



# Background Report: Economic Development



WEST HANTS  
NOVA SCOTIA

Background Report 5 of 9  
Prepared by West Hants Planning  
and Development Department

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## Executive Summary

The Municipality of the District of West Hants (West Hants) has a less educated population compared to other areas of Nova Scotia. However, the most prominent industries in West Hants do not require a university education.

Commercial development will be impacted by online retailers. This trend could see an increased demand for warehouse space in West Hants.

Tourism provides an opportunity for West Hants to capitalize on the “rural atmosphere” for economic growth.

Technology will play a major role in the economic future of West Hants and the expansion of the fibre internet network throughout rural areas would significantly improve the ability to have home-based businesses in West Hants.

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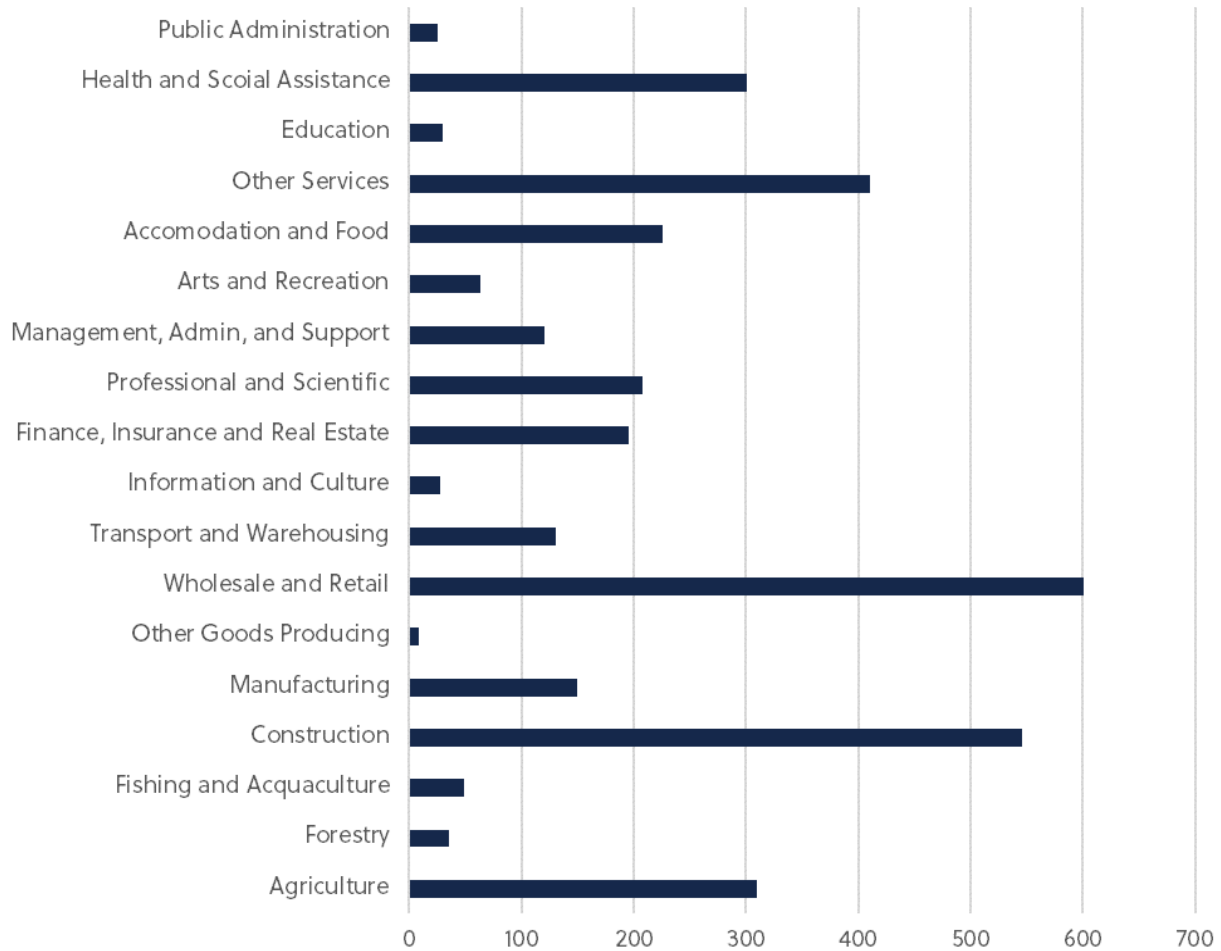
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# 1. Business and Industries in Annapolis Valley

Wholesale and retail sales is the largest industry category, with 601 businesses as of October 2017 in the Annapolis Valley, which includes West Hants (Figure 1).

Figure 1: Business and Institution Counts by Industry in Annapolis Valley, 2017



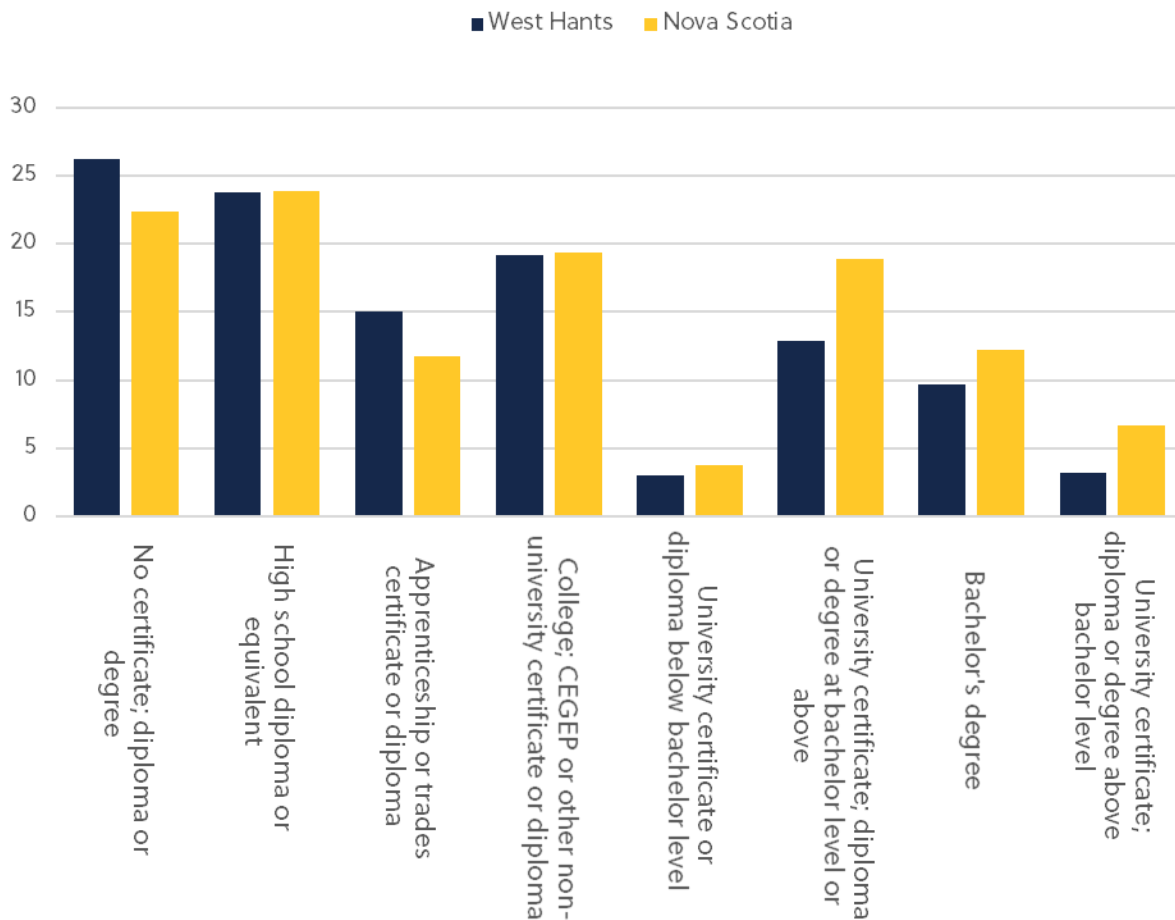
Source: Valley REN

## 2. Economic Indicators

### 2.1 Current Labour Force

West Hants had a slightly higher percentage of residents with no certificate, diploma, degree or apprenticeship or trade certificate or diploma (41%) than Nova Scotia (34%), (Figure 2). This reflects the economic needs of a predominately rural economy. West Hants and Nova Scotia had the same percentage of high school and college graduates. West Hants had significantly fewer residents with a university education (29%) than Nova Scotia (42%). This could be due to the high concentration of universities in Halifax. Those who attend university in Halifax often stay there due to job opportunities.

Figure 2: Percent of Population 15+ by Highest Level of Education, 2011

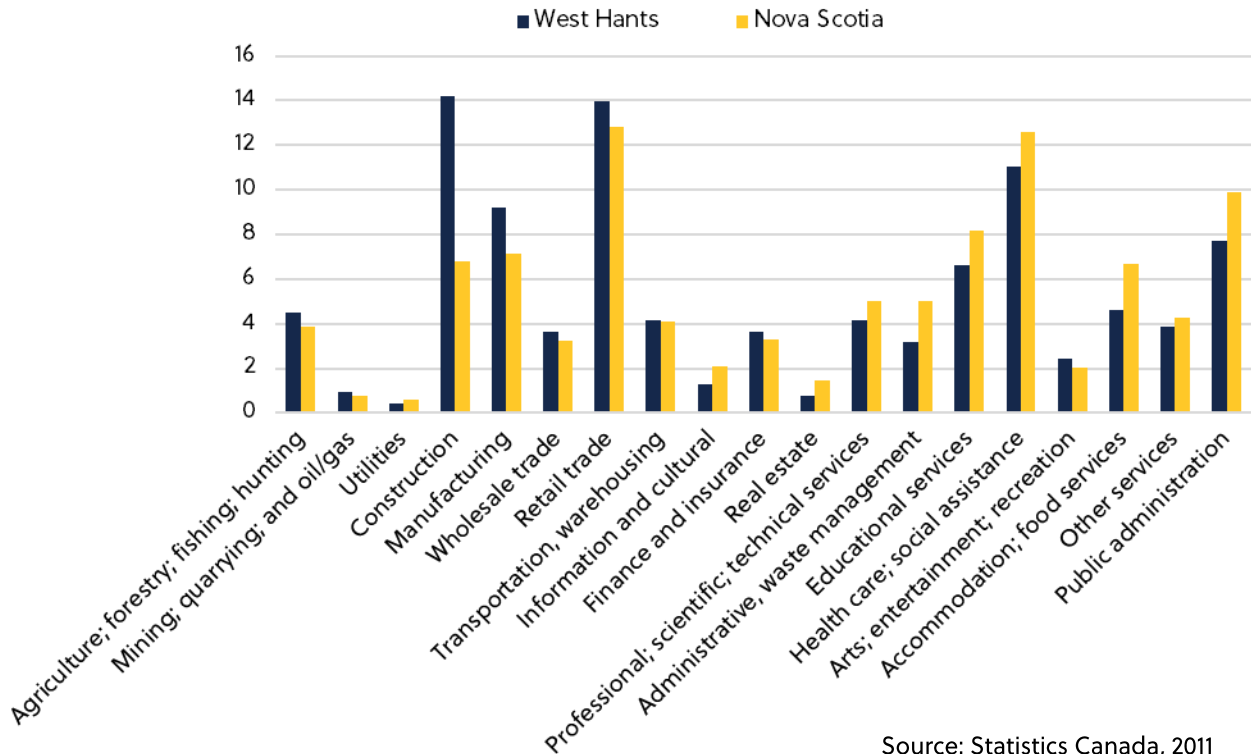


Source: Statistics Canada, 2011

Note: Not all statistical information is available for the West Hants 2016 census, as of the date of completion of this report. West Hants 2011 census information has been used for those categories. Nova Scotia refers to statistical information for the entire province, including West Hants.

West Hants had a higher proportion of agriculture, mining, manufacturing, wholesale trade, finance/insurance, arts, education, and recreation jobs than Nova Scotia in 2011 (Figure 3). The largest categories for West Hants were construction, retail trade, and health care, making up 39% of employment. There is an opportunity for West Hants to capitalize on the largest industries in the region and identify ways to encourage their growth.

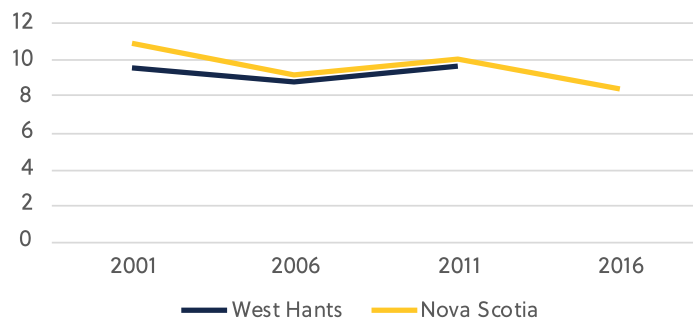
Figure 3: Percent of Population 15+ by Employment Sector, 2011



Source: Statistics Canada, 2011

The unemployment rates for West Hants and Nova Scotia have fluctuated since 2001 (Figure 4). West Hants has experienced lower unemployment rates than Nova Scotia. In 2016 the Nova Scotia unemployment rate dropped to 8.3% which will likely be reflected in the corresponding West Hants unemployment rate once it is available.

Figure 4 Unemployment Rate, 2001-2016



Source: Statistics Canada

**Municipality of the District of West Hants**  
**Figure 5: Where Do the Residents of West Hants Commute to Work? (Statistics Canada, 2016 Census)**

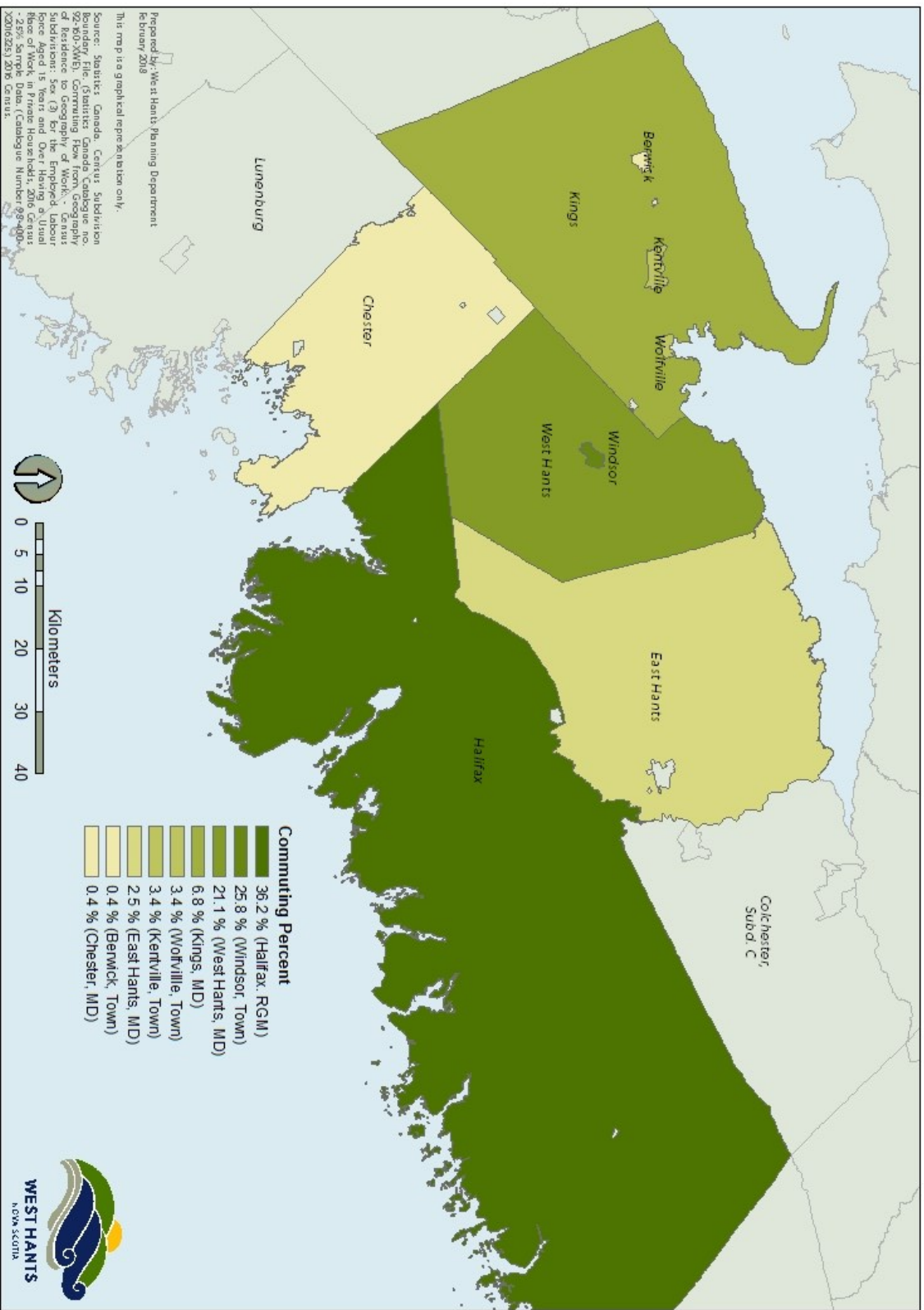
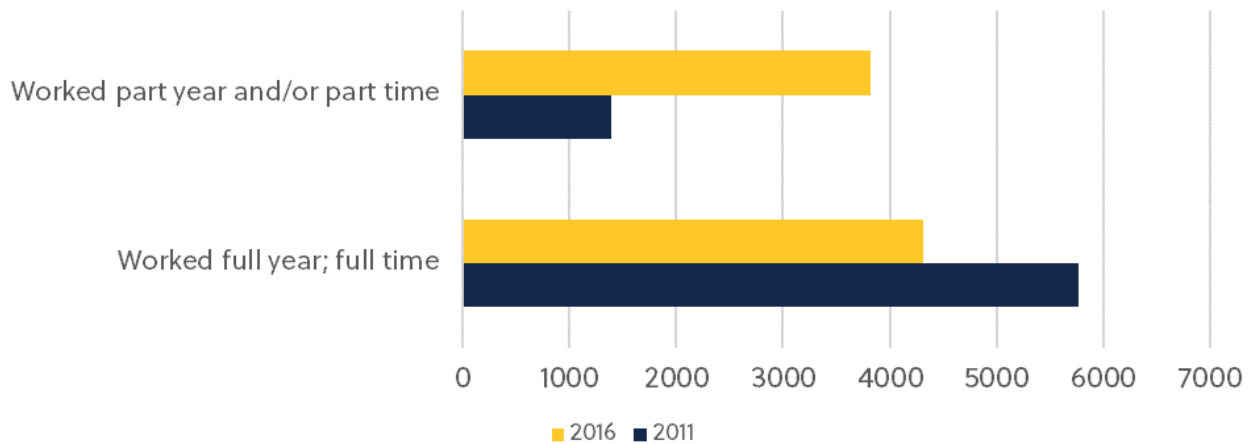


Figure 5 shows that approximately 80% of residents of West Hants who are employed, work outside of West Hants. There are several reasons why someone may work outside of their municipality or county. It could be a combination of fewer job opportunities within West Hants and lower house prices. Halifax is a major employment centre for the Province and house prices in the Halifax area are significantly higher than West Hants. This, along with the more rural atmosphere sometimes desired by families, results in people choosing to live in West Hants and work in Halifax.

Figure 6: Total Population by Employment Type



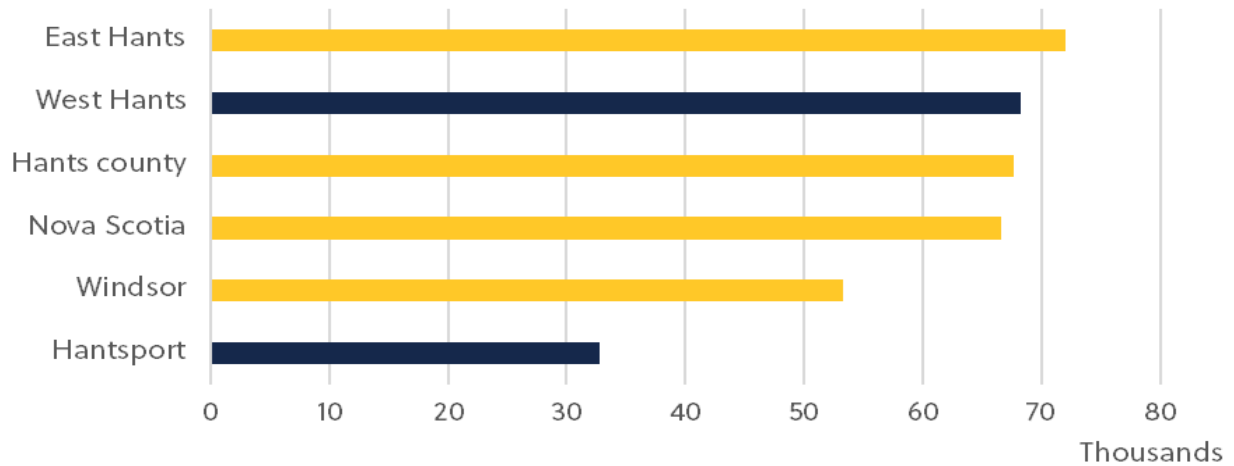
Source: Statistics Canada, 2011

The type of employment has changed significantly in a short period of time (Figure 6). As employers increase the number of part time positions and decrease the number of full time permanent positions, it can have either a positive or negative impact for employees. In terms of employment flexibility, part time positions allow families to juggle working with the cost of child care by enabling parents to work a few days a week and look after children the remainder of the week. However, part time employment can have a negative impact on income stability. Fluctuating hours can make it difficult for employees to compare their monthly costs with expected income. Part time employment also does not generally include benefits such as health care or retirement plans, which can add stress to an employee.

## 2.2 Household Income

As shown in Figure 7, residents of West Hants had a higher household income than Nova Scotia, Hants County, or Windsor. The former Town of Hantsport experienced significant population decline and its average income is the lowest in the comparison. This may decrease West Hants average household income for the 2016 census.

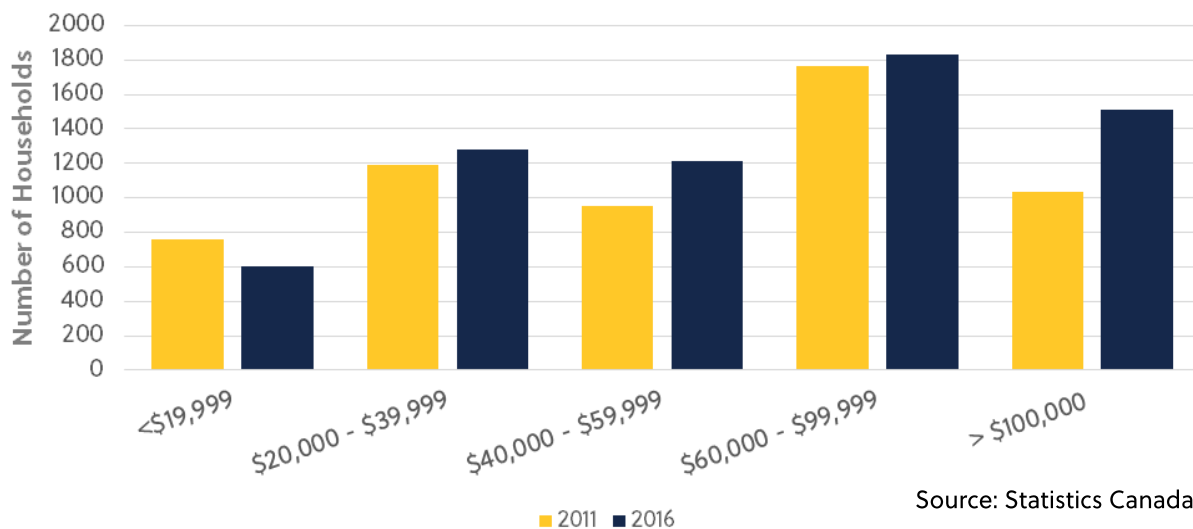
Figure 7: Average Household Income, 2011



Source: Statistics Canada, 2011

Household income for West Hants (Figure 8) has increased with significantly more households making over \$100,000 in 2016 compared to 2011.

Figure 8: Household Income Comparison

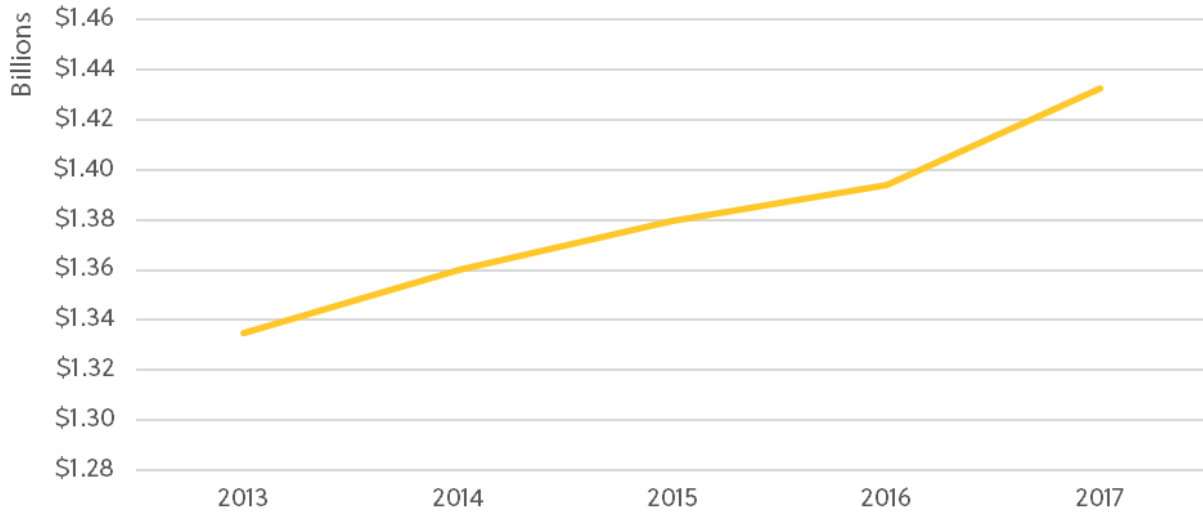


Source: Statistics Canada

## 2.3 Property Assessments

Total assessment value for all properties in West Hants has increased since 2013 to about \$1,433,000,000 in 2017 (Figure 9). This can be attributed in part to the inclusion of the former Town of Hantsport within the West Hants assessment roll.

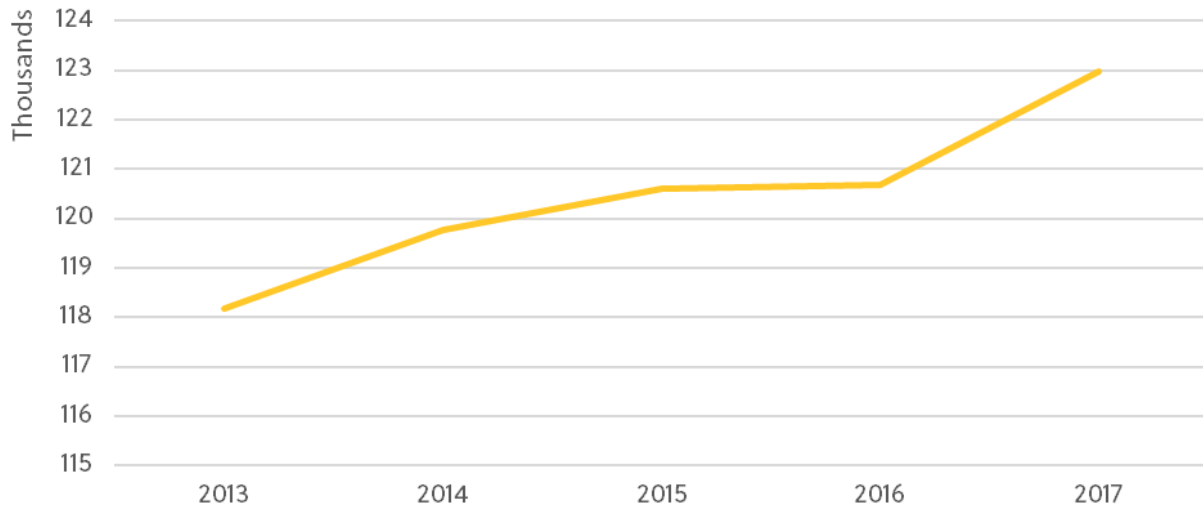
Figure 9: Total Property Assessment Value



Source: Property Valuation Services Corporation, 2017

Average assessment value per property (Figure 10), has also increased to almost \$123,000. However, there was minimal change between 2015 and 2016.

Figure 10: Average Property Assessment Value

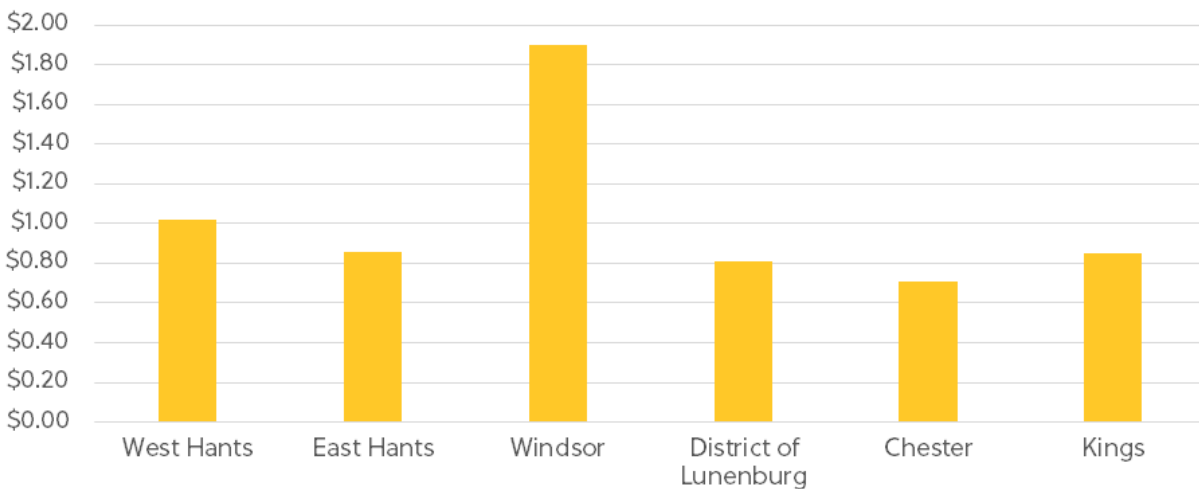


Source: Property Valuation Services Corporation, 2017

## 2.4 Taxation

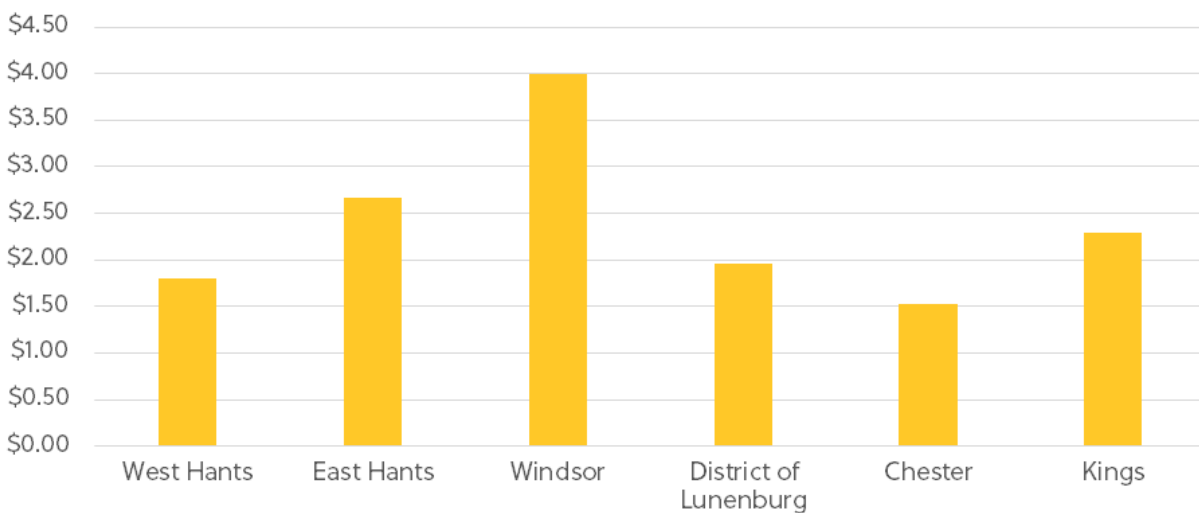
The municipal property tax rate is applied to residential and commercial properties based on the property assessment done by Property Valuation Services Corporation (PVSC). The tax rate is set by Council; West Hants has the second highest residential tax rate (Figure 11) and a low commercial tax rate in comparison to other municipalities (Figure 12). However, all the other municipalities used as a comparison have an area rate that is added to the general rate to account for municipal services. West Hants has an area rate that only applies to the former Town of Hantsport, although Municipal water and sewer services are provided in the communities of Falmouth and Three Mile Plains.

Figure 11: General Residential Tax Rate (Per \$100),  
2017/2018



Source: Municipal Websites

Figure 12: General Commercial Tax Rate (Per \$100),  
2017/2018



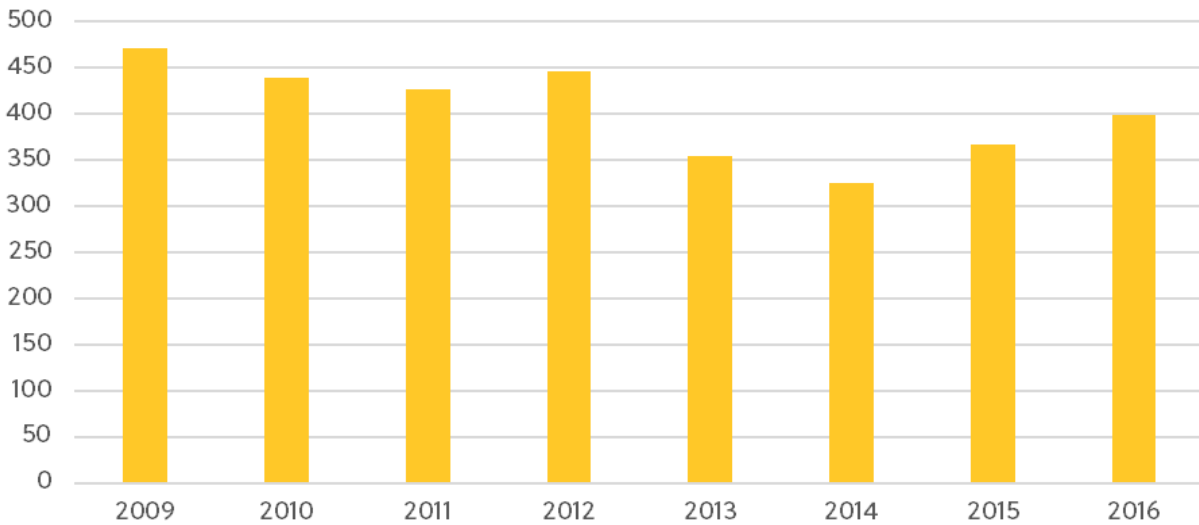
Source: Municipal Websites

### 3. Development Activity

#### 3.1 Total Permits

The total annual building and development permit applications have decreased (Figure 13). In 2009, the Municipality issued 471 permits. In 2016, the Municipality issued 399. However, since 2015 the number of building and development permits again has been on the rise.

Figure 13: Total Permits Issued, 2009-2016

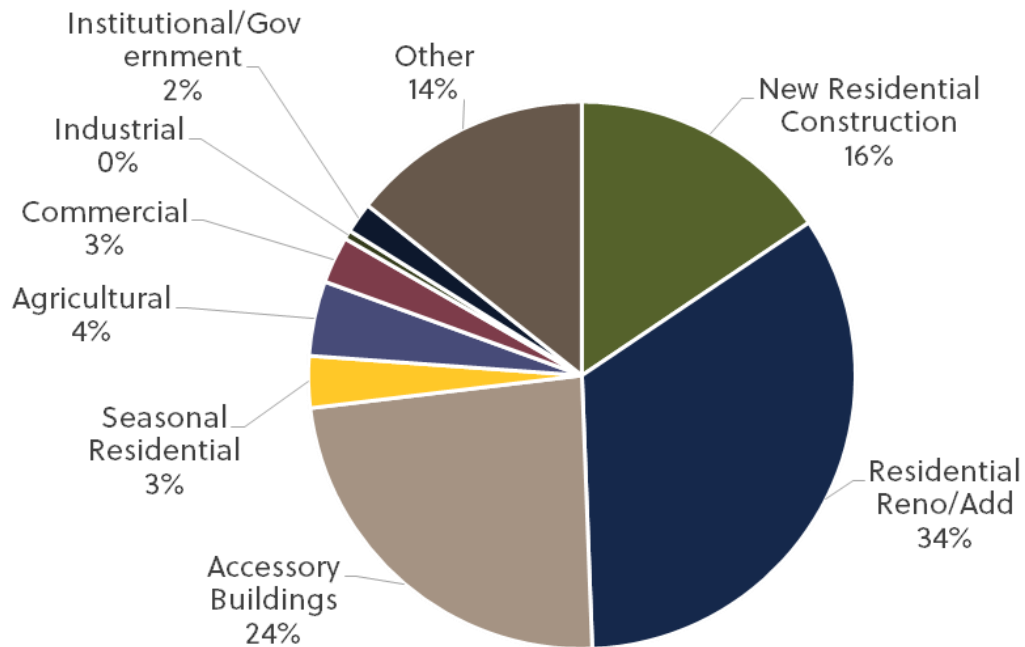


Source: Municipality of the District of West Hants

Note: The last 8 years were used to compare building and development permits because there were significant differences in the way development was counted in prior years; for example, mobile homes and single unit dwellings were combined in 2008 and 2007 and seasonal residential dwellings were not counted before 2008.

More than 75% of building and development permits in the last eight (8) years have been residential (Figure 14). There are several categories within residential such as: new construction, renovations/additions, accessory buildings, and seasonal residential dwellings. The category known as "Other", comprising the next largest category (14%), applies to situations where a development permit is required but no building permit is needed, such as wind turbines, demolitions, fences, swimming pools, signs, development permit renewals, and accessory buildings of 100 sq. ft. or less in area.

Figure 14: Total Permits by Category, 2009-2016

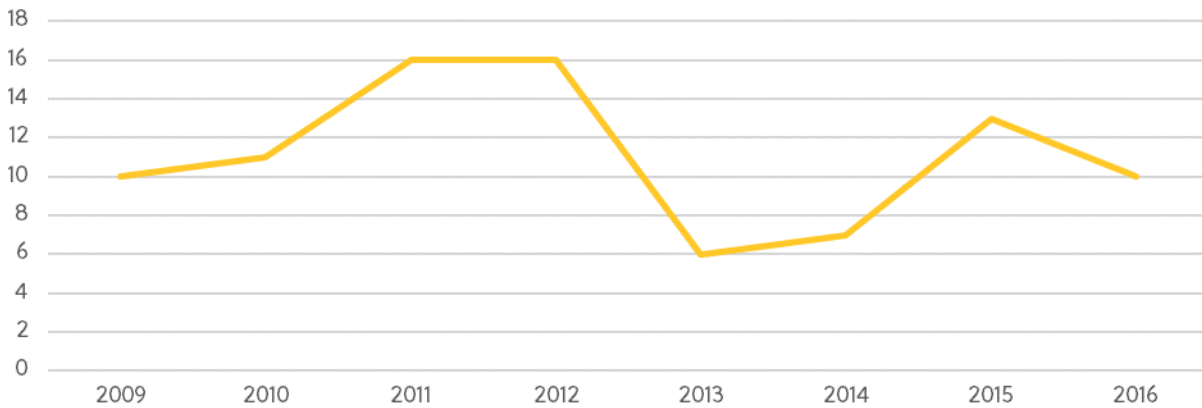


Source: Municipality of the District of West Hants

### 3.2 Commercial Development in West Hants

Between 2007 and 2016 the amount of commercial development in West Hants fluctuated (Figure 15). The general trend is a decrease in the number of development permits issued for commercial uses. In 2007, 24 permits were issued for commercial developments, dropping to 10 by 2016. However, the number of permits is not an indicator of the size of new developments or the economic potential created by those developments.

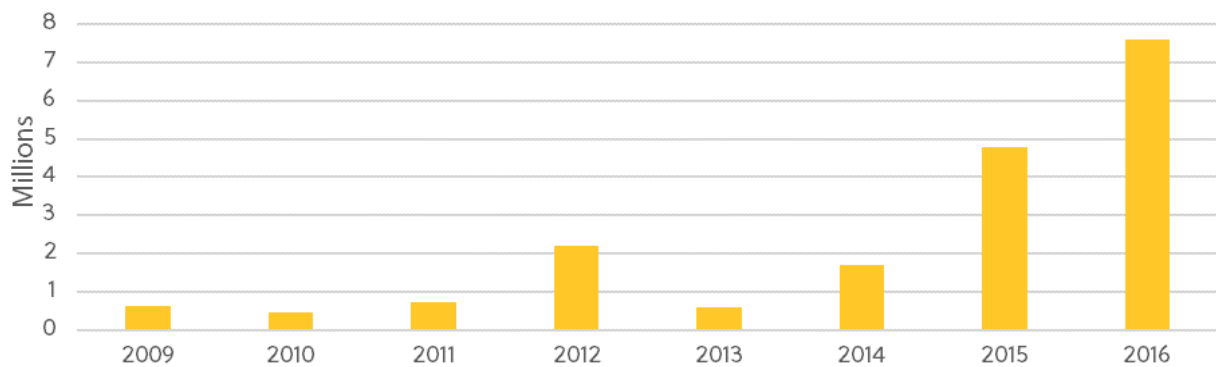
Figure 15: New Commercial Permits, 2009-2016



Source: Municipality of the District of West Hants

The value of commercial construction has risen significantly since 2007 (Figure 16). The spike in 2016 is due to values stated on applications of \$5.5 million for a new fish farm and \$2 million to rebuild an automobile dealership.

Figure 16: Value of New Commercial Construction, 2009-2016



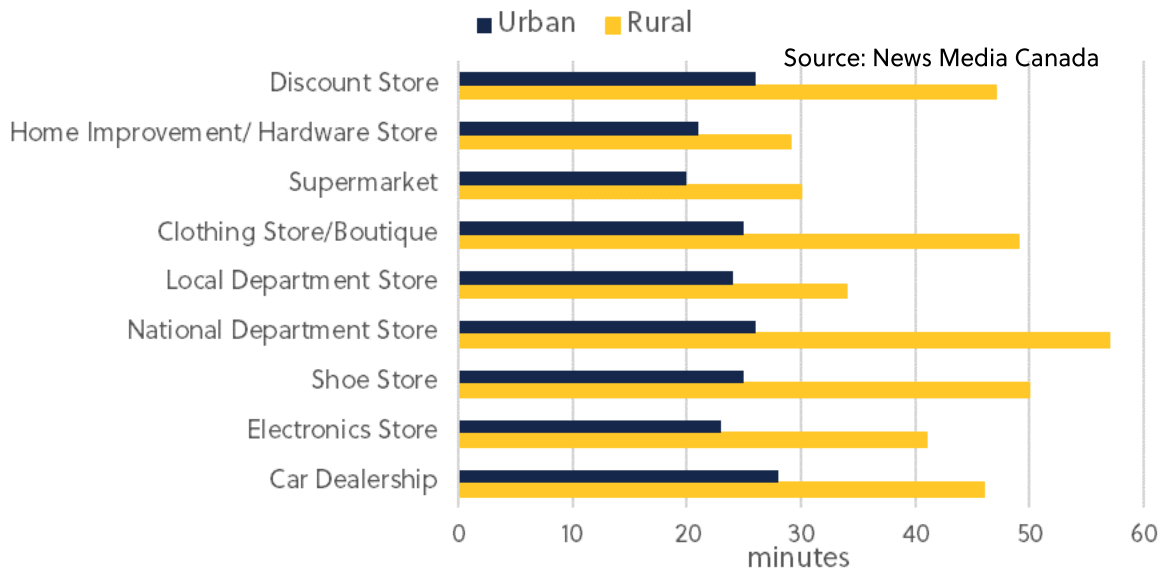
Source: Municipality of the District of West Hants

## 4. Trends in Commercial Development

### 4.1 Online Shopping

One of the major trends impacting commercial development is online shopping. In 2015, 76% of Canadian households shopped online. In a report on retail advertising from News Media Canada, the average distance a rural resident (someone that lives in a municipality with under 10,000 people) vs. an urban resident (someone that lives in a municipality with over 100,000) will travel to reach commercial services is compared in Figure 17. Travel times for every store type listed are significantly longer for rural residents than urban residents.

Figure 17: Average Time Taken to Get to Store in Canada\*



\* To provide an estimate for distance, 50 km/hr used for urban and 100 km/hr used for rural

### How Could Online Shopping Impact Commercial Development?

Online shopping could mean that retailers may require less square footage because stores will become “click and collect” locations. Rather than having aisles of merchandise, retailers will have items shipped to their stores for pickup. The grocery chain Atlantic Superstore has capitalized on this trend by introducing online grocery shopping to the Nova Scotia market.

In recent years, Amazon, Walmart and others have spent billions buying, building and leasing industrial real estate to fulfill customers orders. Warehouse spaces near big cities, highways, and airports allow for easy transportation and delivery. West Hants is in an ideal location with quick highway access on Highway 101, and an approximate 45-minute drive to Halifax and the airport.

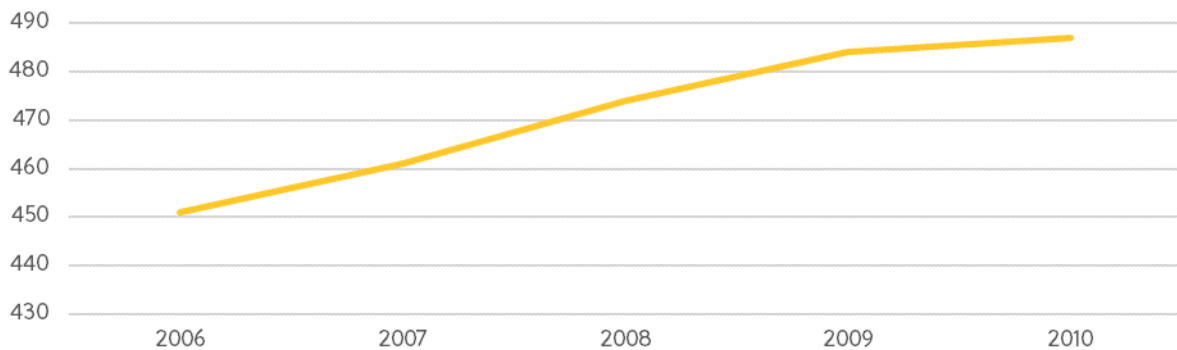
## 4.2 In-Store Shopping

### **Big Box Retailers**

The number of power centres (Figure 18) and big box tenants per power centre (Figure 19) has increased from 2006 to 2010, which means power centres have become more popular and increased in size. Statistic Canada does not provide a definition for big box store or power centre. However, a big box store is generally known as a large format retail store that is often located in a power centre which is a development that combines several big box stores in one location.

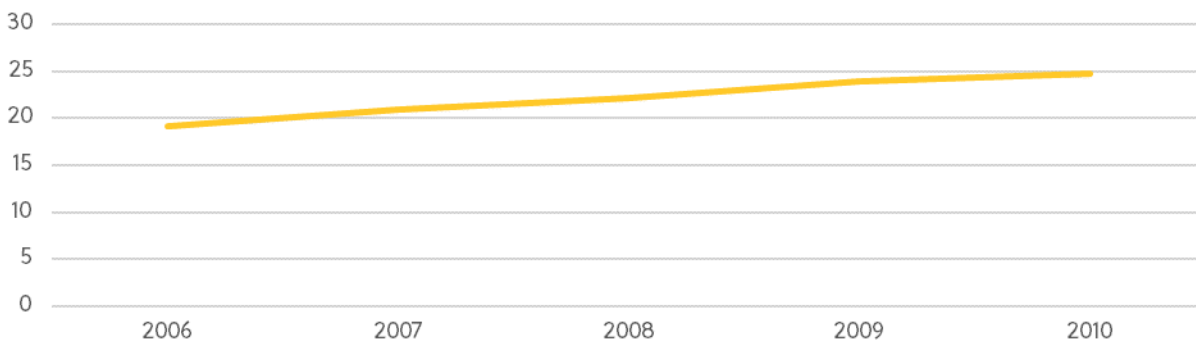
The closest large-scale power centre to West Hants is in New Minas. Big box retailers need a large enough market to support their size. If West Hants wants to attract power centres and big box retailers, the population will need to increase to make it worth while for the retailers. However, power centres can have a negative impact on small scale local businesses. For customers, the convenience of one-stop shopping and slightly lower prices that big box stores offer can outweigh the local economic benefit of supporting small scale local business.

Figure 18: Number of Power Centres, 2006-2010



Source: Government of Canada

Figure 19: Average Number of Tenants per Power Centre, 2006-2010



Source: Government of Canada

## Small Scale Retailers

The Valley Regional Enterprise Network (Valley REN) completed a Business Retention and Expansion Survey in 2017; a summary of the trends identified is provided in Figure 20.

Figure 20: Trends Identified by Small Business in the Annapolis Valley, 2017



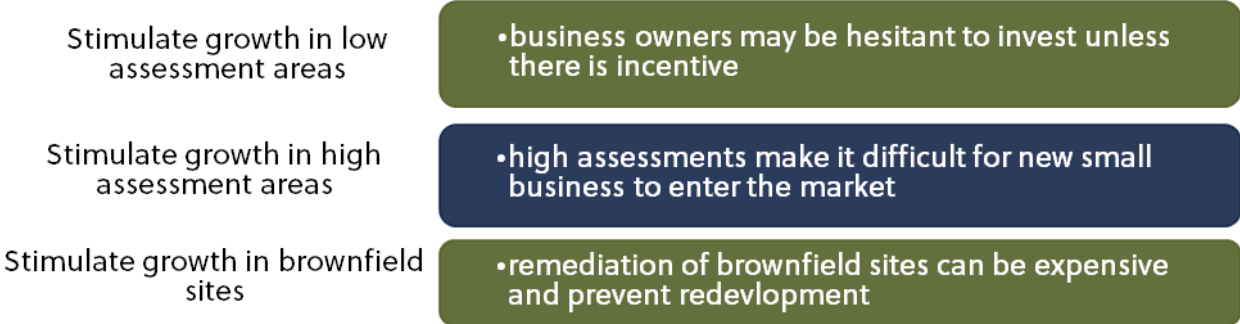
Source: Valley REN

Business Improvement Districts (BID) provide an opportunity for small businesses to come together and achieve goals that would be difficult to achieve individually. Projects can include: marketing, signage, safety, environmental improvements, beautification, and special events. Many towns in Nova Scotia have BID, however, they are less common in rural municipalities. Business owners can work together without the title of a BID; however, the advantage of a BID is a reliable financial component that allows projects to be planned and completed.

**Bill 177**

The Provincial government passed Bill 177 in 2016 to allow a phase-in of commercial assessment increases to lower the commercial tax burden for new developments in a specific area. This new option was designed to attract business to downtowns and support brownfield redevelopment. The reasons a municipality may consider using Bill 177 are highlighted in Figure 21.

**Figure 21: Why Should a Municipality Use Bill 177?**



Source: Province of Nova Scotia, 2017

The phased-in assessment can only be applied to a designated area over ten years, and the area must be serviced by water and sewer. In West Hants, there are three areas with these services which are identified as commercial or industrial areas in planning documents: Hantsport, Falmouth and Three Mile Plains.

## 5. Accommodation and Tourism

There are a wide variety of hotels, inns, and campgrounds in West Hants and Windsor (Figure 22).

Figure 22: Accommodations in West Hants and Windsor

West Hants- Inns and Motels	<ul style="list-style-type: none"><li>•The Flying Apron Inn &amp; Cookery</li><li>•Downeast Motel</li><li>•Super 8 Windsor</li><li>•Avon River Motel</li></ul>
Windsor- Inns and Motels	<ul style="list-style-type: none"><li>•Meander Inn</li><li>•Clockmaker's Inn</li><li>•The Woodshire Inn</li></ul>
Campgrounds	<ul style="list-style-type: none"><li>•Ryan's Ridge Campground</li><li>•Falls Lake Campground and Cottages</li><li>•Kempt Shore Ocean View Campground</li><li>•BeechBrook Campground</li><li>•Smileys Provincial Park</li></ul>

Tourist attractions in West Hants and Windsor include year-round outdoor activities and agricultural experiences (Figure 23).

Figure 23: Tourist Activities in West Hants and Windsor

Outdoor Activities	<ul style="list-style-type: none"><li>•Ski hill- Ski Martock</li><li>•Outdoor adventure course- Ontree Fun &amp; Adventure Park</li><li>•Golf Courses- Avon Valley Golf &amp; Country Club and Forest Lakes</li><li>•Bay of Fundy- World's highest tides - several view points through the Municipality</li></ul>
Agricultural Experiences	<ul style="list-style-type: none"><li>•Wineries and Breweries- Meander River Farm, Sainte-Famille Winery, Avondale Sky Winery, Schoolhouse Brewery</li><li>•Mazes and Farm Activities- Dakeyne Farm, Davison Corn Maze, Daniels U-Pick, and Castle Fredrick Farms Inc.</li></ul>

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## 5.1 Accommodation Trends

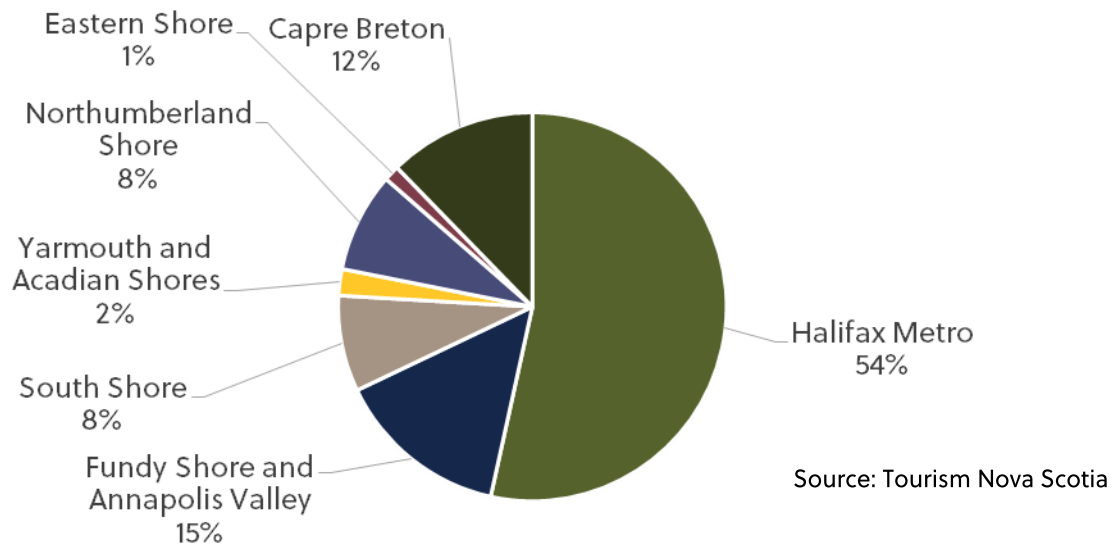
Airbnb and short-term vacation rentals have become a popular, affordable accommodation option. Property owners post an ad to rent their entire house or a few rooms in their house at a daily rate. In several municipalities, property owners that have advertised on short-term rental sites have been in violation of land use by-laws. In West Hants, there are several properties advertised on Airbnb and they are considered a residential land use in the Land Use By-law (LUB).

Glamping refers to a camping experience that provides upscale amenities. Structures for overnight accommodations can range from cabins, pods, yurts, domes, lodges, treehouses, and luxury tents. In Nova Scotia, East Coast Glamping offers luxury tents set up at partner campgrounds. Several campgrounds in Cape Breton offer a yurt or dome experience. In recent months, the West Hants Planning and Development Department has received several inquiries from prospective buyers to create similar glamping experiences in West Hants. In terms of the Land Use By-law, glamping businesses are considered campgrounds or tourist accommodations and are permitted in several areas of West Hants.

## 5.2 Tourism Trends

Fundy Shore and Annapolis Valley, which includes West Hants, has the second largest tourism revenues in Nova Scotia (Figure 24).

Figure 24: Tourism Revenues By Region, 2016



Agricultural areas provide a unique rural atmosphere that has tourism potential. “Rural atmosphere” can include wide-open spaces, low levels of development, historic buildings, and opportunities for visitors to directly experience agricultural and/or natural environments. An agricultural business such as a winery can include a restaurant or overnight accommodations in a historic building. Avondale Sky Winery, located in the historic former St. Matthews Church is a winery, retail store for the wine, and a restaurant serving food that pairs well with the wine.

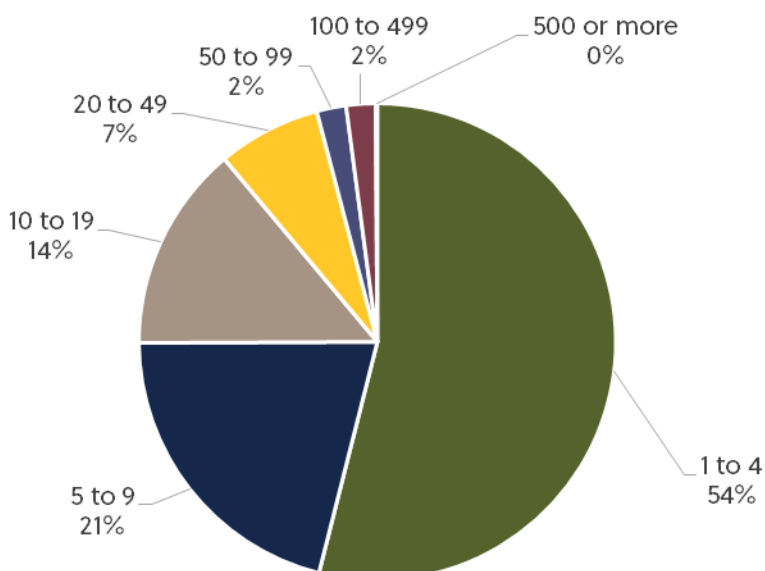
## 6. Entrepreneurs and Home-Based Businesses

Technology may have changed the shape of retailing, but it has also enabled anyone to start a business from any location. West Hants is in an ideal location with the capability to connect to the Valley Community Fibre Network (VCFN). The 2017 *West Hants Strategic Plan* lists connecting fibre service to rural areas as an action item and the Municipality is actively seeking funding opportunities to study the potential for rural internet.

Most businesses in the Annapolis Valley (Figure 25) which includes West Hants, are small business with fewer than five (5) employees. Many of these businesses could be home-based business.

Land use regulations can be a major deterrent for starting a home-based business. The

Figure 25: Businesses and Institutions by Number of Employees Annapolis Valley, 2017



Plan Review provides an excellent opportunity to update the allowable home-based businesses. New industries are always emerging, such as several online businesses that did not exist ten (10) years ago.

Building Code regulations in Nova Scotia changed in 2016, catering to the specific needs of home-based businesses. The new definition and regulations ensure a home-based business remains considered as part of the dwelling and does not have to install a separate washroom for the business or meet barrier-free design standards. This removes financial barriers which could have prevented a business from being financially viable.

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