Resource-Based Towns

‘Resource-based towns’ and ‘single industry towns’ are spread throughout the Canadian landscape, including in the province of Newfoundland and Labrador. These communities rely on natural resource extraction industries such as forestry, hydroelectricity, oil and gas drilling, and mining. Resource-based towns are defined as those where 30% or more of the local labour force is employed within a single resource-based company or sector, and single industry towns are defined as those where 75% of the workforce is involved in one industry in a town of 30 000 people or less. Resource-based towns historically experience periods of growth when there is a demand for the resource, referred to as a ‘boom’, and periods of recession where the resource is not required, referred to as a ‘bust’. In spite of the fluctuating local economies, those living in these smaller, resource-based towns tend to enjoy the closeness to nature and sense of community they offer.

I personally kind of like the isolation, I like the quiet feel and the fact of feeling safe and the you are part of something bigger than just a town. I feel like people are more of a family and that small town community here I feel like that makes you feel comfortable and safe and you know people would be there to help you if you needed something. I feel like this community is really good for that.

~ Participant from Migration, Immigration & Mobility study

Maybe here because it is so convenient and close that the leisure activities are easier to access. So maybe it is enjoyed more often than in the city where you’re more confined within the city limits. You wouldn’t be able to just go out and rip around for the afternoon because it’s not right there. So I guess just convenience-wise maybe.

~ Participant from Migration, Immigration & Mobility study

Housing in Resource-Based Towns

The assumption that low cost housing is a norm in rural towns is incorrect. In fact, housing costs depend on the dynamics of the community (such as average income levels) and nearby economic activities. During ‘boom’ periods in resource-based towns, resource companies hire more workers. This brings both more people and more money into communities. As a result, the demand for goods and services go up, as do the prices. Housing is no exception.
Unfortunately housing is difficult to make available quickly, so the existing housing stock in communities often has to accommodate both current and new residents. Companies and their workers are often able to pay more for housing than existing residents, so as purchase prices and rent prices rise, existing residents are often pushed out. This is beneficial for residents who are selling or renting homes, but it leaves communities to address the impacts from a lack of affordable housing for low-income individuals, including single mothers and senior women who live alone, and become vulnerable to homelessness in this situation.

When I first moved to [name of town] I did just live in an apartment and it took me almost a year to figure out about low-income housing and how to really access that and use it to help me. I just felt like [low-income housing] wasn’t out there, like it was here. There I had a hard time trying to track people down in offices and stuff because I didn’t know where to go. It’s almost too bad they don’t really contact new people in town and kind of give them resources that way. Just a lot of times once you’re in that low-income housing… it made things a lot easier. And then it was almost like they gave me more information on how to find things. They were really good in that way.

~ Participant from Migration, Immigration & Mobility study

Seniors are less likely to benefit from high paying resource jobs, thus, their quality of life is lowered by increases in housing costs and cost of living, decreases in food security, inability to afford heat, and lack of support or lack of awareness about financial supports available to them. Seniors with disabilities have the added difficulty of finding affordable housing that is accessible. For single senior women, this can be especially hard if they no longer have access to earnings, pension benefits, or any other assets linked to their former spouse.

Private sector companies usually prioritize building higher-cost housing for their workers rather than housing that is affordable to lower-income residents. Therefore, there is need for the public sector and governments to step in to close the housing gap that is created in resource-based towns during “boom” times.

I would say [living here is] more negative than positive just because grocery stores and that are a big thing. I feel like our prices are very high. For a while they were okay having extra foods here, having competitors. But now the grocery store prices seem to be getting higher and higher. It is a struggle to even eat healthy with the cost of groceries here and I really believe it is because of a small town.

~ Participant from Migration, Immigration & Mobility study

CRIAW acknowledges its presence and work on Indigenous Territories. We respectfully recognize the legacy of colonization upon Indigenous Peoples.
Case Study: Housing in Labrador West and Happy Valley – Goose Bay, NL

LABRADOR WEST

**BOOM** - Labrador West, made up of Labrador City and Wabush, is located near a number of iron ore mining operations: Wabush mines, Bloom Lake mine, and the Carol Lake project. In 2010, the town experienced a boom as international demand for iron ore spiked. While the booming economy was good for mining workers and local business owners, it also caused social disruptions and revealed shortfalls in local infrastructure. An influx of new residents put stress on the already struggling healthcare system, housing stock, and childcare services. Housing prices rose dramatically. During the boom, the price to rent a five-bedroom house was upwards of $5000 per month. Housing was scarce and unaffordable to those without high-wage, mining jobs.

**BUST** - In 2014, the Wabush mine and Bloom Lake mine were permanently closed and the Iron Ore Company of Canada in Labrador City began to downsize the Carol Lake project, which meant hundreds of workers lost their jobs. Workers moved away from Labrador West in search of employment elsewhere and housing prices, along with local economic performance, plummeted. As of 2015, a five-bedroom house was renting for about $1500 per month. Meanwhile, unemployed workers who purchased homes at inflated prices have to either continue paying high mortgages or sell the houses for a lot less than they paid for them.

HAPPY VALLEY – GOOSE BAY

**BOOM** - The development of a hydroelectric dam at Muskrat Falls in Happy Valley-Goose Bay created a boom in the area, with an influx of workers into the community. The new jobs and high wages have increased the demand for housing and with a limited supply (like in Labrador West) housing prices have increased significantly. A three-bedroom unit with a basement apartment now sells for $450,000, and rarely any house is under $200,000. Housing is now unaffordable to many residents of Happy Valley-Goose Bay, who will have to move at the end of a lease because of rent increases. As more income is allocated to housing costs, the ability to afford other necessities such as food and transportation is lowered. Those most affected by lack of affordable housing are seniors and young adults, who may or may not be able to move.

**BEFORE THE BUST** - The town should look into The Canadian Research Institute for the Advancement of Women’s original suggestion for Labrador West that provincial and/or federal governments increase revenue spending on social infrastructure such as housing through taxing the profits of mining companies, as well as encouraging companies to engage in more sustainable and equitable development. If housing issues are not addressed in Happy Valley-Goose Bay now, homelessness and forced migration will ensue.
References


