



Fogo Island Housing Needs Assessment

Final Report

December 2023

Acknowledgements

The Fogo Island Housing Needs Assessment was created in collaboration with the Town of Fogo Island, the Fogo Island Growth Incorporated (FIGI), and many community stakeholders and residents. We are grateful for everyone who participated in the various engagement activities and shared feedback that has helped inform the Town's first Housing Needs Assessment.

Thank you.

Executive Summary

Vital to creating healthy and sustainable communities is the availability of housing options that meet the differing needs of current and future residents. Providing access to a range of housing forms, including affordable housing, is becoming an ever-increasing priority for many communities across Canada including the Town of Fogo Island. Appropriate housing is one of the foundational building blocks that is required to achieve the Town's vision of being economically diversified and being a great place to raise a family.

The Housing Needs Assessment describes the current and future housing needs on Fogo Island. The Housing Needs Assessment strengthens the Town's ability to understand what types of housing are most needed in the community, which will help to inform local plans, policies, and development decisions.

Preparing the Housing Needs Assessment involved completing a background review of existing Town documents, reviewing data from Statistics Canada, Canada Mortgage and Housing Corporation, and local Town data, as well as listening to and gathering input from local residents and stakeholders. This information was used to identify key housing issues facing the Town of Fogo Island.

Key Findings

Key themes from both the data analysis and stakeholder engagement include:

- The number of year-round residents of Fogo Island has been moderately decreasing, while the number of jobs has been increasing. This suggests a growing demand for housing for workers. Attention should be given to ensuring housing availability for workers as stakeholders reported that housing shortages are already posing recruitment difficulties for local employers and impeding the Island's capacity to meet the growing employment needs, especially for seasonal and skilled labour.
- The year-round population has been aging. This points to a need to ensure availability of appropriate housing options for seniors. However, many stakeholders pointed to a current lack of suitable housing choices for seniors, leaving some desiring to downsize with no viable options and causing some seniors to move off the island.
- The majority of households have one to two persons and the number of two-person households is anticipated to grow by 2031. This points to the need for housing options for small households, which may include row houses, and apartment units. There is currently limited diversity in housing options available on the Island, with very limited row and apartment units.
- The supply of rental housing is very limited. This is of particular concern for meeting the needs of workers and older adults. Stakeholders also reported that because rental housing is not purpose-built rental housing, there is a lack of stability in the rental housing market. Stakeholders believe that nightly rental accommodations are reducing the supply of housing in the long-term rental housing market.
- Many of the housing units on Fogo Island are older, and while they are generally in good condition, the age of the housing can create barriers in accessing home insurance and a mortgage.

- Households whose units need major repair face challenges in repairing their dwellings due to high construction costs and limited availability of skilled labour.
- Lack of serviced land is currently a barrier to new construction. Construction costs also pose a significant impediment to development, exceeding current market values and thereby increasing risks for builders and homeowners.
- Census data showed that most existing owners and tenants can afford their housing. However, stakeholders noted that high cost of heating in winter is a significant barrier for residents, in particular seniors and lower-income residents.
- Overall, residents are most concerned about housing affordability and a lack of rental housing and housing diversity.

Understanding the current housing needs is critical to ensuring the Town continues to be a welcoming, supportive, and viable community. The Housing Needs Assessment provides a baseline of current housing demand and supply, and highlights some of the barriers in meeting current housing needs. Building on the Housing Needs Assessment, the Town of Fogo Island can develop the policies, strategies, and partnerships needed to respond to the identified housing gaps and meet the housing needs of current and future residents.

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Introduction

Fogo Island is an outport community: a small, remote coastal settlement located on the Northeast Coast of Newfoundland and Labrador. The municipality of Fogo Island is comprised of 11 communities. Its vision is to create “a united, vibrant, and inclusive Island that is a great place to raise a family, and is economically diversified and focused on maintaining its unique heritage while providing activities and programs for all ages”. Appropriate housing is one of the foundational building blocks that is required to achieve the Town’s vision of being economically diversified and being a great place to raise a family.

The Housing Needs Assessment describes the current and future housing needs on Fogo Island. The Housing Needs Assessment strengthens the Town’s ability to understand what types of housing are most needed in the community, which will help to inform local plans, policies, and development decisions.

Data Sources

The needs assessment relies on data from:

- Statistics Canada’s 2016 and 2021 Census, including custom ordered Housing Assessment Resource Tools (HART) data purchased through the University of British Columbia
- Housing development projections from the Town of Fogo Island
- A search for short-term rental listings on AirBnB and VRBO
- Engagement with community stakeholders.

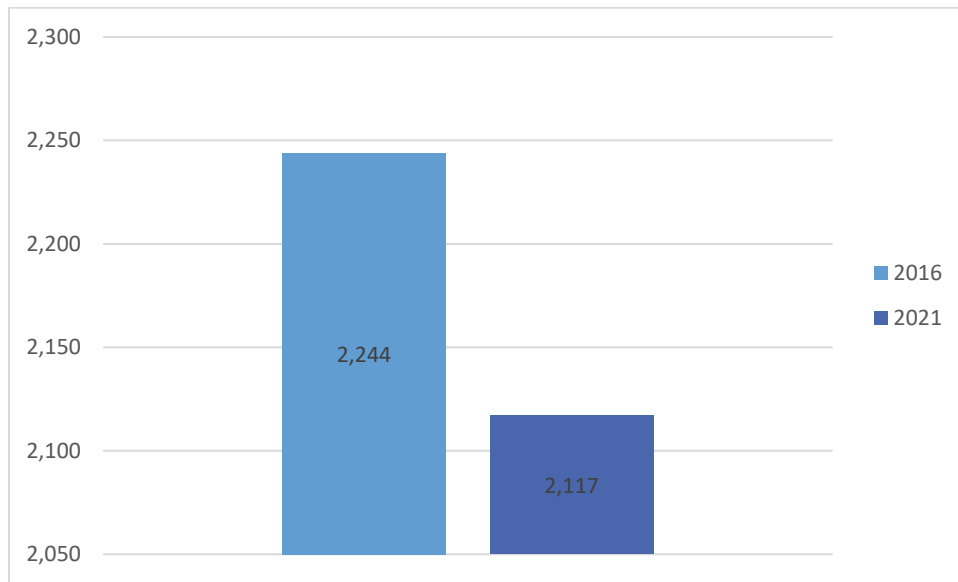
Nature of Housing Demand

The following section outlines the nature of housing demand on Fogo Island and includes a review of demographic and economic trends. Demographic trends are the largest driver of housing demand. Economic factors, such as affordability and availability of housing also play a role.

Population

Fogo Island had 2,117 year-round residents in 2021. This was 5.7% lower than in 2016 when it had 2,244 year-round residents. This is consistent with broader trends of more people leaving rural areas than those moving in.

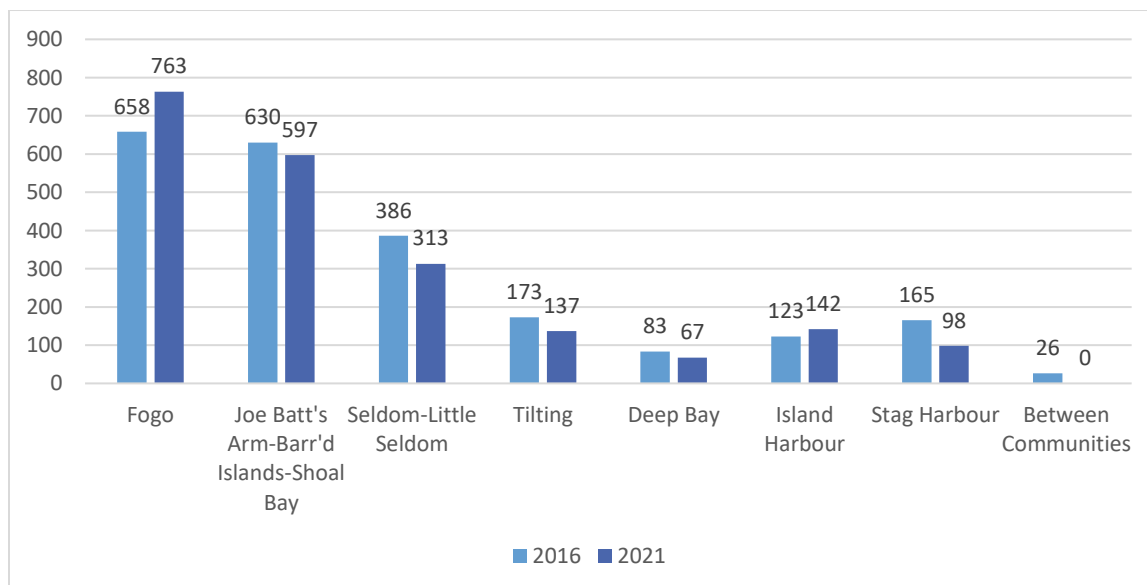
Population, Fogo Island 2016-2021



Source: Statistics Canada Census, Profile, 2016, 2021

Fogo Island is made up of eleven different communities, although Statistics Canada groups them into seven different communities for its Census reporting. Two of Fogo Island's communities, Fogo and Island Harbour, grew between 2016 and 2021. The remaining communities all saw decreases in population.

Population, Fogo Island and its Communities, 2016-2021

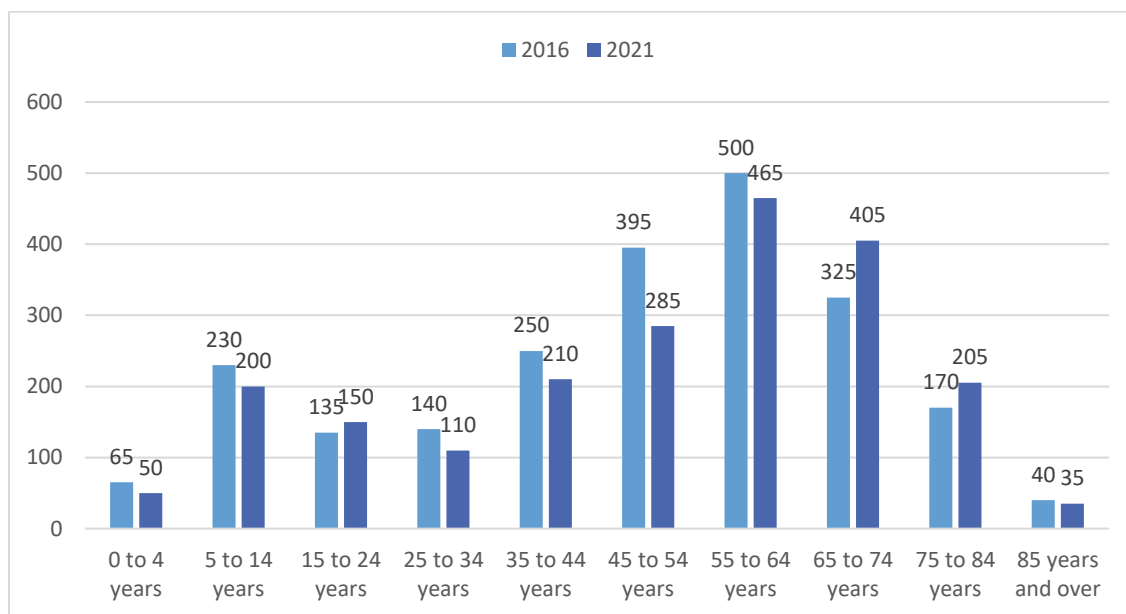


Source: Statistics Canada Census, Profile 2016, 2021

Age

Like most communities across Canada, Fogo Island's population is aging. In 2021, just over half (52.4%) of Fogo Island's year-round residents were aged 55 and over, and 30.5% were aged 65 and over. The number of seniors aged 65 and over living on the Island year-round increased by 20.6% between 2016 and 2021 from 535 to 645 seniors. The number of youth aged 15 to 24 years also increased by 15 residents, while each of the other age categories below 65 years of age saw population decreases. The number of seniors on Fogo Island points to a need to ensure adequate housing options appropriate for seniors.

Population by Age, Fogo Island, 2016-2021

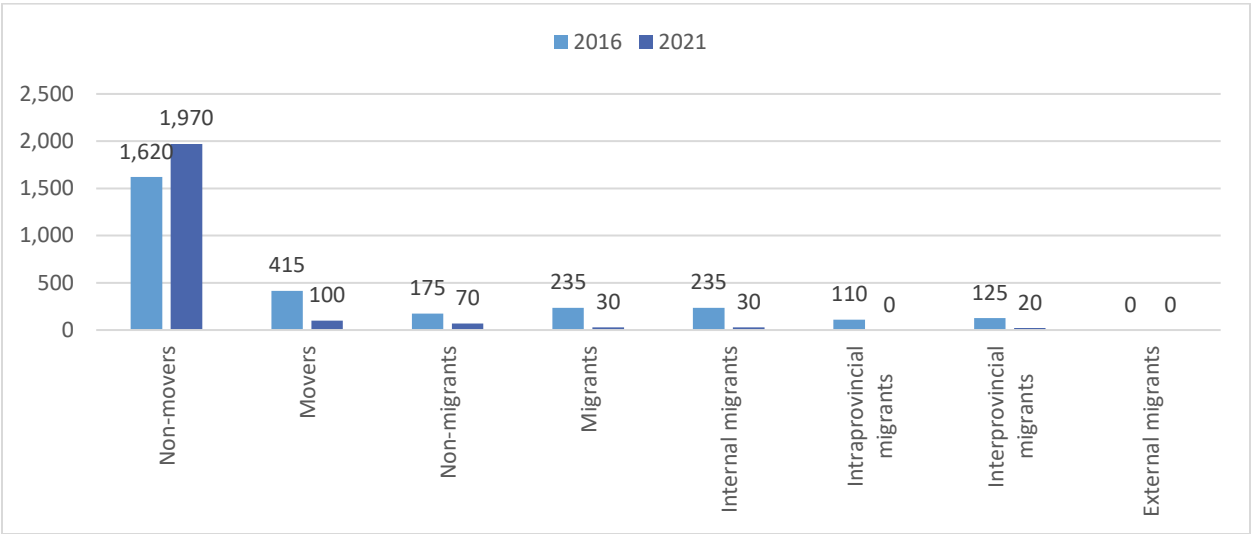


Source: Statistics Canada Census, Profile, 2016, 2021

Mobility and Migration

Stability of residence is high on Fogo Island. The vast majority (93.1%) of Fogo Island's residents were living in the same residence in 2021 as they were five years prior. Only 100 had moved in the five years between the 2016 and 2021 Censuses, including 70 who moved within Fogo Island and 30 who had migrated from other communities, mostly from other provinces. Fewer people moved residences between 2016 and 2021 than in the five years prior to the 2016 Census.

Mobility and Migration, Fogo Island, 2016-2021

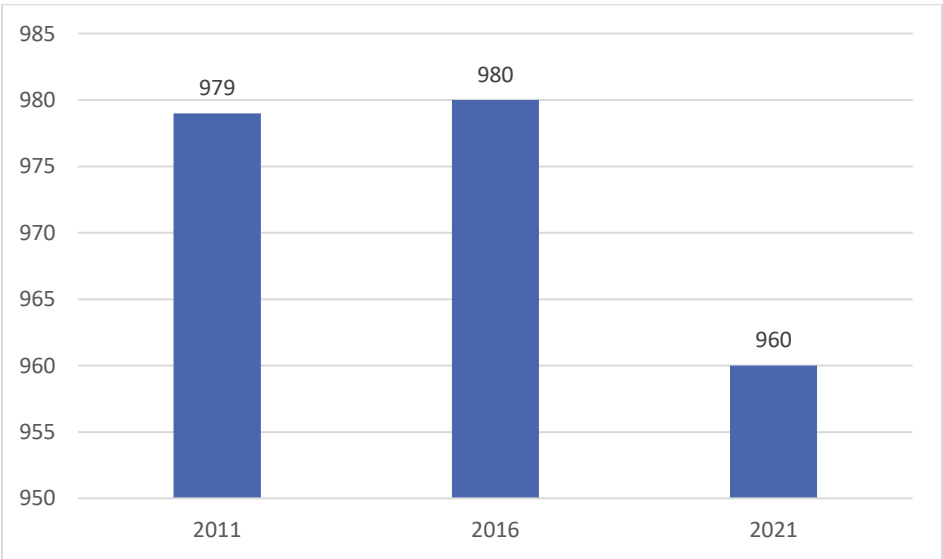


Source: Statistics Canada Census, Profile, 2016, 2021

Households

The number of households with year-round residents was relatively stable between 2011 and 2016 at approximately 980 households. Between 2016 and 2021, the number of households declined by 20 households, or 2.0%. The relative stability of the number of households suggests relatively consistent demand for housing from year-round residents.

Number of Households, Fogo Island, 2011-2021

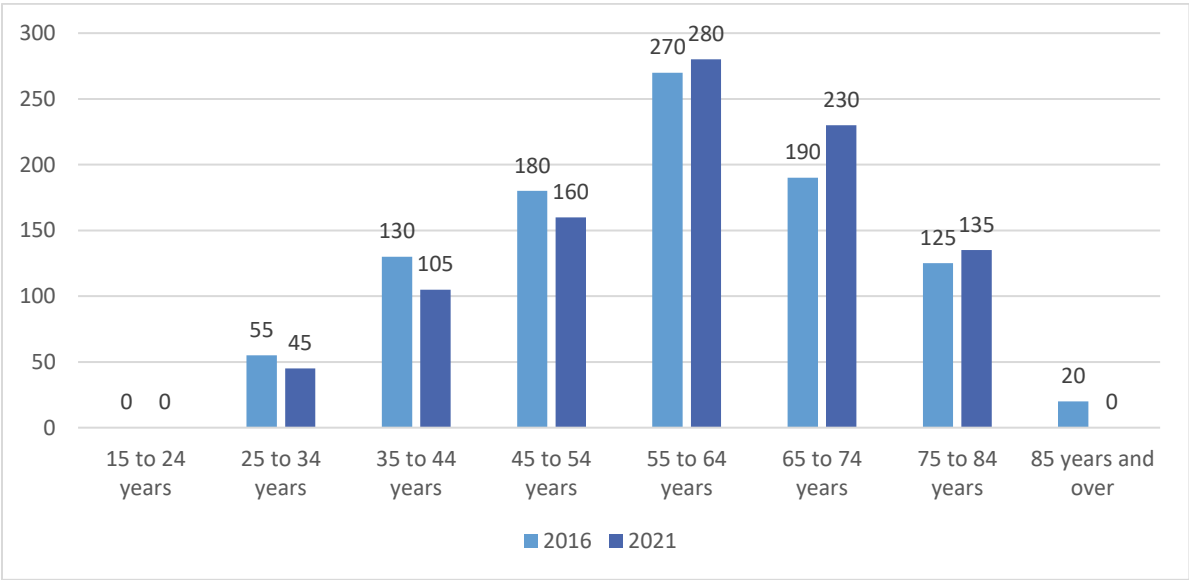


Source: Statistics Canada Census, Profile, 2011, 2016, 2021

Housing demand is impacted not only by the population in each age group, but the propensity of households in each age group to form themselves into housing demand units. The following figure shows the number of primary household maintainers by age. The primary household maintainer is the person or one of the people in the household responsible for major household payments such as the rent or mortgage. Approximately two-thirds (67.2%) of primary household maintainers are adults age 55 and over. Again, this points to a need to ensure adequate housing options for seniors.

Between 2016 and 2021, the number of primary household maintainers increased in each age group above 55 years of age and decreased in each age range from 25 to 55 years of age. All, or almost all, youth aged 15 to 24 years continue to live with others. Across Canada approximately 10% of individuals aged 15 and 24 years are household maintainers. The lower number in Fogo Island may be a result of rounding/suppression due to small numbers but could also be related to housing challenges that may be delaying independent household formation of young adults.

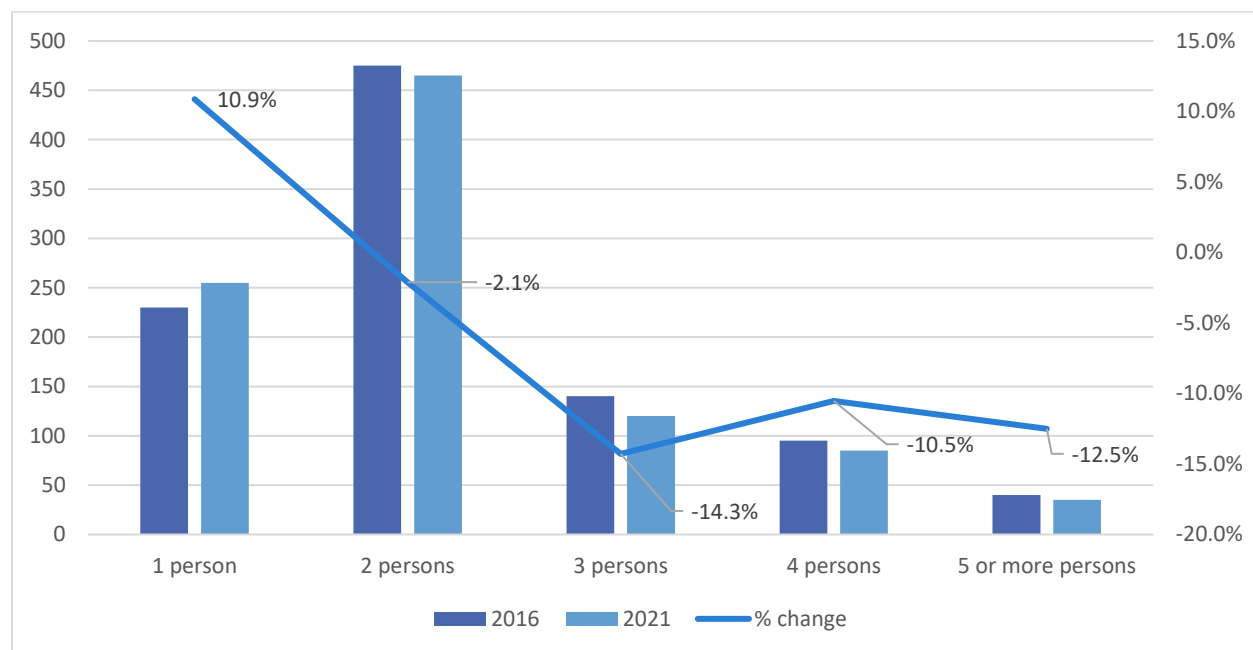
Households by Age of Household Maintainer, Fogo Island, 2016-2021



Source: Statistics Canada Census, Profile, 2016, 2021

Almost half (48.4%) of all households on Fogo Island are comprised of two people and another quarter (26.6%) are one-person households. This points to the need for housing options for small households, including row houses and apartment units. The number of one-person households increased between 2016 and 2021, while the number of households with two persons, three persons, four persons, and five or more persons decreased.

Household Sizes, Fogo Island, 2016- 2021



Source: Statistics Canada Census, Profile, 2016, 2021

Income Categories and Affordable Shelter Costs

The following table breaks down household income categories ranging from very low income to high income based on percentage of the Area Median Household Income (AMHI). The AMHI for Fogo Island in 2020 was \$74,000. The Very Low Income category includes households with incomes of 20% or less of the AMHI, which includes households on social assistance. The Low Income category represents households with incomes between 20% and 50% of the AMHI and includes households earning minimum wage. The Moderate-Income category includes households with incomes between 51% and 80% of the AMHI, while the Median Income category includes incomes between 81% and 120% of AMHI and the High Income category includes incomes above 120% of AMHI. The table below shows the number and percentage of total households in each income category, the income ranges that fall within each category, and affordable monthly shelter costs and affordable ownership prices for each income category. Affordable ownership prices assume a 5.49% mortgage rate, which was 1% below the posted 5-year conventional mortgage rate by the major chartered banks on May 31, 2023; 5% down payment; annual taxes of 1.5% of the value of the dwelling; 25-year amortization; and 4% CMHC Mortgage Insurance Rate.

The table shows that, based on household incomes, approximately one-quarter of households (who are in the Low Income category) are in need of ownership housing priced between \$61,000 and \$130,250 or rental housing with rents between \$370 and \$925. The percentage of Low Income households is higher on Fogo Island than for the province of Newfoundland and Labrador as a whole, where 2.1% were in the Very Low Income category and 17.7% were in the Low Income Category.

On Fogo Island, another 13.8% of households need housing priced between \$130,250 and \$208,760 or with rents between \$925 and \$1,480. Just over one-quarter (26.6%) need housing priced

between \$208,760 or \$313,600 or with rents between \$1,480 and \$2,220. The final third can afford housing priced above \$313,600 or rents greater than \$2,221. It should be noted that income data from the 2021 Census was based on total income for 2020, when the federal government was distributing the Canada Emergency Response Benefit (CERB) during the first phase of the Covid-19 pandemic. It is widely acknowledged that CERB increased incomes in the 2021 Census, particularly for the lowest-earning households, and temporarily decreased the number of households in the Very Low Income category.

Income Categories and Affordable Shelter Costs, Fogo Island, 2021

	Number of Households	Percent of Total Households	Annual Household Income	Affordable Shelter Costs (2020 CAD\$)	Affordable Ownership Price ¹
Very Low Income (20% or under of AMHI)	0	0%	<=\$14,800	<=\$370	<=\$61,000
Low Income (21% to 50% of AMHI)	240	25.5%	\$14,800 - \$37,000	\$370-\$925	\$61,000 - \$130,250
Moderate Income (51% to 80% of AMHI)	130	13.8%	\$37,000 - \$59,200	\$925 -\$1,480	\$130,250 - \$208,760
Median Income (81% to 120% of AMHI)	250	26.6%	\$59,200 -\$88,800	\$1,480 -\$2,220	\$208,760 - \$313,600
High Income (121% and over of AMHI)	320	34%	=>\$88,801	=>\$2,221	=>\$313,600

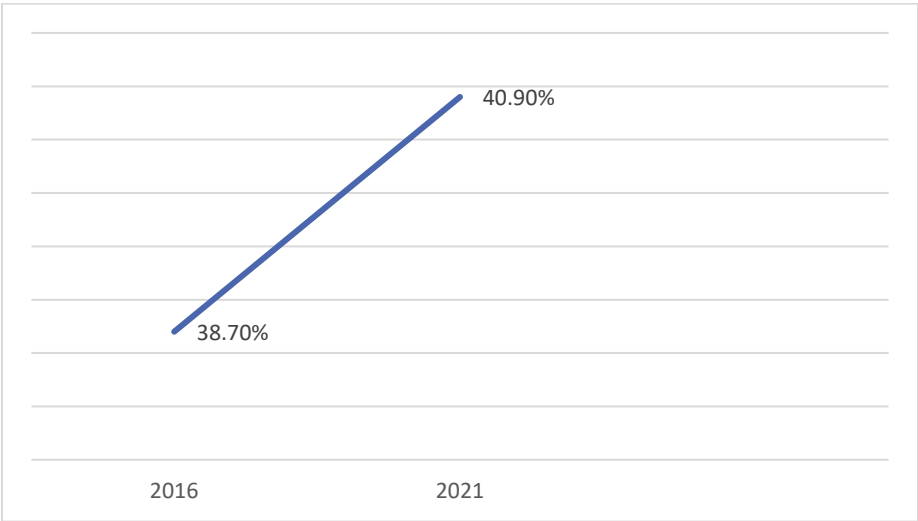
Source: Statistics Canada Census, 2021, Custom Order (Housing Assessment Resource Tools (HART) and Consultant Calculations <https://hart.ubc.ca/housing-needs-assessment-tool/>

Economic Profile

Between 2016 and 2021 Fogo Island experienced a positive shift in its labor market, demonstrated by the employment rate increasing from 38.7% to 40.9%, alongside a decrease in the unemployment rate from 26.9% to 25.4%

¹ Assumes 5.49% mortgage rate which was 1% below the posted 5-year conventional mortgage rate by the major chartered banks on May 31, 2023; 5% down payment; annual taxes of 1.5% of the value of the dwelling; 25 year amortization; 4% CMHC Mortgage Insurance Rate

Employment Rate, Fogo Island, 2016 - 2021



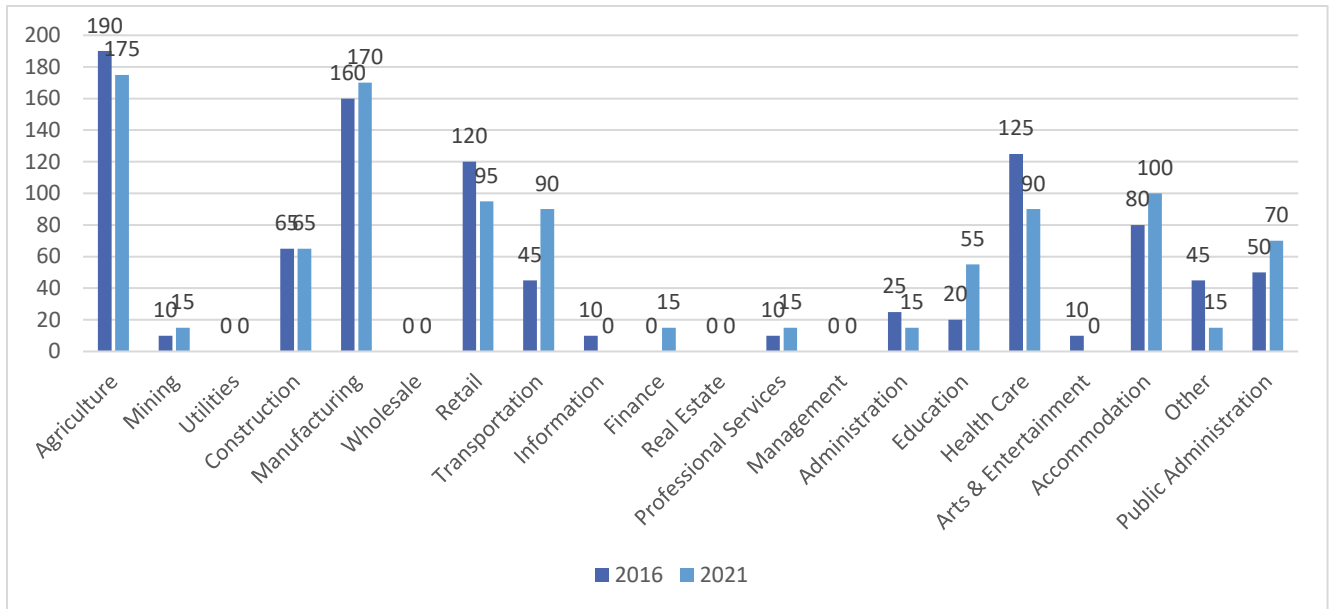
Source: Statistics Canada Census, Profile, 2016, 2021

Town specific data is not available beyond 2021, but the unemployment rate for the South Coast-Burin Peninsula and Notre Dame-Central Bonavista Bay Economic Region, which includes Fogo Island, has been decreasing over the past two years. In October 2021 the unemployment rate was 15.2%. This decreased to 12.2% in October 2022 and decreased further to 9.4% in October 2023.

Place of Work Census Data showed that 765 people aged 15 and over were employed in the labour force on Fogo Island in 2021. This was up from 725 in 2016. It should be noted that only those who had a job during the week of March 16, 2021 were counted. Therefore, this number may not include many of the seasonal workers that live in the community in the summer months.

The largest employment sectors on Fogo Island are Agriculture (includes Fisheries), Construction, Healthcare, and Public Administration. The Construction industry exhibited a notable decrease in employment numbers from 2016 to 2021, while sectors like Healthcare and Public Administration showed an increase. Other industries like Wholesale trade, Transportation, and Arts & Entertainment have relatively lower employment numbers, with minor changes between the two years.

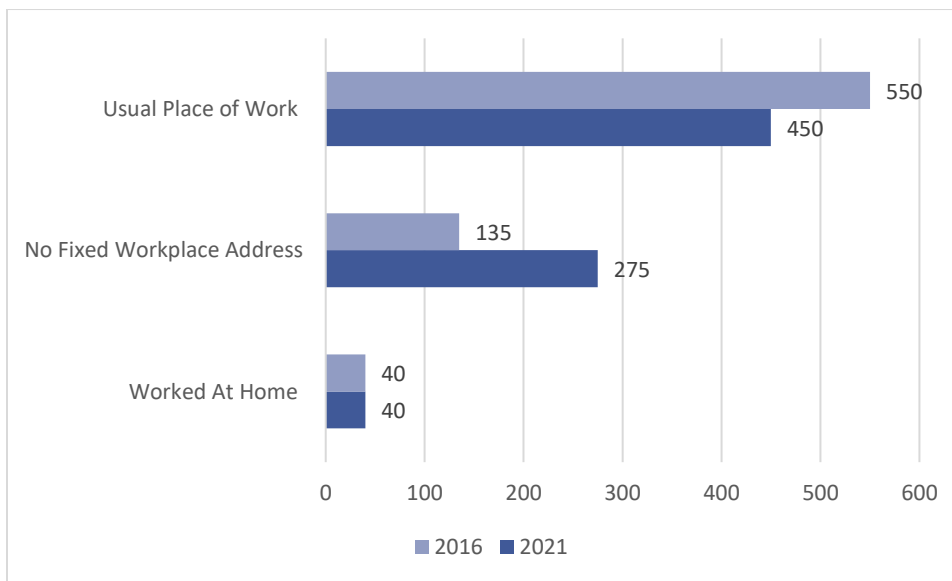
Employment by Industry, Fogo Island, 2016 and 2021



Source: Statistics Canada Census, 2016, 2021

Fogo Island saw a decrease in individuals working at a usual place of work from 2016 to 2021, with numbers dropping from 550 to 450. There was a significant jump in those with no fixed workplace address, doubling from 135 to 275. Meanwhile, the count of people working from home remained constant at 40. This data suggests a trend away from more traditional workplace settings and a notable growth in flexible work arrangements without a fixed workplace address.

Jobs by Place of Work and Total Jobs, Fogo Island, 2016 and 2021



Source: Statistics Canada Census, 2016, 2021

Nature of Housing Supply

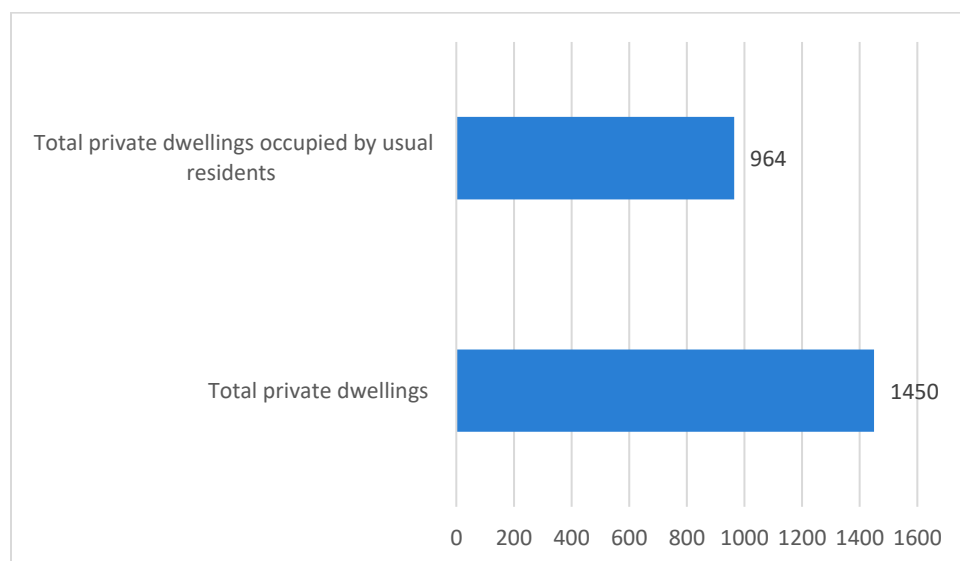
The following section reviews the nature of housing supply on Fogo Island, including dwelling types, tenure, age and condition of dwellings, and cost of housing compared to incomes.

Dwellings

Data on dwellings gives us some insights into dwellings occupied by usual residents versus dwellings occupied by people staying temporarily in the units. A private dwelling occupied by usual residents refers to a private dwelling in which a person or a group of persons is permanently residing. Also included are private dwellings whose usual residents are temporarily absent on Census day. Out of 1,450 total dwellings, 964, or two-thirds (66.4%), were occupied by usual residents. Census data does not give us insights into who was occupying the remaining units, and whether the occupants were in the community for work or for vacation. Community members reported that this includes a combination of employers provided housing for seasonal workers, nightly rental accommodations, vacation properties, and vacant dwelling units.

Fogo Island has a low proportion of dwellings occupied by usual residents compared to other communities. The national average is 92.0% of dwellings occupied by usual residents. This compares to 66.4% on Fogo Island.

Total Dwellings and Dwellings Occupied by Usual Residents, Fogo Island, 2021

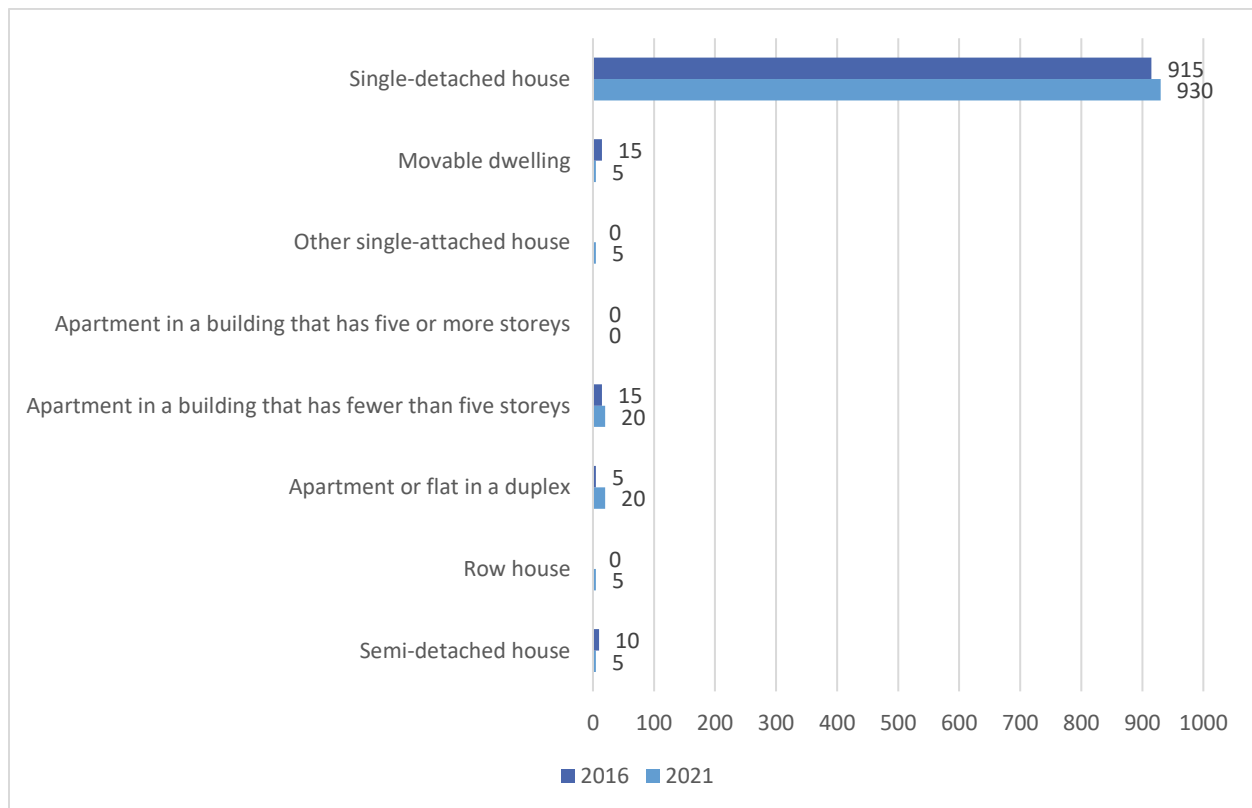


Source: Statistics Canada Census, 2021

Dwelling Type

The dwelling units on Fogo Island are almost entirely single-detached units, comprising 96.9% of all dwelling units. There are a small number of semi-detached (5), row houses (5), apartments or flats in a duplex (20) (which includes accessory dwellings in a single-detached house), low rise apartment units (20) and mobile dwelling units (5).

Dwelling Type, Fogo Island, 2016-2021

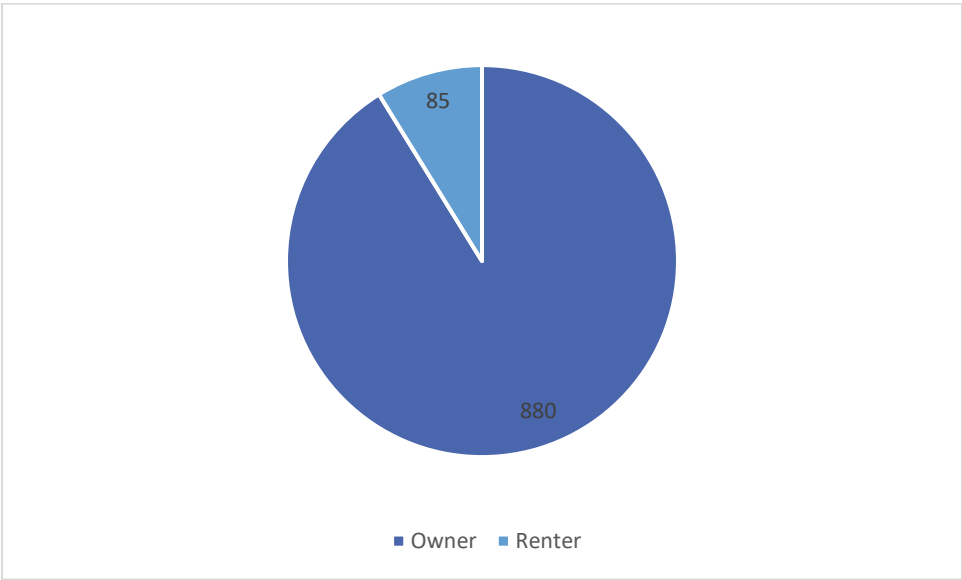


(Source: Statistics Canada Census, 2016, 2021)

Tenure

The vast majority of Fogo Island's usual residents are homeowners. Only 8.8% of usual residents (85 households) rent their homes. Community members reported that there is limited rental housing, and in particular limited purpose-built rental housing. Lack of purpose-built rental reduces stability in the supply of rental housing.

Private households by tenure, Fogo Island, 2021

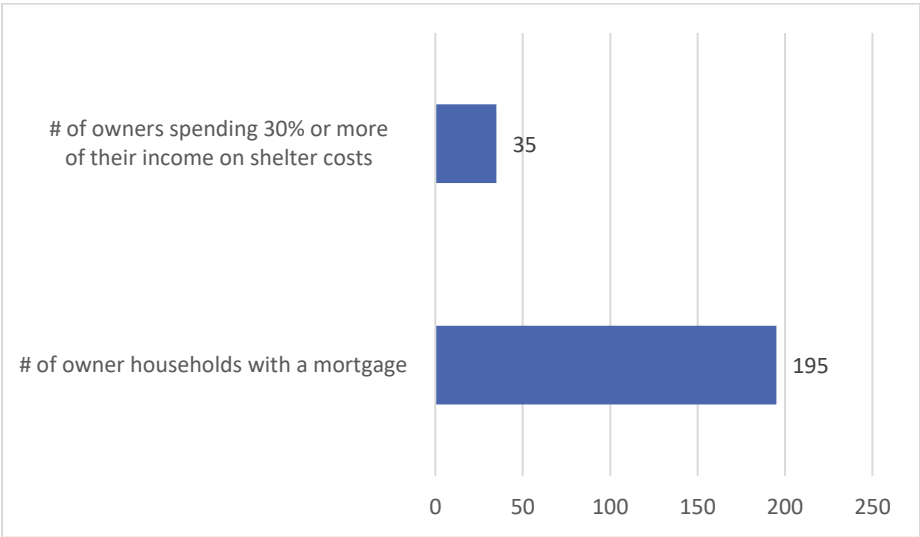


Source: Statistics Canada Census, 2021

Most homeowners on Fogo Island do not have a mortgage. Only 22.2% have a mortgage. Community members reported that the age of the housing and number of properties without deeds can create barriers in accessing mortgages.

Relatively few owners (35) are spending 30% or more of their income on shelter costs. Spending more than 30% of income on shelter is an indicator that housing is not affordable. This suggests that year-round residents who already own their own homes don't tend to face affordability issues for their current dwellings. Community members did, however, report significant costs when constructing new housing or renovating and repairing existing dwellings.

Owners Spending 30% or more on Shelter and Owners with a Mortgage, Fogo Island, 2021

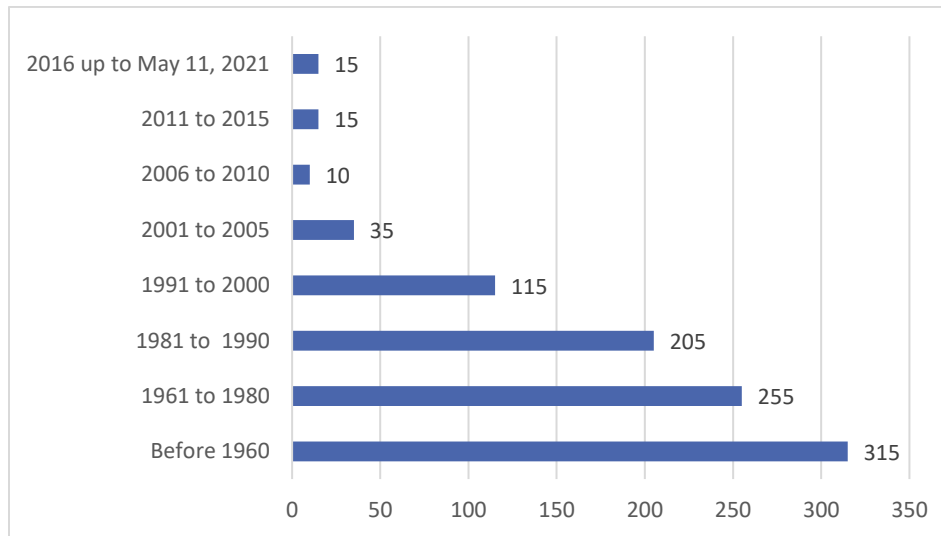


Source: Statistics Canada Census, 2021

Age of Housing Stock

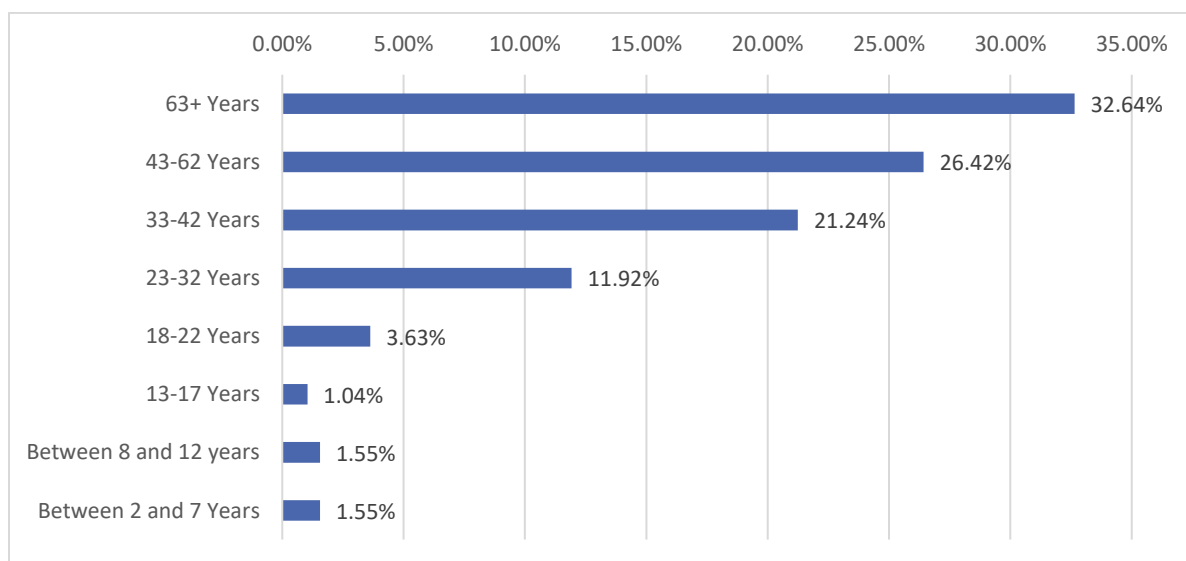
Fogo Island's housing stock is relatively old. Approximately one third (32.6%) of dwelling units on Fogo Island were constructed before 1960, compared to 20.2% across Canada. Only 7.8% of units were constructed since 2001, compared to 26.7% across Canada. Community members reported that the older age of the housing stock creates barriers in accessing home insurance and a mortgage.

Housing Stock by Period of Construction, Fogo Island, 2021



Source: Statistics Canada Census, 2021

Percentage of Housing Stock by Age, Fogo Island, Based on 2021 Census Data

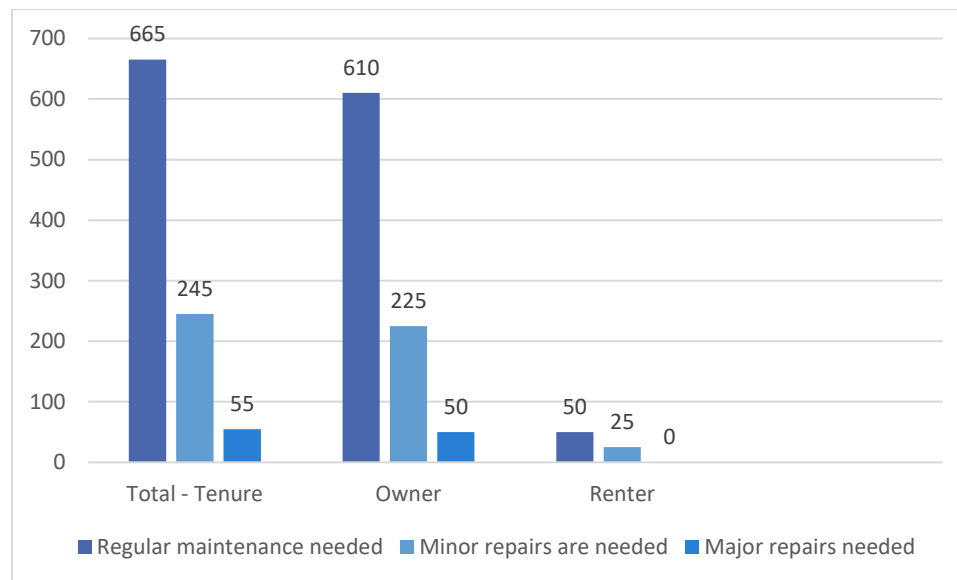


Source: Statistics Canada Census, 2021

Condition of Housing Stock

Self-reported data on housing conditions shows that the housing stock is generally in fairly good repair, despite the older age of the housing stock. Only 55 occupants, or 5.7%, reported that their dwelling needed major repairs. Another 245 occupants (27.5%) reported their dwelling needed minor repairs. Community members reported high repair costs and limited supply of skilled labour. Therefore, completing necessary repairs can be a concern for occupants whose dwellings need major repair.

Housing Stock by Condition, Fogo Island, 2021



Source: Statistics Canada Census, 2021

Pace of New Construction

2022 was a strong year for issuance of permits for new dwelling units, with seven permits issued. Prior to 2022, two permits were issued in 2021, zero in 2020, and two in 2019.

Short-term Rentals

A search on AirBnB and VRBO on October 1, 2023 identified 56 short-term rental listings as of that date. Most (54) listings were for entire units, but a few (4) were for room rentals. Average price per night was \$234, and ranged from \$82 to \$478. The number of short-term rental listings on AirBnB and VRBO at that snapshot in time does not show the potential magnitude of short-term rents given the number of dwellings not occupied by year-round residents discussed above.

Short-term Rental Listings, Fogo Island, October 1, 2023

Platform	Listings
AirBnB	56
VRBO	3
Total	56*

*all three VRBO listings are also on AirBNB

Unit Type	#
Rooms	4
Entire Home/Apartment	52

Price	\$
Average for any type	\$ 234.00
Minimum Price	\$ 82.00
Maximum Price	\$ 478.00

Subsidized and Other Non-Market Housing

Seniors Housing

In addition to private market housing, there is one subsidized housing property for seniors located in Fogo. The property is comprised of 16 units; 4 two-bedroom and 12 one-bedroom units. Units are rent-geared-to income and subsidized through Newfoundland & Labrador Housing Corporation. Currently (November 2023), there are about 6 households waiting for an apartment: one couple and 4 single individuals. The waiting list has grown over the past couple years. Discussions with stakeholders point to the rising cost of fuel and many seniors are no longer able to afford to keep their homes. There are no support services provided directly from the property managers, however, some residents do receive day supports provided by Town of Fogo Island Social Services.

River Head Manor

River Head Manor is an assisted living home in Fogo. River Head Manor currently has 16 beds, all double occupancy rooms, and are adding an additional 3 beds this year (2023) with one double occupancy room and one single occupancy room. Of the current beds, 3 are defined as 'enhanced' care, which means residents require a higher level of care. Applications for River Head Manor are completed through Central Health. 95% of the beds are subsidized through Central Health.

Some support service can be provided at home, up to 3.5 hours a day. Support services at home are arranged through Social Services. Local stakeholders have noted however that there is a shortage of

personal support workers and some seniors are not able to access home supports and do apply for River Head Manor.

In addition to River Head Manor, the Town currently has 11 long-term care beds operated out of the hospital.

Dedicated Housing for Workers

Fogo Island Cooperative Society Limited

Fogo Island Cooperative Society Limited (FISCL) owns and operates several properties on the Island providing accommodation to workers. Currently it can house 34-36 workers.

- FISCL owns the Quiet Cannon Hotel in Stag Harbour which has 2 housekeeping units and 11 rooms and can house 26 people. This housing is used to accommodate Temporary Foreign Workers (TFWs).
- FISCL rents a house in Deep Bay to accommodate 6-8 long-term off-island employees.
- FISCL owns two single dwelling homes (one in Seldom and one in Stag Harbour) that are occupied by executive staff.

In addition, FISCL has two mini homes under construction with a capacity to house 16 people (8 per home). It is anticipated that this housing will be ready for the 2024-2025 season. Staff of FISCL indicate that if this housing proceeds, they will be able to meet their short-term housing needs for next season. They do anticipate continued growth over the years with the need to continue to bring in Temporary Foreign Workers. There is potential to place two more mini homes on the existing property in a few years if necessary.

Shorefast

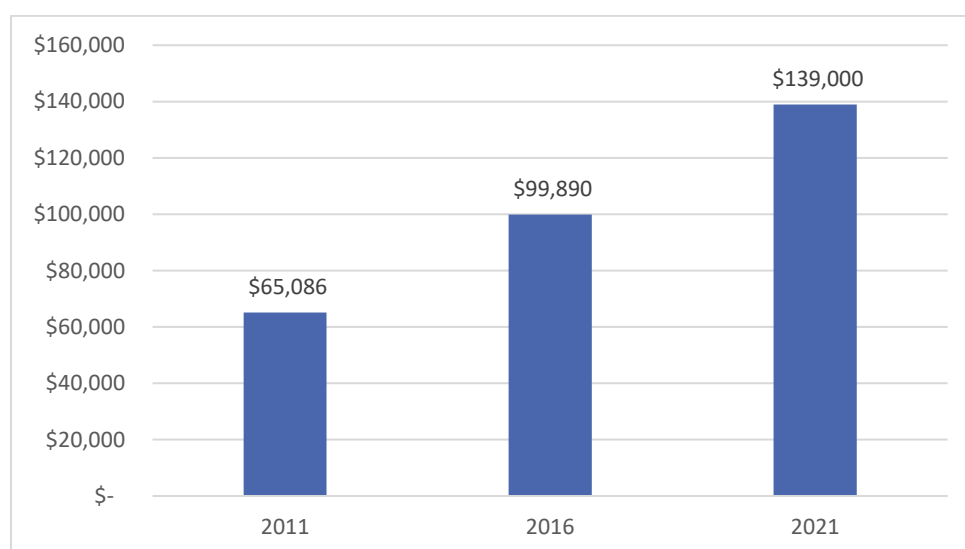
Shorefast currently has 4 homes for their artist residency program and owns 5 homes shared by seasonal workers or interns. Homes are often rented for around \$1,200 and accommodate 3 workers per home. While Shorefast was able to support all employees in finding housing this past season, staff did indicate they did not hire as many staff as originally intended.

Nature of Housing Affordability

Comparison of House Prices and Rents to Incomes

Based on self-reported Census data, the median value of dwellings on Fogo Island was \$139,000 in 2021. The annual growth rate of the median value of dwellings from 2011 to 2016 is approximately 10.7% and 7.8% from 2016 to 2021. Overall, the median value for all dwellings has increased by 113.6% since 2011. Resale dwelling sales price data was not available, but is often higher than the self-reported values from the Census.

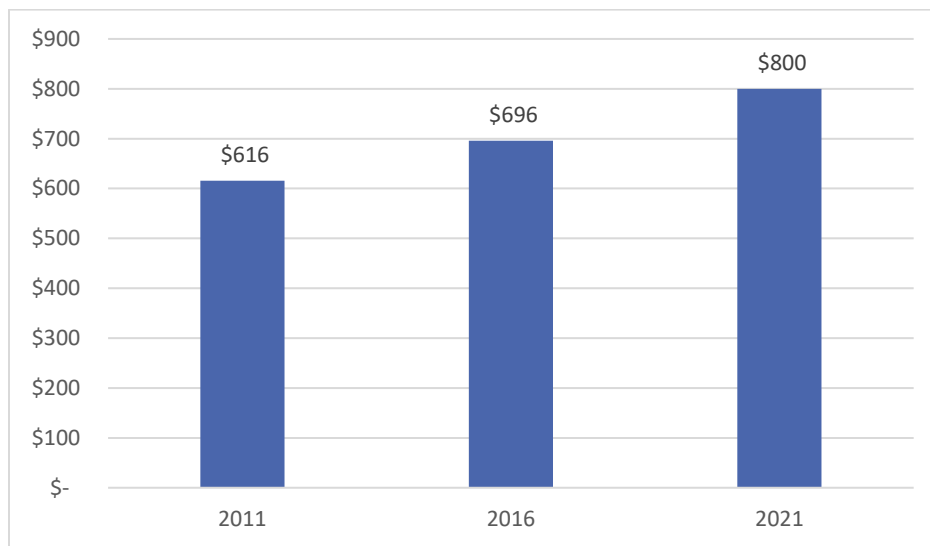
Median Value of Dwellings, Fogo Island, 2011 - 2021



Source: Statistics Canada Census, 2011, 2016, 2021

Renters reported a median shelter cost of \$800 for rented dwellings in 2021. This was up from \$696 in 2016. It should be noted that the reported rents represent rents paid by all tenants and it is likely lower than rents for units listed available for rent. Median rents saw an average annual increase of 2.6% between 2011 and 2016, and a 3.0% increase between 2016 and 2021. Overall, rent has increased by 29.9% since 2011.

Median Monthly Shelter Costs for Rented Dwellings, Fogo Island, 2011 - 2021



Source: Statistics Canada Census, 2011, 2016, 2021

Based on the median value of ownership dwellings and median rents reported in the Census, households in the lowest two income categories, with incomes below 50% of the Area Median Household Income (less than \$37,000) can generally not afford the median rental or ownership home. This accounts for approximately one-quarter (25.5%) of all households. Households in the moderate income category and above can generally afford median rent or the median house price.

Affordability of Median Rent and Median Value of Ownership Dwelling by Income Category, Fogo Island, 2021

	Number of Households	Percent of Households	Afford Median Rent?	Afford Median Value of Ownership Dwelling?
Very Low Income (20% or under of AMHI)	0	0%	Cannot afford median rent	Cannot afford dwelling costing the median value of dwellings
Low Income (21% to 50% of AMHI)	240	25.5%	Most cannot afford median rent	Cannot afford dwelling costing the median value of dwellings
Moderate Income (51% to 80% of AMHI)	130	13.8%	Can afford median rent	Most can afford dwelling costing the median value of dwellings
Median Income (81% to 120% of AMHI)	250	26.6%	Can afford median rent	Can afford dwelling costing the median value of dwellings
High Income (121% and over of AMHI)	320	34%	Can afford median rent	Can afford dwelling costing the median value of dwellings

Source: Statistics Canada Census, 2021 and consultant calculations

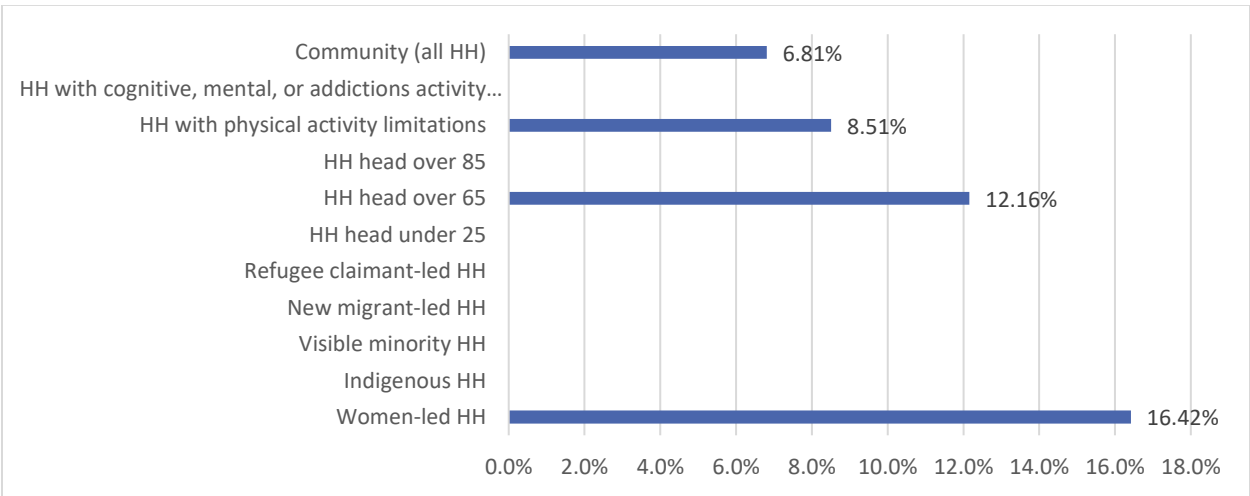
Core Housing Need

Core housing need helps to identify households living in dwellings considered unsuitable, inadequate, or unaffordable. It also considers if income levels are such that they could not afford alternative suitable and adequate housing in their community. A household is considered to be in core housing need if it meets two criteria: 1) A household is below one or more of the adequacy², suitability³ and affordability⁴ standards. 2) The household would have to spend 30% or more of its before-tax household income to access local housing that meets all three standards.

In 2021, 65 households on Fogo Island were in core housing need (6.8% of households). The percentage of households in core housing need is modestly higher than the rate for the province of Newfoundland and Labrador, which was 8.0%. Population groups with particularly high rates of core housing need include women-led households (16.4%), households led by persons aged 65 and over (12.2%), and households where at least one person has an activity limitation (8.5%). Each of these groups had a higher rate of core housing need than their counterparts in other parts of the province. For example, for Newfoundland and Labrador, the rate of women-led households in core housing need was 10.7%.

Where there is not a bar for a priority population in the following figure, it means that either there are no households in Core Housing Need within that priority population, or that there are too few households to report.

Percentage of Households in Core Housing Need by Priority Population, Fogo Island, 2021



Source: Statistics Canada Census, 2021, Custom Order (HART data)

² Housing is considered adequate when it isn't in need of major repairs. Major repairs include defective plumbing or electrical wiring, or structural repairs to walls, floors, or ceilings.

³ Housing is considered suitable when there are enough bedrooms for the size and make-up of resident households.

⁴ Housing is considered to be affordable when housing costs less than 30% of before-tax household income.

Census data shows that all low income households (households with incomes between \$14,800 and \$37,000), (60 households), were in core housing need in 2021. These households can afford housing with rents between \$401 and \$1,000.

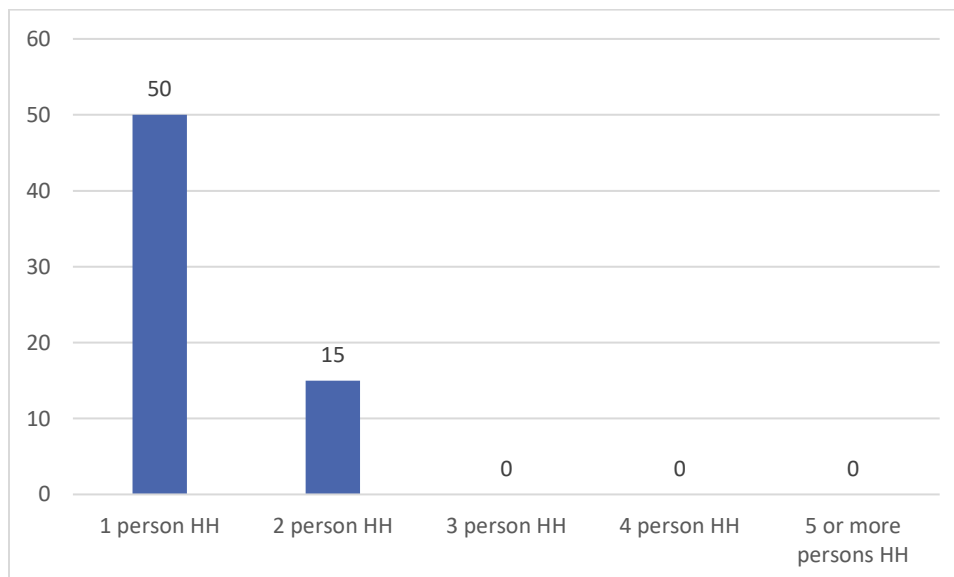
Core Housing Need by Income, Fogo Island, 2021

	Number	Percent of Households in the Income Category in Core Need
Very Low Income (20% or under of AMHI)	0	0%
Low Income (21% to 50% of AMHI)	60	100%
Moderate Income (51% to 80% of AMHI)	0	0%
Median Income (81% to 120% of AMHI)	0	0%
High Income (121% and over of AMHI)	0	0%

Source: Statistics Canada Census, 2021, Custom Order (HART data)

Households in core housing need are predominantly one person households (50 households), although some (15) are two person households.

Core Housing Need by Household Size, Fogo Island, 2021



Source: Statistics Canada Census, 2021, Custom Order (HART data)

Note: numbers may differ from the table above due to rounding and suppression.

Community Perspectives on Housing Need

As part of preparing the Housing Needs Assessment, a series of engagement activities were conducted to gather feedback on what housing needs and gaps currently exist, what barriers there are to meeting current housing needs, and what ideas stakeholders and residents have to help meet current and future housing needs across Fogo Island.

Engagement Activities

Opportunities to gather feedback included:

- Focus Groups & Interviews:
 - Town Mayor and CAO: 2
 - Service Providers: 3*
 - Private Landlords and Developers: 4
 - Fogo Island Growth Incorporated: 4
 - Business Community: 2
- Community Round Table: 11
- Community Survey: 56

*Of note, 2 participants attended the in-person focus group and 1 participant submitted feedback via email. All feedback has been included in this consultation summary.

Key Themes

Overall, residents and stakeholders acknowledge many current and future housing challenges facing the Island. Housing affordability and a lack of rental housing were the prominent themes, along with challenges in building new housing supply. Below provides a summary of key themes that emerged from feedback provided through the community survey and conversations with stakeholders.

Key Themes	
Rental Housing	<ul style="list-style-type: none">• Lack of rental housing is a barrier to recruiting employees• Landlords choosing to move from longer-term rental housing to nightly accommodations• Very limited supply of purpose-built rental housing adding to instability of existing rental market• Lack of rental housing that permits pets
Housing Diversity	<ul style="list-style-type: none">• There is a lack of housing options by type (i.e., limited smaller housing forms such as townhomes/row housing, shared housing forms)

Key Themes	
Support Services	<ul style="list-style-type: none"> • Currently no support services for victims of domestic violence, youth, or people with disabilities
Land Ownership	<ul style="list-style-type: none"> • Many properties on the Island do not have proper deed or title, creating barriers and often significant time delays in purchasing property • Purchasing of Crown Land can be time consuming and cumbersome
Infrastructure	<ul style="list-style-type: none"> • Much of the available land supply is not serviced by water or sewage • Age of housing creates barriers in accessing home insurance and a mortgage
Housing Costs	<ul style="list-style-type: none"> • Costs of building new housing often exceeds current market value, creating greater risk for homeowner/builder • Overall construction costs are increasing • Lack of skilled trades workers on Island • High cost of heating in winter is a significant barrier for residents, in particular seniors and lower-income residents • Some homes have been purchased for well above market value, driving up costs and in some cases leading to people 'holding-on' to property • Age of homes often mean high costs to upgrade/renovate
Transportation	<ul style="list-style-type: none"> • Lack of transportation options on Island is also a challenge for people looking to live/work on the Island
Water	<ul style="list-style-type: none"> • Lack of clean drinking water is another barrier for people looking to live/work on the Island

Discussion of Gaps, Challenges, and Opportunities

Interviews and focus groups were held with key stakeholders including Mayor Shae and Town Administration, local developers and employers, local service providers, and members of the Fogo Island Growth Incorporated (FIGI). A community round table was facilitated to hear from residents and an online survey was conducted. We asked residents and stakeholders about the current housing challenges facing Fogo Island and how best to address present and future housing needs across the town.

Results from these discussions are summarized below. Detailed responses to the survey are provided in Appendix A.

Needs and Gaps

Based on feedback from residents and stakeholders, Fogo Island is experiencing shortages in both ownership and rental housing, with a particular need for affordable rental options. Many stakeholders point to specific challenges facing seniors on the Island who are confronted with a lack of suitable housing choices, leaving some desiring to downsize with no viable options. In addition, many seniors are on a fixed income and the waiting list for the one affordable seniors' apartment property is growing. Stakeholders note that this gap in housing alternatives has led to some residents opting to move off the island.

Stakeholders and residents further emphasize the lack of stability of the rental market on Fogo Island, posing recruitment difficulties for local employers and impeding the Island's capacity to meet the growing employment needs, especially for seasonal and skilled labor. Additionally, the limited availability of pet-friendly rental housing adds to the challenges faced by residents. Affordability remains a critical concern, particularly during the winter months, as the cost of heating, particularly oil heating, becomes increasingly burdensome. Furthermore, there is currently a lack of support services and dedicated housing options for vulnerable populations such as persons with disabilities, victims of domestic violence, youth, or those facing addiction challenges. Notably, the absence of emergency housing options on the Island was also highlighted by residents. In addition, the community has expressed a growing income disparity across the Island, and a shortage of skilled trades to meet the demand for housing development and renovation.

Challenges

"Biggest barrier for people moving here is a lack of housing options"

The main housing challenge described by residents and stakeholders is the overall lack of housing options on the Island. Residents and stakeholders describe many contributing factors. This includes concerns raised regarding the number of homes that remain vacant, with some unoccupied from October to May, others unoccupied year-round, and some functioning solely as vacation homes occupied only a couple weeks in the summer. Some stakeholders express that low property taxes incentivize residents to retain unused homes. There is also a perception that homes have been sold above market value, often for summer residents or on speculation, leads some sellers to await higher prices, thereby driving up the overall housing cost.

The age of the housing stock is also an issue, as the high costs associated with heating and renovating/upgrading homes is often a barrier for both existing residents and residents looking to move to the Island. In some cases, the age and condition of the houses mean they are not insurable, rendering owners unable to secure mortgages.

Another concern raised by residents and stakeholders is the impact of nightly rental accommodations, which are perceived to deplete a significant portion of the housing stock. Instances of evictions in June for the summer season were also described, as owners transition to more lucrative nightly accommodation models, contributing further to the lack of stability in the rental market.

Land ownership is another challenge described by residents and stakeholders, and is characterized as complicated and convoluted, with many properties lacking proper deed and title, required for obtaining mortgages. Legal complexities and time-consuming processes, including accessing Crown land, are also barriers to proper land ownership. Infrastructure deficiencies further impede development, as serviced

land is often unavailable or inadequately serviced. Costs associated with water and sewer access, along with septic system requirements, pose obstacles to smaller lot developments.

Construction costs are another significant impediment to development, exceeding current market values and thereby increasing risks for builders and homeowners. The municipal tax system adds to development expenses, requiring landlords to pay business tax on each property. The lack of transportation options on the island compounds challenges for those seeking to live and work there. Additionally, the absence of clean drinking water is another overarching concern raised by stakeholders.

Opportunities

In response to the identified needs and challenges, residents and stakeholders did identify several opportunities. Suggestions include advocating to the province for changes in septic system regulations, the creation of a land registry, and seeking support for infrastructure development. Exploring diverse funding sources, including provincial and federal government support, was also recommended, and considered essential for new developments and to support energy conversions in homes. Looking at the current municipal tax system as well as exploring opportunities for the Town of provide financial incentives, such as an affordable housing reserve and fee waivers, were also suggested to encourage housing development.

Many stakeholders and residents want to see greater diversity of housing options and highlighted the need for "stepping stone housing" for seniors looking to downsize, and young families looking to enter the housing market. Emphasis was also placed on creating options for purpose-built rental housing with a focus on affordability. Additionally, exploring shared housing options for seniors, and cooperative housing models were highlighted.

Building on partnership opportunities is identified by stakeholders as a key strategy, including local builders and developers, the Town, and FIGI. Some stakeholders also describe the potential to incorporate youth training and volunteer 'sweat equity' in housing development projects as a partnership opportunity and to help lower costs.

Other considerations include upcoming provincial regulations for nightly accommodation businesses, ongoing housing developments for seasonal workers, and the preparation of a Town property inventory. Stakeholders further highlighted a desire for new housing to respect the Island's culture and history. Lastly, the upcoming tax sale is seen as a potential opportunity for individuals to access property.

Future Needs

Population Projections

Newfoundland and Labrador's Department of Finance has prepared population projections for the Gander – New-Wes-Valley Region, which includes Fogo Island. In the medium scenario, the Region is anticipated to see a relatively stable population between 2023 and 2031, with an estimated decline of 408 people.

Households Projections

The University of British Columbia's Housing Assessment Resource Tool Team has prepared household projections by income category for the period from 2021 to 2031. The projections are based on a line of best fit from 2006-2021, projecting forward to estimate the number of 2031 households. The projection tool applies the same methodology to communities across the province, and doesn't take into account unique factors related to population changes of rural and remote communities. Their projections estimate 145 households to be added between 2021 and 2031, or approximately 14 net-new households per year. Town staff reported that if the Town were successful with receiving Housing Accelerator Funding, it could be in a position to accommodate close to this amount of additional housing demand.

The projections estimate that there will be more low income and median income households in Fogo Island by 2031 and fewer moderate income and high income households. The number of low income households is projected to increase by 140 households, the number of moderate income households is projected to decrease by 40 households, and the number of median income households is projected to increase by 145. Fogo Island is projected to see the most growth in two person households. It should be noted that the distributions between household income categories and household sizes do not necessarily represent new households and could be shifts from one income category or household size to another.

2031 Projected Household Gain/Loss (2021 to 2031)						
HH Income Category	1 Person	2 Person	3 Person	4 Person	5+ Person	Total
Very Low Income	0	0	0	0	0	0
Low Income	-10	150	0	0	0	140
Moderate Income	20	-60	0	0	0	-40
Median Income	0	120	-25	50	0	145
High Income	0	-10	-30	-40	-20	-100
Total	10	200	-55	10	-20	145

Source: <https://hart.ubc.ca/housing-needs-assessment-tool/>

The Town of Fogo Island has produced much more modest projections for new housing development between 2023 to 2026. The Town estimates the development of 6 dwellings a year, with the large

majority being single-detached units. Should the Town receive Housing Accelerator Funding, it expects to double the dwelling development and anticipate a change in mix, with an increase in multi-unit dwellings.

Key Findings

Key themes from both the data analysis and stakeholder engagement include:

- The number of year-round residents of Fogo Island has been moderately decreasing, while the number of jobs has been increasing. This suggests a growing demand for housing for workers. Attention should be given to ensuring housing availability for workers as stakeholders reported that housing shortages are already posing recruitment difficulties for local employers and impeding the Island's capacity to meet the growing employment needs, especially for seasonal and skilled labour.
- The year-round population has been aging. This points to a need to ensure availability of appropriate housing options for seniors. However, many stakeholders pointed to a current lack of suitable housing choices for seniors, leaving some desiring to downsize with no viable options and causing some seniors to move off the island.
- The majority of households have one to two persons and the number of two-person households is anticipated to grow by 2031. This points to the need for housing options for small households, which may include row houses and apartment units. There is currently limited diversity in housing options available on the Island, with very limited row and apartment units.
- The supply of rental housing is very limited. This is of particular concern for meeting the needs of workers and older adults. Stakeholders also reported that because the rental housing is not purpose-built rental housing, there is a lack of stability in the rental housing market. Stakeholders believe that nightly rental accommodations are reducing the supply of housing in the long-term rental housing market.
- Many of the housing units on Fogo Island are older, and while they are generally in good condition, the age of the housing can create barriers in accessing home insurance and a mortgage.
- Households whose units need major repair face challenges in repairing their dwellings due to high construction costs and limited availability of skilled labour.
- Lack of serviced land is currently a barrier to new construction. Construction costs also pose a significant impediment to development, exceeding current market values and thereby increasing risks for builders and homeowners.
- Census data showed that most existing owners and tenants can afford their housing. However, stakeholders noted that high cost of heating in winter is a significant barrier for residents, in particular seniors and lower-income residents.
- Overall, residents are most concerned about housing affordability and a lack of rental housing and housing diversity.

Appendix A: Fogo Island Survey Results

Who Participated

In total, the Fogo Island Housing Needs Assessment Survey yielded responses from 56 participants. Of these, 89% were full-time residents, and 80% owned a home on Fogo Island. The majority of participants were women (78%). 30% were between 40-49 years of age, 21% were between 30-39 years, and 20% were between 60-69 years. The highest participation came from the community of Fogo (27%), followed by Joe Batt's Arm (18%), and Seldom (11%).

Survey Summary – What We Heard

98% of survey participants indicated Fogo Island will face housing challenges over the next 5-10 years. Housing affordability and a lack of available rental housing were the prominent themes captured throughout survey responses. Participants expressed a significant concern over the high cost of living and building, including the cost of materials, financing interest rates, and taxes. Rent is considered too high, and there is a lack of affordable housing for both purchase and rent. Participants also indicated there is a lack of housing supports such as mental health, health, or addiction services.

43% of participants stated they had difficulty finding and maintaining housing on Fogo Island due to a variety of reasons, including high costs, a lack of available units, difficulty finding contractors, and bureaucratic roadblocks that may prevent new development or proper land use. Survey responses indicated that most of the rental supply in Fogo Island is geared towards short-term rentals such as Air BnB's to support tourism, which is hindering economic growth. Existing housing supply was also noted to be old and often in need of major repairs, which is becoming very costly.

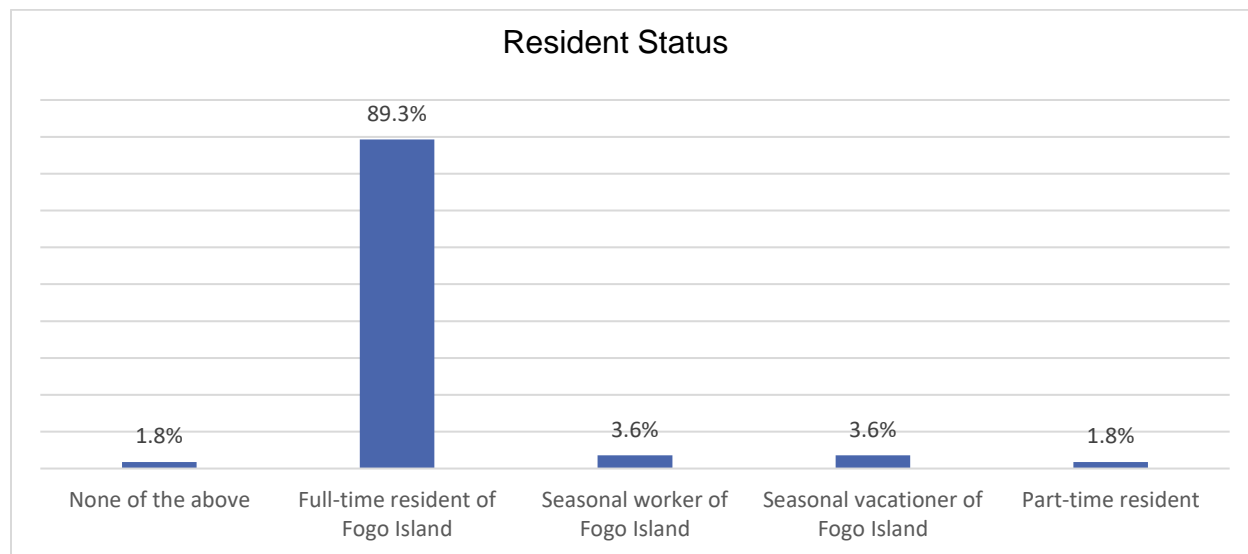
Survey responses indicated that Fogo Island's population is aging and there are limited housing options for seniors. 56% of survey participants felt that seniors have the most difficulty finding affordable and adequate housing, followed by families at 52%, then youth and people with disabilities at 32%. Participants also stated that there is a lack of housing to support people with addictions and there are no housing options for vulnerable populations such as emergency shelters or transition homes.

The survey captured participants' suggestions on future and current housing needs. There is a call for more affordable housing and is the top priority among 71% of participants. A significant portion of participants, 57%, suggested an increase in rental housing supply, and almost half, 48%, called for more housing choice/more diversity of housing type. Financial incentives to encourage the development of affordable housing are also important for half of the respondents.

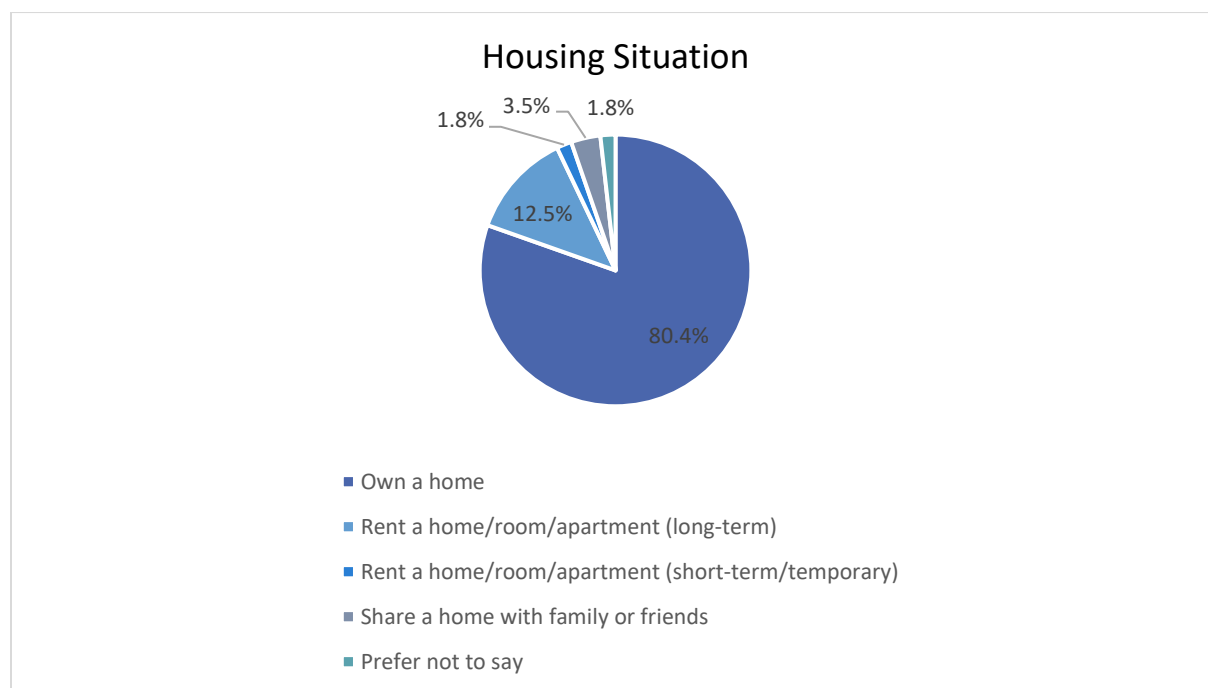
Additionally, there is notable support for new infrastructure to facilitate new housing development and more supportive housing with on-site services among 39% of participants. A quarter of respondents emphasized the need for more data-driven decisions and planning tools to encourage development of more diversity of housing.

Detailed Survey Results

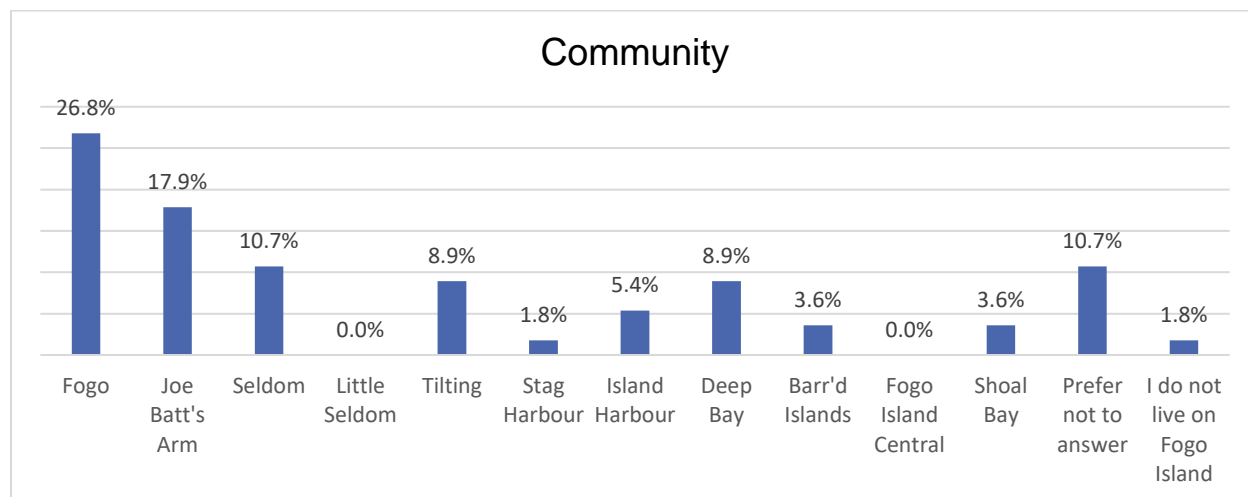
The following section offers a detailed breakdown of all survey responses.



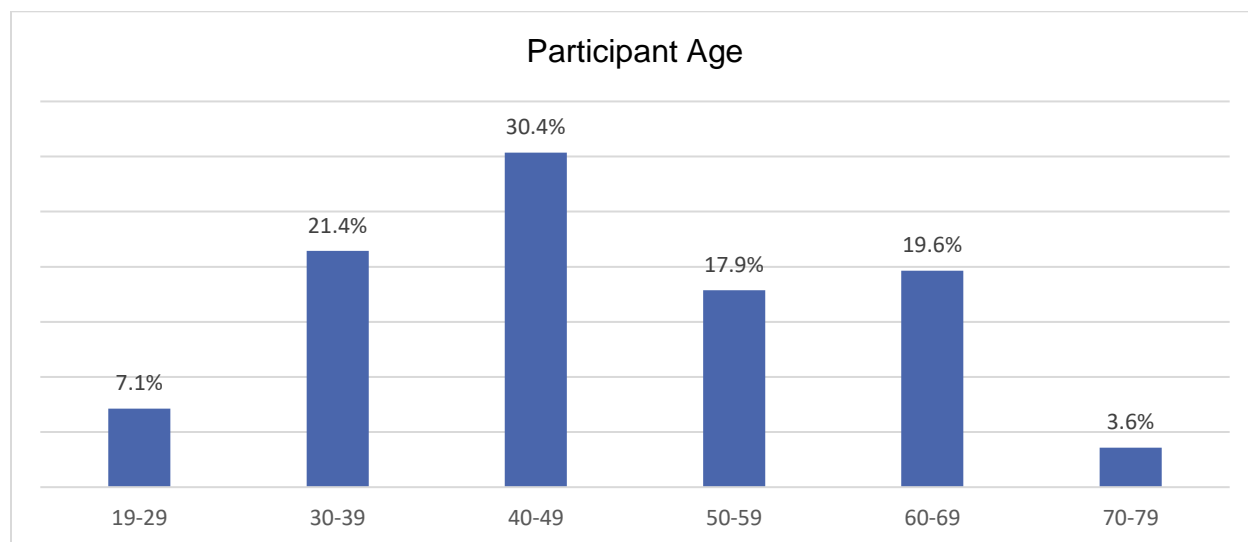
89% of survey participants were full-time residents of Fogo Island. The remaining participants identified as seasonal workers, seasonal vacationers, or part-time residents.



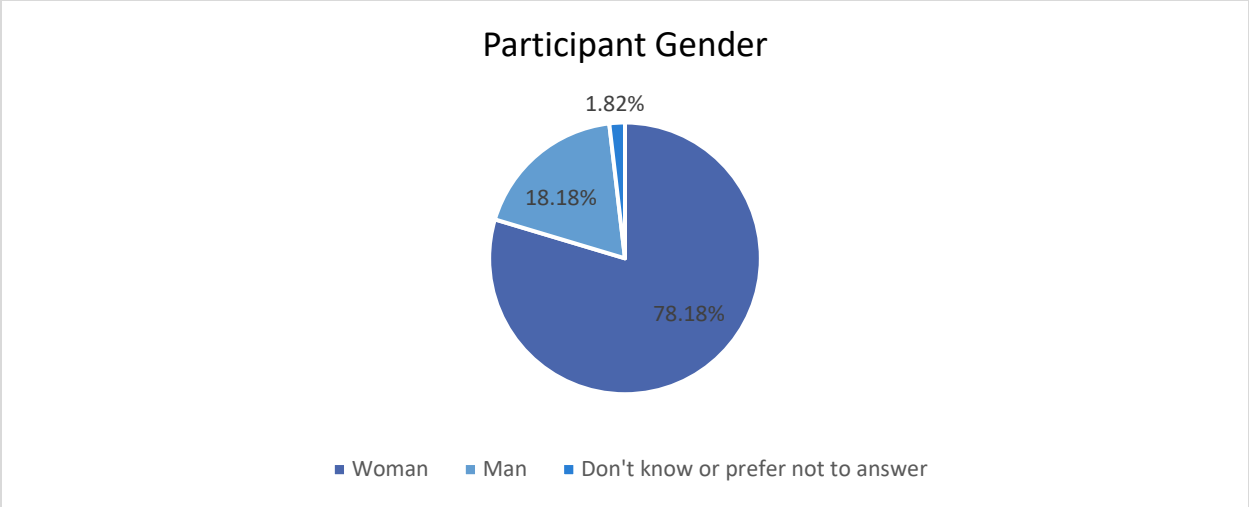
80% of participants owned a home and 13% were in long-term rental situations. 1.7% were in a short-term or temporary rental situation, and 4% were staying with family or friends.



Survey participation was highest from the community of Fogo (27%), followed by Joe Batt's Arm (18%), and then Seldom (11%). A notable portion of the participants, 10.7%, preferred not to disclose their location, and 1.8% indicated they do not live on Fogo Island. Some areas such as Little Seldom and Fogo Island Central had no participants.



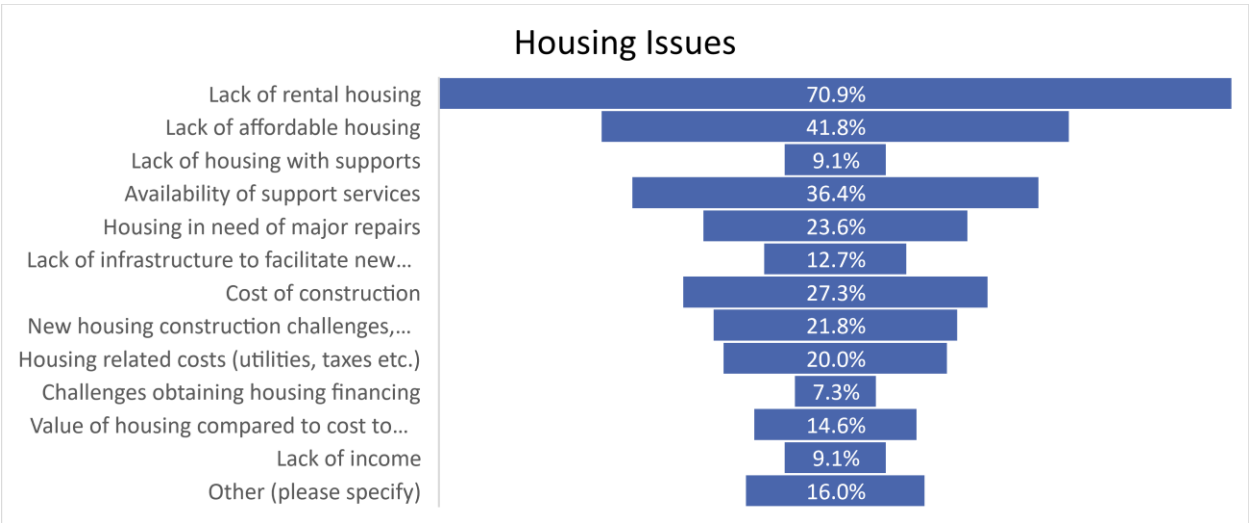
30% of survey participants were between the ages of 40-49 years, and 21% were between 30-39, and 20% were between 60-69 years.



78% of participants identified as a woman and 18% identified as a man. No survey participants identified as trans gender or non-binary, and one participant preferred not to answer or didn't know.

Q1. What do you see as the most pressing housing issue currently facing the Town of Fogo?

71% of participants identified a lack of rental housing as being the more pressing housing issues, followed by a lack of affordable housing at 42%, and availability of support services such as mental health, addiction, and health supports at 36%. A detailed breakdown of all survey responses is outlined in the chart below.



"Other" responses included too many short-term rentals, unoccupied and vacant homes, and not enough homes for seniors. One (1) participant responded there is a lack of home ownership and two (2) responded there is not enough emergency or transitional housing.

Q2. Do you believe there will be housing challenges facing Fogo Island over the next 5-10 years?

The majority of survey participants (98%) answered “yes” Fogo Island will face housing challenge over the next 5-10 years. Participants stated there will be several challenges, outlined by theme below:

Affordability and Cost:

- Rising costs of housing and maintenance are outpacing income, making it difficult for locals and seniors to afford housing.
- The high cost of materials and labor makes it challenging to build new properties or maintain existing ones.
- Energy costs contribute to the unaffordability of year-round living.

Housing Availability

- A severe shortage of long-term rental properties limits options for residents and potential new families moving to the island.
- There is a lack of diverse housing options such as rental units, small houses, and retirement units.
- Concerns about a future oversupply of housing if the elderly population moves out or passes away, potentially leading to a surge of vacation homes or abandoned properties.

Seniors Housing

- Seniors are struggling with the upkeep of old houses and the lack of suitable alternative housing.
- There is a demand for affordable senior housing that offers a balance of support and independent living.

Market Dynamics

- Short-term rentals driven by tourism are monopolizing the housing market, leaving fewer options for full-time residents.
- Properties are being purchased by non-residents for personal investments or to be flipped, inflating prices beyond what locals can afford.
- An aging population requires tailored housing solutions, including universal design and services like snow clearing and lawn maintenance.

Community and Demographics

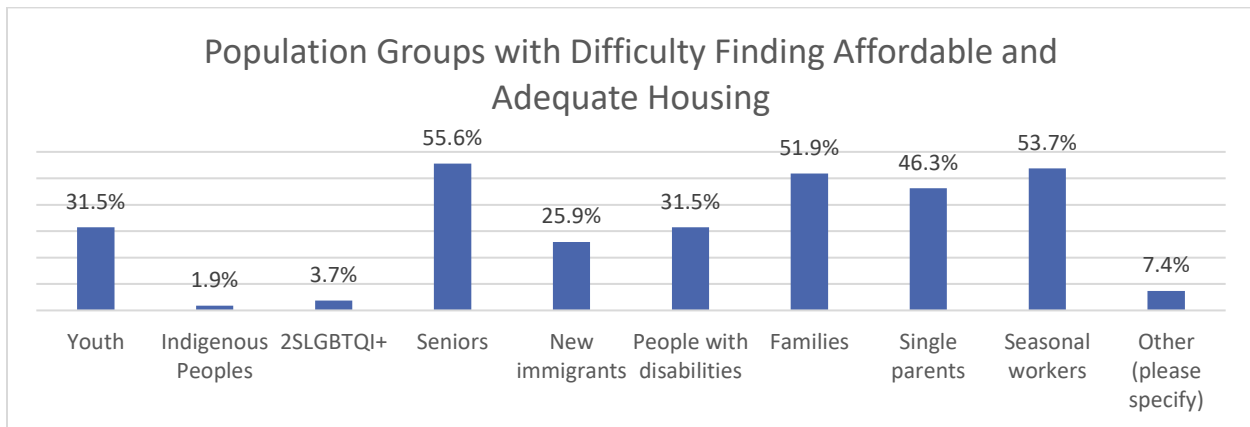
- The island's population is aging, with a high need for support services to sustain an older demographic.
- The potential impact of climate change is anticipated to drive more people to move to the island from other regions.
- Young locals and new families are finding it difficult to find affordable homes, hindering population growth and economic development.

Regulatory and Investment Issues

- The local government is allowing short-term rentals to operate without adhering to regulations, exacerbating the housing crisis.
- There is a call for creative investment and entrepreneurial solutions to address the housing shortage.

Q3. Are there population groups that, in your opinion, have a particularly difficult time finding affordable and adequate housing on Fogo Island?

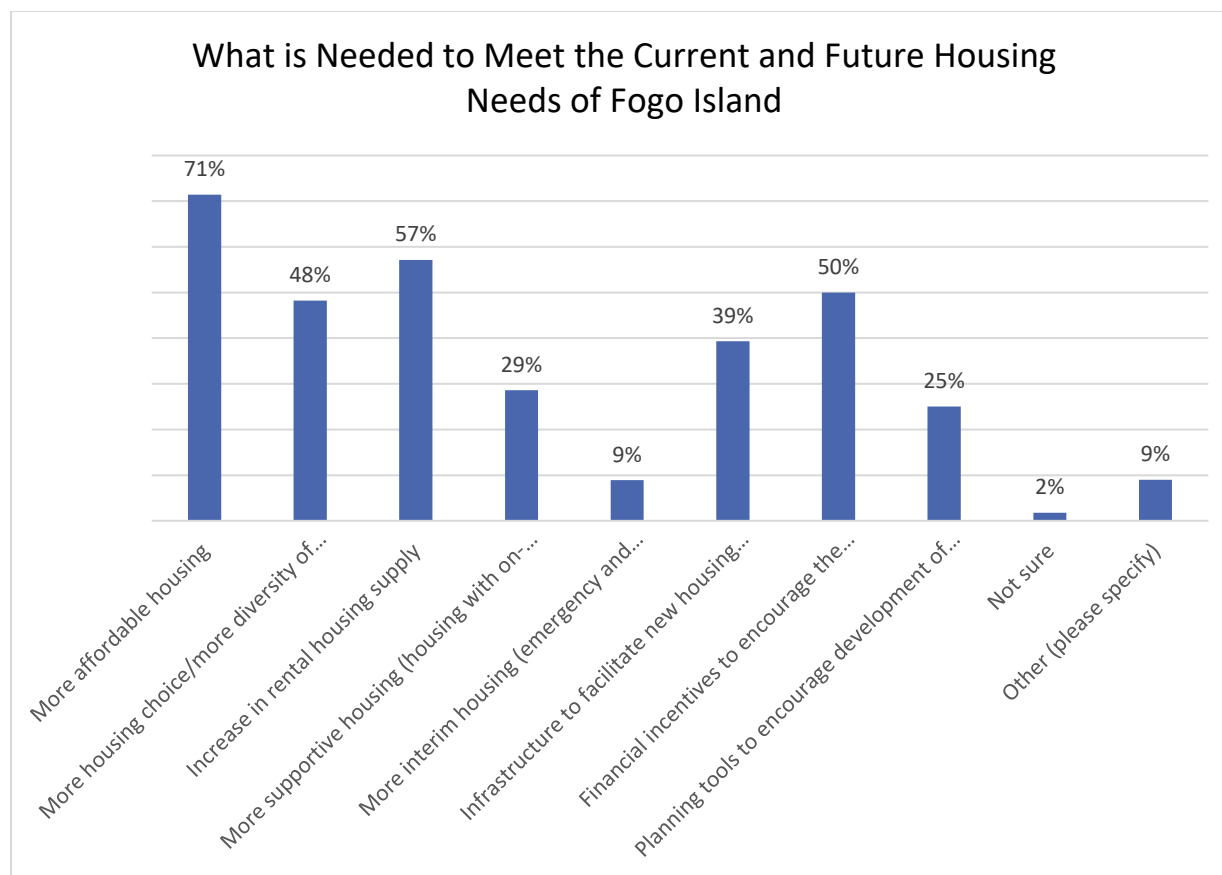
Participants had diverse responses on which groups may have difficulty finding affordable and adequate housing. 56% of survey participants felt that seniors have difficulty finding appropriate housing, followed by families at 52%, then youth and people with disabilities at 32%. 30% felt new immigrants also have difficulty. A detailed breakdown of all responses is presented in the chart below.



Q4. What do you think is needed to ensure we are able to meet the housing needs of current and future residents of Fogo Island?

There is a clear demand for more affordable housing being the top priority at 71%. A significant portion of respondents, 57%, suggested an increase in rental housing supply, and almost half, 48%, call for more housing choice/more diversity of housing type. Financial incentives to encourage the development of affordable housing are also important for half of the respondents.

Additionally, there's notable support for new infrastructure to facilitate new housing development at 39%, and more supportive housing with on-site services is desired by 29% of participants. A quarter of respondents emphasize the need for more planning tools to encourage development of more diversity of housing. A detailed breakdown of all responses is presented in the chart below.



"Other" responses included more financial incentives for home owners and more seniors housing.

Q5. What do you see as the biggest barrier to meeting the current housing needs on Fogo Island?

Detailed qualitative responses are themed below:

Affordability and Costs: There is a significant concern over the high cost of living and building, including the cost of materials, financing interest rates, and taxes. Rent is considered too high, and there is a lack of affordable housing for both purchase and rent.

Quality and Availability: Participants noted a shortage of quality housing and long-term rental options. Many existing homes are either in poor condition, lacking investment and insurance, or converted to short-term rentals. There's a need for better quality housing and regular maintenance.

Land Use and Development: Issues related to the availability of Crown land, water, and sewer services for development are raised, along with the need for planned housing development. The bureaucratic process is seen as an impediment, with calls for more private and public partnerships to facilitate development and reduce red tape.

Community and Demographics: The aging population's need for accessible and affordable housing is highlighted. There's also concern about the lack of resources for vulnerable populations such as the elderly and those with mental health or addiction issues.

Market Dynamics: The text reflects a concern over the dominance of short-term rentals like Airbnb, which are seen as detracting from the year-round housing stock. This is exacerbated by a perceived lack of municipal management of these properties and land being bought up by non-locals or large businesses, which limits the availability for locals.

Legislation and Management: There's a call for legislative action to prevent major businesses from monopolizing the housing market and for the Town Council to be more proactive in managing short-term rentals and supporting new housing initiatives.

Q6. Please provide any additional thoughts on housing in the Town of Fogo Island.

The main themes emerging from the additional thoughts on housing on Fogo Island are as follows:

Strategic Housing Development: The need for data-driven, strategic planning in housing to address both current and future demands, with a focus on sustainable and community-informed initiatives.

Affordability and Accessibility: A significant concern for affordable housing options for all segments of the population, especially seniors and low-income families, and the need for new houses that meet modern building standards and accessibility.

Senior Support and Accommodation: The demand for housing that allows seniors to downsize and live independently while remaining in the community, through senior complexes or affordable cottages with supportive services.

Preservation of Local Aesthetic and Culture: The importance of maintaining the island's unique character and tourism appeal in any new housing developments, with a preference for housing solutions that blend with traditional aesthetics.

Renovation vs. New Development: A preference for renovating and repurposing existing buildings over new construction, along with a call to accurately inventory existing housing stock.

Balance of Housing Types: The imbalance noted between vacation homes for tourists and year-round housing for permanent residents, with a call for more long-term rental options over short-term, nightly rentals.

Community Retention and Growth: Concerns over the island's ability to retain residents due to housing challenges and the high cost of living, highlighting the need for a range of housing options to attract and keep both young people and families.

Land Use and Development Policies: Suggestions for the town to actively participate in land designation and support development, including the potential use of town-owned and Crown land for quicker housing development.

Diverse Housing Options: Calls for diverse styles of living arrangements to cater to different needs, including shared living spaces, apartments, and multi-functional buildings.

Data and Research for Informed Decisions: The importance of having accurate, current data and comprehensive research to inform housing policy and development decisions.

Community Involvement and Transparency: A desire for transparency in housing initiatives and active involvement of the community in planning processes.

Q12. Have you ever experienced challenges in finding or maintaining housing in the Town of Fogo Island that fully meets your needs?

52% of survey respondents did not report any challenges finding or maintaining housing that meet their needs, while 43% said they did experience challenges, and 5% preferred not to answer. Survey respondents who answered “yes” described several challenges, including:

- Difficulty finding quality contractors and long waits for essential services (e.g., inspections, installations).
- Scarcity of rental options, especially for single-income individuals, and rising costs for homeowners.
- Housing unavailability can trap individuals in unhealthy relationships due to lack of alternatives.
- Early 2000s housing availability was extremely limited, with the situation worsening over time.
- The Town Office has often been quick to halt development without fully understanding policies.
- Inflated rents and limited housing supply have made it difficult to find affordable homes.
- Excessive building costs and bureaucratic roadblocks from the Town Council hinder development.
- Local environmental concerns include pollution, unpermitted business operations, and waste disposal issues, with the council being unresponsive to complaints.
- Obtaining mortgages is very difficult, impacting single parents and those in abusive relationships.
- Rental or purchase of property often necessitates personal connections or relationships.
- Vacant buildings and land exist but are underutilized, with a call for by-laws to improve living conditions.

