



Government of
Saskatchewan

The Saskatchewan Advantage Housing Plan

March 2011



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Message from the Minister



Saskatchewan is a growing province. Our population is now at an all-time high. That growth is a product of unprecedented economic prosperity. More people in Saskatchewan are working than ever before. With more job opportunities, people can find the employment they need to support themselves and their families. With more money at their disposal, they can secure a home and put food on their table. More families with a stable income helps send more children to school on a full stomach and gives moms and dads optimism about their family's future. These are the benefits of growth.

As a government, it is our job to rise to the challenges of growth, not shy away from them. Maintaining the Saskatchewan advantage demands leadership on housing issues. Drawing on the spirit of cooperation and hard work that has prevailed among the people of this province for more than 100 years, our Government is committed to overcoming obstacles rather than letting them stand in the way of progress. This is the resolve we will bring to the challenge of affordable housing.

The initiatives detailed in this plan take us another step down the road to overcoming our challenges in housing. These programs and investments will help create a housing market that matches the demands of a growing economy and a growing population. It builds on our Government's actions since November 2007 and will complement our discussions with stakeholders in the industry about how we go forward over the long term.

Our goal overall is to empower all Saskatchewan people to improve their quality of life by creating economic opportunities in all regions of the province. To do this, we must continue to develop a housing supply that makes it possible for all citizens to build a better future. Saskatchewan's strong economy means we can afford to make significant investments where we know the need is great, and where we know we can make a difference.

A handwritten signature in black ink that reads "June Draude". The signature is written in a cursive, flowing style.

June Draude
Minister of Social Services
Minister Responsible for Saskatchewan Housing Corporation

Our Government's Goal

To embrace the benefits and challenges of economic and population growth by creating more housing supply and working hard to make life more affordable for Saskatchewan citizens

To support this goal, our Government has taken a number of actions since November 2007, including:

- an \$80 million provincial investment for the completion of over 860 new affordable rental housing units across the province. An additional 1,100 new units are currently in development;
- assistance for nearly 400 households across the province to achieve homeownership;
- assistance for more than 3,000 households across the province to help improve the health, safety and energy efficiency of their homes; and
- adjusting shelter rates and rental supplements based on the average market rent. Effective April 1, both will have been increased six times since November 2007. Under these programs, clients may be eligible for up to 100 per cent of average market rent or up to 110 per cent of average market rent for clients with a disability.

To continue to support this goal in the future, our Government has five programs that will help increase housing supply and address housing affordability:

1. Headstart on a Home
2. Affordable Home Ownership
3. Rental Construction Incentive
4. \$34 Million Investment in Rental Units
5. Habitat for Humanity Partnership

Taken together, it is expected that these five initiatives will add more than 4,600 new housing units across Saskatchewan over the next five years and make it easier for those of modest income to purchase new homes.

A Foundation for the Future – Government Action since November 2007

Since November 2007, the Government of Saskatchewan has been working hard to address the challenges that exist in the province's affordable housing market. In March 2008, the Government appointed a Task Force on Housing Affordability that conducted consultations in 16 Saskatchewan communities and created a wide-ranging report with 36 recommendations. To date, the Government has responded or taken action on 31 of these recommendations, including increases to shelter rates and rental supplements for low-income people struggling to make ends meet.

Significant investments have also been made in many areas that are helping low-income people and other vulnerable citizens find a safe and affordable home. These investments since November 2007 include:

- an \$80 million provincial investment for the completion of over 860 new affordable rental housing units across the province. An additional 1,100 new units are currently in development;
- assistance for nearly 400 households across the province to achieve homeownership;
- assistance for more than 3,000 households across the province to help improve the health, safety and energy efficiency of their homes; and
- adjusting shelter rates and rental supplements based on the average market rent. Effective April 1, both will have been increased six times since November 2007. Under these programs, clients may be eligible for up to 100 per cent of average market rent or up to 110 per cent of average market rent for clients with a disability.

These investments have been spread across the full spectrum of housing need in Saskatchewan. Across the province we have affordable housing projects completed or on the go for families, students, seniors, people with disabilities and with our First Nations and Métis partners.

Overall highlights of our initiatives in these areas since November 2007 include:

Family Housing

- 720 family housing units are either in progress or have been completed (note: some of these would also count as Aboriginal, student or disabled housing units).
- Overall, \$80 million has been invested in family housing.

Student Housing

- Prior to 2007, one project consisting of 48 units was completed.
- Saskatchewan Housing has 523 new student housing beds that have either been completed or are in progress.
- \$15 million has been invested by the Province to help open 400 new student housing beds at the University of Saskatchewan.

Seniors' Housing

- \$40 million has been invested specifically for seniors' housing.
- 436 affordable housing units for seniors have either been completed or are currently in progress across the province.
- The income threshold for seniors to qualify for social housing has been increased.

Housing for People with Disabilities

- \$33.5 million has been invested specifically for affordable housing for people with disabilities.
- 249 affordable housing units for people with disabilities have either been completed or are currently in progress across the province.
- In 2008, the Government committed \$76.9 million over four years to address a waitlist of 440 people with intellectual disabilities who require residential and day programs to meet their needs. This commitment included a \$28.5 million capital investment. As a result, services are under way or in development for 316 individuals (72 per cent), giving these individuals a home and the services they require in the community. In 2011-12 – the third year of this initiative – an investment of \$11.7 million of the original \$76.9 million commitment will ensure that 373 people, or 85 per cent of the waitlist, will be served.

First Nations and Métis Housing Partnerships

- 128 affordable housing units are complete or in progress in nine communities across the province.
- \$6.9 million has been invested for capital improvements to 722 affordable housing units operated by Métis housing providers.

These and other initiatives have yielded results. According to the Canada Mortgage and Housing Corporation (CMHC), after reaching an unprecedented low of 1.2 per cent province-wide in October 2007, Saskatchewan's vacancy rate improved to 2.5 per cent by October 2010.

In the last year alone, vacancy rates have increased in seven out of nine of Saskatchewan's largest cities. For example, in Lloydminster, one of the two cities where the rental market tightened, it remains over eight per cent.

Evidence from other urban centres suggests that investments in housing supply and incentives for developing new units can help stabilize vacancy rates. Abandoning, rather than adapting to, growth would be short-sighted and would present citizens around the province with the unpleasant choice between jobs or housing. Overcoming these challenges, rather than ceding to them, would eliminate the need for such a decision.

Though progress has been made, challenges continue. The investments made since November 2007 have provided a foundation for the future. Government action has been significant and allowed many struggling citizens to get the help they need to find a suitable home. But population growth has been unprecedented over this period. Saskatchewan has grown by nearly 50,000 people since October 2007 – a rate of growth in this province that has not been seen for eight decades.

These population figures require the adoption of a new mindset. In terms of housing issues, it requires new and creative thinking about how to adapt to the new era of prosperity in Saskatchewan. The five point action plan presented in the next section is another step in our Government's commitment to pioneer this new thinking.

Saskatchewan's Five Point Action Plan

The five programs and investments outlined below span the housing spectrum. Given the interconnectedness of the housing industry, engaging all sectors in the effort to increase the housing supply is critical. There is no single solution that will create enough supply to address all the current pressures in the housing market. There is also no one group or organization that can single-handedly change the dynamics of the housing sector overnight, including government. What is needed is to engage a broad cross-section of partners in the industry able to tackle this issue from many different angles.

Thus, the initiatives outlined below involve builders, developers, financial institutions, municipalities and low-income housing providers. Taken together, it is expected that these five initiatives will add over 4,600 new housing units across Saskatchewan over the next five years and make it easier for those of modest income to purchase new homes. Increasing these opportunities for moderate-income homebuyers will also help relieve pressure on the rental market by moving people out of existing rental units and into new homes.

Each of the programs is described in subsequent pages. Included below is a chart detailing the total expected increase over five years to the overall housing supply from each of these initiatives.

Program	Housing Type	Number of Units
Headstart on a Home	Ownership	1,000
Affordable Home Ownership	Ownership	600
Rental Construction Incentive	Rentals	2,900
\$34 Million for Rental Housing	Rentals	160
Habitat For Humanity Partnership	Ownership	30
Sub-total	Ownership	1,630
Sub-total	Rentals	3,060
Total		4,690

HEADSTART ON A HOME

Headstart on a Home (Headstart) is a new provincial initiative that will help municipalities and their partner developers create new homeownership opportunities for moderate-income households.

Increasing housing supply within the price range of families and individuals currently renting will help many Saskatchewan citizens purchase their first home.

Headstart will allow solutions to be customized by each municipality and will build on the specific needs of each community.

It is expected that this initiative will create a minimum of 1,000 new entry-level homeownership opportunities over the next five years.

Program Criteria Includes

- Loans will be provided to developers for projects approved by the municipalities. Loans will be available for 90 per cent (remaining 10 per cent provided by the developer) of construction cost including land costs at four per cent interest rate (which may be adjusted over time, based on market conditions).
- The construction of new or redeveloped housing projects with homes valued in the range of \$180,000 to \$300,000 depending on the municipality.
- Projects may include condominiums, multi-unit, single family dwellings, modular homes, ready to move, warehouse conversions, etc.
- Pre-sales of homes are not required.
- Projects must add to the existing housing supply and not decrease the current rental supply (i.e., no condominium conversions).
- The homeowner will be subject to provisions to deter “flipping.”

Other Details

- Almost \$200 million over five years will be available to make these low interest loans.
- In addition to reducing the cost of borrowing, these funds will help builders speed up the pace of construction.

AFFORDABLE HOME OWNERSHIP

Affordable Home Ownership engages municipalities and prospective homeowners to provide another avenue for increasing the supply of entry-level homeownership opportunities. The program matches grants that municipalities provide to homeowners. The Province will reimburse participating municipalities an amount equivalent to the education portion of the property tax for five years to a maximum of \$5,000.

Eligibility

- Eligible municipalities must have a homeownership program which supports the acquisition of a home.
- The new homeowner (grant recipient):
 - must have household income tested and household must be of moderate income;
 - must complete a homeownership training course; and
 - must meet any requirements established by the municipality's program.
- The municipality must contribute an amount at least equal to the education portion of property taxes to the new home's purchase price, either in cash or equivalent (e.g., tax incentive, land, etc.).
- Eligible units are limited to new construction or units converted from non-residential to residential use.

Other Details

- A maximum provincial grant of \$5,000 per household.
- An amount equivalent to five years of the Education Property Tax will be paid to the municipality up to \$5,000.
- The property must remain in good standing in the municipality's program.
- Funding is available on a first come, first served basis. Municipalities must register with Saskatchewan Housing Corporation (SHC) declaring their intention to participate.

RENTAL CONSTRUCTION INCENTIVE

The Rental Construction Incentive is designed to help municipalities and developers create new rental home units and increase the opportunities for low-income people to find safe, affordable housing.

The program provides participating municipalities a provincial grant of up to \$5,000 to match municipal grants or incentives to developers for each eligible new rental unit constructed.

Eligibility

- The municipality must also provide an incentive up to \$5,000 per unit either in the form of a municipal property tax incentive for up to five years or equivalent (e.g., land), or an up-front incentive.
- New rental unit construction (e.g., apartment, row, etc.) and non-residential property conversion to rental units are eligible. Units started or under construction over the life of the program (2011-15) are also eligible.
- Buildings/projects that are receiving funding under other provincial government housing development programs are not eligible for this funding.

Other Details

- Municipalities offering incentives must register with Saskatchewan Housing Corporation (SHC) stating their intent and describing their program.

\$34 MILLION INVESTMENT IN RENTAL UNITS

The Government of Saskatchewan is committed to building on previous investments directly in affordable housing.

To this end, nearly \$34 million in new funding has been set aside to:

- develop more affordable rental housing in communities with a long-term housing need; and
- rejuvenate government-funded housing across Saskatchewan – rehabilitating homes and rental units that would be lost without major work.

Benefits

- 180 homes across the province that are either currently vacant or would soon be lost to the housing market will be rehabilitated and effectively increase the supply of rental housing overall.
- More than 100 communities are expected to benefit from this initiative.

Other Details

- The overall number of new units created by this investment is estimated at 160. Further work identifying where and how this investment will be used is still being finalized.

HABITAT FOR HUMANITY PARTNERSHIP

The Government of Saskatchewan is proud to continue a partnership with Habitat for Humanity that is helping give struggling families a safe and stable environment to call home.

Over the last two years, the Province has provided \$2 million to help Habitat assist 40 families to achieve the dream of homeownership. During that time, cities across the province have benefited from the investment, with new homes built or being built in Regina, Saskatoon, Moose Jaw, Prince Albert, Lloydminster and Yorkton.

This year, the Government is expanding its commitment. A total of \$1.5 million will be provided to give another 30 families the opportunity to build a better future by literally helping build their own home.

Other Details

Under this funding arrangement, the Government contributes \$50,000 per home built.

Going Forward

The Government of Saskatchewan is committed to addressing the challenges that exist in the housing sector. This plan of action is only part of that effort. It builds on the Government's previous investments and provides a template for engaging our stakeholders on what additional actions need to take place to create a stable, more affordable housing system long into the future.

Currently, the Saskatchewan Housing Corporation is conducting 12 consultation meetings with 600 invited stakeholders in locations around the province. In addition, the Canadian Home Builders' Association (Saskatchewan) and the Board of the Saskatchewan Housing Corporation are sponsoring a housing summit in April 2011 to discuss with representatives from the housing industry long-term solutions for continuing pressures in the housing market. This engagement with industry will complement the measures outlined in this action plan by serving as point of discussion about how stakeholders can support and supplement these initiatives.

Overall, these consultations will be used to create a comprehensive, longer-term strategy for housing. This is a further measure of the Government's commitment to remain diligent about adapting Saskatchewan's housing needs to the demands of continuing economic and population growth. Most major economic forecasters in Canada are predicting that Saskatchewan will lead the nation in economic growth over at least the next two years. Therefore, it is necessary to remain vigilant about giving Saskatchewan citizens the help they need to find safe, affordable housing.

Finally, the consultation process going forward serves as a focal point for the idea that housing issues are something we all need to face together. Progress is dependent on a multitude of stakeholders coming together for the same goal: increasing the housing supply and making life more affordable for Saskatchewan citizens. Involvement in the consultations and the summit from municipalities, financial institutions, builders, developers, low-income housing providers, and emergency shelter operators gives these discussions the broad cross-section needed to yield further practical long-term solutions.

For further details about the programs and investments listed in this document, please visit: www.socialservices.gov.sk.ca/housing.

Contact Information

For information on new programs

Contact the Saskatchewan Housing Corporation at 933-6292.

For all other programs

If you live within the Northern Administration District (NAD), contact the Saskatchewan Housing Corporation toll free at 1-800-667-9656.

If you live in central Saskatchewan, contact the Saskatchewan Housing Corporation toll free at 1-866-245-5758; in Saskatoon, call 933-6292.

If you live in southern Saskatchewan, contact the Saskatchewan Housing Corporation toll free at 1-800-667-7567.