

TOWN OF NEEPAWA

Needs & Demands Housing Study

FINAL REPORT - NOVEMBER 2023

PREPARED BY

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visionary urban design + landscapes



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LTD

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PART 1

Introduction

Project Background

The Town of Neepawa is experiencing rapid population growth and is among the fastest growing municipalities in the Province of Manitoba, with a 5-year growth rate of 23.3% between 2016–2021. In late 2022, the Manitoba Government announced the construction of a new hospital in Neepawa, which promises to be nearly quadruple the size of the existing Neepawa Health Centre and create approximately 130 new jobs in the community. HyLife Foods, a major pork processor, operates a large facility in the Town, and attracts 150–200 new temporary foreign workers per year. These factors suggest that in the coming years, housing demand in Neepawa will further increase, putting more pressure on the local and regional market.

To better understand the implications of these changes, plan for the future, and to ensure local housing options can meet residents' needs, the Town of Neepawa has retained urban planning consultants Scatliff + Miller + Murray (SMM) and real estate advisors BW Ferguson & Associates (BWF) to complete a Needs and Demands Housing Study, and subsequent Housing Strategy for the community. The end goal of the project is to provide action-oriented guidance and tools to ensure the Town is equipped to understand and make informed decisions regarding housing development over the next ten years.

The Housing Needs and Demands Study is a comprehensive quantitative and qualitative evaluation of the state of housing in Neepawa. This document considers the adequacy and suitability of Neepawa's current housing supply in relation to both its current and projected population, local housing market characteristics, and the development potential of land within the Town. In doing so, it identifies key areas of concern, such as unmet needs and gaps in the housing market, alongside opportunities to accommodate future growth and development.

This study also critically evaluates Neepawa's planning and development framework, assessing how current policy, processes, and regulations shape housing development. Considering the nuances behind raw data, this study shares insights derived from conversations held with a variety of community stakeholders, including housing developers, non-profit organizations, administrators and elected officials, and major employers. The study assesses methods and strategies, employed in other Canadian jurisdictions facing similar challenges to address housing need, for their applicability to the

Neepawa context. Finally, the study outlines a series of policy alternatives to be considered for the forthcoming Housing Strategy.

Context

Since 2020, jurisdictions across Canada have seen unprecedented increases in housing costs. Driven by a variety of factors including inflation, high interest rates, increasing construction costs, and lack of supply, the average sale price of a house in Canada was over \$700,000.00 in 2022, up nearly 45% from 2018 levels. It is widely recognized that Canada now finds itself in a “housing crisis”, both in terms of availability and affordability, which will require sustained effort from all levels of government to address.

Recent initiatives aimed at providing more housing options at a reasonable cost include the Canada Mortgage and Housing Corporation’s (CMHC) Housing Accelerator Fund (HAF). CMHC, the federal crown corporation responsible for administering the National Housing Act and National Housing Strategy, announced in early 2023 that \$4 billion in total would be made available to municipalities across Canada to fast-track the creation of 100,000 homes across Canada through HAF. This program offered streams for both urban and rural contexts, and asked municipalities to deliver innovative solutions to accelerate desired growth, such as affordable and medium-density multi-unit dwellings. More recently, the Federal Government announced it would move to cut GST charged on the construction of new rental units across Canada.

Municipalities in Canada generally have limited influence, authority or financial capacity to address the complex issue of housing affordability. The Federal government, through CMHC and Provincial social housing entities (e.g., Manitoba Housing), are and have historically been the major actors in the provision of affordable housing in Canada. Nevertheless, there are a number of ways in which communities like Neepawa can influence the supply and demand of housing across the housing continuum. These include:

- Policy and regulatory changes;
- Investments in public infrastructure, service, and amenities;
- Advocacy to upper levels of government;
- Collaboration with developers and non-profits;
- Offering development incentives to the private sector;
- Conducting research on innovative models for meeting housing needs; and
- Direct provision of housing.

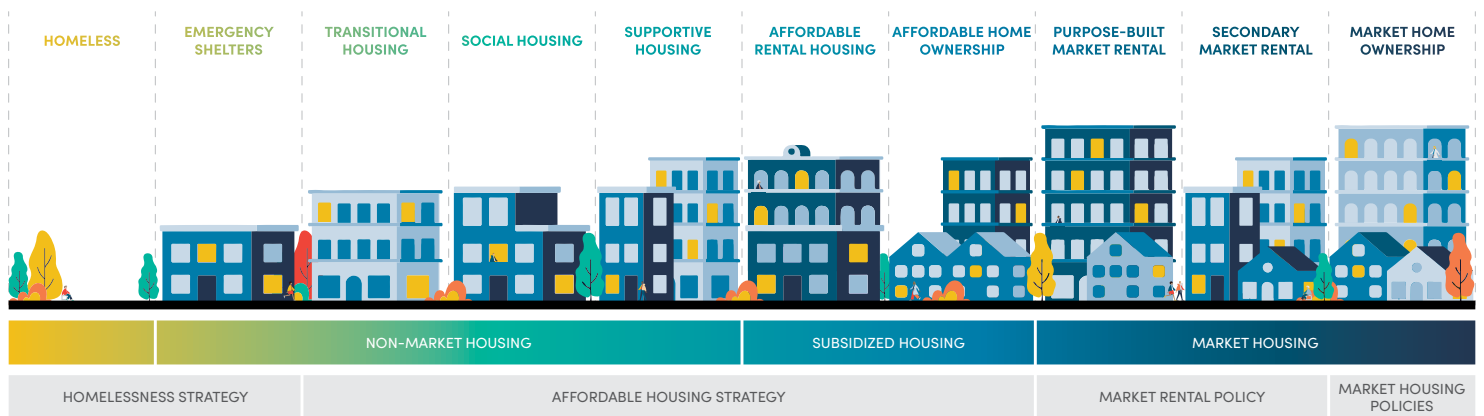
In undertaking this Housing Needs and Demands Study, and subsequent Housing Strategy, the Town of Neepawa is setting the course for its own actions to address the housing crisis locally, through both policy and direct action. Moreover, this work is also intended to support Neepawa’s access to programs offered by upper levels of government, such as the Housing Accelerator Fund.

The Housing Continuum

CMHC uses the concept of a “housing continuum,” as shown in **Figure 1**, to describe the range of housing options available in a community. This term is meant to help move beyond a one-size-fits-all approach to housing, and enable people to access housing that is affordable and appropriate for their household’s economic circumstances.

Thinking about housing along a continuum allows for a separation of the general population by household and housing-stock characteristics. In turn, policies and programs can be developed and applied in a targeted manner. Different portions of the continuum correspond to different socioeconomic groups, types of housing stock, tenures, housing challenges, and price point. The intent is to use the continuum to shape policies that contribute to a healthy demand/supply environment where households should be able to transition up the continuum to better housing as their own circumstances improve.

The Neepawa Housing Needs and Demands Study uses the concept of the housing continuum to better understand housing gaps and needs within the community, and where targeted strategic actions should be applied to most effectively address the housing challenges identified.



PART 2

Policy & Planning Analysis

The provision of housing in any community is, in large part, a function of the regulatory framework governing planning and development within a municipality and/or planning area. Provincial Acts provide foundations for municipal by-laws, which address the particular needs and circumstances of a community. All planning policy and regulatory documents which apply in Neepawa were reviewed to determine their role in influencing housing need and demand within the community. Secondly, these documents were assessed for potential future changes or amendments, which could be included as actionable items in Neepawa's Housing Strategy.

The Planning Act

The Planning Act provides the framework for land use planning at provincial, regional, and local levels within Manitoba, defining roles and responsibilities for the Province, municipalities, planning districts, planning commissions, and local citizens within the planning process. With respect to the provision of housing, *The Planning Act* itself does not offer significant policy direction.

However, *The Act* also establishes the legislative authority for the Provincial Land Use Policies (PLUPs), set out in the Provincial Planning Regulation. The PLUPs outline the Province's interest in land, resources, and development, which must be respected by all planning authorities across Manitoba. All development plans adopted must be consistent with the PLUPs. The PLUPs pertaining to settlement areas dictate that a variety of housing types, densities and affordability levels to accommodate a range of income levels, the ability to age in place and diverse market demands should be provided. They also encourage mixed-use development in downtown core areas.

Lastly, *The Act* establishes the ability for municipalities to take advantage of certain regulatory tools to address housing affordability in their communities. Part 5 of *The Act* regulates Zoning By-laws across the province and empowers municipalities and planning districts to include provisions within their by-laws supporting the development of affordable housing. Part 9 of *The Act*, which deals with Development Agreements, also includes sections regarding affordable housing.

Although the following provisions have seen little to no implementation to date in Manitoba, they are important tools for the Town to consider in the development of its Housing Strategy.

Inclusionary Zoning

Inclusionary zoning is a tool designed to increase the amount of affordable housing within a municipality or planning district by requiring land developers to construct affordable housing units as part of new residential development. Section 71(5) of *The Planning Act* gives permission for zoning by-laws to require that a specific percentage of the dwelling units within a new residential development offer affordable housing to low- and moderate-income households. The zoning-by-law must also establish a definition of affordable housing, or a set of criteria to determine if housing is affordable or not. To date, no zoning by-law in Manitoba contains provisions for inclusionary zoning.

Density Bonusing

Like inclusionary zoning, density bonusing/incentive zoning is another tool which can be used to increase affordable housing through a zoning by-law. However, rather than obligating developers to offer affordable units, density bonusing creates incentives for them to do so. As per Section 71(7) of *The Planning Act*, a zoning by-law may allow for the modification of specified development requirements, including increased density of dwelling units, if a development provides the public benefits prescribed in the by-law, such as affordable housing. Developers therefore stand to increase their profits from the development overall, thanks to the increase in the number of units they are able to construct and sell/rent.

Development Agreements for Affordable Housing

As a condition for the approval of a rezoning, variance, or conditional use application, the owner of a property may be required to enter into a development agreement with the municipality or planning district. Development agreements enable councils, boards, and planning commissions to place restrictions on the kind of development which may take place on the subject property. A municipality may only use a development agreement to require affordable housing for rezoning applications for residential development that would be subject to an existing inclusionary zoning policy. This development agreement may address the number, type, and extent of affordable units, and measures required to ensure the housing remains affordable in the long-term.

Neepawa and Area Planning District Development Plan By-law No. 108

The Neepawa and Area Planning District (NAPD) Development Plan (By-law No. 108) contains a vision, goals, and objectives for the future development of the District, along with land use policies and mapped designations to guide development over the Plan's lifetime. The NAPD includes the Town of Neepawa, the Municipality of Glenella-Lansdowne, and the Rural Municipality of Rosedale.

Section 3.0 The Urban Policy Area Neepawa contains a framework for development with respect to the Town of Neepawa. Within this section, three land use designations have particular relevance to the provision of housing:

- Residential/Residential Hold: provides opportunities for a wide variety of serviced residential development and compatible land uses within the Town of Neepawa and identifies land for expansion in the future.
- Country Residential/Country Residential Hold: intended to accommodate larger lot development with private services.
- Commercial: the commercial hub of the NAPD. Commercial development within the town is divided into three land use designations: Central Business District (CBD), Highway Commercial and Highway Commercial Hold.

The objectives for Residential areas encourage safe, functional, high-quality residential developments and environments, appropriately infilled, which can be serviced efficiently. Enough land should be designated to meet current and future demand, but greenfield development should occur primarily adjacent to existing residential areas.

Policies applicable to Residential areas direct Council to encourage the preservation and renovation of existing residential areas, infill housing and subdivisions, and housing replacement. The Plan directs Council to consider the impact of any new greenfield subdivision on the existing vacant residential lot supply before releasing holding areas for development. A range and variety of housing types are encouraged (single-unit, mobile home, multi-unit, 55+ residences, assisted living, etc.), but policies direct multi-unit housing towards major arterials, collector streets, and the downtown core.

Country Residential area objectives target the accommodation of a rural living environment within an urban area, while at the same time maintaining a pleasant, and high-quality living environment. Applicable policies require lots in these areas to be a minimum of two acres in size. Additional lands within Neepawa may be designated as Country Residential, provided they are in an area most suited to larger lot sizes and that the designation does not use land more appropriate for intensive development.

Amongst the various objectives for Commercial areas, mixed use residential/commercial development is targeted for Neepawa's downtown to create a clustering of social, financial, educational, residential, and recreational facilities. However, no specific housing-related policies apply to this designation.

Town of Neepawa Zoning By-law No. 3184-18

Dwelling Types

Neepawa's Zoning By-law (By-law No. 3184-18) is the Town's core land use planning document, regulating all forms of development. The By-law establishes a variety of private dwelling types, as listed in **Table 1**, which may be established as permitted uses, conditional uses, or not at all, depending on how a property is zoned.

Table 1: Definitions of Dwelling Types in Zoning By-law No. 3184-18

Dwelling Type	Definition
Single Unit Dwelling	A building or structure containing only one dwelling that is separate from any other dwelling or building. A single unit dwelling does not include a mobile home.
Two Unit Dwelling	A single building or structure containing two separate dwelling units, separate from any other dwelling or building. This includes duplexes and side-by-side dwellings.
Modular Home Dwelling	A portable dwelling unit similar to but distinct from a mobile home, in that it may be folded, collapsed, telescoped when in tow, designed and constructed in accordance with the CSA-A-277 standard, whose chassis is not designed to accommodate wheels.
Mobile Home Dwelling	A portable structure that is capable of being transported on its own chassis and running gear by towing or other means and is designed to be used as a dwelling unit.
Low Density Multiple Unit Dwelling	A building containing three or more dwellings, typically one story, horizontal arrangements and may include row houses, tri-plexes, and similar
Moderate Density Multiple Unit Dwelling	A building containing three or more dwellings which are typically two or more storeys in height and may include apartment buildings or condominium buildings and similar.
Rooming House	A converted single unit dwelling intended for three (3) or more tenants occupying separate bedrooms, but where other areas are shared amongst the tenants. Bedrooms may be locked from the outside and typically each occupant has their own rental agreement with the landlord. A rooming house must meet the requirements of the National Building Code and Manitoba amendments.
Attached Secondary Suite	A self-contained accessory dwelling unit within, or attached to a single-unit dwelling. A secondary suite has its own separate cooking, sleeping, and bath/toilet facilities and has direct access to the outside without passing through any part of the single-unit dwelling unit. This use does not include two-unit dwellings, multi-unit dwellings, rooming houses, or group homes.
Detached Secondary Suite	A self-contained accessory dwelling unit separate from but on the same lot as a single-unit dwelling. A detached secondary suite has its own separate cooking, sleeping, and bath/toilet facilities. This use does not include two-unit dwellings, multi-unit dwellings, rooming houses, or group homes. Typical types of detached secondary suites include garden suites and carriage houses (above a garage).

“Hostel for seven (7) or fewer children or adults” and “Hostel for eight (8) or more persons” are also both listed in the Zoning By-law’s use tables, but lack definitions. Unless otherwise permitted by the By-law (such as in the case of secondary suites or multi-unit dwellings), only one dwelling unit is permitted per parcel of land.

Zoning Districts and Bulk Standards

The By-law establishes a variety of residential zoning districts, as shown below in **Table 2**. A limited number of residential uses are also permitted in both commercial zoning districts:

Table 2: Permitted and Conditional Residential Uses by Zone in Zoning By-law No. 3184-18

Zoning District	Intent	Permitted Residential Uses	Conditional Residential Uses
Residential Unserviced Zone (RSU)	Provides for the development of low-density single unit dwellings on sites not serviced by municipal sewer and/or water.	— Single Unit Dwelling	— Attached — Secondary Suite — Detached — Secondary Suite
Residential Single Unit Zone (RS)	Provides for the development of single unit residential dwellings.	— Single Unit Dwelling	— Attached — Secondary Suite — Detached — Secondary Suite
Residential Two Unit Zone (RT)	Provides for the development of two-unit residential dwellings including duplexes and side-by-sides.	— Single Unit Dwelling — Two Unit Dwelling — Attached — Secondary Suite	— Detached — Secondary Suite
Residential Multi-Unit 1 Zone (RM1)	Provides for the development of low density multi-unit dwellings such as triplexes, multiplexes, and row housing.	— Low Density Multiple-Unit Dwelling — Single Unit Dwelling — Two Unit Dwelling — Attached — Secondary Suite	— Hostel for Seven or Fewer People — Detached — Secondary Suite
Residential Multi-Unit 2 Zone (RM2)	Provides for the development of moderate density multi-unit dwellings such as apartment buildings.	— Low Density Multiple-Unit Dwelling — Moderate Density Multiple-Unit Dwelling — Single Unit Dwelling — Two Unit Dwelling — Attached — Secondary Suite	— Hostel for Seven or Fewer People — Hostel for Eight or More People — Detached — Secondary Suite

Zoning District	Intent	Permitted Residential Uses	Conditional Residential Uses
Residential Mobile/Modular Home Zone (RMH)	Provides for the development of mobile/modular homes within a mobile/modular home park for sale or lease by owner.	<ul style="list-style-type: none"> — Modular Home Dwelling — Mobile Home Dwelling 	
Residential Rural Zone (RR2)	Provides for the development of non-farm residential dwellings, not serviced by Town sewer and/or water.	<ul style="list-style-type: none"> — Single Unit Dwelling — Attached Secondary Suite 	<ul style="list-style-type: none"> — Detached Secondary Suite
Commercial Central Zone (CC)	Provides for the development of appropriate land in the Town's central business district to allow it to be multi-functional in nature and develop as the most intensive retail, business and administrative area in the Town of Neepawa.		<ul style="list-style-type: none"> — Low Density Multiple-Unit Dwelling — Moderate Density Multiple-Unit Dwelling
Commercial Highway Zone (CH)	Provides for the development of those businesses requiring large site areas to allow retail and personal services adjacent to major highways in out-lying areas of the Town and to serve the needs of the travelling public.		<ul style="list-style-type: none"> — Moderate Density Multiple-Unit Dwelling

The Zoning By-law also contains bulk standards for each zoning district, including minimum site areas, site widths, and setbacks. Generally, the bulk standards associated with residential zones in Neepawa are slightly more restrictive than those usually found in similar urban communities. For example, the minimum size for a low density single-unit residential lot in both Altona and Niverville is 372 sq. m. (4,000 sq. ft.), while in Neepawa, the minimum is nearly 465 sq. m. (5,000 sq. ft.).

Use-Specific Standards

Attached and Detached Secondary Suites and Rooming Houses in Neepawa are subject to additional development standards, as summarized below:

All Secondary Suites

- A secondary suite shall not exceed a floor area of 75 sq. m. (800 sq. ft.) or 40% of the floor area of the principal dwelling, whichever is less;
- Only one (1) secondary suite is permitted on a site; and
- A secondary suite shall not be subdivided from the principal unit dwelling site.

Attached Secondary Suites

- The minimum site area for a site with an attached secondary suite shall be no less than 372 sq. m. (4,000 sq. ft.);
- An attached secondary suite shall contain a minimum of two (2) rooms, one of which must be a bathroom; and
- Only one (1) entrance to the dwelling shall be visible from the front street, unless the residence already contained an additional street-facing entrance prior to the creation of the secondary suite.

Detached Secondary Suites

- The minimum site area for a site with a detached secondary suite shall be no less than 465 sq. m. (5,000 sq. ft.) in size;
- A detached secondary suite shall comply with all yard requirements applicable to principal buildings on site, except where an existing building (garage) is converted into a detached secondary suite;
- All detached secondary suites shall have vehicular access via an existing driveway;
- A detached secondary suite shall be connected to the municipal water and sewer systems; and
- A detached secondary suite cannot be a mobile home.

Rooming Houses

- Where permitted, the maximum cumulative area of the bedroom units within a rooming house shall be limited to 50% of the gross floor area of the dwelling (not including a garage) or eight (8) units, whichever is lesser.

Minimum Parking Requirements

The minimum number of off-street parking spaces required for various dwelling types is listed in **Table 3**. Generally, the parking minimums listed are typical for a town of Neepawa's size which does not offer public transportation services. However, Neepawa does require slightly more stalls for multi-unit dwellings than some comparably-sized Manitoba municipalities.

Table 3: Minimum Parking Requirements by Residential Use in Zoning By-law No. 3184-18

Land Use	Minimum Parking Requirement
Single Unit Dwelling	1 space per dwelling unit
Two Unit Dwelling	1 space per dwelling unit
Low-Density Multiple-Unit Dwelling	1 space per dwelling unit
Moderate Density Multiple-Unit Dwelling	1.5 spaces per dwelling unit
Mobile or Modular Home Dwelling	1 space per dwelling unit
Secondary Suite (Attached/Detached)	1 space per dwelling unit
Rooming House	1 space for every sleeping unit
Other residential Uses	As determined by Council

Development Incentives By-law No. 3176-17

The Town of Neepawa's Development Incentives By-law offers a progressive credit on municipal property taxes for eligible developments, with the goal of encouraging specific forms of residential, industrial, and commercial investment. Under this By-law, new multiple-unit residential developments containing 6 or more dwelling units, constructed entirely on-site, that increase the current assessed value of the property by a minimum of \$750,000.00 are eligible for the following incentive:

- Year 1 = Total general municipal taxes @ 75% reduction
- Year 2 = Total general municipal taxes @ 50% reduction
- Year 3 = Total general municipal taxes @ 25% reduction
- Year 4 = Full taxation rates apply

Key Findings & Analysis

Overall, Neepawa's regulatory framework provides a solid base for housing development in the community, with opportunities for refinement and adjustment in certain places:

- The Residential land designation within the Development Plan encourages a wide range housing types and development opportunities, and broadly promotes the development of high-quality urban environments. However, as Neepawa continues to grow, the Country Residential designation may become less appropriate within a more urbanized context, while stronger Commercial area policies encouraging finer-grained mixed use development may become more desirable.
- The in-force Zoning By-law likewise accommodates a variety of housing types, including Attached and Detached Secondary Suites, and offers an appropriate range of residential zones. To respond to new challenges however, Neepawa may consider a more permissive approach to higher density housing across all zoning districts, and reduced or modified parking minimums and minimum bulk standards, particularly in the RS zone. The Town might also consider amalgamating the RM-1 zoning district into the RM-2 zoning district, to further promote increased density in suitable areas of the Town.
- *The Planning Act* enables municipalities to enact inclusionary zoning and density bonusing, which to date, Manitoba municipalities have been slow to adopt. Neepawa may consider a trailblazing approach and look to take advantage of these tools to further address housing supply and affordability in the community.
- Finally, the Development Incentives By-law is an excellent tool for the Town to direct and facilitate private sector investment within the community. Expanding the scope of the By-law to include more types of housing development, including "missing middle" moderate density housing types, may be of benefit to respond to current and emerging housing needs.

PART 3

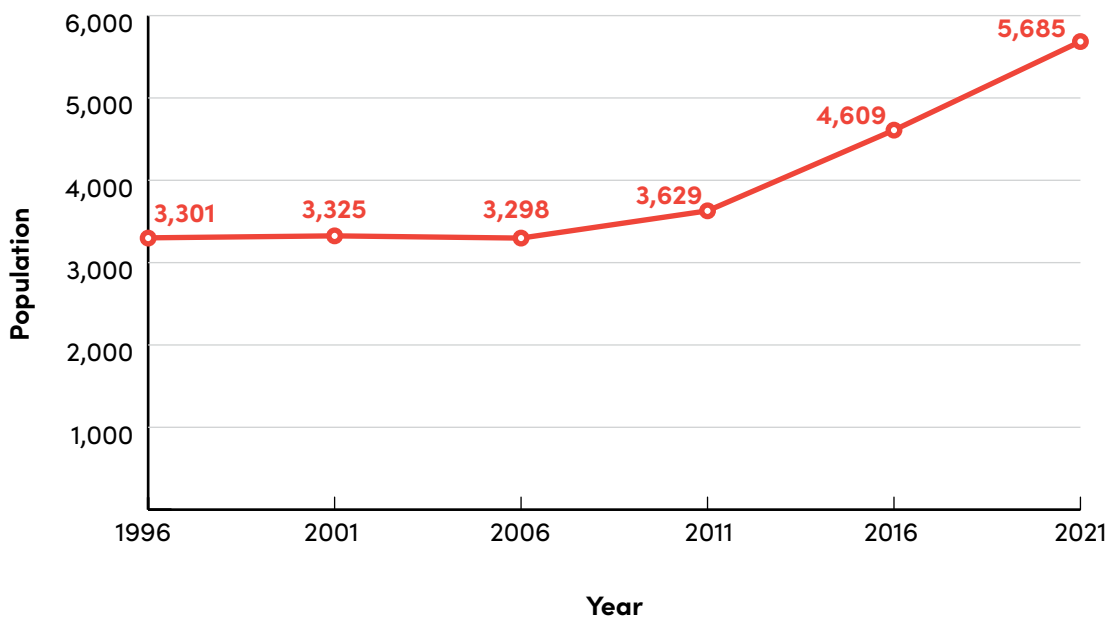
Demographic Profile

Population

Neepawa is Manitoba’s 11th largest community, with a population of 5,685 residents, accounting for approximately 4% of the Province’s overall population of 1,342,153 people. Neepawa is a regional population centre and by far the most populous settlement within the Neepawa and Area Planning District (NAPD). As of 2021, Neepawa’s population consisted of 1,865 private households.

Over the last three census periods (2006–2021), Neepawa has exhibited rapid population growth and is among the fastest growing municipalities in Manitoba. As shown in **Figure 2**, the Town’s population grew by 72% since 2006, rising from 3,298 residents to 5,685 as of 2021. In comparison, the Province grew by 17% during this same period.

Figure 2: Population of Neepawa, 1996-2021



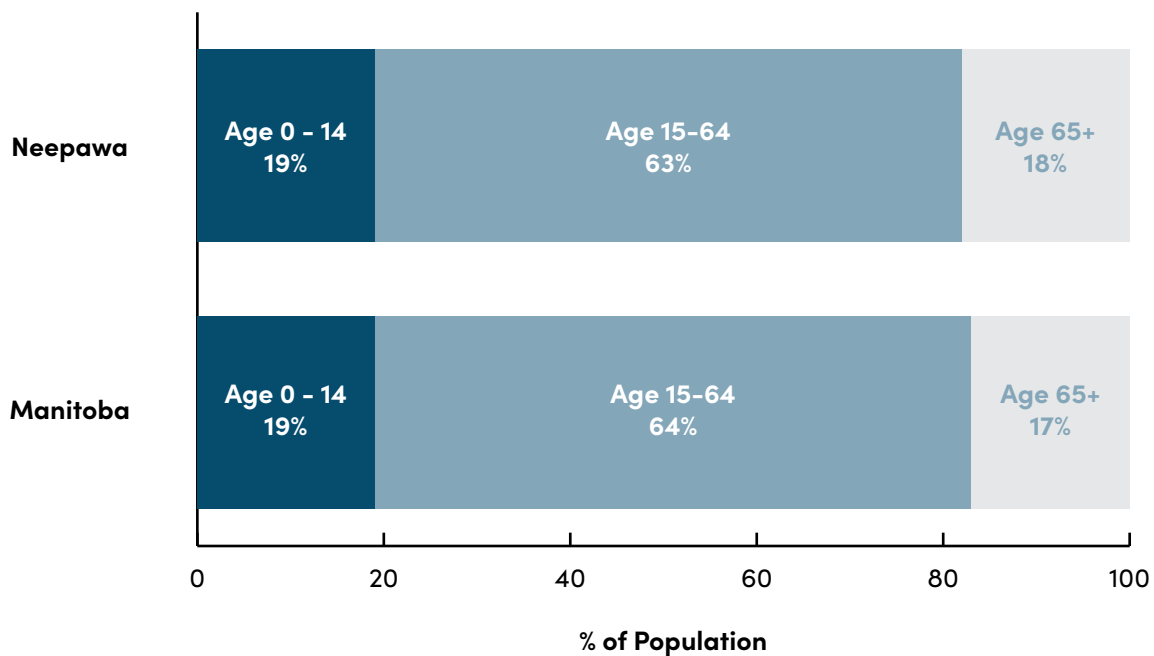
During the most recent census period (2016–2021), Neepawa grew by 23%, while the Province grew by just 5%. Although this is a slight decrease in growth rate compared to the 2011–2016 census period, where the Town grew by 27%, the current rate is a dramatic turnaround from two decades prior, where Neepawa decreased in population by 1%. The current growth rate is only surpassed by Niverville and West St. Paul amongst Manitoba municipalities with more than 5,000 residents. The Town also ranks 13th on the list of fastest-growing Canadian municipalities with populations over 5,000.

Age Profile

Since 2006, the median age of Neepawa’s population has dropped significantly. In 2006, the Town’s median of 46.7 years was over 8 years higher than the provincial median of 38.1, while 27% of the population was over the age of 65. By comparison, just 12% of Manitoba’s population was 65 years or older in 2006.

Over the last decade and a half, the median age of Neepawa’s population has decreased to 38.8 years, just slightly higher than the current provincial median of 38.4. Likewise, the Town’s current age distribution is now much closer to the provincial average (**Figure 3**). It should be noted that the current median age is a slight increase from the figure of 38.6 recorded in 2016, which may indicate that the age profile of the community has somewhat stabilised after a sharp decrease.

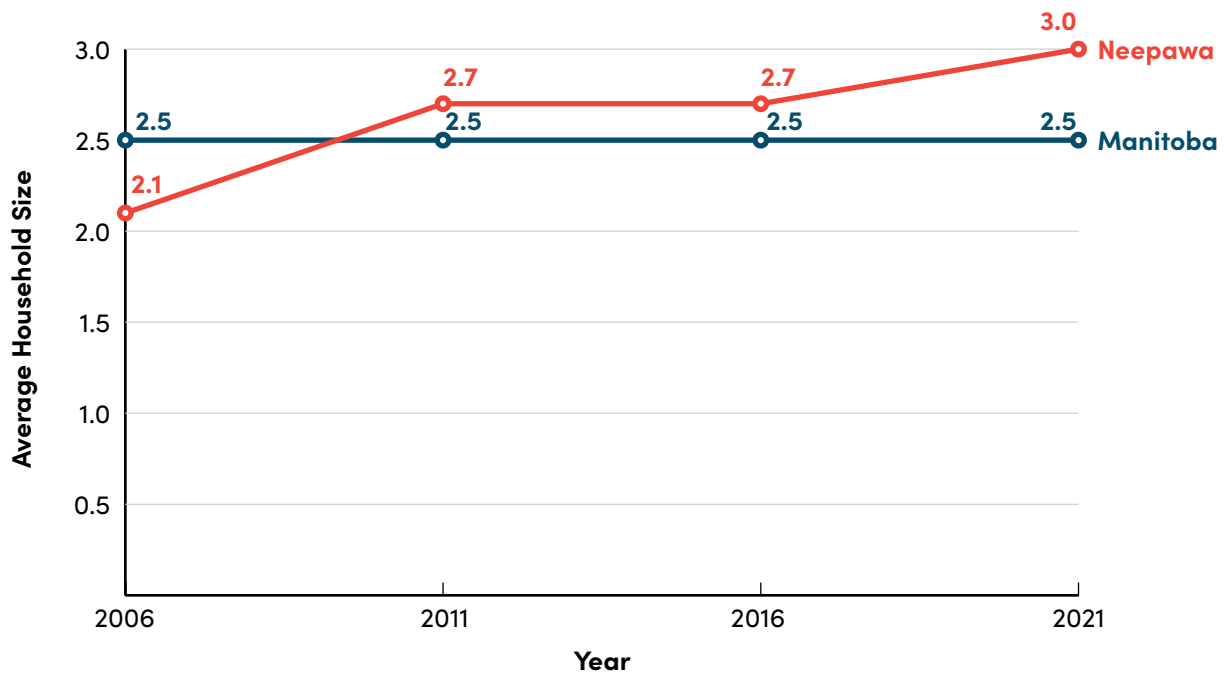
Figure 3: Age Distribution of Neepawa & Manitoba, 2021



Household Composition

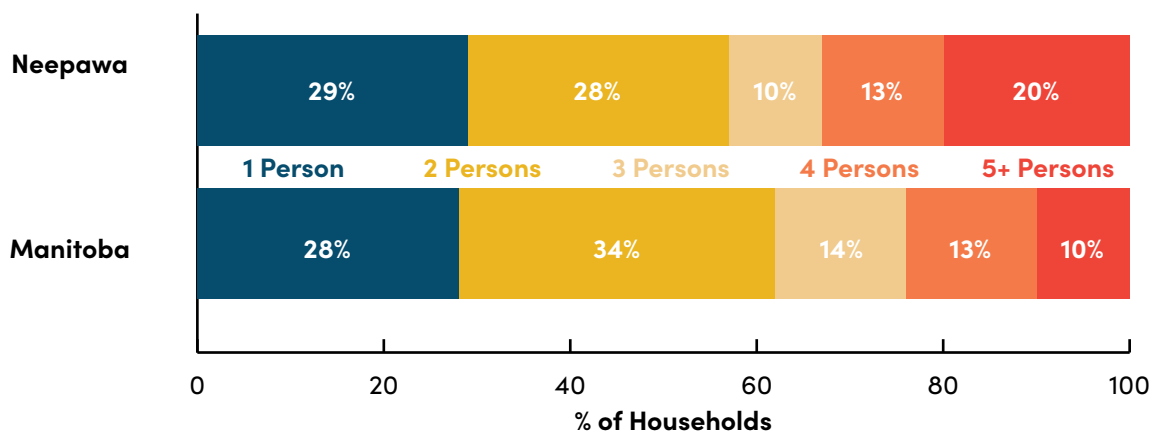
While the average size of households in Manitoba has remained consistent at 2.5 persons since 2006, Neepawa’s households have increased in size. In 2006, Neepawa’s average household size was just 2.1 persons, less than the provincial average. By 2011, the average household in Neepawa had grown to 2.7 persons, surpassing the provincial figure (Figure 4). The average in Neepawa had increased again by 2021, this time to 3 persons per household.

Figure 4: Average Household Size of Neepawa & Manitoba, 2006-2021



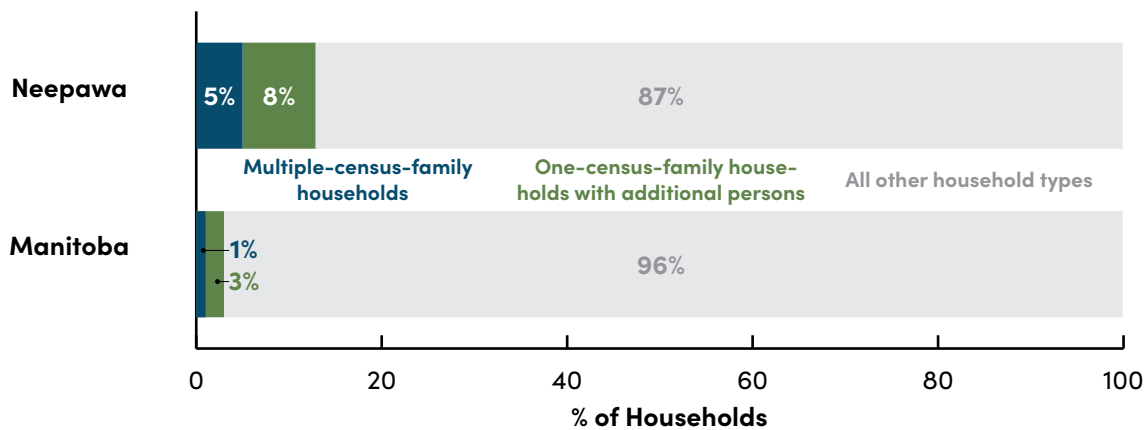
Currently, households made up of 5 or more people account for 20% of Neepawa’s total 1,865 households, yet represent just 10% of households on the provincial scale (Figure 5). This pattern may be linked to the higher rate of multiple census families living in the same household, and of census families living with additional persons in their households, compared to the Province overall.

Figure 5: Household Sizes in Neepawa & Manitoba, 2021



As of 2021, 4.6% of households in Neepawa were considered “multiple-census-family households”, meaning multiple families living together in a single dwelling, while 7.8% were categorized as “one-census-family households with additional persons”. Conversely, these two household types combined account for just 4% of all households across Manitoba (Figure 6). This discrepancy is likely linked to the socio-economic characteristics of Neepawa’s sizeable temporary foreign worker population.

Figure 6: Multiple-Census-Family Households and One-Census-Family Households with Additional Persons in Neepawa & Manitoba, 2021



Household Income

The median post-tax income per household in Neepawa sits at \$72,500 as of 2021, slightly above the provincial median of \$69,000. Since 2015, the proportion of Neepawa households earning \$100,000 or more a year has increased from 18% to 30%. Overall, just 9% (480 people, equivalent to approximately 160 households) of individuals living in private households in Neepawa are considered low income, compared to 14% provincially. However, recent Census data indicates that seniors in Neepawa face particular challenges relating to income. 21.4% of Neepawa’s population in private households over the age of 65 years (195 individuals) are considered low income, compared to the Provincial average of 14.4%.

Immigration

Over the past 15 years, Neepawa has experienced a dramatic change in immigration patterns. At the time of the 2006 Census, just 120 of Neepawa’s 3,298 residents (4%) were immigrants to Canada, while an additional 15 were categorized as non-permanent residents. By 2016, Neepawa was home to 1,395 immigrants and 345 non-permanent residents (mostly temporary foreign workers), who then represented 38% of the total population and almost all of whom had arrived in Canada during the preceding Census period.

As of 2021, 49% of Neepawa residents are either immigrants (2,225 individuals in total) or non-permanent residents (555 Individuals), as shown in **Figure 7**. This rate is over double the Manitoba-wide average, with 22% of provincial residents being immigrants or non-permanent residents. 93% of Neepawa’s immigrant population today arrived as economic migrants (as defined by Statistics Canada), compared to 57% overall provincially, and 59% migrated during the last Census period. These findings underscore the unique role played by immigrants in Neepawa’s overall demographic profile. As of 2021, 88% of immigrants living in Neepawa were born in the Philippines. The driving factor behind these immigration patterns is the presence of the HyLife pork processing plant, which employs significant numbers of temporary foreign workers.

Figure 7: Immigrants and Non-Permanent Residents as Proportion of Total Population in Neepawa and Manitoba, 2021



Key Findings & Analysis

In summary, the following demographic characteristics of the Town point to critical factors influencing housing demand in Neepawa:

- The Town is experiencing significant and rapid population growth, placing it among the fastest growing municipalities provincially and nationally;
- The Town's age profile is trending younger, approaching the provincial median;
- Neepawa's average household size, at 3 persons, is noticeably larger than is typical in Manitoba. Overall, the Town is also home to high numbers of households larger than 5 persons;
- More households in Neepawa are considered "multiple-census-family households" (4.6%) and "one-census-family households with additional persons" (7.8%) compared to Manitoba;
- Household incomes in Neepawa are, on average, higher than the typical municipality in Manitoba; and
- Between 2016 and 2021, Neepawa's immigrant population grew by almost 65%. The vast majority of this growth came from temporary foreign workers.

Neepawa's rapid population growth will continue to increase demand for all types of housing, but the demographic trends also point to more specialized needs. As the Town's age profile shifts younger, and with a growing age 0-14 cohort, demand for larger dwellings and dwellings with more bedrooms is expected. Larger dwellings will also be in demand due to the prevalence of multiple-census-family households and one-census-family households with additional persons. In some cases, this demand will be from new temporary foreign workers living with roommates, while in other cases this demand will be from established immigrants who choose to live multi-generationally. The type and design of new housing should consider how to best meet these needs.

PART 4

Housing Market Analysis

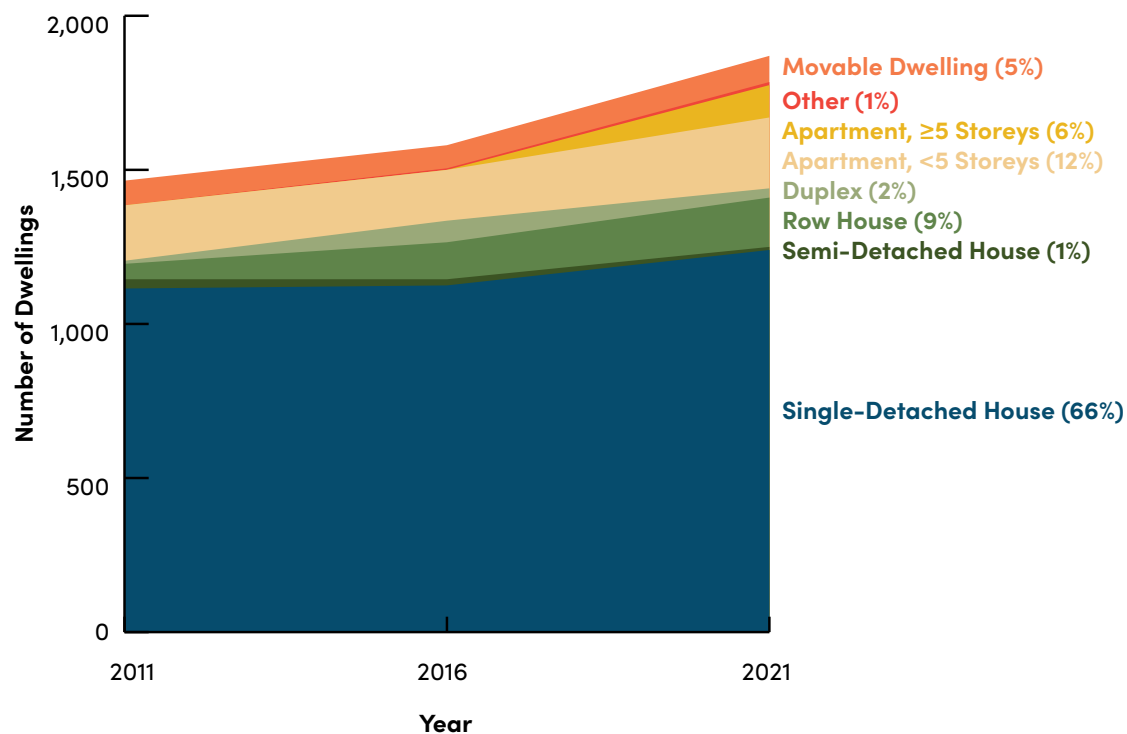
The consultant team conducted an initial review of several data sources, including the latest census and internal information collected by the Town of Neepawa and the NAPD. The goal of this exercise was to develop an understanding of the existing housing stock, recent trends, and existing market conditions, as well as begin to project possibilities for future demand.

Existing Housing Stock

Dwelling Types

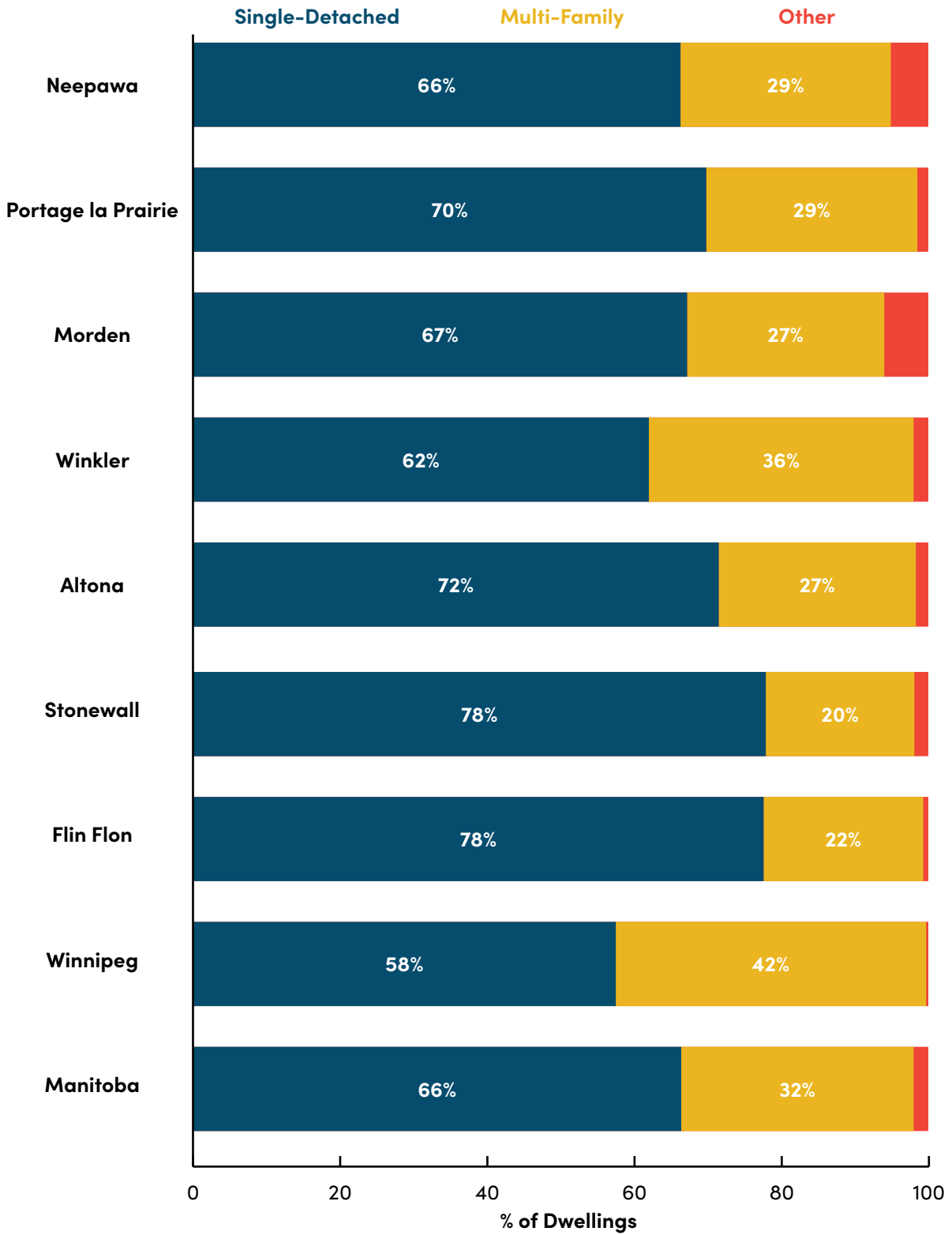
According to Statistics Canada, there were a total of 1,946 private dwellings (i.e. individual housing units) within Neepawa in 2021, with 1,865 of these occupied by usual residents (95.8%). Data on housing types indicates that over the last decade, the share of Neepawa's population living in single-detached houses has decreased steadily (**Figure 8**), from 76% in 2011 down to just 66% in 2021. Over this same period, the percentage of Neepawa residents living in row housing has risen from 3% to 9%, while the share residing in apartment buildings taller than five stories has jumped from 0% to 6%. Over the last two census periods, the share of Neepawa's population living in apartment buildings less than 5 stories high has remained relatively consistent at 12%, with a slight dip down to 10% in 2016.

Figure 8: Breakdown of Dwelling Types in Neepawa, 2011-2021



The proportional split between dwelling types in Neepawa is close to the overall Provincial average (**Figure 9**). Across Manitoba, a slightly higher proportional rate of households live in multi-unit dwellings, while less live in moveable dwellings. Compared to other towns and small cities in the Province, over 3% more of Portage la Prairie's population live in single-detached houses, while less live in moveable dwellings. In Winkler, 36% of households live in multi-unit dwellings, while just 62% live in single detached houses. In the Town of Stonewall, only 20.2% of households live in multi-unit dwellings, while nearly 78% reside in single-detached houses. For context, over 42% of Winnipeg households reside in a variety of multi-unit dwelling types, and less than 60% occupy single-detached houses.

Figure 9: Comparison of Proportional Dwelling Type Split, 2021



Dwelling Age

As is typical across Manitoba, the majority (60%) of private households in Neepawa are living in dwellings constructed prior to 1980, while 12% reside in dwellings built after 2011. Only 5% of households (85 total) live in dwellings in need of major repair, compared to 8% of households Manitoba-wide.

Dwelling Size & Suitability

Housing suitability is a metric developed by CMHC which measures whether the dwelling has enough bedrooms for the size and composition of the household. Housing suitability assesses the required number of bedrooms for a household based on the age, sex, and relationships among household members. As of 2021, a greater number of Neepawa households lived in unsuitable housing (15%) than five years prior (11%). This increase may be linked to a greater share of households living in living in one-bedroom (from 9.8% to 12.6%) and no bedroom (from 0% to 0.8%) dwellings than in 2016, despite the average household size increasing over this period. Correspondingly, the share of Neepawa households living in medium-sized dwellings decreased between 2016 and 2021, with the percentage living in two-bedroom dwellings dropping from 25.0% to 23.3%, and from 36.7% to 33.2% for three-bedroom dwellings. However, a greater share of Neepawa households do now live in dwellings with four or more bedrooms (from 27.5% to 30.0%).

Tenure

Census data shows that the percentage of households renting their dwelling units has increased in recent years, as shown in **Table 4**. In 2016, 27% of Neepawa households lived in rented dwellings, below the Manitoba average of 29%. As of 2021, the share of households renting in Neepawa had increased to 31%, equal to the provincial average. This shift is a reflection of development trends within the Town; in 2021, 72% of permitted new units in Neepawa were in multi-unit developments.

Table 4: Tenure in Neepawa, 2016–2021

	2016		2021		% Change
Owned Dwelling	1,150	(73%)	1,290	(69%)	▲ 12%
Rented Dwelling	435	(27%)	580	(31%)	▲ 33%

Shelter Costs & Affordability

Census data indicates that shelter costs rose for both owned (31%) and rented (17%) dwellings rose from 2016 to 2021, as demonstrated in **Table 5**. For the same time period, the median post-tax household income increased by 23% (\$59,093 to \$72,500).

Table 5: Median Monthly Shelter Costs in Neepawa, 2016–2021

	2016	2021	% Change
Median Monthly Shelter Costs, Owned Dwellings	\$755	\$990	▲ 31%
Median Monthly Shelter Costs, Rented Dwellings	\$716	\$840	▲ 17%

Although shelter costs rose more for owned dwellings from 2016 to 2021, the data shows that renters in Neepawa are more likely to experience problems with unaffordable housing, as shown in **Table 6**. CMHC and Statistics Canada consider housing to be affordable when a household spends less than 30% of its pre-tax income on adequate shelter.

Overall, the proportion of all households spending more than 30% of pre-tax income on shelter costs remained relatively consistent, inching up from 10% in 2016 to 11% in 2021. For comparison, this figure was approximately 17% for Manitoba in 2021. However, the proportion of owners spending more than 30% of pre-tax income on shelter costs dropped from 9% to 5%, while the proportion of renters rose from 20% to 24%. This indicates a significant disparity between affordability of owned and rented dwellings in relation to the socio-economic characteristics of their residents. Given the larger increase in shelter costs for owned dwellings, this disparity is likely due to slower growth of renter's incomes.

Table 6: Household Affordability in Neepawa, 2016–2021

	2016		2021		% Change
Households Spending More Than 30% of Pre-Tax Income on Shelter Costs	160	(10%)	205	(11%)	▲ 28%
Owners Spending More Than 30% of Pre-Tax Income on Shelter Costs	138	(9%)	95	(5%)	▼ 31%
Renters Spending More Than 30% of Pre-Tax Income on Shelter Costs	309	(20%)	453	(24%)	▲ 47%

Nonetheless, Neepawa is performing better than the Province in terms of assessed core housing need, a metric used by Statistics Canada which identifies households living in dwellings considered unsuitable, inadequate or unaffordable and determines if alternative housing in their community is affordable or not. Only 3% of Neepawa households are assessed as being in core housing need, compared to 10% overall in Manitoba. However, these figures may be an underestimate, as households living in precarious or illegal situations may be unwilling to accurately report their housing conditions.

Development and Housing Market Trends

New Housing Development

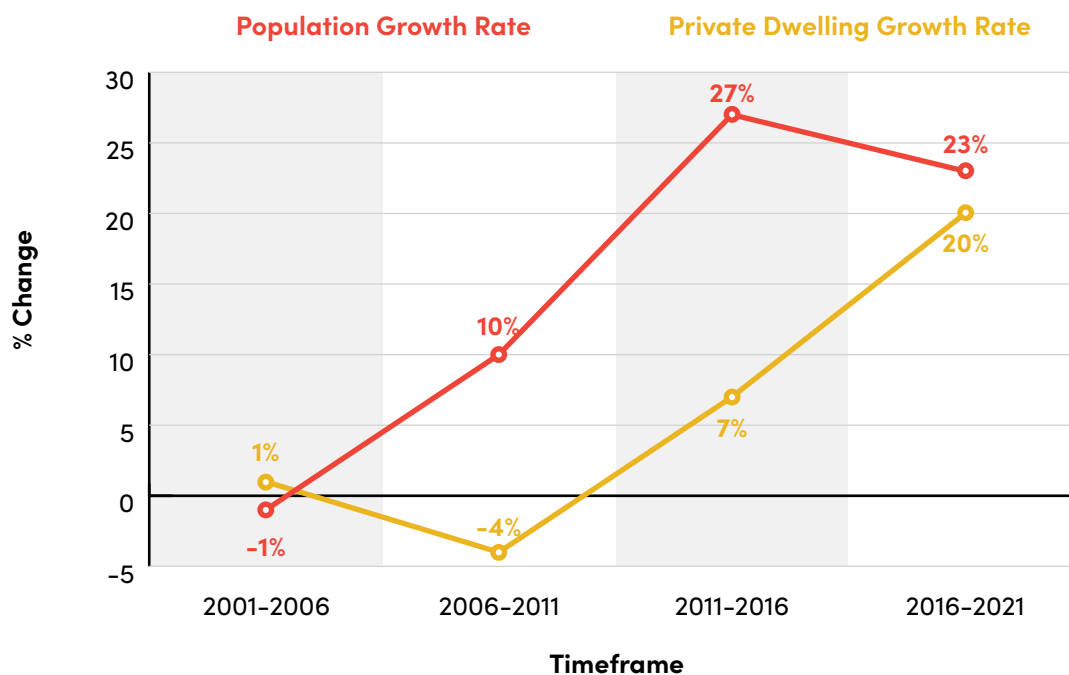
The amount of new housing units being constructed in Neepawa has fluctuated over recent years. As shown in **Table 7**, steady year-over-year growth in the number of new units being permitted in the town was recorded between 2018 and 2021. However, the latest trends show a sharp decrease in the number of permitted units, despite the Town’s continued growth. This reversal can be attributed to construction and land acquisition costs, as well as a lack of developable lands within the Town’s boundaries.

Table 7: Neepawa Residential Building Permit Data, 2018-2023

	Single-Detached Units Permitted		Multi-Unit Units Permitted		Total Residential Units Permitted		Total Residential Building Permits Issued
2023 (Year to Date)	5	(▼ 71%)	2	(▼ 67%)	7	(▼ 65%)	6
2022	14	(▼ 48%)	6	(▼ 91%)	20	(▼ 79%)	16
2021	27	(▲ 1250%)	70	(▲ 35%)	97	(▲ 80%)	33
2020	2	(▼ 67%)	52	(▲ 117%)	54	(▲ 80%)	5
2019	6	(▼ 40%)	24	(N/A)	30	(▲ 200%)	7
2018	10		0		10		10

On a broader scale, **Figure 10** demonstrates how over the last two decades, rates of new housing construction in Neepawa have consistently lagged behind population growth. The most recent data, showing decreases in new housing approvals being sought, suggests that without intervention, this mismatch could become even more pronounced.

Figure 10: Population Growth Rates Compared to Private Dwelling Growth Rates



Resale Activity

Analysis of resale activity in the Neepawa area underscores trends observed in the census data regarding affordability. **Table 8** shows a summary of residential sales activity from 2018 up to 2023. Overall, the average house price increase in Neepawa over the past five years has been approximately 6.5% annually. The 2023 YTD average sale price is \$67,969 higher than the average price in 2018.

Table 8: Neepawa Residential Sales Summary, 2018–2023

	2018	2019	2020	2021	2022	2023 YTD
Minimum Sale Price	\$50,000	\$42,000	\$27,500	\$25,000	\$50,000	\$172,000
Maximum Sale Price	\$362,044	\$395,000	\$390,000	\$618,500	\$432,000	\$412,000
Average Sale Price	\$191,158	\$194,378	\$204,241	\$244,376	\$243,778	\$259,127
Yr/Yr Price Change		1.7%	5.1%	19.7%	-0.2%	6.3%
No. of Sales	82	94	74	83	80	13

Analysis was also conducted on the areas surrounding Neepawa within a 15 km radius (**Tables 9 & 10**), which encompasses portions of the RMs of Rosedale and North Cypress–Langford. Residential sales (excluding farm sales) were reviewed. This review was undertaken to account for housing options for those who might live outside the Town’s borders but travel to the community for employment and to access services and recreation. Due to small sample sizes, the year-over-year price change is not included in the review, and average sale price data should be interpreted with caution. Generally, average sale prices in these surrounding areas are slightly lower compared to those within the Town.

Table 9: RM of Rosedale Residential Sales Summary (within 15 km), 2018–2023

	2018	2019	2020	2021	2022	2023 YTD
Minimum Sale Price	\$70,000	\$230,000	\$15,000	\$157,500	\$28,900	\$120,000
Maximum Sale Price	\$225,000	\$350,000	\$420,000	\$385,000	\$135,004	\$195,000
Average Sale Price	\$142,625	\$300,000	\$116,071	\$244,214	\$89,101	\$157,500
No. of Sales	8	3	7	7	4	2

Table 10: RM of North Cypress–Langford Residential Sales Summary (within 15 km), 2018–2023

	2018	2019	2020	2021	2022	2023 YTD
Minimum Sale Price	\$142,500	\$25,000	\$54,500	\$35,000	\$200,000	\$175,000
Maximum Sale Price	\$445,000	\$355,000	\$370,000	\$370,000	\$540,000	\$212,000
Average Sale Price	\$267,900	\$172,179	\$197,282	\$241,550	\$332,888	\$193,500
No. of Sales	5	7	11	8	7	2

Key Findings & Analysis

The following housing market trends and characteristics are of note for Neepawa moving forward:

- Neepawa's population has consistently grown faster than its housing stock over the past 20 years;
- More Neepawa households live in unsuitable dwellings than they did 5 years ago (the true scale of this issue is likely underrepresented in official data sources, as individuals living in illegal accommodations are unlikely to be forthcoming);
- Shifts in tenure show an increased demand for rental units;
- While monthly shelter costs have increased for both owned and rented dwellings, the number of renters spending more than 30% of income on housing increased by 47% over the last census period, while the number of owners spending more than 30% of income on housing decreased by 31%; and
- The average selling price of a home in Neepawa is nearly \$70,000 higher now than in 2018.

Neepawa is facing an overall shortage of housing, as its population growth has outpaced housing development for the last two decades. On top of this, Neepawa, like the rest of the Canada, is grappling with rising costs of housing and the recent trend of increased borrowing costs. Renters in Neepawa appear to have an acute need for more affordable options. Increasing the supply of rental unit development and more affordable ownership options, such as row housing, apartments, and townhome units, should be encouraged.

PART 5

Stakeholder Engagement - What We Heard

To understand housing market gaps, as well as challenges related to the construction of new housing units and other local housing issues, SMM conducted stakeholder interviews and focus groups with members of Neepawa's development and real estate community, community leaders, local non-profit organizations, major employers, Town administrative staff, and Municipal Council. Through a series of prepared questions, these conversations allowed stakeholders to explain their role in the local housing market, identify what they felt to be the most pressing challenges related to housing in Neepawa, and what kind of actions they would like the Town to take in addressing these issues. Stakeholders also had the opportunity to participate in an open discussion with members of the project team about the Study and Strategy project, and the state of housing in Neepawa.

Over the course of the engagement process, key themes emerged which linked the perspectives of the various stakeholders. These shared areas of concern indicate how actions in the forthcoming Housing Strategy should be targeted.

Housing Needs: Entry Level and Affordable Housing

Stakeholders spoke about the need to provide housing options in Neepawa for people at all stages of life and income levels. SMM heard that there is currently a lack of affordable entry-level housing available in the Town, across the entire housing spectrum. Some members of the development community cited the existing parcel fabric as a factor in limiting housing suitability for first-time buyers/renters, arguing that smaller lot sizes, the splitting of existing lots for infill projects, and higher residential densities would help respond to current housing needs. Municipal leadership also expressed interest in permitting and/or encouraging smaller lots, as they are more efficient to service.

This issue is particularly pressing when contextualized by the rising costs of land and construction materials, and labour. One land developer stated that in Neepawa, it is not currently possible to build an affordable single-unit home, given the current market conditions. Many interviewees mentioned that a lack of developable land is exacerbating issues in the community related to housing affordability, driving up prices of existing stock as demand continues to increase. Some stakeholders also mentioned

that the housing affordability crunch is affecting a wider range of demographics, including seniors on fixed incomes. Overall, the general consensus between all stakeholders was that there is significant demand for all kinds of affordable units, both in both single-unit and multi-unit dwellings. The possibility of the Town offering some sort of incentive for affordable housing development to respond to this demand was discussed.

Major Barrier: Infrastructure

Municipal administrative leadership indicated that the biggest barrier to the construction of new housing units in the Town is the cost of extending municipal drinking water and wastewater services to vacant lands suitable for residential development on the outskirts of the Town's current footprint. The Town is reluctant to shoulder these costs on its own, given that there is no guarantee that the extension of infrastructure would immediately result in new housing units, and municipal resources have already been stretched thin by investments in a new RCMP station, firehall, and commitments to the new hospital. On the other hand, developers do not see the value in paying for the extension of services themselves, as such an expenditure would significantly reduce profit margins, and they believe the Town can perform the work for less than it would cost them. Ultimately, major capital investment is needed in Neepawa to open currently vacant lands for development, as the current supply of serviced lands is close to exhaustion.

Special Demographic Consideration: Newcomer Populations

Newcomer populations have a significant influence on housing needs and demands within in Neepawa, reflecting the findings of the demographic analysis undertaken as part of this study. Many newcomers arrive to Neepawa alone as Temporary Foreign Workers. Upon arrival, these workers seek out the least expensive accommodations possible, to maximize the value of their remittances to family abroad. In these circumstances, newcomers are happy to reside in communal living arrangements if available. However, they also may end up living in illegal rooming houses with unsafe conditions. Once joined by their families, these newcomers will typically seek out an apartment or house. However, these households may be multi-generational, or be comprised of more than one census family, such as the families of two siblings living together. Local financial institutions have developed creative ways to help these households acquire property, such as split mortgages. Combining multiple census families into one household allows newcomers to acquire property when affordability is a barrier. Alternatively, some newcomers are looking to purchase homes in neighbouring communities like Gladstone and Minnedosa.

Stakeholders stressed that housing solutions in Neepawa must meet the needs of newcomers. This includes the aforementioned considerations related to affordability, but also unit types that match the characteristics of newcomer households, and developing a housing continuum that can support newcomers at all stages of their journey towards permanent residency. HyLife (the Town's biggest employer of Temporary Foreign Workers), in partnership with a developer, created multi-family housing to support its workers for the first few months following their arrival in Canada. Many stakeholders suggested that there should be an increased focus on multi-unit and rental development, as ownership of single-unit dwellings is not feasible for many newcomers in current market conditions. Apartments with multiple bedrooms, allowing roommates to live together in larger groups with lower rents, were cited as a potential solution to unsafe living conditions. At the same time, the project team heard that many in Neepawa, both newcomers and longtime residents, aspire to be able to own their own home.

Key Findings

Stakeholder engagement helped contextualize quantitative data gathered as part of this Study, showing that:

- Entering the housing market for the first time in Neepawa, regardless of tenure, can be cost prohibitive, although affordability is a major concern across the housing continuum.
- Housing affordability and availability are strongly linked in Neepawa, and the lack of land which is development-ready is having a negative effect on both of these factors.
- The socio-cultural characteristics of Neepawa's newcomer population mean that housing demands in the Town differ from the typical Manitoba municipality, with regards to how households move through the housing continuum, household size, and preferred tenure arrangements.

PART 6

Population and Housing Market Projections

To develop an understanding of housing need in Neepawa, and guide future strategic actions on the part of the Town, a 5-year population projection was forecasted based on the observed demographic and housing market trends.

In addition to natural population growth, two major factors will substantially impact housing demand in Neepawa over the next decade: the operations of the HyLife pork plant and the development of the new hospital. Historically, the HyLife plant has been a major driver of immigration and growth in the community, and currently recruits 150–200 Temporary Foreign Workers per year. HyLife anticipates steady rates of recruitment for the foreseeable future, as the plant is near full operating capacity. The new hospital is projected to employ a total of 250 staff, although it is unlikely to open with all positions filled initially. The current healthcare facility, which will be replaced, employs 93 people, meaning that 157 net new positions will gradually be created. Population projections were formulated with sensitivity to these unique circumstances.

The consultant team conducted preliminary modelling based around three growth scenarios, as shown in **Table 11**, to project future potential housing demand in Neepawa:

- High Growth Scenario: a 23.3% growth rate to 2028 (a continuation of the growth rate reported in the 2021 Census)
- Low Growth Scenario: A 10.5% growth rate to 2028 (based on population projections from Environics Research)
- Moderate Growth Scenario: A 16.75% growth rate to 2028 (representing the mid-point estimate between the High Growth and Low Growth scenarios)

Note that the population figure recorded in the 2021 Census (5,685) was used as Neepawa's current population, and a base for all three projections. Although the Town's population has likely grown, this figure represents the most current certified measurement. To account for the opening of the new hospital, an additional 197 people were added to each scenario. This accounts for 50% of the total newly created employment positions, multiplied by the average household size in Manitoba. Conversations

with Prairie Mountain Health, the operator of the new hospital, suggest that some positions will be filled through recruitment targeting the Town's current residents, while other more specialized roles will be occupied by recruits from outside the community.

Table 11: Population Projection Scenarios, 2023-2028

	High Growth Scenario	Medium Growth Scenario	Low Growth Scenario
Base Growth Rate	23.3%	16.75%	10.5%
Estimated 2028 Population (No Hospital Modifier)	7,010	6,637	6,282
Hospital Modifier		+ 197	
Estimated 2028 Population (Total)	7,207	6,834	6,479
Total Increase	▲ 1,522	▲ 1,149	▲ 794

Using the three growth scenarios, modelling was completed to estimate the future demand for housing in Neepawa up to 2028, beginning by dividing the number of projected residents by the average household size in Neepawa to determine the base number of new dwelling units required to house future residents, as shown in **Table 12**.

Next, "latent demand" was factored into each scenario, referring to the housing needs of individuals currently living in multiple-family-households or in census-family-households with additional persons due to a lack of affordable/suitable housing. Compared to the Province overall, Neepawa has 8.3% more households in these categories, which represents 155 households. Recognizing information provided by stakeholders suggesting that not all households in this category would choose different living arrangement if given the opportunity, it was estimated that 50% of these households (roughly 77 in total) would separate if suitable dwelling options were available. This number was then added to the total number new dwelling units required to arrive at the final projections for each scenario.

Table 12: Required Dwellings per Growth Scenario

	High Growth Scenario	Medium Growth Scenario	Low Growth Scenario
2023 – 2028 Population Increase	1,522	1,149	794
Total New Dwellings Required (Without Latent Demand)	508	383	265
Latent Demand Modifier		+77	
Total New Dwelling Required (Including Latent Demand)	▲ 585	▲ 460	▲ 342

Demographic analysis, market trends, and stakeholder engagement all indicate that Neepawa has a strong need for more multi-unit dwellings, which tend to be more affordable, and can meet housing need more efficiently when developable land is limited. Currently, 28.7% of households in Neepawa live in some kind of multi-unit dwelling, below the Provincial average. **Table 13** shows how the new dwelling units required in each density scenario would need to be split by type to preserve the status quo.

Table 13: Unit Split per Growth Scenario (Existing Split)

	High Growth Scenario	Medium Growth Scenario	Low Growth Scenario
Total New Dwelling Required (Including Latent Demand)	585	460	342
Single-Detached Homes	390	306	228
Multi-Unit Dwelling	167	131	98
Other (Moveable Dwelling, etc.)	30	24	18

To meet the housing needs of the community, a new target proportional split of housing types is proposed, increasing the share of multi-unit dwellings to just above the provincial average, but not to the levels present in Winkler or any of Manitoba's major urban centres (see **Figure 9** in the Housing Market Analysis Section). The target split, to be achieved by 2028, is shown in **Table 14**:

Table 14: Current and Proposed Dwelling Type Split

	Current Split	Proposed Split
Single-Detached House	66.5%	63.5%
Multi-Unit Dwelling	28.4%	32%
Other (Moveable Dwelling, etc.)	5.1%	4.5%

Table 15 outlines how many units of each type would be required by 2028 to achieve the target split across all three growth scenarios.

Table 15: Dwelling Units Required to Achieve Target Split

	High Growth Scenario	Medium Growth Scenario	Low Growth Scenario
Total New Dwelling Required (Including Latent Demand)	585	460	342
Single-Detached Homes	316	237	162
Multi-Unit Dwelling	254	214	177
Other (Moveable Dwelling, etc.)	16	10	5

In considering all three scenarios, the project team and municipal leadership determined that the medium growth scenario was the most appropriate to adopt as a framework for strategic action. While Neepawa is likely to continue to grow at a rate significantly above average over the short and medium term, this pattern cannot realistically sustain itself, also taking into consideration that the 2021 5-year growth rate had already decreased by approximately 4% from 2016. Policies framed around a moderate growth scenario are also more flexible, in the case that growth is slightly higher or lower than forecasted. **Table 16** summarizes the moderate growth scenario.

Table 16: Moderate Growth Scenario Summary

Moderate Growth Scenario	
Estimated Base Growth Rate	16.75%
Total 2028 Population Estimate	6,834
Total Population Increase from 2023	+1149
Total New Dwellings Required	460
New Single-Detached Homes	237
New Multi-Unit Dwelling	214
Other new Dwellings (Moveable Dwelling, etc.)	10

PART 7

Developable Land Inventory

A key consideration for future residential development is availability of land. To better understand the location and quantity of developable lands in Neepawa, SMM used Geographic Information Systems (GIS) to create a map showing (a) land designated for residential use in the NAPD Development Plan and (b) parcels without any dwelling units (per 2021 Provincial property assessment data). This draft map was then vetted by municipal and NAPD staff to capture any building starts and demolitions that occurred since 2021. Staff also added potential sites for future residential development that are currently designated for industrial or commercial uses, to be considered for strategic redesignation as part of the forthcoming Housing Strategy.

The resulting data was then categorized by Development Plan designation and by its development character (infill or expansion). Infill parcels were generally smaller and within the existing built-up area and expansion parcels were generally larger and further from the built-up area. A summary of the developable land is shown in **Figure 11** and **Table 17**.

Figure 11: Map of Developable Land in Neepawa

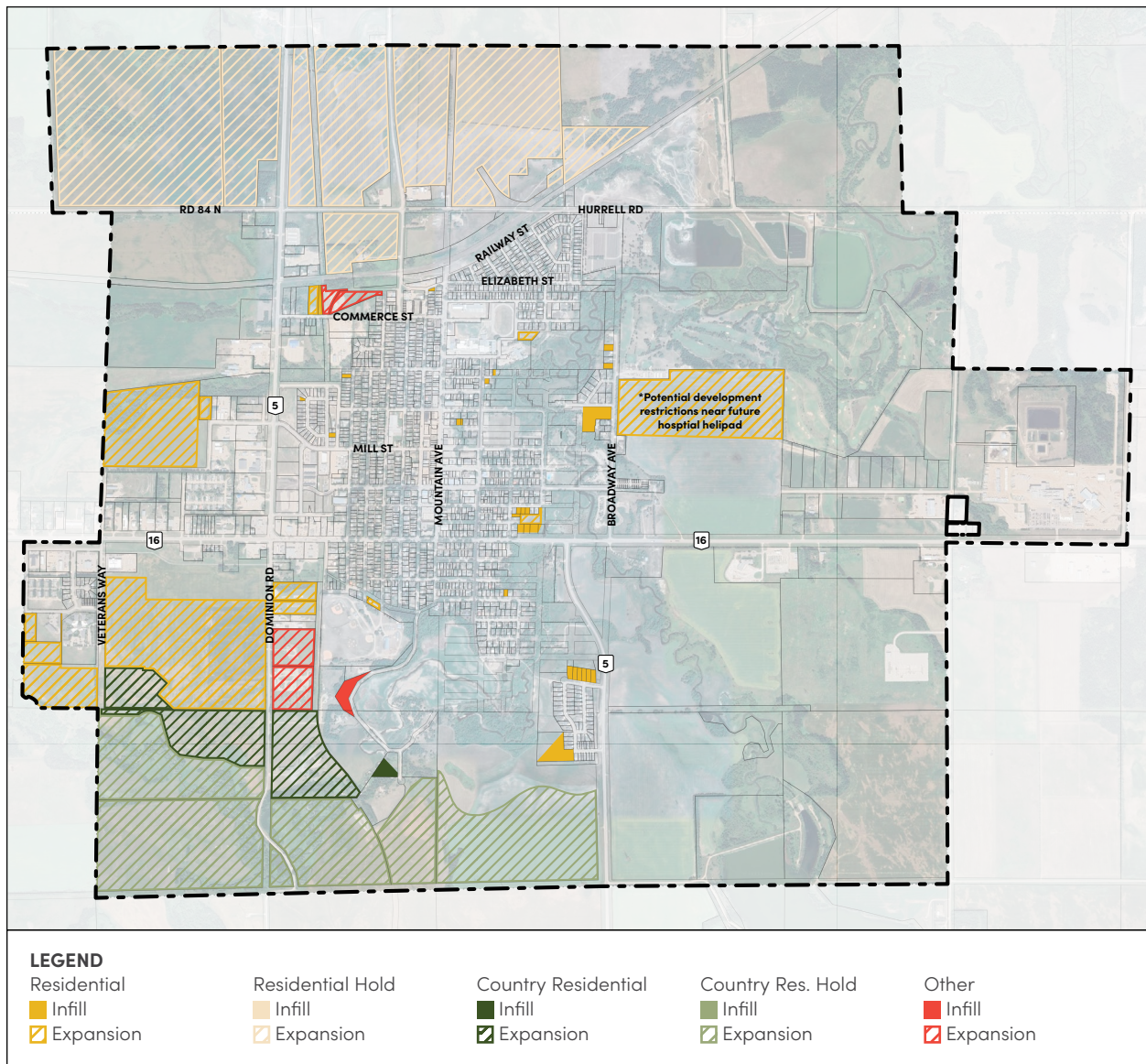


Table 17: Summary of Developable Land in Neepawa

Development Plan Designation	Infill (acres)	Expansion (acres)	Total (acres)
Residential	11.6	242.2	253.8
Residential Hold		448.1	448.1
Country Residential	1.7	77.7	79.4
Country Residential Hold		303.0	303.0
Other (Non-Residential)	2.6	25.1	27.7
Total	15.9	1096.1	1112.0

In total, 30 parcels were identified for infill development, ranging in size from 0.08 to 3.00 acres. These sites will generally have fewer barriers to develop, as they will generally be serviced (sewer and water), located on an existing street, and require fewer planning approvals. These 30 parcels could accommodate 30 to 60 single-unit houses, however some sites may also have potential for duplexes or apartments, which would increase the total yield. Based on the medium population growth scenario outlined in **Table 16**, the infill land supply alone will not accommodate the projected 455 dwellings required over the next five years. As a result, development of expansion areas will be required. Further, the Town may study how additional dwellings could be developed in commercial mixed-use projects downtown.

Development potential of expansion areas is more complex and will depend on availability of municipal services, landowner interest, municipal regulation, and market demands. Depending on housing type, parcel size, and neighbourhood configuration, the yield potential of the expansion areas is highly variable. Assuming a range of 3 to 10 units per acre (gross), and excluding the Country Residential areas, one can expect the expansion areas to accommodate roughly 2,150 to 7,150 dwellings. The 380 acres of Country Residential lands could be developed as up to 190 two-acre unserviced lots or an additional 1,140 to 3,800 serviced lots if these areas were redesignated to enable denser development. Therefore, Neepawa's supply of expansion areas could yield anywhere between 2,340 and 10,950 new dwellings, subject to considerations such as environmental and topographical conditions, feasibility of extending municipal services, and market conditions. Further study is needed to prioritize expansion areas, either as part of the Housing Strategy or a future Development Plan review.

PART 8

Precedent and Program Review

To understand how other Canadian municipalities are responding to similar housing challenges to Neepawa, SMM conducted a policy precedent review of various programs and initiatives implemented by some of Canada's fastest growing municipalities. While provincial regulatory frameworks differ outside of Manitoba, the concepts and ideas underpinning these precedent strategies can help inspire and inform innovative solutions in Neepawa. This section also examines possible sources of external funding available to the Town as it looks to address housing need through the Housing Strategy.

Precedent Strategies

The Town of The Blue Mountains & the Township of Lucan Biddulph, Ontario – Community Improvement Plans

Population: 9,390 (The Blue Mountains)/ 5,680 (Lucan Biddulph)

5-Year Growth Rate: 33.7 (The Blue Mountains)/ 20.9% (Lucan Biddulph)

Community Improvement Plans (CIPs) are a planning tool enabled by Ontario's Planning Act which allow municipalities to offer specialized grants, incentives, and programs with the purpose of benefiting a designated improvement area. CIPs allow municipalities to provide financial assistance directly to private sector to achieve environmental, social, or economic goals. While The Planning Act does not enable an equivalent tool as CIPs in Manitoba, the programs, initiatives, and actions outlined within CIPs may still be achievable for Manitoba municipalities. The Blue Mountains and Lucan Biddulph are two very different Ontario communities both experiencing population surges; the former is a year-round recreational destination, while the latter's economy is built around agriculture. Both have adopted CIPs to help address the challenges associated with this growth.

The Blue Mountains' CIP is specifically housing-focused, with an emphasis on providing a raft of programs "designed to facilitate and encourage attainable housing, and over time, help the Town achieve its attainable housing goals and objectives". These include incentivizing more affordable kinds of development, encouraging a greater mix of housing types, and promoting the renovation and rehabilitation of underused units. Eight major programs are included in the CIP:

- Attainable Housing Feasibility Grant Program: covering a portion of pre-construction costs related to determining an eligible project's feasibility.
- Development Charges Grant Equivalent Program: offsetting development charges incurred through the development application and approval process.
- Tax Increment Equivalent Program: offering a grant or loan to offset increased tax assessment.
- Municipal Fees Grant or Loan Equivalent Program: reducing financial costs associated with planning application fees and building permit fees.
- Downtown Apartment Rehabilitation or Conversion Program: Facilitating the rehabilitation of an existing residential unit, or the conversion of existing space in a commercial, residential or mixed-use building space into attainable housing through grants or loans.
- Additional Residential Unit Program: encouraging additional dwelling units that are accessory to a single detached dwelling, semi-detached dwelling, and duplex or townhouse dwelling through grants or loans.
- Surplus Land Grant Program: enabling the Town and County to identify municipally owned lands that are determined to be surplus and that will subsequently be offered through a Request for Proposal process for development purposes.
- Landbanking Policy: establishing that Council may acquire land, or sell, lease, prepare and dispose of municipal property at or below fair market value to achieve the goals of the Town's Official Plan and the objectives of the CIP.

All property owners who take advantage of these programs must enter into an agreement with the Town, registered on the land title, agreeing that the eligible units must meet the following definitions of attainable housing for at least 15 years:

- In the case of home ownership, housing for which the purchase price results in annual accommodation costs which do not exceed 30% of the gross annual income for households within the income range of 50 –130% of median income for the Town of The Blue Mountains.
- In the case of rental housing, housing which is provided defined as at least 20% below area median rent.

Lucan Biddulph's CIP covers a broader range of objectives, beyond just housing, but also includes two types of incentives for residential growth:

- Additional Residential Unit Program: grants covering portions of construction costs, planning and building fees, and professional fees for eligible projects.
- Affordable Rental Housing Unit Program: grants covering portions of construction costs, planning and building fees, and professional fees for eligible projects, as development charge reductions.

The Lucan Biddulph CIP also requires beneficiaries to enter into an agreement with the Township to ensure affordability, but allows Council to define this concept in any way they see fit.

The Town of Cornwall, Prince Edward Island – Affordable Housing Incentive Program

Population: 6,574

5-Year Growth Rate: 22.9%

The Town of Cornwall is situated directly west of the Provincial capital Charlottetown, featuring a mixture of urbanized and agricultural areas. In 2019, the Town adopted an Affordable Housing Incentive Program, featuring a slate of initiatives intended to accelerate low-cost housing development in the community. Only developments already receiving support from Federal and/or Provincial affordable housing programs are eligible for the incentives which include:

- Property Tax Grants: Grants providing property tax relief up to a maximum of 10 years, applied to new affordable housing units. Grants are equal to the receipted municipal portion of property tax on the affordable portion of the units.
- Development Permit Fee Waivers: All the regular development permit fees regularly charged for new housing developments will be waived if the development meets the Eligibility Criteria.
- Accessibility Bonus: All affordable housing projects meeting eligibility criteria within the boundaries of the Town of Cornwall will be considered. Bonus incentives may be offered for projects that have a minimum of 10% of the overall units as accessible units.

Seguin Township, Ontario – Pre-Zoning

Population: 5,280

5-Year Growth Rate: 22.7%

Located outside of any census metropolitan areas or census agglomerations, Seguin Township is a seasonal recreation area experiencing rapid population growth. To expedite residential growth, and combat rising housing costs, the Township applied for a Minister's Zoning Order to pre-emptively rezone 300 hectares (743 acres) of undeveloped land for mixed-use development. This tool, enabled through Ontario's Planning Act, allows the Minister of Municipal Affairs and Housing to authorize a major rezoning while bypassing typical regulatory requirements such as a public hearing. As a result, the amount of developable land in Seguin has increased significantly, with developers now able to develop housing in the lands as-of-right.

Southern Gulf Islands, British Columbia – Housing Strategy

Population: 6,101

5-Year Growth Rate: 28.9%

The Southern Gulf Islands Electoral District encompasses numerous mid-sized islands found adjacent to the East coast of Vancouver Island. Together, they make up a rural Electoral District under the jurisdiction of a regional government known as the Capital Region District (CRD). In 2022, the CRD published a Housing Strategy for the Islands, including a list of 22 actions to be undertaken. Highlights from these include:

- Creating an information toolkit for affordable housing development that could be used by third party affordable housing developers. This resource could include a guide to the regulatory process, tips for financing affordable housing (sample pro-formas and lessons learned from other projects), and a summary of the Southern Gulf Islands' Housing Needs Assessment.
- Develop garden suite building plans, designed to maximize affordability and comply with local regulations, to be available for public use.
- Establish an inter-agency round table to discuss social and affordability improvements that can be advanced by non-profits and government.
- Identify surplus publicly-owned land with potential to be developed into affordable housing.
- Explore the development of a fund or grant program to support the development of accessory dwelling units by current residents.

External Funding Sources

All sources of external funding currently available to the Town of Neepawa are linked to the federal National Housing Strategy (NHS). This program intends to invest over \$82 billion over a decade in housing, creating 100,000 new housing units and 50,000 new community units, and repairing/renewing 300,000 existing units. The NHS is delivered through partners such as CMHC and the Federation of Canadian Municipalities (FCM). The following funding opportunities should be considered by Neepawa as the Housing Strategy is developed, to assist in the implementation of specific actions.

CMHC Programs

- The National Housing Co-Investment Fund: Offers low-interest loans and contributions to build new affordable housing and renovate and repair existing buildings for affordable housing. This program requires partnership with a senior level of government.
- The Affordable Housing Innovation Fund: Provides funding for housing providers driving innovation across the housing continuum. CMHC offers opportunities for transformational, breakthrough, or incremental housing innovation.
- Rental Construction Financing Initiative: Opportunities for low-cost loans encouraging the construction of sustainable rental apartment projects. This program is open to for-profit developers, non-profit developers, and municipalities.
- First-time Home Buyer Incentive: Offers first-time home buyers 5 or 10% of the home's purchase price to put toward a down payment. This addition to the down payment lowers mortgage carrying costs, making homeownership more affordable.

FCM Programs

- Capital project - Retrofit of Sustainable Affordable Housing: support for integrating deep energy efficiency measures and onsite renewable energy generation into existing affordable housing units.
- Pilot project - Retrofit or New Construction of Sustainable Affordable Housing: To be eligible for funding, retrofits must achieve a 25 percent reduction in energy consumption. New construction projects are required to meet NZE/NZER (Net Zero Energy/Net Zero Energy Ready) standards.
- Study - Retrofit or New Construction of Sustainable Affordable Housing – Funding to evaluate solutions for integrating deep energy efficiency measures and onsite renewable energy generation in existing affordable housing retrofit and new build projects.
- Planning - Early Support Grant for Sustainable Affordable Housing Projects – Support in developing deliverables required for funding applications when applying for a sustainable affordable housing project.

As discussed earlier in this Study, the Town has also applied to the CMHC Housing Accelerator Fund and hopes to hear back on the status of its application in due course.

PART 9

Potential Directions – HAF Initiatives and Housing Strategy

Based on the research and analysis conducted by SMM and BWF, the following list of potential strategic actions for consideration has been assembled, in conjunction with Town leadership. The final housing strategy shall incorporate the most relevant and appropriate actions and tailor them to Neepawa's unique context and regulatory environment.

Regulatory Changes

- **Expand the Scope of the Development Incentives By-law:** Currently, only dwellings with 6 or more units are eligible for benefits under Neepawa's Development Incentive By-law. The Town could consider expanding eligibility to other types of housing, such as affordable units, secondary suites, or infill projects. This action would help Neepawa encourage developers to construct housing types that align with the eventual Housing Strategy.
- **Amend the Zoning By-law to Facilitate Increased Densities in Residential Areas:** The initial analysis of the Zoning By-law identified several opportunities to increase density, such as combining the RM-1 and RM-2 Zones into a single zone with use permissions identical to the existing RM-2 Zone. This change would permit multi-storey multiple-unit dwellings to be developed as-of-right in more locations within the Town, expanding possibilities for densification. The Town could also consider making secondary suites a permitted use in additional zoning districts, and other similar use permission changes. Increasing residential densities can contribute to a more efficient use of land and infrastructure.

- **Review Zoning By-law Parking Requirements:** The Town of Neepawa could consider reducing the minimum number of parking spaces required for new development, particularly for multi-unit dwellings or in certain zoning districts. Neepawa's Zoning By-law could also be amended to include provisions for the waiving of parking requirements under certain conditions, such as within the downtown core or where shared parking agreements can be implemented. This action would reduce red tape for developers and permit increased residential densities.
- **Reduce Minimum Lot Sizes and Setbacks:** To enable the development of more entry-level and affordable housing, the Town's Zoning By-law could be amended to reduce minimum required lot sizes and setbacks for residential development in certain zoning districts. In particular, the standards in the Residential Single Unit Zone (RS) could be reduced to allow smaller lot sizes in line with comparable Manitoba municipalities, allowing more compact, lower-cost development.
- **Review the Country Residential Land Designation in the NAPD Development Plan:** Country Residential land designation is intended to accommodate larger lot development with private services. However, as Neepawa grows and urbanizes, this designation may become increasingly inappropriate for the local context. The Town could collaborate with the Planning District to determine which lands currently designated as Country Residential could accommodate higher-density growth in the future, and appropriate measures to change the way this designation is applied.
- **Explore Density Bonusing and Inclusionary Zoning:** The Planning Act permits municipalities to incentivize or even require affordable housing using specific zoning tools such as density bonusing and inclusionary zoning. While no Manitoba municipality has adopted such provisions within their Zoning By-law so far, Neepawa could further investigate whether such measures would be appropriate with respect to the Town's particular housing needs. Implementing such tools would require an amendment to the in-force Zoning By-law.
- **Implement Development Charges:** Lack of municipal infrastructure was frequently cited as a critical roadblock to greenfield development in Neepawa. The Municipal Act gives Council the authority to impose development charges against land to pay for increased capital costs required because of increased needs for services. Development charges can be varied depending on type of development, and so could be used to incentivize certain types of housing construction. Background studies and public consultation would be important first steps in implementing this initiative.
- **Establish Different Municipal Tax Rates for Different Types of Housing Through a Special Services Levy:** The Municipal Act permits municipalities to impose taxes for special services provided to an area, such as snow removal, dust control, and recreation support services. Some municipalities in Manitoba have used this tool creatively to achieve greater flexibility in the way they collect property taxes. Neepawa could consider using this tool to tax single-unit dwellings at a higher rate, to incentivize more multi-unit construction.

Public Investment

- **Extend Municipal Services to Areas with High Development Potential:** Engagement with stakeholders, municipal administration, and Council has indicated that a lack of serviced land is a major factor constraining the development of new housing in the community. Neepawa could commit to major capital investment to extended drinking water and wastewater services to lands with high residential development potential, in order to accelerate housing growth.
- **Upgrade Existing Municipal Services:** Beyond extending the reach of municipal services, Neepawa could consider investigating, and possibly investing in, the overall capacity of existing infrastructure. Such initiatives might include replacing aging, low-capacity system components, or building on current initiatives to expand water treatment plants.
- **Strengthen Active Transportation Networks:** Amenities such as an active transportation network could increase the attractiveness of developing in Neepawa by increasing mobility and quality of living, as well as decreasing household transportation costs.
- **Reduce Infrastructure Costs for New Housing:** Under Neepawa's current regulatory framework, developers are responsible for covering the costs to install drinking water and wastewater infrastructure within their property. To achieve its housing goals, the Town could consider assisting developers with these costs, possibly through a tax incentive or waiving fees, particularly for housing types that most closely align with strategic goals.
- **Provide Additional Support for Technical Studies:** The Town could explore ways to support developers in obtaining required drainage, servicing, and planning studies for greenfield development, particularly for housing types that most closely align with strategic goals.
- **Explore Possibilities for Tax Increment Financing (TIF) Programs:** The Municipal Act allows Council to establish tax increment financing programs in designated areas of the municipality via by-law. These programs allow municipalities to financially support projects which will result in significant property value increases, both directly and through the construction of amenities and services. TIF has been used in other Canadian jurisdiction to help support rapid housing growth where financial and infrastructure barriers are impeding development.
- **Pursue Creative Solutions to Providing Grants or Loans:** Unlike in Ontario, where CIPs provide municipalities with the opportunity to provide direct financial assistance to private sector housing providers, the Municipal Act is restrictive on the kinds of incentives which can be offered by municipal governments in Manitoba. Nonetheless, Neepawa could investigate creative workarounds, such as the establishment of an arms-length non-profit corporation, which would allow the Town to engage more directly with the provision of housing in the community.

Capacity Building

- **Provide Specialized Training to Key Employees:** The Town could invest in professional development training for its staff, as well as staff from the Neepawa and Area Planning District, which would enable them to handle complex development applications more efficiently and troubleshoot issues more effectively.
- **Collaborate with Major Regional Employers:** HyLife and the forthcoming hospital promise to be major regional employers in the Town for the foreseeable future, and thus will have a vested interest in the provision of housing within the community. The Town could engage these stakeholders more closely to determine whether any possibilities for housing partnerships exist and how these employers can support Neepawa's housing goals.
- **Support the Growth of the Non-Profit Housing Sector:** Typically, non-profit housing providers play an important role in the housing market by serving the needs of those underserved by the private sector. Neepawa does offer some non-profit seniors' housing, such as the Kinsmen Kourts developments and the Elks Manor. The Town could explore how it can maintain these assets and encourage additional non-profit housing models, such as cooperative housing, to develop in the community.

Advocacy

- **Pursue Additional Funding and Support from Senior Levels of Government:** Programs such as the CMHC HAF offer municipalities a valuable opportunity to meet housing needs or make investments which the private sector typically cannot or will not. Neepawa could examine what other available programs beyond HAF could suit their needs and engage with senior levels of government to advocate for other supports.
- **Engage Neepawa's Vulnerable Populations:** Immigrants and temporary foreign workers, seniors, and low-income families are examples of vulnerable populations whose housing needs may not be fulfilled consistently by the market. Engaging with these groups could help the town understand how to effectively implement solutions that benefit those in greatest need.

Strategic Initiatives

- **Create a Strategy for Land Acquisition and the Use of Town-Owned Land Assets to Further Housing Goals:** Neepawa could consider whether it possesses sufficient surplus land to warrant developing a strategy for its sale to the private sector in support of particular housing initiatives. Additionally, the Town could consider whether it should acquire additional land to support the housing strategy and explore land swap deals.
- **Conduct Regular Monitoring of the Local Housing Market:** Beyond this Study and Strategy, the Town of Neepawa could conduct surveys of the local housing market at regular intervals, to monitor for changes and determine whether the initiatives implemented through the strategy are having the desired effect.
- **Create Infill Housing Guidelines:** Infill development, particularly in mature residential neighbourhoods, can elicit community opposition which discourages development. To reduce infill challenges, Neepawa could consider adopting strong guidelines that set parameters for infill housing, addressing key points of local concern and reducing the likelihood of resistance and delays.
- **Create a Climate Adaptability Plan:** Housing located in areas vulnerable to flooding or other environmental hazards may be at increased risk due to climate change in the coming decades. The Town of Neepawa could consider planning for future climate adaptation initiatives which may be needed to protect existing housing stock or lands earmarked for future development.
- **Adopt an Official Municipal Definition of Affordable Housing:** Defining what constitutes housing affordability in Neepawa could be a valuable exercise, as the Town seeks to obtain funding from programs such as HAF and beyond. This definition could also serve as the foundation for future local policy initiatives and provide a metric through which municipal leadership could monitor the state of housing in the community.
- **Develop a Housing Education Campaign:** Both affordable housing and multi-unit developments carry a social stigma and are viewed negatively by some members of the community. Additionally, stakeholder engagement conducted as part of this Study suggested many interested parties do not have a strong understanding of the opportunities and constraints shaping the development and provision of housing within the Town. Public outreach and education campaigns can help to educate residents about the importance of providing a diverse range of housing opportunities, while information toolkits and clear strategic communications can help bolster understanding of the housing landscape among stakeholders.

PART 10

Scheduled Review

The Town of Neepawa should undertake periodic reviews of the housing market data and trends outlined in this Housing Needs and Demands Study to track progress and identify changes occurring in key housing indicators. It is recommended that the Town use Development Permit and/or Building Permit data to conduct this progress assessment. This review should be done after two years and focus on evaluating the effectiveness of actions taken by the Town to address housing issues in the community. The Town should also engage in a full housing needs assessment review, and include an update to the Study and Strategy, upon the release of data from 2026 Canada Census, in approximately four years. At this time, the Town may consider adjusting existing strategies and adopting new ones to respond to the ever-evolving market and development context. A population projection for the 2026–2031 census period should also be completed, based on new data for population growth.