et al 2011). Through undertaking an historical analysis, Bullen and Love (2011) established three primary criteria that developers take into account during the renovation process. These criteria consist of the amount of capital investment required, asset condition and value, and applicable regulation. However, they noted that in recent years, more emphasis has been placed on the 'triple bottom line' of the project under consideration. The triple bottom line consists of the economic, social, and environmental ramifications of a project (Elkington, 2004; Bullen and Love, 2011; Savitz, 2006).

### *Historical Preservation*

Residential properties can be said to possess intangible as well as monetary value. Such intangible value relates to culture, heritage and social history. The existence of older structures enriches a community with a visual link to the past and provides a reminder of a common culture and shared history. The preservation of an historic building may be incidental to the aims of many developers, but regardless of the values of those engaged in the project, these buildings still contribute social capital to their neighbourhoods through their historical importance, their part in creating a community identity, and their role in attracting visitors and investment (Garrod et al, 1996; Shipley et al, 2006).

Fitch details how historic architecture can be preserved through restoring a building's exterior appearance while the interior is rearranged to suit a new tenant or purpose (2001). One successful contemporary historical preservation and restoration project in the CBRM is the Liscombe House project. Liscombe house was built circa 1870 in the North End of Sydney. In 2011 the *Sydney Architectural Conservation Society* purchased the historic but dilapidated, vandalised and vacant property for \$25,000 and conducted modest renovations that were required at the time to stabilise the property. The organisation then sold the property in 2012 for \$70,000 to an interested developer who completed the renovations (Erickson, 2013). The property generated \$33,331.60 profit for a revolving fund for the *Sydney Architectural Conservation Society* who invested the proceeds in repairing the next suitable property. Liscombe House was

transformed from a rapidly deteriorating building into a renovated property with considerable historic value that offered tenants housing in a much sought after area of Sydney (Erickson, 2013).

In a research study evaluating and detailing the positive financial impact of the intervention, Erickson (2013) notes numerous achievements. Firstly, rescuing a run-down property helped in the fight for neighbourhood safety through deterring drug use and vandalism on the property. Secondly, the intervention generated a valuable community asset through rescuing a property with historic and cultural significance to Sydney and offering a visual attraction to tourists. Thirdly, the restoration project generated income for local trades people employed to conduct the renovations. The property developer who purchased the building from the *Sydney Architectural Conservation Society* invested over \$210,000 in labor and materials in completing the restoration project (Erickson, 2013). Finally, the renovation project helped support neighbouring property values and provided additional property tax revenue to the municipality by substantially increasing the value of the subject property (Erickson, 2013).

Renovations undertaken by the Winnipeg Housing Rehabilitation Corporation also provides an example of how renovation projects can help provide necessary revitalization to at-need areas. The purpose of this corporation, which was established in 1978 by the City of Winnipeg, was to create affordable housing options through the taking over or purchasing of derelict buildings. This corporation further encouraged the established of a number of neighbourhood corporations, one of which was the North End Housing Project which is described in detail in a study by Lawrence Deane (Deane, 2006). The North End has long been an area suffering from crime and poverty and in need of revitalization to their derelict properties. This project, through work with the CMHC and the local credit unions was able to establish rent-to-own housing options that provided residents, even low-income individuals the ability to own their own home. Out of this also came the creation of a number of socially-minded organizations which focused on providing addiction services, training programs, and crime-prevention, among others. By highlighting this example, Deane attempts to prove that by creating micro-economies, where new neighbourhood enterprises feed off the original objective of fixing derelict homes, the bleeding of local resources can be stopped and the total value of outputs is greater than the aggregate value of inputs (Deane, 2006).

While no. 2 neighborhood does not contain houses identical to Liscombe House, this case study demonstrates the potential success that can be achieved through a carefully selected renovation project while simultaneously providing a financial viable example of how a renovation and re-use model might be successfully applied.

### *Economic Implications of Renovation*

Existing research studies juxtaposing the financial viability of renovation versus new build construction are limited in number and tend to focus on a small cluster of case studies rather than offering a broader meta-analysis. Unfortunately, the fact that financial data relating to renovation and new build projects is proprietary constitutes a structural barrier preventing systematic collection and analysis of such data (Shiple et al, 2006).

Renovation projects vary widely in both cost and scale making generalizations on economic implications and financial viability difficult. Whereas both the timeframe and cost of new build projects can be relatively accurately estimated in the planning stages, case studies on renovating existing structures

demonstrate that costs vary between offering substantial efficiencies compared to new build to far exceeding new build costs. Ultimate renovation costs depend upon a broad spectrum of variables including time delays, initial purchase price, holding cost and renovation costs.

While the literature offers broad consensus on the environmental and social advantages of renovation relative to new build construction, researchers are more nuanced in drawing conclusions based on a logistical and budgetary perspective. Locating skilled trades people to undertake the required renovations can be both problematic and costly. Renovation projects invariably encounter unexpected expenses, delays and additional work requirements that only become apparent once the project is underway and previously unknown defects in structure or the electrical and plumbing mechanics of a structure is discovered (Shiple et al, 2006). Renovating older houses also raises the potential costly discovery of toxic environmental contaminants such as asbestos pipe wrap, asbestos flooring tiles, lead paints and vermiculite insulation (Campbell, 1996).

Bullen and Love (2011) researched the most common obstacles facing renovation projects and identified the following eight factors: (i) the poor condition of external fabric and finishes, (ii) the low quality of initial construction and/or previously attempted renovations that lacked in quality and/or durability, (iii) the cost of required repairs and upgrades, (iv) difficulties and costs in complying with health and safety requirements, (v) the logistical complexities and changing nature of working with existing structures in terms of discovering new problems after the start of projects, (vi) updating building layout and finally (viii) the availability of skilled trades people.

Campbell (1996) estimates that the complete financial cost of renovating a building is likely to be on average 16 percent less than the cost of a new build construction. This figure is derived from an average cost per square foot, and does not seek to predict the cost outcomes for a specific project. In contrast, Ellison et al (2007) concluded that the cost incurred through a renovation is on average ten percent higher than an equivalent new construction. The significant divergence in cost findings resulting from both studies is explained by the different variables involved in different renovation projects. Good candidates for structural renovations require only modest improvements, repairs and updates and can therefore offer significant cost savings relative to new build construction. This finding could be especially true in a locality such as Glace Bay which is characterized by a relatively low purchase cost of land and buildings and where most of the development costs are instead derived from materials and labor. However, for the same reason structures requiring major renovations should be identified as very poor candidates for restoration in Glace Bay because of the anticipated high cost of renovating such buildings.

Rypkema (1992) identifies the need to demolish an existing structure as being a key variable in establishing the financial viability of a renovation project. While site specific factors are acknowledged to constitute significant factors in determining the cost of a project, Rypkema notes that instances involving demolition of an existing structure will have on average costs between 3 to 16 percent higher than a renovation project (Rypkema, 1992).

A study conducted by De Sousa et al (2009) investigated the effect of brownfield redevelopment on the property values of surrounding residencies in Minneapolis, Minnesota and Milwaukee, Wisconsin. This project discovered that, on average, neighboring properties benefitted from an increase in value of 11.4 percent in Milwaukee, and a 2.7 percent increase in Minneapolis as result of the brownfield

redevelopment. The distinction in property value increase between the two areas was explained in terms of the prevalence of brownfield sites in Minneapolis. The existence of brownfield sites in Milwaukee was perceived as less socially acceptable than were brownfield sites in Minneapolis, resulting in a larger net gain in property values from the redevelopment of those sites in Milwaukee (De Sousa et al, 2009).

One of the most significant economic benefits of housing development lies in job creation. Since home renovations tend to be more labor intensive than new build projects, the literature is in agreement that renovation projects give proportionately more of a stimulus to the local labor market than would new construction. While 50 percent of the cost of a new build construction is spent on labor, this proportion increases to between 60 and 70 percent in the case of a renovation project (Historic Tax Credit Coalition, 2011; Rypkema, 2008).

The literature also suggests that renovating buildings has a powerful multiplier effect. In a Western European based study, property renovations were found to create 16.5 percent more new jobs than new construction projects and each job created led to four times more indirect jobs than a comparable investment in the manufacturing sector for example (Rypkema, 2008).

#### *Environmental Considerations*

In line with the trend towards enhancing the prominence of environmental considerations in recent years, the benefits of renovating existing houses rather than constructing new buildings has achieved increasing attention and appreciation in the literature (Camocini and Rebaglio, 2012). Researchers agree that when compared with new build projects, renovation projects reduce the impact of development projects on the environment. (Falk, 1984; Lord Montagu, 1981; Conejos et al, 2011; Camocini and Rebaglio, 2012; Bullen and Love, 2011). Elefante (2007) succinctly summarises that 'the greenest building is one that is already built'. Renovating buildings requires less energy and materials than comparable new construction and produces less waste materials (Conejos et al, 2011).

Construction and demolition waste produces a high proportion of total waste generated each year. Studies tend to be focused on the US rather than Canada, but indicative studies from the US suggest that between 33 percent and 40 percent of total waste is derived from construction and demolition activities. Demolition waste therefore amounts to an annual total of 160 million tonnes of solid waste in the US (EPA, 2008; Fernandez, 2003; Saleh, 2009; United States Green Building Council, 2003). An estimated 8 percent of the construction waste generated during the lifespan of a residential structure is generated during the initial construction phase. An additional 44 percent of waste will be generated during the remaining lifespan of the building (Saleh, 2009). The remaining 48 percent of construction waste generated during the entire lifespan of a structure will be produced by its demolition (Yung and Chan, 2011; Saleh, 2009). In much of the industrialized world, especially in North America, it is generally accepted that the normal fate of a building is for it to be demolished, with the waste going to a landfill (Fernandez, 2003). The literature is therefore clear that, to the extent that demolition of building can be postponed or else avoided, the environmental benefits are evident.

Due to the amount of materials required in the process, the construction of a new, energy efficient residence causes a considerable amount of carbon emissions (Preservation Green Lab, 2013). One study established that construction of a new energy efficient building would require 32 years of operational use

to recoup the amount of carbon emissions generated in its creation (Preservation Green Lab, 2013). Investing in insulating existing buildings may offer a more effective method than new build in terms of achieving improvements in energy efficiency in the residential sector (Conejos et al, 2012; Reed et al, 2011). A study based in Portland, Oregon established that if every house and commercial structure that was to be demolished in the period 2013-2023 was renovated instead, total energy savings for the entire city would be in the region of 4-46 percent. Through material, transportation, and energy savings the city would reduce its overall carbon emissions by 231,000 metric tonnes if it were to retrofit existing structures rather than demolish and build new units (Preservation Green Lab, 2013).

### **Literature Review Conclusion**

The literature establishes that awareness of residential mobility is helpful in terms of appreciating the potential for a successful housing development project. To this end this section of the review summarised the main findings of the literature that studied residential mobility. Certainly mobility is required in order to successfully attract new residents to an area. Yet the literature also cautions that excessive residential mobility can have destabilizing consequences for a location if residents leave and are not replaced.

Next, this section considered the literature investigating the structural problems that have resulted in unfavourable housing market conditions in comparable regions of North America. The focus was placed on literature considering the nature, causes and extent of problems facing municipalities that share similar socio-economic conditions, challenges and problems that confront the housing market in Glace Bay. The review considered the literature pertaining to neighborhood blight and juxtaposed the metrics facing the housing market in Detroit with the housing market in the CBRM. This set the scene for the following part of the review which examined initiatives aimed at addressing neighbourhood blight in other areas of North America. A large portion of this section focused attention on how Cleveland, Genesee County and Detroit have addressed the issue of abandonment through innovative and strategic interventions.

Land banks were found to both broaden the options available for dealing with vacant property as well as facilitating public authorities to implement strategic, long term solutions to the problem of neighbourhood blight. Rather than simply responding to the problem of tax delinquent properties by selling properties to the highest bidder, land banks allow municipalities to consider a suite of options for any particular property, ranging from demolition to consolidation, from green re-use to selling the property as a side lot to a neighbour, from rehabilitation to hold and assemble for large scale reuse projects. The final decision regarding designation and disposition of any particular tax delinquent property can be made in response to a range of factors including location demand factors, vacancy rates in the area, the suitability of a property for bundling or consolidation and the presence of adjacent homeowners willing to purchase lots.

In its final subject of analysis, this section of the review considered the literature evaluating the social, economic and environmental aspects of those housing development projects that were based around renovating the existing housing stock in an urban core, rather than based on new build construction. Renovating older buildings, particularly those found in the central cores was found to be an effective part of a broader strategy to help reverse conditions leading to blight by reintegrating vacant buildings into productive use. Renovations simultaneously help to maintain cultural heritage by restoring examples of old architectural styles.

The literature notes that planning renovation projects can be more complex than building from new by virtue of the substantial differences evident between different renovation projects in terms of purpose, scale, and escalation of work. This complexity presents a fundamental challenge to researchers aiming to establish best practices and to establish general conclusions relating to the overall financial viability of renovation projects. It is agreed that substantial research and investigation should be invested before a particular property can be positively identified as a suitable candidate for renovation. The purpose of the investigation should be to exclude properties that would cost more to purchase and renovate than the equivalent property would cost to build from new. Where a property can be purchased and renovated for a lesser cost than an equivalent new build, the renovation project was found in the literature to offer a range of economic benefits, including higher employment opportunities for local trades people and a significant multiplier effect to the local economy. These benefits would be in addition to the cost savings made by the developer in restoring an existing property rather than building from new. The literature is clear on the social and environmental benefits offered to a community through renovating rather than new build construction projects and these benefits have been detailed above.

## **Research Methods**

A variety of data collection methods were used to develop a comprehensive understanding of the need and demand for affordable housing in the area of Glace Bay, Nova Scotia commonly referred to as 'No. 2'. This area is identified as including all properties from 1<sup>st</sup>-11<sup>th</sup> Streets boarded by West Avenue and Centre Avenue. The number '2' is the name of the former coal mine in identified area. This need and demand study utilizes research strategies similar to those employed in other jurisdictions. The methods used to collect data included conducting door-to-door surveys with residents, interviewing community stakeholders, interviewing key informants (housing developer, real estate agents) and collecting secondary data from Statistics Canada, Cape Breton Regional Municipality, Cape Breton Victoria Regional School Board and other sources. The following section provides detailed information on the methods used. Prior to data collection approval was obtained from the Research Ethics Board at Cape Breton University. Refer to Appendix A for data collection instruments.

### **Residents**

Door-to-door surveys were conducted with residents within the parameters of the identified neighbourhood (1<sup>st</sup>-11<sup>th</sup> streets boarded by West Avenue and Centre Avenues). Surveys included a mixture of open-ended, demographic and Likert-style questions. Researchers attempted to reach each household in the target area (approximately 175 households). Participants were offered a small gift certificate (\$5) for the local convenience store to encourage participation. Those homes appearing to be vacant were not approached. The surveys were conducted in the month of February 2014. Initial contact was made with all households over a three day period. On the fourth day, researchers made a second attempt to reach possible participants that had not been 'at home' on the initial visit.

As a result, researchers made contact with 72 potential survey respondents. Of the 72, 47 individuals agreed to participate in the research. This resulted in a response rate of 65% and participation of 27% of households in No. 2.

A number of homes in the area were noted to have had significant increased property values over the 2009-2013 period (these houses were identified by an analysis of tax reports gained from the CBRM that showed increases of property values over the years). A second set of door-to-door interviews were conducted with the residents of these identified properties. This was an attempt to understand the motivations of those who have re-built or undertaken considerable upgrades within the last ten years. Of the six houses within the desired parameters, interviews were conducted with occupants in two of these homes. These interviews provided pertinent information about why these residents chose to invest in the area; how they feel about their decision and any recommendations they have for individuals choosing to build within the neighbourhood.

### **Community Stakeholders and Key Informants**

To gain an understanding of the neighbourhood and its housing market a number of community stakeholders and key informants were interviewed. This included individuals from community-based organizations, real estate agents, insurance agents, local credit unions, housing developers and organizations that have a housing-related focus. Interviews were conducted between February and April 2014.

### *Community-Based Organizations*

Representatives of three community-based organizations within Glace Bay were interviewed. The organizations included Glace Bay Citizens Service League (Town House), Town Day Care, and Centre for Adults in Progressive Employment (CAPE). These organizations were chosen because they are three community-based organizations within Glace Bay and they all serve a different market within the community. Town House offers a variety of programs for the community such as meals on wheels, a nursery school, a clothing depot and programs for seniors, reaching a wide range of community members. Town Day Care, which is located within the No.2 neighbourhood, offers day care services and after-school programs for children within the Glace Bay area. CAPE focuses on linking individuals with disabilities to the community through education and skills-building programs. Interviewing organizations that reach a variety of segments of the population helped to ensure that important demographics were not being excluded from the study. Face to face interviews were conducted. The interviews ranged from 30-45 minutes each.

### *Real Estate Agents*

Interviews were conducted with three real estate agents. Each interviewee had experience with the Glace Bay market. Each interviewee represented a different firm. All three participated through telephone interviews, as this was the method most convenient for them. Interviews lasted approximately 30 minutes each and provided pertinent information about the housing market in Glace Bay overall and within the No.2 neighbourhood specifically.

### *Insurance Agents*

Telephone interviews were conducted with two insurance agents serving the Glace Bay market. Each interview lasted approximately 20 minutes and provided information about the home insurance market as well as information regarding specific insurance regulations and policies.

### *Credit Unions*

Two interviews were conducted with representatives from the two credit union branches in Glace Bay: Central Credit Union and Coady Credit Union. These interviews provided information about the opportunities and main barriers to homeownership for low-income individuals and the role that the credit union could play in helping individuals overcome specific barriers. Each face-to-face interview lasted approximately 25 minutes.

### *Housing Developer*

One telephone interview was conducted with a local housing developer who has built 16 newly constructed units in the No. 2 area. This interview provided necessary insight into the extent of interest in building within this neighbourhood, the reasons behind the build, the level of demand in the area as well as any challenges faced throughout the planning, financing and construction process.

### *Housing Organizations*

Four face-to-face interviews were conducted with representatives of CBRM organizations with a focus on housing-related initiatives. Interviews ranged from 40 – 65 minutes. These organizations included the Seton Foundation, Supported Housing for Individuals with Mental Illness (SHIMI), New Dawn and the Cape Breton Island Housing Authority (CBIHA). These specific organizations were chosen because of their role in and experience with developing and undertaking housing initiatives within the community.

The interview with the Seton Foundation included questions regarding the current demand for new build units within the CBRM, Glace Bay and No. 2 in particular; a specific profile of buyers; challenges faced by individuals attempting to access decent affordable housing in the rental and sale markets; as well as information regarding the role that the Seton Foundation plays and has played in housing developments throughout the years.

The interview with the representative of the SHIMI project was conducted to gain a further understanding of the challenges faced by the clients of the organization when attempting to secure affordable rental or homeownership options. Information was also gained about their future plans for renovations or purchasing of units as well as their approach to community integration for individuals with mental illness.

The New Dawn interviewee was asked the same questions as the Seton Foundation, i.e. the demand for new build units; profile of buyers and challenges faced by low-income individuals, and was also asked additional questions regarding the housing market in the area. Specific questions about New Dawn's rental units and challenges and opportunities existing within the market were also addressed.

The interview with a CBIHA representative was conducted by speaker phone. This interview focused on identifying the number and type of social housing units currently in operation; the demand for new units; the challenges faced by clients trying to find or buy affordable housing; and the numbers on the current waiting list. The specific regulations and policies of CBIHA were also addressed in this interview.

## **Secondary Data**

The use of secondary data was also an important component of the study. Data from Statistics Canada provided a socio-economic profile of residents in the No. 2 neighbourhood as well as information on the housing stock and economic trends. Variables presented include the age of residents; household composition and household size; household income; and the age, condition and affordability of housing. Comparisons between the profiles of No. 2 neighbourhood and Glace Bay have also been made in an effort to trends and characteristics of No. 2 neighbourhood. Data from the 2006 Census of Population, the 2011 Census of Population and the 2011 National Household Survey are presented in this report. Older data (2006 or earlier) as well as recent estimates are provided where 2011 data was unavailable at the neighbourhood level.

Data obtained from the Cape Breton Victoria Regional School Board and the CBRM included information on land area, Property Identification Number (PID), annual property values (both market assessed and capped assessed value) for the periods 2009-2013, as well as current property tax values for No. 2.

## Research Findings

### Demographics

#### *Population and Mobility*

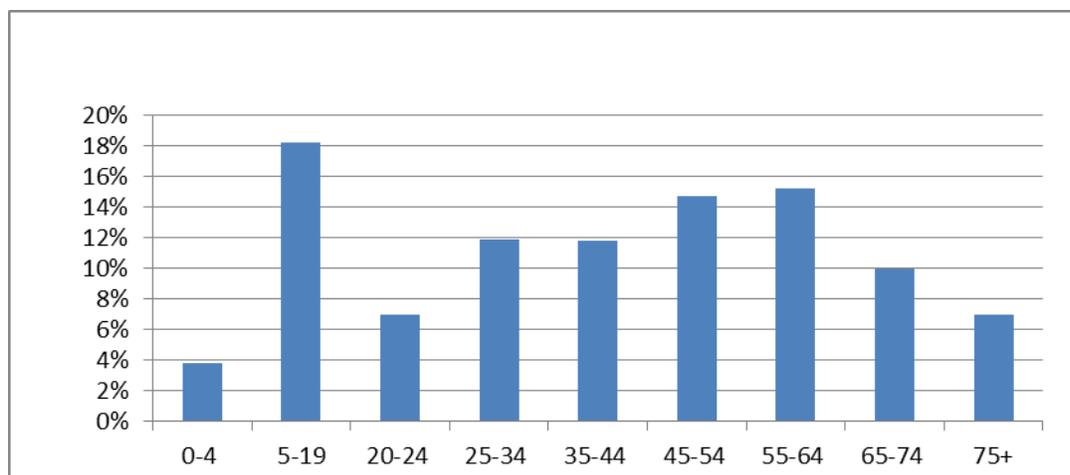
The population of the No. 2 neighbourhood was 565 in 2006 and was estimated to be 431 in 2013. Ninety two percent (92%) of the 2006 population was born in Nova Scotia while 7% of the population was born in other Canadian provinces or territories (Statistics Canada, 2006). Five hundred and eleven (511) individuals (91%) had the same address in 2006 as they did in 2005, while 403 residents (72%) had the same address in 2006 as they had in 2001 (Statistics Canada, 2006). Of the 133 residents who moved into No. 2 neighbourhood between 2001 and 2006, 90 had moved from elsewhere in the CBRM, 6 had moved from inside Nova Scotia but outside the CBRM, while the remaining 37 had moved from another Canadian province or territory (Statistics Canada, 2006).

The neighbourhood population is projected to continue on a downward trend, resulting in a projected decline to 417 residents by 2016, 406 residents by 2018 and 391 residents by 2023 (Statistics Canada, 2013a). This trend of a declining *population* mirrors the declining numbers of *households* in No. 2 neighbourhood: Statistics Canada estimates that the number of households in No. 2 neighbourhood fell from 195 in 2008 to 176 in 2013, and anticipates a further decline to 174 households by 2016, 171 households by 2018 and to 166 households by 2023. These figures constitute fully twice the rate of decline compared to Glace Bay as a whole (Statistics Canada, 2013a; 2013b).

In 2013, the median age in the No.2 neighbourhood was 42.7 years. Figure 1 identifies the age of residents using a frequency distribution.

Based on 2013 data, there are 123 families in No. 2 broken down as follows: 30% not having children at home, 31% having children at home and 39% representing lone-parent families (Statistics Canada, 2013a). Lone parent families are more common in No. 2 neighbourhood than in neighbouring parts of the area; in Glace Bay overall, lone parent families constitute only 28% of total multiple person households (Statistics Canada, 2013a; 2013b).

*Figure 1: Residents in the No. 2 neighbourhood by age*

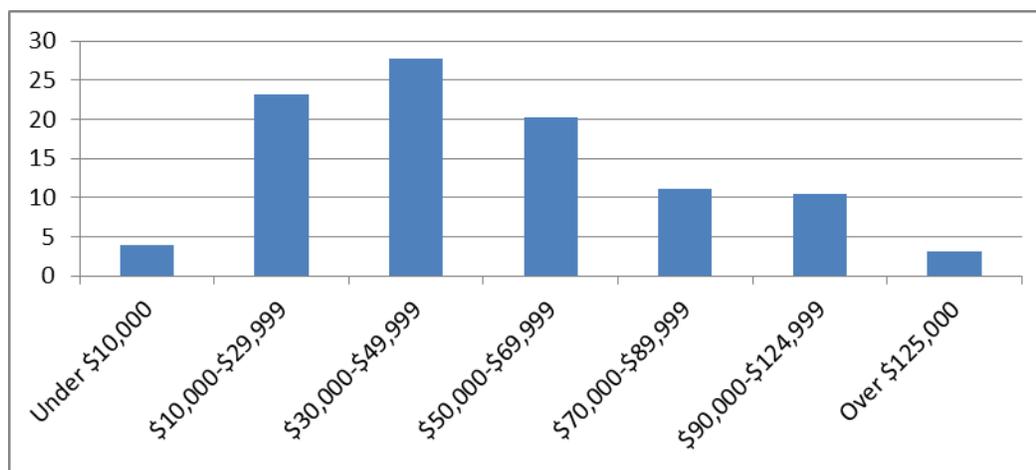


### *Income, Education and Employment*

Statistics Canada identifies that the average, before-tax, household income in 2013 for the No. 2 neighbourhood was \$52,857, with the median income amounting to \$46,356 (see figure 2 for a distribution of overall income). Household income levels amongst households located in No. 2 neighbourhood are around 10% less than comparable income levels for households located elsewhere in Glace Bay (Statistics Canada, 2013a; 2013b). Fifty two percent of total household income in No. 2 is derived from employment sources while 36.4 percent of household income is obtained from government transfer payments. The remainder of household income is derived from other, non-specified sources (Statistics Canada, 2006).

Of the 367 residents that are aged 15 and over and eligible to be part of the labour force, 51% are employed, the majority of whom (29%) are working in sales and services. Business finance and administration and trade, transport and equipment operators are the next most populous occupations, each accounting for approximately 18% of the labour force occupations (Statistics Canada, 2013a). In terms of education, of the 367 individuals 15 and over, 39% have no certificate, diploma or degree, 24% have a high school certificate or equivalent, 11% have a trade or apprenticeship certificate, 17% have a college or other non-university certificate or diploma and 8% have a university certificate or degree (Statistics Canada, 2013a).

Figure 2: Income distribution within the No. 2 neighbourhood



### Survey Participant Demographics

As far as a profile of participants in this survey, roughly 15% were between the ages 25 to 34, 24% were between the ages of 35 to 44, 17% were between the ages of 55 to 64 and 23.5% were between the ages 65 to 74. The remaining respondents fell into the following age brackets: 20 to 24 years of age (2%), 45 to 54 years of age (8.5%) and 75 years or older (10%).

Fifty-seven percent of respondents were female. In terms of job status, 36% were retired, 32% were working full-time, 4% were working part-time, 23% were working at home and 4% were students.

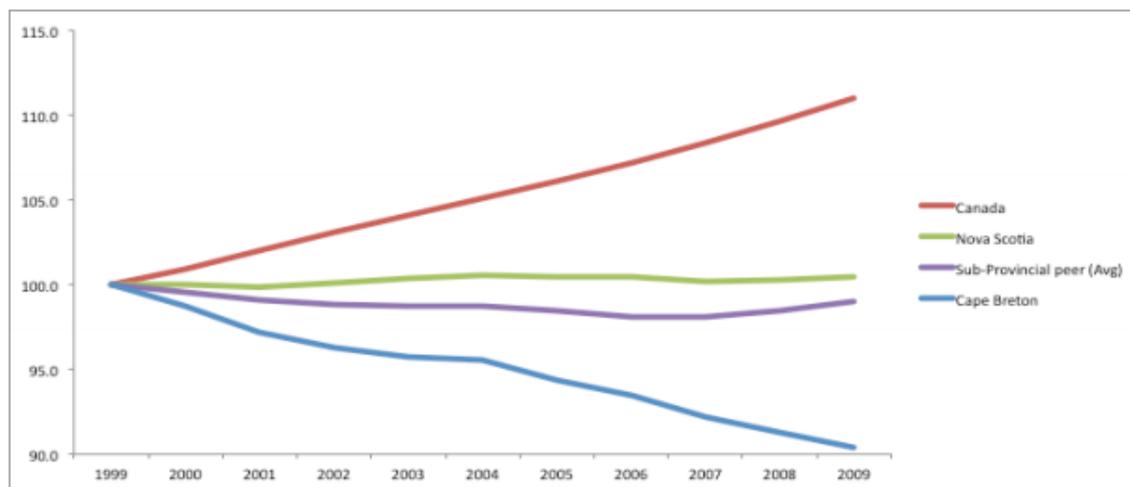
Approximately 34% of respondents were living alone, 13% reported being a single parent, 13% were married or living common law with children, 13% were living in a multi-generational household and 28% reported being married or living with a partner with no children at home.

Thirty-six respondents provided data on household income. The most common income category mentioned (28%) was \$10,000-\$19,999, followed by both \$20,000-\$29,999 (19%) and \$40,000-\$49,999 (19%).

### Economic Trends

The No.2 neighbourhood, as well as Glace Bay and Cape Breton as a whole, has been facing difficult economic challenges leading to a lack of jobs and a declining population. As reported earlier in this study, the 2006 population in the No. 2 neighbourhood was 565, decreasing to 431 in 2013 and projected to decline even further to 406 and 391 by 2018 and 2023, respectively (Statistics Canada, 2013a). This declining trend is evident within Glace Bay and throughout Cape Breton, with Glace Bay having a 2011 population of 15,487, a decline of 9% from the 2001 population (Statistics Canada, 2013b) and the CBRM having a 2011 population of 97,389, which is 8% lower than in 2001 (CBRM Vital Signs Report, 2013). The population of Cape Breton, as shown in the graph below, is significantly lower and in a more drastic state of decline in comparison to Nova Scotia and Canada as a whole (Cape Breton Partnership, 2011).

Graph 1: Population Change 1999-2009



Source: Cape Breton Partnership, 2011

According to 2006 data from Statistics Canada, the No. 2 neighbourhood had a labour force participation rate (those 15 and over) of 51%, with an employment-population ratio of 41% and an unemployment rate of 17% (Statistics Canada, 2013a). In 2011, the employment rate for Glace Bay residents aged 15 and over was 43% with an unemployment rate of 14% (Statistics Canada, 2013b). As of 2012, the employment rate in the CBRM was 47.8%. Although this is up from the 2000 rate of 40%, it is still significantly lower than that in Nova Scotia (58%) and Canada (62%) (Vital Signs Report, 2013). The 2012 unemployment rate for the CBRM was 14% which was also significantly higher than the rate in Nova Scotia (9%) and double that of the rate in Canada (7.2%) (Vital Signs Report, 2013). The relatively weak economic performance of the Province well as Nova Scotia's aging population have also been identified in the Ivany Report (The Nova Scotia Commission on Building Our New Economy, 2014).

### Community Assets

A scan by the researchers shows that the area has an elementary school (John Bernard Croak (JBC) Elementary, a newly built child care centre (Town Day Care), Victoria Haven Nursing Home and a few local businesses.

According to the Cape Breton Victoria Regional School Board's 2013 Looking Inward Report, John Bernard Croak Memorial School was built in 1974 with 36,900 square feet of space and a capacity for 325 students. As of the 2012-2013 school year, JBC had 179 students which was estimated to increase to 186 students for the 2013-2014 school year, 190 students for the 2014-2015 school year then remain at 186 students from 2015-2018 (CBVRSB Looking Inward Report, 2013). In addition, JBC has been identified as an aging building that is in need of a number of upgrades to their ventilation system, washrooms, grounds and roofing as identified by a faculty review completed in 2010 (CBVRSB Looking Inward Report, 2013). While no decisions have been made, the Looking Inward process will likely result in a change in the organization of the Glace Bay family of schools.

The Town Day Care centre has been located in the No. 2 area since 1978 and has been in a newly constructed building for the last six years. This facility is licensed for 94 children and currently has approximately 85 children attending from throughout the Glace Bay area, including 70 eighteen month to five year olds and 15 school-aged children. The majority of the school-aged children are students of JBC who can attend during the morning, lunch time and after school. The centre operates from 7:30am until 5:30pm.

Local businesses in the area include Aberdeen Convenience Store, Vernon's Pizza Shop, Vespers by the Sea Bed and Breakfast, Fitzgerald's Automotive Repair, The Radio Club and Ring 73 which is an amateur boxing club and fitness centre. The Hub Club is an additional building in the area that is used for activities and events.

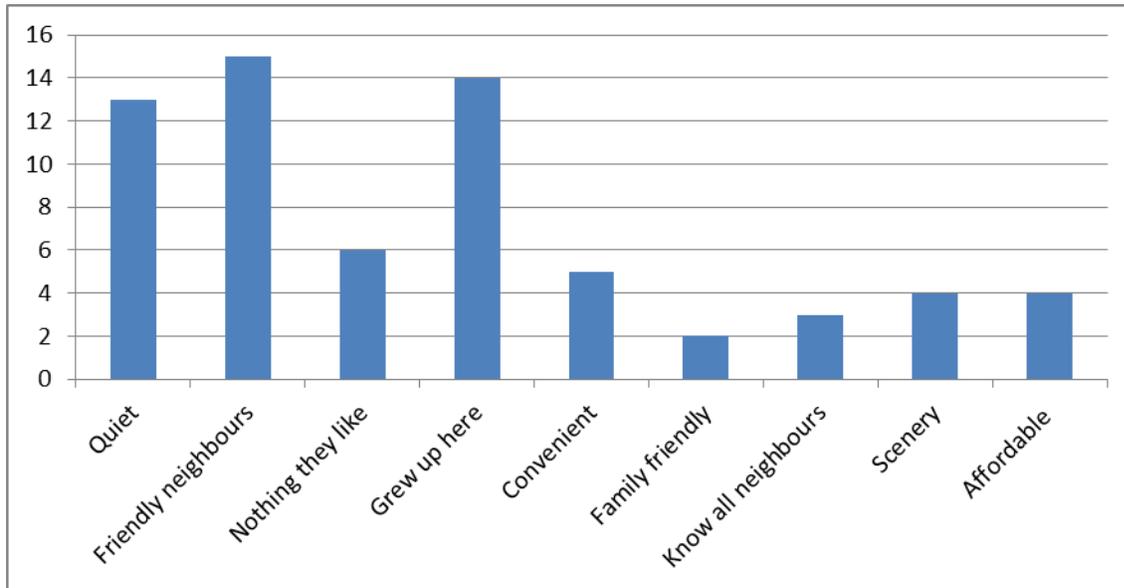
Warden United Church is also located in the neighbourhood. The Catholic Church (St. John's Parish) has closed and the building is not currently being used for other purposes.

The neighbourhood also has access to the local bus transit route as part of route three that stops at First Street and on Connaught Avenue from Monday to Friday at 8:05, 9:05, 12:05, 1:05, 4:05 and 5:05. There is not, however, any access to public transportation in the evenings or on weekends.

In addition, the area also has a rugby and baseball field that is used by some school teams and also by different men and women's league teams. This field also had playground equipment including a basketball court which is dilapidated and unusable.

The door-to-door surveys and interviews with the community-based organizations also provided an understanding about the area as seen by those who live there. Survey respondents were asked what they liked and disliked about living in No.2. Respondents indicated the friendly neighbours, quiet environment and the fact that they either were born or grew up in No. 2 as their top three things they liked about living in the area.

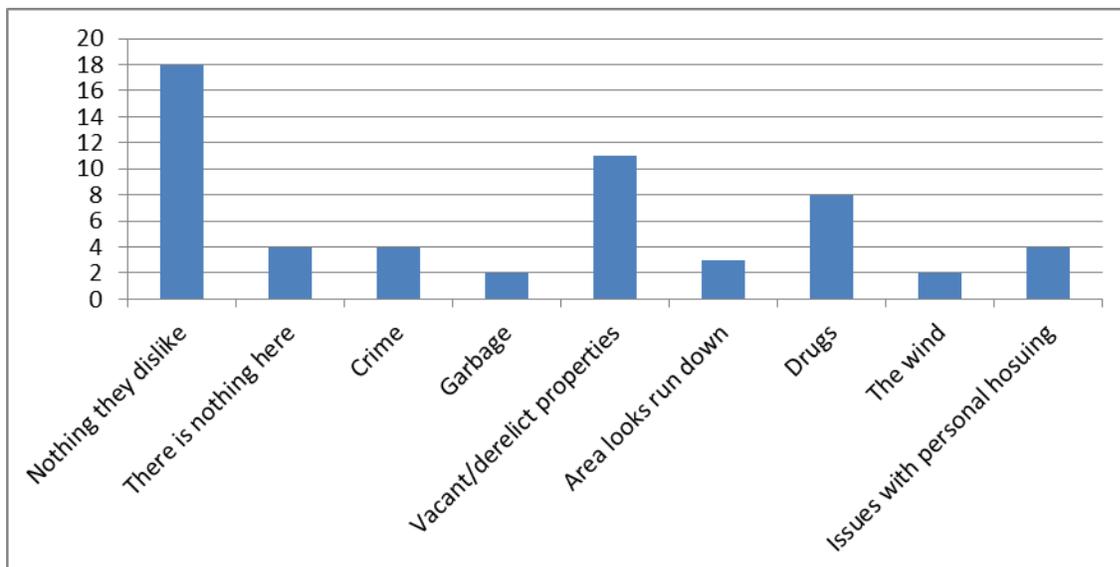
Figure 3: What respondents like about living in the No.2 neighbourhood



In terms of what is disliked, respondents most frequently indicated that there wasn't, in fact, anything that they disliked about living in the No. 2 neighbourhood. The next most common dislike was the number of vacant and dilapidated homes in the area.

The presence of drugs in the neighbourhood was also identified as a common dislike, although a number of respondents indicated that drugs used to be a major issue but that it has been addressed.

Figure 4: What respondents dislike about living in the No.2 neighbourhood



In a separate question, respondents were also asked to comment directly on the extent to which there are vacant and abandoned properties in No. 2 with 89% either strongly agreeing or agreeing that there are too many. Of those who disagreed, most believed that vacant properties had been a problem but that it has improved somewhat given that many have been torn down. There was some agreement around recent demolitions and the effect this has had on the neighborhood. One respondent noted, ‘the poor quality of the housing has improved drastically since the new councillor. A couple months ago I would have answered strongly agree to the question “there are too many vacant/abandoned homes” but it is not as bad now.’ Yet another noted ‘it doesn’t seem as bad anymore; a lot of them are being torn down.’

As another indicator of residents’ likes or dislikes with the neighbourhood, survey participants were also asked whether they would want to be living in No. 2 five years from now. The majority (70%) indicated that they wanted to remain within the neighbourhood, with 26% saying that they do not want to remain in the area and the remaining 4% were unsure about their future plans. Of those who indicated that they do not want to remain within the No.2 neighbourhood, 43% stated that they would like to be living in another area of Glace Bay, with other less common responses being Alberta, Ontario, Sydney and Halifax.

The interviews with community-based organizations also provided much insight into the quality of life in the community. Three of the four interviewees identified that the main assets of the No.2 neighbourhood are the residents themselves and the fact that they are very neighbourhood-oriented with strong connections leading to a “close-knit community.” The main issues identified specifically for No.2 were the poor quality of existing company homes, drug issues and vandalism. Issues identified as being apparent in both No.2 and throughout Glace Bay were the declining economic situation creating a lack of jobs which causes individuals to move away, a “self-defeatist” attitude leading to a lack of hope among residents, as well as the visible drug problems that are affecting the entire area.

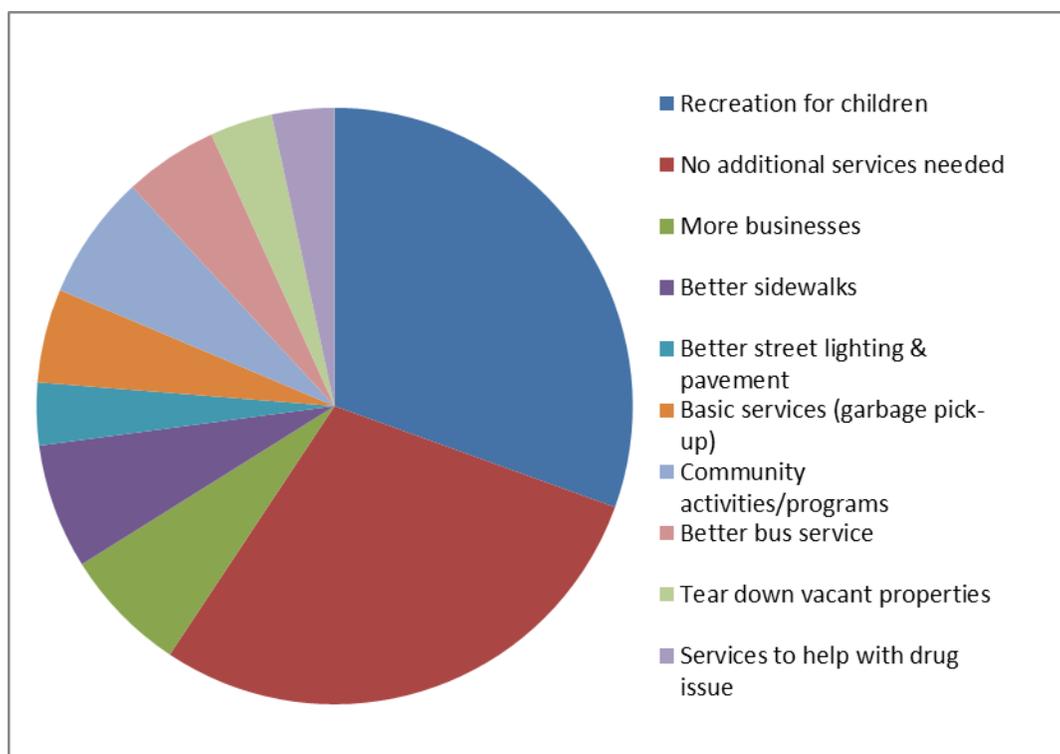
Changes in the No.2 neighbourhood have also been explained by the community-based organizations as creating a different environment for residents today compared to past years. The declining economic situation, especially the closing of the mines in the neighbourhood has been outlined as having a significant effect on the closeness of the community. The closing of the Catholic Church in No.2 was noted in the interviews as having an impact on the neighborhood. The statement from a community-based organization interview was ‘the catholic church is closed now too. A large percentage of the population in No.2 is Catholic and that church was involved in a lot of activities in the area, so that is a big loss for the neighbourhood. So now that the mines and the main church are gone I feel that they have lost the tightness of the community.’ A resident of the area also stated, ‘we’re losing a lot in the community- the loss of the church had a major impact on the neighbourhood.’

Interviewees also identified that the neighbourhood has become a lot more run down in recent years and that maintaining properties has become increasingly more challenging, especially because of the high concentration of seniors in the region.

When asked whether the neighbourhood requires any additional services that are not currently being offered or not offered adequately, results from the survey with neighbourhood residents show a range of responses. The most common service needed (with 38% of participants indicating so) is more recreational activities for youth in the neighbourhood. It was highlighted that the children of the area need more activities in order to “keep them out of trouble.” It was further added by a number of respondents that the

area is in need of better playground equipment, with the current equipment being worn down and dangerous and the grounds being littered with broken glass and needles. In addition, a significant number of respondents (36%) felt content with the neighbourhood and that additional services are not needed. A number of respondents further added that because the majority of the neighbourhood have their own vehicles, they are not far from services that are offered in other areas of Glace Bay. Figure 5 shows all responses indicated by respondents for additional services needed.

*Figure 5: What additional services are needed in the No.2 neighbourhood*



Overall, the majority of survey respondents identified having a strong connection to the neighbourhood and said that No. 2 is both an area that they love and that they could not see themselves living anywhere else. This strong attachment was often cited by individuals who were born and grew up in the neighbourhood and were often still living in their family home. This connection was further identified through the two interviews conducted with individuals of the neighbourhood who had recently built new homes. These interviewees explained that after the company homes in which they lived were destroyed by fire that it was an obvious choice to re-build on the same land because it was a family home and there was a strong level of attachment to the neighbourhood. These individuals explained that they did not even look for another area to build because of their strong desire to remain in the No.2 neighbourhood.

The topic of additional needed services was also discussed during the interviews with the community-based organizations. It was explained that due to the aging population and increasing number of seniors in the area, more programs are needed to help these individuals with housing maintenance, minor repairs and odd jobs like running basic errands.

Response from community-based organization member was: “I think maintenance is a big issue particularly with the aging population. Many people whether it be seniors or single parents are not competent (to do major household repairs) and many repairs end up being expensive. Also, many of our skilled trades people are out West which leads a void for these services.” Another statement was ‘the majority of the homes in No.2 are older and do not have foundations and insulation; low quality and drafty. We used to have different programs for fixing windows, steps, etc. and there was always a lot of demand for jobs like that.’”

A service provided noted: “I’ve also been trying to establish a handy person program which I see a need for. Hire a person for a modest price, they don’t necessarily have to be highly skilled, just handy to homes to fix minor repairs such as broken steps, fixing lighting, dripping taps, etc. There is a need for this in the community but there are funding and insurance issues around getting a program like this started. I also receive calls from people looking for someone to run basic errands such as picking up prescriptions or groceries for them, but this type of program also has insurance issues.”

Another respondent noted, ‘we need more services for seniors for help with things like odd jobs.’

It was also identified that more efficient transportation services were needed, as well as inclusive community programs that would help bring different segments of the population together to help boost the sense of pride within the community.

## **Housing Stock and Housing Affordability**

### **Housing Stock**

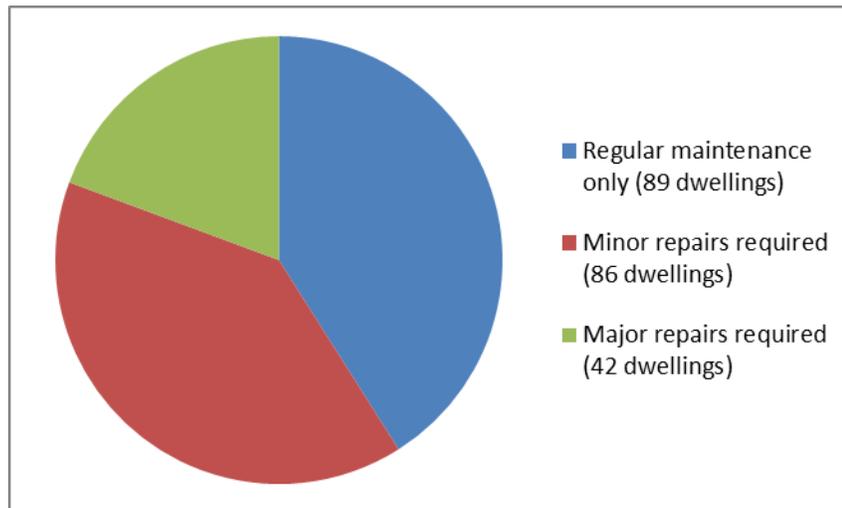
According to Statistics Canada (2013a), the No.2 neighbourhood had an estimated 176 dwellings in 2013; with 79% (140 homes) owned and 21% (36 homes) rented (Statistics Canada, 2013a). The vast majority of the occupied dwellings are houses (168), with 59 of those being single-detached homes and the rest semi-detached homes. Of the remaining 8 occupied dwellings, 4 are located in an apartment building and the other 4 are in a detached duplex style.

In the No.2 neighbourhood, there are 18 social housing units. Twelve are for families and are duplexes, and six are single-family homes. The units are kept in good condition through the Cape Breton Island Housing Authority’s maintenance program, but the age of some of the units means that they do not have updated ‘features’ or the same design as some of the newer builds. It was described that the older homes may have flooring and things like kitchen cupboards that are good quality but do not necessarily have the same updated and modern design as homes that are built more recently. “Some of those older homes, we keep them in good maintenance condition but they’re older homes- they’re not modern.” The design is completely different between the homes they have that were built in the 1970s compared to the 1980s or 1990s- they used kitchens as an example saying that kitchens built in the 1980s have a more open concept design and more modern looking compared to ones built in the 1970s which have the closed off style kitchen.

In 2006, 58% of the homes in the No.2 neighbourhood required either major or minor repairs (note that the number of homes in 2006 was significantly greater, which explains the difference between Figure 8 and the figures presented in the above paragraph). The need for housing repair is significantly higher than

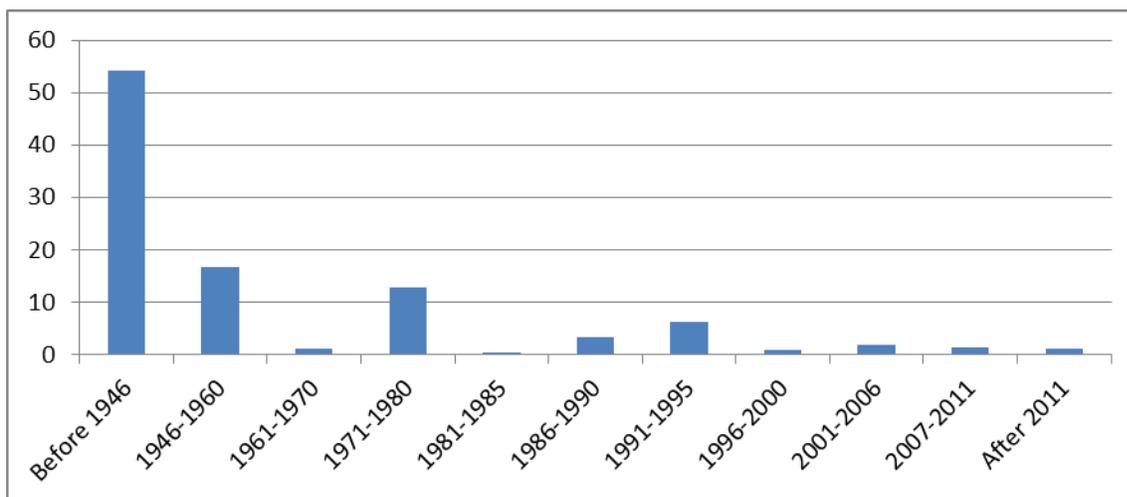
that of Glace Bay as a whole, where data indicate that 44% of homes in Glace Bay required either major or minor repairs. This discrepancy is most likely due to the large quantity of company homes located in the No.2 neighbourhood. Figure 6 highlights the level of maintenance required by occupied dwellings in the No.2 neighbourhood in 2006.

*Figure 6: Occupied private dwellings by maintenance required in the No.2 neighbourhood*



Of the current occupied dwellings within the No.2 neighbourhood, 54% were built before 1946, which also helps explain the level of repairs required to housing in this area. These data also identify that there has not been any significant new construction within No.2 since 1996, with only 8 new homes being built in this time frame (Statistics Canada, 2013). Figure 7 shows the period of construction of current occupied dwellings.

*Figure 7: Occupied dwellings in the No.2 neighbourhood by period of construction*



Similar to the Statistics Canada data on home ownership in No.2, 75% of the door-to-door survey respondents were homeowners, 22% were renters and the remaining 4% were in rent-to-own housing. Survey respondents who were both homeowners and renting to own were questioned about their level of happiness with their current housing situation. Of the respondents, the majority, 57%, indicated that they were currently happy with their housing situation and 22% explained that while they are happy with their housing overall, their home could use some updates or renovations. Of the respondents that indicated that they were not happy with their current housing situation, the need for cosmetic updates, and the fact that the homes have no insulation and no foundation and the difficulty in keeping their homes warm were highlighted as problems with respondents' current housing situation. Figure 8 further breaks down the problems with survey respondents' current housing

A collection of responses included:

'A lot of the homes in No.2 are not liveable. You can't get insurance on company homes because they don't have foundations and you can't get a mortgage if you can't get a foundation';

'I only paid \$6,000 for home but I'm not putting any money into it because I can't get insurance';

'I can't get anyone to replace my door, I have a leak in my roof and my home is very difficult to heat. I can't get a hold of anyone to come and fix the things I need to be fixed and I can't afford a contractor';

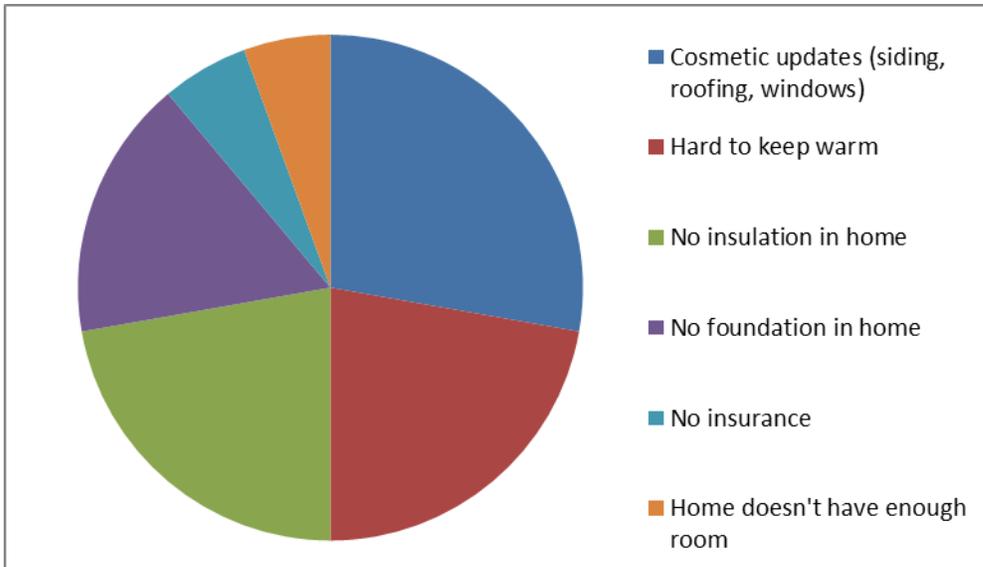
'I would love some insulation in my home but I can't afford insulation right now';

'There are enough affordable homes but they need new roofs and other maintenance and they can't afford to fix it up';

'I'm happy with my home but it's very cold';

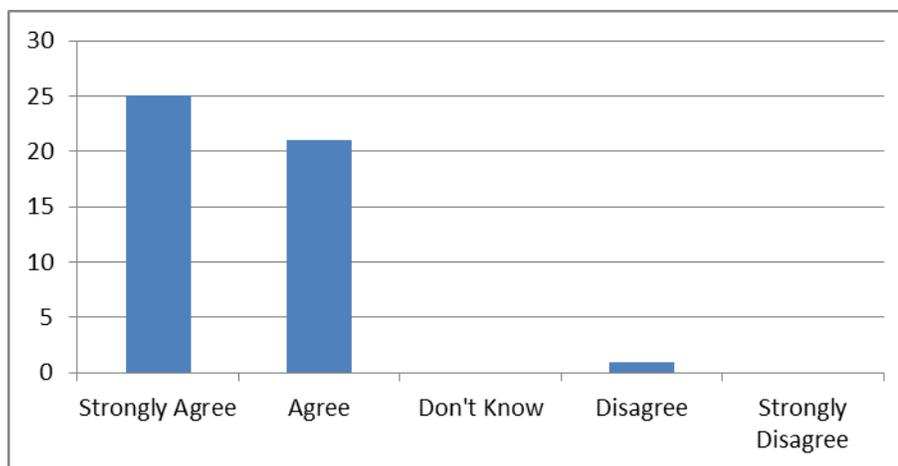
'I'm happy with my home but I want renovations done but I don't have the money.'

*Figure 8: Problems with respondents' current housing situation*



One area of questioning that resulted in a high level of agreement among respondents was in terms of the quality of current housing in the neighbourhood: 98% of respondents either strongly agreed or agreed that the neighbourhood had too much dilapidated housing. Figure 9 highlights the breakdown of these responses.

*Figure 9: Percentage of respondents who felt there is too much dilapidated housing in the No.2 neighbourhood*



Representatives from community-based organizations and insurance agents also provided information about the housing stock in the neighbourhood. Representatives from community-based organizations felt that many of the existing company homes were of poor quality, and that maintaining properties has become increasingly challenging for residents, especially taking into account the high concentration of seniors in the region. The risks of arson and security issues that are associated with vacant properties were also identified as existing challenges with the current housing stock in the No.2 neighbourhood. Insurance agents noted that much of the older stock in No. 2 may not have to have a foundation or updated plumbing, heating and roofing.

Concerns about the quality of the housing stock also were expressed through survey participants' opinions about housing for the elderly. Most (75%) of respondents felt that housing for elderly individuals is underserved in the neighbourhood, due to factors including poor insulation in company homes, resulting in cold living environments. Note they also indicated that living in two-storey homes was another reason that current housing structures are unsuitable for elderly residents.

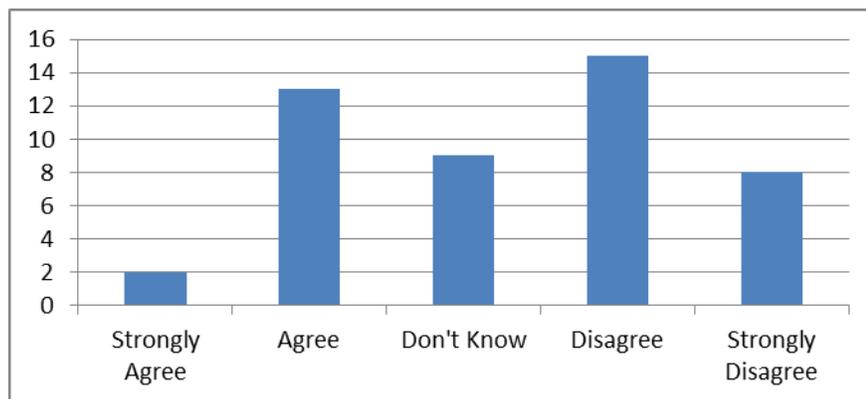
According to CBRM data, the assessed property values in No. 2 ranged from \$5,500 to \$99,500 in 2009, with the average assessed value being \$21,545. In 2013, the range was from \$6,500 to \$128,600, with the average assessed market value being \$26,634. In 2013, only three properties were assessed at over \$100,000. The change in the average assessed value of these properties is minimal over the 2009-2013 period, at \$5,089.

## Housing Affordability

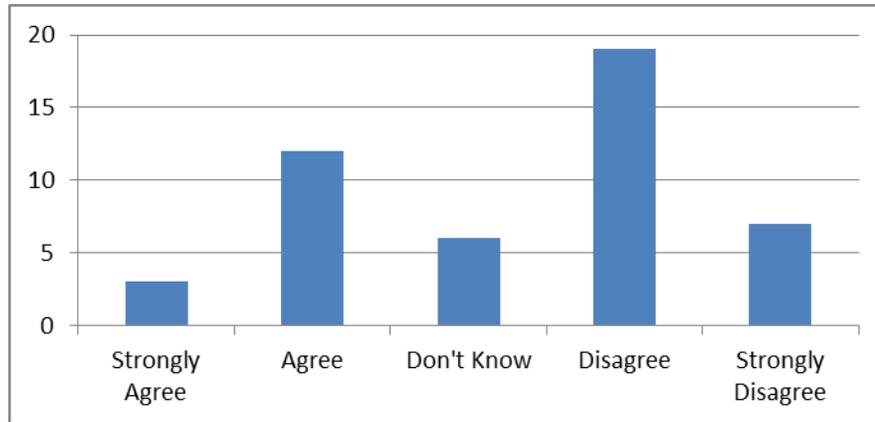
In 2006, sixteen out of a total of 179 homeowner households in No. 2 were spending over 30 percent of their gross household income on shelter costs. As a result, 9% of the total number of homeowner households in No. 2 could be categorised as having unaffordable housing at that time (Statistics Canada, 2006). The average gross monthly rent for dwellings in No. 2 in 2006 was \$528. Of the 39 households in the neighbourhood that were in rental accommodation, 15 households were spending 30% or more of gross household income on rent. Forty percent of rental households in No. 2 can therefore be categorised as having unaffordable housing under the affordability criteria provided by the CMHC (Canadian Housing and Mortgage Corporation 2013; Statistics Canada, 2006). Unfortunately, more recent data on housing affordability is not available at the neighbourhood level. However, representatives from community organizations that were interviewed for this project also indicated that tenants in this neighbourhood currently faced unaffordable rental housing due to high heating costs related to the aging stock.

Participants in the door-to-door surveys were also asked their opinions about housing affordability in the neighbourhood. When asked if there were enough affordable homes for sale, 49% indicated that they either disagreed or strongly disagreed, while 32% indicated they either strongly agreed or agreed. When asked whether there is enough affordable rental units in the neighbourhood, the responses were of a similar trend, with 55% either strongly disagreeing or disagreeing and 32% either strongly agreeing or agreeing. This indicates that there is somewhat of a divide within the neighbourhood with the majority of residents seeing a need for more affordable housing options but with others not seeing new affordable options as a necessary for the area. Figure 10 and 11 further break down the results of the above two questions.

*Figure 10: There are enough affordable homes for sale in the No.2 neighbourhood.*

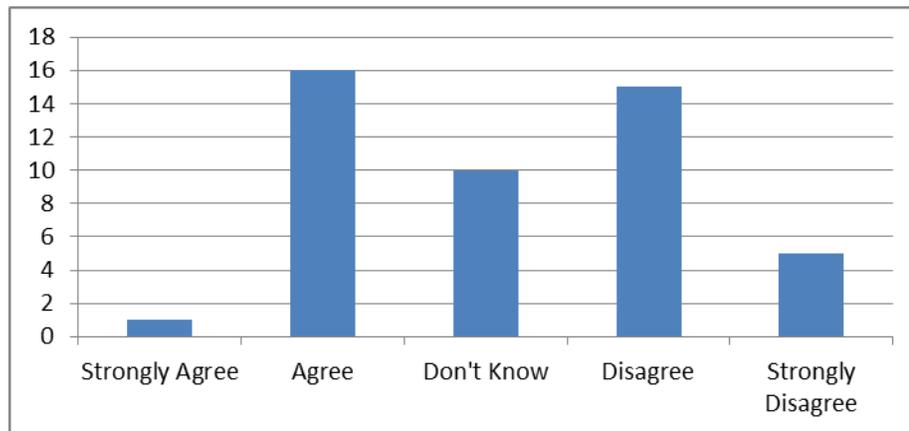


*Figure 11: There are enough affordable rental units in the No.2 neighbourhood.*



Opinions regarding the extent of subsidized and assisted housing were also addressed in the survey. In terms of whether there are enough subsidized/assisted housing units, 34% of respondents agreeing while 32% disagreed. Many households also responded to this question with “I don’t know,” which could either indicate that they were unsure about the current amount of subsidized and assisted housing in the neighbourhood and whether or not it was sufficient or that they were indifferent. Figure 12 shows the breakdown of survey responses.

*Figure 12: There is enough subsidized/assisted housing in the No.2 neighbourhood*



## **Housing Demand**

### **Demand for Affordable Home Ownership**

All three realtors interviewed for this study indicated that they have not received any inquiries about affordable housing options in Glace Bay. This may be because people searching for affordable housing would contact Community Services or CB Island Housing about – more so than a realtor. All three also explained that it is also very difficult to sell homes in the No.2 neighbourhood. One interviewee indicated that because of the derelict properties, sales there are much more difficult, while another explained that they have not sold a home in the No.2 area in almost four years. It was identified that No.2 is one of the hardest areas in which to sell a property because of the large amount of dilapidated company homes.

All three realtors indicated that, according to their clients the neighborhoods of Glace Bay could be divided into more desirable and less desirable areas in which to live. In terms of the desirable areas, Main Street, South Street and Reserve Street and their adjoining side streets were highlighted, while No.11, No.2, Sterling/Tablehead and Caledonia were identified as undesirable. It was explained that these undesirable neighbourhoods tend to have a stigma associated with them that make people not want to live there; the actual realtor response was ‘there tends to be a stigma associated with these areas that make people not want to live there. She said that people will call and specify that they don’t want to live in No.11 or No. 2. Unless people grew up in No.2 they don’t necessarily want to live there. They don’t have the same attachment to the area like people who grew up there.’

A further realtor response was harsher noting that ‘people will call and will specifically say that they don’t want to live in No.2, No.11, Caledonia or the Sterling. In terms of No.2 in particular, people will say they don’t want to live there because it has a bad stigma associated with it- it is known as a bad place for drugs. If someone is building a \$150,000 home, they don’t want to build it next to low rental properties or in areas that are stigmatized. They just don’t want to live in those neighbourhoods and it also affects the re-sale potential.’

When asked about the extent of demand for different housing types in the No.2 neighbourhood, responses tended to be more varied. In terms of demand for single family homes, one realtor explained that there is a strong demand, another identified the demand at being less than 50% while the third stated that there is no visible demand in the neighbourhood at all; this realtor has not received any requests about No.2 and has very little business in the neighbourhood. Although these varying levels of demand were identified, there was also a consensus that these estimates are difficult to make for the future because of the stigma associated with the area and the fact that a lot of the homes are low quality and that the “No.2 neighbourhood is so dilapidated and that there are so many units that need to be demolished.”

Duplexes (referring to the newer seniors units that are being built- not company homes) were explained as having a strong demand, especially with the aging population and the increase in seniors wanting to move into duplex style complexes. Townhouses were identified by all three realtors as producing no significant demand while apartment buildings were explained as not being a good fit for the No.2 neighbourhood.

Respondents were vocal about the choice of tenant in the neighborhoods ‘I dislike that a lot of homes were rented to drug dealers - that is a big issue’; another noted ‘they rent homes out to anyone and they

cause trouble’ and still another commented ‘nothing I dislike anymore, used to have bad rentals, but they’re gone.’

It was further identified that although new developments are needed in the area, it is difficult to say whether or not they will be successful. They explained that before any new builds are established, all derelict properties need to be removed, and even then it is still difficult to say if it will be a success. It was further added that a new development project cannot “just walk into an area and have new developments that are expected to be successful without fixing up the existing places first.”

The demand for new, affordable builds in the No.2 neighbourhood was also discussed with housing organizations. A representative from one housing organization felt the demand for housing in this area would be from young families either working in CBRM or people working ‘out west’ (an CBRM resident travelling to Alberta for employment, yet maintaining a residence in CBRM). This individual stressed the importance of energy efficiency, and that it would be important to be able to include the owner up front and give them the chance to make decisions and dictate what is going to be included in their home. In terms of price ranges, it was also identified that the \$150,000-\$160,000 range would be the maximum that housing could be sold for within the community. A representative from a second housing organization, however, felt that because of the older demographic and fixed or seasonal income earned by many in CBRM, that the ability of individuals to be able to purchase even affordable homes is limited. It was explained that there would be a greater demand for one-level duplex style homes with modern features such as in-floor heating. It was felt that individuals could pay between \$700-\$900 for this housing, including maintenance-related expenses, but no more. Both of these interview participants also highlighted the issue of transportation costs and access to transit. One individual stated that individuals want to move to the city centres like downtown Sydney so that they can be close to amenities, and that proximity to services can make the difference between a home being affordable or not.

## **Housing Construction**

A local housing developer who was interviewed for this need and demand study saw a strong level of interest and demand for new developments in the No.2 neighbourhood. This demand would be for affordable, all-inclusive living accommodations. Knowing that the area has an aging population and a lack of accommodations to suit this market, 16 one-level, 2-bedroom, 2-bathroom, energy-efficient rental units were recently built by this developer in No. 2. In order to determine the demand for the units, a web site was created to receive inquiries, with interest being expressed from three distinct groups. The first is local seniors from the No.2 neighbourhood who, because they are aging, find that the two-storey and poorly insulated homes in the area no longer meet their needs. Second, it includes individuals from different parts of the province such as Halifax or Antigonish who were attracted to the all-inclusive (including rent, heat and electricity) nature of the units as well as having someone look after the home if they wanted to travel. Third, former residents of Cape Breton currently living outside the province who are attached to the area are looking to move back. The prospective tenants according to this developer were more affluent and were interested in a lease arrangement that could provide a home with both price stability (predictable, all-inclusive) and safe community. This demographic was likely to be more affluent and would want to travel and yet have the peace of mind of knowing their home was in a safe secure neighborhood.’ Although halted previously due to financing and bureaucratic problems, this 16-unit rental development is now complete and is advertising its units.

Two interviews were also conducted with residents of the No.2 neighbourhood who had recently built homes in the area. These interviewees were identified through the analysis of CBRM property data that showed the increase in housing values. The owners of both homes had re-built after the company homes in which they were living burnt down. Both interviewees expressed that the decision to re-build on the same land was an obvious choice because of their strong connection to the neighbourhood and because the land on which they built had been in the family for a long time. It was also explained that no other areas were considered for the re-build. Both interviewees are pleased with their decision and would recommend the neighbourhood to others.

### **Barriers to Affordable Home Ownership**

During door-to-door interviews, the individuals who were renting in No. 2 were asked about the barriers that have been prevented them from buying their own homes. The four barriers identified were the inability to find appropriate housing, financial challenges, the fact that available housing needs renovations and updates, and that housing prices are too high. Of these barriers, financial challenges were the most common response indicated by the participants.

Interviews with staff at the Cape Breton Island Housing Authority, non-profit housing organizations and credit unions also shed light on the challenges faced by individuals trying to secure decent affordable housing in the sale market in No. 2 and CBRM as a whole. According to these research participants, the main issues for low-income households are being able to afford taxes, maintenance costs, heating costs, and a down payment. In turn, the supports required for individuals wanting to buy affordable housing include low interest rates; help with maintenance costs and lower down payments costs. Other important supports include having energy efficient homes to reduce heating costs, a one payment system in which all associated costs of the housing would be rolled into one payment, and budgeting support to help people manage their money.

Staff at the CBIHA were asked if there is a realistic potential for their clients to become owners of affordable housing, and it was explained that this not something that the organization often sees. It was explained that within the last year there were only 3 or 4 families out of 200 families that have left social housing units for a homeownership option, and that supports and specific models of affordable homeownership would be crucial to helping with the process of acquiring homeownership for low-income individuals.

Specific models that would be necessary to facilitate affordable homeownership for low-income individuals would be lower interest rates, low financing, help with maintenance costs and help with down payment costs or subsidizing the down payments through a CMCH program. “Another thing that would be beneficial is when their income is lower, if you could roll everything into one- their insurance and taxes and electricity costs and have everything in one payment somehow. I often find that families will move in with us and they can afford the rent but once the electricity bill and other costs come in they don’t realize that they have to pay that too- it becomes tough.”

Another interesting quote from CBIHA: “What happened in No. 2 is that it got so cheap with the housing being so dilapidated and run down that it’s starting to turn into a modern ghetto with drug dealers and a lot of drug problems. I’ve spoken to the police in the past and they have had some major problems in the

neighbourhood, so it is at a point where if you don't turn that around that it's going to get really bad. So I think it's a good thing that they're focusing on that area - it really needs some attention paid to it."

### **Demand for Affordable, Good Quality Rental Housing**

Although this study is about the need and demand for affordable home ownership, the topic of affordable, good quality rental housing was brought up in many interviews with housing organizations, and as a result it is important to include in this report. The interview with a representative from Supported Housing for Individuals with Mental Illness (SHIMI) provided a first-hand look into the housing environment for individuals with mental illness. Although it was noted that homeownership should definitely not be excluded as an option for SHIMI clients, it was identified that it is not necessarily part of their overall goals. This was taken from a quote when asked could homeownership be an option for clients - "My opinion on that is that I don't necessarily think it should be excluded but I don't think that it is really a part of the aspirations of the people that we work with in our organization. The aspirations that I hear from people that are currently tenants in SHIMI units are to have a warm, dry, well lit place to live fulfills their aspirations- the ownership piece is largely not relevant..."

However, due to the fact that many individuals served by SHIMI are in receipt of Income Assistance. According to the Nova Scotia Government website, the Income Assistance (IA) program 'provides people in financial need with assistance with basic needs such as food, rent, utilities like heat and electricity, and clothing. The program may also help you with other needs such as child care, transportation, prescription drugs, emergency dental care, and eye glasses. They have a maximum of \$535 a month for shelter allowance, and this means that finding good quality rental units can often be unattainable. The diminishing housing stock throughout Cape Breton creates an even more challenging environment to acquire rental units of acceptable quality. Clients of SHIMI are often either in a homeless situation or living in an inadequate and poor quality rentals before looking to move into a SHIMI unit.

The need for more affordable and adequate housing options for individuals living with mental illness was also identified through the interview with CAPE. It was explained through this interview that in the last year and a half they have had four clients who have been dismissed from housing situations and have essentially become homeless. Finding housing that is of a decent quality and at a price that they can afford while being "fit for human habitation" is a challenge for the clients of both CAPE and SHIMI. This issue needs to be further addressed with the creation of more housing options for these individuals.

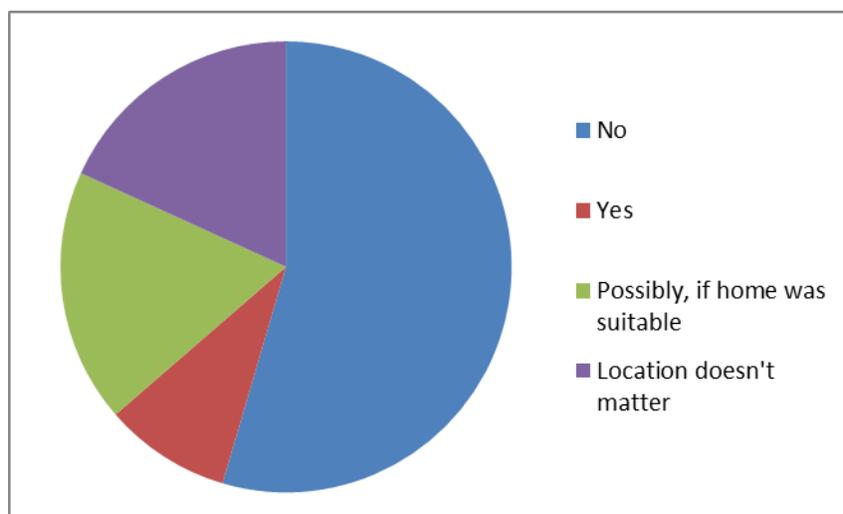
Representatives from the CBIHA and a non-profit housing organization also spoke about the challenges low-income individuals face when they are renting. These are heating costs, finding housing of acceptable quality, and affordability. As noted earlier in this report, because of the low quality and age of much of the existing housing stock in No. 2 the high costs of heating these homes makes it difficult for low-income renters.

### **Demand for Social Housing**

Again, although this study is about the need and demand for affordable home ownership, the topic of demand for social housing was also discussed during interviews and so is important to include in this report. There are currently 7 families on the waiting list for housing units in the No.2 neighbourhood, 44 families on the waiting list for units throughout Glace Bay and 69 seniors on the waiting list for seniors' units throughout Glace Bay. Because waiting lists are kept for both specific building types and for

specific communities, waiting lists may not be perfectly indicative of demand for social housing in No. 2 specifically. Overall, there are also fewer vacancies in all social housing units because people are now staying in them for longer periods of time. It was explained that while in the past it would not be unique to have close to 100 vacant units at any given time in the Glace Bay division, now there are approximately 12 vacant units per month.

*Figure 13: If you rent, would owning your own home in No.2 be something that would appeal to you?*



Of those who responded that they wouldn't want to own a home in No.2 the main reasons cited were that the area has a "bad rap" and they want a better neighbourhood to raise their children, that there is too much drugs and crime and that they just "don't like the neighbourhood."

### **Next Steps and Recommendations**

The survey work, interviews, and demographic analysis undertaken by the study team suggest that simply turning over available properties to a single developer to build affordable housing would not be a viable solution. Other measures need to first be taken to stabilize and revitalize the neighbourhood.

Our research has found that demand for affordable housing, especially owner-occupied affordable housing, is relatively low in this neighbourhood because of the condition of current stock, because of the overall economic climate in CBRM, because there is interest in living in areas with more commercial, recreational, public, and social amenities, because many individuals on low-incomes might rent instead of buy, and because the barriers to home ownership are great, and because despite its great assets, No. 2 is not yet widely identified as a desirable place to live.

A multi-pronged approach is required. The neighbourhood lacks amenities. Many of the existing properties are deteriorating, which acts as a disincentive to investment elsewhere in the neighbourhood.

Abandoning or shutting down this neighbourhood is not an option, either. Experiences around the world with such schemes show a high level of alienation and social ills that result from expropriating or uprooting people – resulting usually in enormous expenses to the public treasury. And further, in this neighbourhood, we found a high level of pride and attachment to neighbours, to local places, to community networks, and to the scenic beauty of the location.

Part of the challenge is of course also regional and structural. Despite a declining population, the CBRM continues to see new tracts of “greenfield” land opened to new development while existing neighbourhoods stagnate. This is not sustainable in the long-run. The region and other levels of government still need to figure out the right development formula for Cape Breton.

But it would be an abdication to wait for the macro interventions before doing anything in New Aberdeen. We should bring available expertise, local wisdom, and agency/organizational resources together to try bottom-up creative projects. We have seen this approach work well in other neighbourhoods through, for example, the multi-agency Association for Safer Cape Breton Communities. The community offices (in effect, mini community centres with recreational activities and “storefront” services) have had measurable impacts, as has the YIP (youth inclusion program), particularly in North Sydney.

In contemplating next steps, we thus established several coherent principles:

1. Measures must be low-cost, in keeping with the seriously strained fiscal environment in which the municipality operates;
2. The approach must be simple and practical but avoid a one-size-fits option that risks becoming a discouraging failure.
3. Given that provincial and municipal public administrations are in a state of flux, we should avoid relying on existing staff to simply absorb the challenges of this neighbourhood into existing programs or existing work units.

4. With sustainability as a strategic objective, and with its strong ethic of community service, CBU could be a partner with the municipality and the community going forward.

There is an opportunity here for the municipality to become a social entrepreneur without burdening its current staff.

**RECOMMENDATION 1: We propose that CBRM (or CBU, with CBRM's support) appoint a Coordinator of Revitalization to work initially in this pilot neighbourhood, but then potentially in other neighbourhoods using lessons learned here. The Coordinator should have access to a small portion of CBRM sustainability funds, with a mandate to leverage those funds for grants from other sources (e.g. community health board grants, foundation grants, National Crime Prevention Centre, Heritage Trust of Nova Scotia, TD Friends of the Environment Foundation, and others).**

CBU would commit office space, and approximately \$4,000 would initially be invested by the university to provide research support for the coordinator. A pro bono inter-disciplinary faculty advisory group and a community advisory group would help with the selection of the candidate and would work with the staff member. Alternatively, CBRM might consider funding CBU on a trial basis to make the hire. A Memorandum of Agreement would be signed with the deliverables expected by the CBRM. These deliverables would include:

- Within two years, the position would be realizing new revenue to the municipality equivalent to the cost of the position. Revenue would be calculated based on properties sold, properties back on the tax rolls, property value increases linked to nearby improvements, public amenities (e.g. the additional recreation programs desired by a plurality of survey respondents) that the director helped facilitate, and outside grants that the director, functioning as an animator, is able to help the community acquire.
- There would be an initial six-month probationary period during which some incremental progress should be evident.
- Initiatives to improve properties would vary: sometimes the facilitator would help get a derelict lot into the hands of its next-door-neighbour under a covenant on title that the property be adequately tended (eg. the Youngstown case from the literature review). CBRM properties could be sold. Any donated properties could be flowed through from the CBRM to the Affordable Housing Renovation Partnership (subject to the latter having a right of acceptance or rejection in individual cases), which could in turn sell them or give them away under an RFP process to require future proper maintenance or development within a prescribed time. Recreation areas could be developed in consultation with local youth.

The CBRM itself owns 12 lots within the subject area. Each of these could become a small “place making project.” In what manner should these properties be sold, donated, re-designed, improved to improve quality of life and create more interest and demand in the neighbourhood? Developing the possibilities in collaboration with the community would be one of the coordinator’s mandates.

**RECOMMENDATION 2: The Association for Safer Cape Breton Communities should open a community office (to function as a mini recreation/activity/animation centre) in this neighbourhood. We recommend that all agencies that are part of the Association be prepared to offer some services through the office and that the office be a headquarters for neighbourhood projects.**

This would follow a similar model to the initiatives in North Sydney, Sydney Mines, New Waterford, and central Glace Bay.

**RECOMMENDATION 3: A modest Renovation Assistance Program should be offered in this neighbourhood (as a pilot).**

The renovation assistance that the Glace Bay Citizen Service League (Town House) was able to offer through a competent employee should be reinstated. We hope that this could be done with some support from the municipality, the Cape Breton District Health Authority, the United Way, and others. Where necessary, this assistant could help residents apply for existing grants such as those through the province's Residential Rehabilitation Assistance Program. However, there is also a (large) category of modest-income property owners who would not qualify for a RRAP grant. Furthermore, the advisor could help residents determine the types of repairs they need to maintain their homes at a basic level of safety of comfort.

To provide small renovation grants, we recommend the "lot leveraging" approach. The Affordable Housing Renovation Partnership recently tried this in Sydney Mines. A lot was donated and sold, and the proceeds are being granted to a housing renovation project in Sydney Mines.

Similarly, some of the CBRM owned lots should be available to the Coordinator to initiate for sale and use for the purpose of establishing a grant program that would help to prevent abandonment and stabilize neighbourhoods.<sup>1</sup>

<sup>1</sup> For example, the North End Housing Project in Winnipeg, is described in detail in a study by Lawrence Deane. <sup>1</sup>The North End has long been an "at-risk" area, with high rates of poverty, crime, and dereliction. Through arrangements with CMHC and credit unions, and through the "sweat equity" of residents, a number of renovation projects have been started. This agency has in turn spawned the development of a veritable social infrastructure for its neighbourhoods, including crime-prevention efforts, addiction treatment programs, training programs, and a renovation company, Inner City Renovations, which hires unemployed local residents. Deane attempts to show empirically that, by creating micro-economies, where new neighbourhood enterprises feed off the original objective of fixing derelict homes, the bleeding of local resources can be stopped and the total value of outputs is greater than the aggregate value of inputs.

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## Appendix A: Resident Survey

### Door-to-Door Interview Questions for Individuals from the No.2 Neighbourhood

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1. What do you like about living in No.2?
  - a. What do you dislike about living in No.2?
2. Do you want to be living in No.2 five years from now? Why or why not?
3. If you don't see yourself living here where do you think you will go? When? Why?
4. Do you rent or own your home?
5. If you rent, why are you renting?
  - a. Would owning your own home in the No.2 neighbourhood be something that would appeal to you? Why or why not?
  - b. What have been some of the barriers that have prevented you from owning a home?
  - c. If you were able to overcome these barriers what type of housing would most appeal to you? Why?
6. If you own, are you happy with your current housing situation? Why or why not?
  - a. If not, what are the barriers that have prevented you from finding housing that is more suitable to your needs?
  - b. If you were able to overcome these barriers, what type of housing would most appeal to you? Why?
7. What kind of services would you like to see in the community that are not currently being offered?
8. How long have you lived in the No.2 neighbourhood in total? (over different years)
9. How long have you lived in your current home?

10. Thinking about No.2, do you agree or disagree with the following. There is/are....

	Strongly Agree	Agree	Don't Know	Disagree	Strongly Disagree
Enough affordable homes for sale	1	2	3	4	5
Enough affordable rental units	1	2	3	4	5
Enough subsidized/ assisted housing	1	2	3	4	5
Enough housing for the elderly	1	2	3	4	5
Too much poor, dilapidated housing	1	2	3	4	5
Too much vacant/ abandoned housing	1	2	3	4	5

11. Age (observed by researcher, not asked)\_\_\_\_\_

12. Gender (observed by researcher, not asked)\_\_\_\_\_

13. Are you currently:  A Student

Working part-time

Working full-time

Retired

Working at home (taking care of kids or other family)

14. Which of the following reflects your home situation:

Living alone

Multi-family

Single parent

Multi-generational

Married/partner with children

Married/partner with no children/no children at home

15. Which of the following best describes your total household income from all sources (before deductions) last year?

Less than \$9,999

\$40,000-\$49,999

\$10,000- \$19,999

\$50,000-\$74,999

\$20,000- \$29,999

More than \$75,000

\$30,000- \$39,000

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## Appendix B: Interview Questions Community Stakeholders and Key Informants

### Interviews with Key Community Stakeholders and Key Informants

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#### Real Estate Agents

1. Have you received enquiries about affordable housing developments in Glace Bay? If so, could you describe a profile or profiles of the typical enquirer in terms of:
  - a. Gender
  - b. Age
  - c. Size of household (single, families, etc.)
  - d. Preferred area of consideration
  - e. Price range of housing sought
  - f. Where are people making enquiries as to housing in Glace Bay typically residing (eg. currently in Glace Bay, elsewhere in Cape Breton, elsewhere in Nova Scotia or elsewhere in Canada)
2. Would you expect there to be an upper price limit in order to successfully sell 24 newly constructed units in the No.2 neighbourhood? If so, what level would you expect this to be?
3. At construction costs of \$120-\$140 per sq. ft., what size (or sizes) of house would you think most appealing to purchasers in the No.2 neighbourhood?
4. How much demand would you estimate there being for the following types of new housing in the No.2 neighbourhood?
  - a. Detached single family homes
  - b. Duplexes
  - c. Townhouses
  - d. Apartments in multi residence units
5. What are the desirable neighbourhoods to live in?
  - a. What are the undesirable neighbourhoods?
6. Is it difficult for you to sell homes in No.2?
7. What kind of supports do you think are needed for low-income individuals to be able to buy affordable homes?

### Community-Based Organizations

1. In your opinion, what are the main assets of Glace Bay?
  - a. Of the No.2 neighbourhood specifically?
2. What are some of the main issues of Glace Bay?
  - a. Of the No.2 neighbourhood specifically?
3. How has the neighbourhood changed?
4. What are some of the housing issues faced by people living in Glace Bay?
  - a. How about the housing issues of people living in No. 2 specifically?
5. Do you provide any assistance to people living in No.2? What kind of assistance do you provide?
6. Do you think any more services would be beneficial directly in No. 2? If yes, what kinds?
7. Do you think there is a need is for the creation of more affordable housing in No.2?
8. One of the strategies being considered in this neighbourhood is home ownership that is affordable for lower income people. What do you think about that? What do you think are some of the supports needed for low-income individuals to buy affordable homes?

### Credit Unions

1. What do you think are the main barriers to home ownership for low-income individuals?
2. What kind of role could the Credit Union play in helping these individuals to overcome the barriers?
3. What kind of role could the community as a whole play in helping these individuals to overcome the barriers?

### Insurance Agents

1. Do you provide insurance to home owners in No.2? Why or why not?
  - a. If yes, is it at a higher rate?
  - b. If not, what needs to be put in place in the community so that you can insure these homes?

### CB Island Housing Authority

1. What is the current number of your units of social housing in:
  - a. CBRM?
  - b. Glace Bay?
2. What problems do your clients typically face in accessing decent affordable housing in the rental market?
3. What problems do your clients typically face in accessing decent affordable housing in the sale or resale markets?
4. What types of units do you currently have available in Glace Bay? With respect to:
  - a. Location in Glace Bay
  - b. Size of units (floor space)
  - c. Type of units (single family house, duplex, triplex etc)
  - d. Condition/quality of units
  - e. Age of units
5. Are you planning on creating more social housing units (either through purchasing additional units or else through replacing units) within the next 1-5 years?
  - a. If yes, how?
  - b. If yes, when?
  - c. If yes, how many?
  - d. If yes, would Glace Bay be a preferred location?
    - i. If yes, would area #2 of Glace Bay be a potential location?

- ii. If not, what other areas of the CBRM would be a preferred location?
6. Is the Cape Breton Island Housing Authority planning on removing units from your stock in the next several years due to their condition?
  7. What are the current numbers on the waiting lists for social housing:
    - a. in the whole CBRM?
    - b. For units in Glace Bay?
  8. Could you break down the demand for units in terms of
    - a. units for singles (versus families),
    - b. special features, eg wheelchair accessible or requiring additional features,
  9. Is there a realistic potential for some of those on your waiting list to purchase homes?
    - a. If yes, what proportion/number?
    - b. what model of affordable home ownership might work for these individuals?
  10. Do you see a potential demand for newly developed units in Glace Bay area no.2?
    - a. If so, could you categorise the typical profile of an occupier (age, income level, owner or tenant etc)?

SHIMI

1. How many individuals are presently on the waiting list for SHIMI units?
2. How many units do you anticipate renovating in Glace Bay in the next few years?
  - a. Under what funding source?
3. Would you consider purchasing and offering a unit(/s) in area No.2?
  - a. If so, why?
  - b. If not, why not?
4. What problems do your clients typically face in accessing decent affordable housing in the rental market?
5. What problems do your clients typically face in accessing decent affordable housing in the sale or resale real estate markets?
6. Could home ownership be an option for client consumer-survivors?
  - a. If so, what factors, (or purchase model) would best facilitate affordability?
7. Can you speak about your approach to community integration for individuals with mental illness?

New Dawn and the Seton Foundation

1. How would you describe the current demand for new build units in the CBRM?
2. What type(s) of units would be in demand in the CBRM? In terms of:
  - a. Floor size?
  - b. Type (single family unit, duplex, triplex)?
  - c. Location?
  - d. Cost?
  - e. Numbers of units?
3. How would you describe the current demand for new build units in Glace Bay?
4. What type(s) of units would be in demand in Glace Bay? In terms of:
  - a. Floor size?
  - b. Type (single family unit, duplex, triplex)?
  - c. Location?
  - d. Cost?
  - e. Numbers of units?
5. How would you describe the current demand for new build units in no.2 area of Glace Bay?
6. What type(s) of units would be in demand? In terms of:
  - a. Floor size?
  - b. Type (single family unit, duplex, triplex)?
  - c. Location?
  - d. Cost?
  - e. Numbers of units?
7. Do you anticipate any notable changes to 1-6 above occurring in the next 1-5 years?
  - a. If so, how?

8. Can you suggest specific profiles of potential buyers for above scenarios 1-6?
    - a. Eg in terms of age, income levels, present location (in Cape Breton or elsewhere) etc.
  9. Would any additional features (eg wheelchair accessibility, energy efficiency etc) make units comprising a new development more attractive to potential purchasers?
  10. How do you think that new build units might compete with existing units on the resale market?
  11. In your experience, what problems do individuals typically face in accessing decent affordable housing in the rental market?
  12. In your experience, what problems do individuals typically face in accessing decent affordable housing in the sale or resale markets?
  13. What tenure model(s) do you think would be popular for a development in Glace Bay area no. 2?
    - a. Owner occupier,
    - b. Landlord/tenant,
    - c. Social housing,
    - d. Cooperative model,
    - e. Mix of the above,
    - f. None of the above.
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