

Update On The Housing Strategy For Saskatchewan – April 2012



**Government of
Saskatchewan**

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INTRODUCTION

The Government of Saskatchewan launched *A Strong Foundation – The Housing Strategy for Saskatchewan* in August 2011. The eight-year strategy is for everyone in the housing sector and goes beyond what the Government of Saskatchewan can do alone. The strategy is a catalyst for the housing sector to act together. It reflects the opinions and contributions of experts in the housing sector and identifies positive steps to deal with challenges. The strategy is not about quick fixes; it is about making change for the long term. It is a roadmap to build a strong housing environment.

The Housing Strategy for Saskatchewan identified five strategic directions:

1. Increase the housing supply
2. Improve housing affordability
3. Support individuals and families in greatest housing need
4. Enhance strategic planning for housing
5. Collaborate, communicate and educate

It is necessary to track progress under the strategy to understand the impact the housing sector is making on reaching the objectives. Activity on specific objectives, the outcomes created and the state of the housing environment are included in this document to track and show progress.

THE CONTEXT

Saskatchewan's population continued to increase in 2011, reaching an all-time high of 1,067,612 by the end of the year. Housing starts also increased in 2011. Construction started on over 7,000 new housing units across the province, up 19.0 per cent since 2010 and the most housing starts in one year since 1983. Housing starts are forecasted to remain high, above 7,200 units, in 2012 and 2013. Of the new starts in 2011, the proportion of rental units has increased to 14.5 per cent, which can be attributed, in part, to new government initiatives and the private sector's response to the demand for rental units.

The average resale price on existing housing stock in Saskatchewan reached \$258,386 in 2011, up 6.7 per cent from 2010. Despite this increase, housing affordability continued to improve in 2011. According to RBC Economics, ownership costs as a percentage of household income continued to improve in the last two quarters of 2011. This improvement has brought the level of affordability quite close to its long run average. For 2012 and 2013, resale price

increases are forecasted to increase at a lesser rate at 3.1 and 1.9 per cent. These modest increases, combined with continuing income gains as a result of economic growth, are consistent with RBC's conclusion that affordability "is unlikely to be a factor restraining Saskatchewan homebuyers."

Average rent for apartments continues to increase, though at rates much closer to inflation than the large rent increases that occurred in 2007 and 2008. Overall, multiple unit rental starts have picked up pace over the last few years, with more multiple unit rental starts in 2011 than all the years combined between 2001 and 2007. This added supply has stabilized rents and helped the number of rental units keep pace with continued population growth in the province.

There has been a substantial increase in Saskatchewan Housing Corporation (SHC) completed housing units, from 396 units in 2010 to 987 units in 2011. This is largely due to the Rental Construction Incentive, which is a non-targeted program intended to increase supply, accounting for about 35 per cent of the SHC units.

Indicator	2010	2011	% Change
Population Change	1,050,548	1,067,612	1.6%
New Housing Starts (Urban and Rural)	5,907	7,031	19.0%
New Rental Housing Starts as Proportion of Urban Starts	11.5%	14.5%	26.1%
Average Resale Price of Residential Homes	\$242,258	\$258,386	6.7%
Average Rent (two-bedroom units)	\$872	\$913	4.7%
SHC Completed Housing Units	396	987	149.2%

RESULTS OF STRATEGIC DIRECTION 1

INCREASE THE HOUSING SUPPLY

Significant progress has been made to increase the housing supply to meet the needs of the growing population and economy.

HeadStart on a Home

The Government of Saskatchewan launched HeadStart on a Home in August 2011 to stimulate the construction of new affordable homes.

Over \$40 million in financing has been approved for eight projects totaling 293 HeadStart homes. The program is well on its way to achieving the approved annual operations plan, which is to have a total of \$46.8 million in financing in place to support the construction of 302 homes by the end of 2012.



Kildeer Court Condominiums,
North Battleford
21 units priced
\$169,900 to \$184,900
Expected Occupancy: October 2012

Affordable Home Ownership Program and Rental Construction Incentive

Launched in 2011 by SHC, the Affordable Home Ownership Program provides financial assistance to help municipalities stimulate homeownership. Over 800 commitments have been made to seven communities across the province that have established homeownership programs that support the acquisition of a home.

Also launched in 2011 by SHC, the Rental Construction Incentive helps municipalities to develop new purpose-built rental housing. Close to 4,000 commitments have been made to seven communities across the province, with funding disbursements currently underway, exceeding the initial estimate of 3,700 units. Additional funding was made available to these two programs in the 2012-13 Provincial Budget.

Summit Action Fund

Announced in April 2011 by the Government of Saskatchewan, a total of \$6 million was made available for SHC to encourage housing stakeholders to propose creative housing solutions that would increase supply across the province. The selection committee, made up of representatives from the SHC Board and the Canadian Home Builders' Association – Saskatchewan, selected 12 projects for funding for the creation of almost 450 units over the next two years. The selected projects will provide lessons to the housing industry and will contribute to new supply in the future. The results of the program will be available on the Government of Saskatchewan's website as the projects progress.

An apartment complex in Weyburn is one of the projects that has been selected for funding under the Summit Action Fund. The developer has formed a partnership with the City of Weyburn that will result in the construction of a 24-unit apartment complex. The city is providing financial incentives including a

"With the growth and excitement that has been building around Weyburn lately, we are experiencing a near-zero vacancy rate in mid-range rental properties. Thanks to financial assistance from the Summit Action Fund, as well as additional incentives from the city, outside investors like Triple R Ventures Ltd. will be able to fill this need."

– Mayor Debra Button, City of Weyburn

substantial land rebate and development levy fee waiver. This project is highly reproducible and includes the production of 24 units within nine months at above average construction standards, including a central elevator and prefabricated hollow core floors. It is this production timeframe that will allow communities in need of rental housing to address those needs within the year through incenting developers with land rebates, fee waivers, and other financial incentives.

Private Sector Projects

Private sector residential construction projects are abundant across the province, including construction methods to reduce the time to bring new units on the market, such as prefabricated units and modular construction.

Deveraux Homes and Developments is erecting a number of new rental apartment buildings in Regina. They began construction on their first building in 2010, and their eighth prefabricated building is currently under construction. Construction typically takes between seven and eight months, depending on the building size. The trailer-sized units are constructed in Idaho within a temperature-controlled factory and are then shipped to Regina by truck before they are stacked together by crane. The building looks nearly complete from the outside in about a week. By using prefabricated construction, units are ready for tenants almost a year faster than projects using traditional building methods.



Prefabricated Apartment Building – Sky Harbour Estates in Harbour Landing, Regina

Source: News Talk 980 CJME website

RESULTS OF STRATEGIC DIRECTION 1

INCREASE THE HOUSING SUPPLY

Work is also underway to zone and service land to make it available for residential development across the province.

Long-Term Infrastructure Project

The Long-Term Infrastructure Project Steering Committee, made up of the Ministry of Municipal Affairs and municipal officials, was formed to undertake research and develop options for a long-term, sustainable approach to municipal infrastructure. Background research has been completed on best practices to optimize investment in municipal infrastructure and on municipal infrastructure financing alternatives. Research to define the Saskatchewan municipal infrastructure deficit is now underway. Preliminary discussions have occurred regarding the next phases of the initiative, including stakeholder engagement and program design considerations.

Saskatchewan Infrastructure Growth Initiative

The Provincial Government's Saskatchewan Infrastructure Growth Initiative has proven to be an effective support mechanism for development and growth in Saskatchewan communities. Interest rate subsidy payments continue to flow to municipalities on over \$200 million in approved borrowing. This funding supports 110 projects and relates to the development of over 2,600 residential lots and almost 50 off-site infrastructure projects to support growth.

Initiatives are in place to incent new housing supply.

Corporate Income Tax Rebate

To encourage construction of new multi-unit rental housing, the Government of Saskatchewan introduced a new Corporate Income Tax Rebate in March 2012 equal to 10 per cent of the rental income generated from newly constructed multi-unit rental units. The rebate will be earned for up to 10 consecutive years once eligible projects become available for rent. It is anticipated that up to 10,000 units will be developed across the province.

"The Province is clearly listening to its stakeholders and taking action to lead the nation in provincial approaches to housing incentives."

– Mayor Jim Scarrow, City of Prince Albert

"[The Corporate Income Tax Rebate] lowers the key barrier that has kept private dollars from flowing into the rental market."

– Bill Madder, Executive Vice President, Association of Saskatchewan Realtors



Willow Grove Lot Development, Saskatoon

City of Saskatoon

The City of Saskatoon offers a range of housing incentives and initiatives, including:

- Land Pre-Designation Program
- New Zoning District for Entry-Level and Affordable Housing
- Capital Funding
- Property Tax Abatement
- Direct Sale of City-Owned Land for Affordable Housing Projects
- Priority Review of Approved Affordable Housing Projects
- Permit Rebates for Secondary Suites
- Affordable Home Ownership Program
- Rental Construction Incentive

Housing options for students are also underway.

University of Saskatchewan

With assistance from SHC and the City of Saskatoon, the new College Quarter undergraduate student residences at the University of Saskatchewan, with an initial 360 beds available, were occupied in September 2011 at the start of the fall semester. Construction is continuing for an additional 440 beds, with occupancy expected for 2012.

Work continues to build and sustain the housing industry labour force.

Northern Lights School Division

In an ongoing initiative to encourage youth to enter the building trades after high school, SHC partnered with the Northern Lights School Division in 2011 to construct two single-family social housing units in northern Saskatchewan. The new homes in La Loche and La Ronge will be managed by the La Ronge Regional Housing Authority upon occupancy in 2012. SHC expects to support three additional projects in the coming year.

Northern Teacher Education Program Council Four-Plex

With assistance from SHC through the Summit Action Fund, the construction of a four-plex will soon be underway in La Ronge, with four- and five-bedroom family units. This hands-on project will provide an opportunity for youth to experience work in the trades, as well as providing additional work experience for those pursuing a trade in the north through the Northern Apprenticeship Committee. A subsequent phase will see an additional 24 units created to house additional families, single students, and physicians in residence.



September 2011 Moving Day – College Quarter, Saskatoon

Bottom picture: Alexander Quon (left) and Nicholas Mack (right) move into their new dorm rooms at the U of S campus

Source: University of Saskatchewan

RESULTS OF STRATEGIC DIRECTION 2

IMPROVE HOUSING AFFORDABILITY

New incentives and financial options have been created to improve housing affordability.

HeadStart Equity Builder Program™

Launched in 2012, the HeadStart Equity Builder Program™ is a major commitment by Saskatchewan's leading credit unions toward down payment assistance for purchasers of new homes constructed through the Province's HeadStart on a Home program. This unique program has been approved by Canada Mortgage and Housing Corporation (CMHC) and Genworth under their non-traditional source of down payment guidelines and provides a maximum of five per cent of the purchase price of a HeadStart home.

Innovative Residential

Innovative Residential has partnered with the Government of Canada, SHC, City of Saskatoon, and National Affordable Housing Corporation to

develop a suite of assistance programs aimed at providing down payment and monthly homeownership assistance. The Mortgage Flexibility Support Program and National Affordable Housing Corporation Assistance Program offer up to five per cent non-repayable down payment assistance to eligible applicants. The Tax Sponsorship Program and National Affordable Housing

Corporation Monthly Assistance Program offer non-repayable monthly assistance up to \$525 per month over an eight-year period.

First-Time Home Buyers' Tax Credit

The Government of Saskatchewan introduced a new tax credit for first-time homeowners effective January 1, 2012. The new non-refundable income tax credit will help make life more affordable for Saskatchewan residents looking to purchase their first home. The credit can be claimed on the individual's 2012 Saskatchewan income tax return. The tax credit will also be available to individuals who acquire a more accessible or functional home and are eligible for the Disability Tax Credit.

SaskEnergy's Energy Efficiency Programs

The Saskatchewan EnerGuide for Houses Program was renewed and introduced April 1, 2011. Over 7,300 homeowners have completed a pre-retrofit evaluation and are undertaking retrofits to improve the energy efficiency of their homes. The Energy Efficiency for New Homes Rebate Program provides incentives to Saskatchewan residents who purchase or build a newly constructed energy efficient home that is either ENERGY STAR qualified, R-2000 certified or has an EnerGuide for New Homes rating of 80 or above. The program has provided rebates to almost 500 homeowners in 2011.

"This is a very big blessing for us and we are so grateful because it's going to enable us to stay a lot longer in this house."

– Elaine Rabuka, HELP Recipient



Tax Sponsorship Program
– Hartford Greens, Saskatoon

Source: Innovative Residential



Peter Keating, Flow Right Mechanical Ltd. (standing) and SaskEnergy HELP Recipient, Larry Rabuka

Source: SaskEnergy

The SaskEnergy Home Energy Legacy Program (HELP) was implemented by SaskEnergy and Habitat for Humanity to help selected low-income families receive extensive energy efficiency improvements to help save energy and money. A pilot project in 2011 saw a total of seven homes assisted in Regina and Saskatoon. The project will be continued in 2012 to deliver assistance to selected low-income homeowners in Regina, Saskatoon, and Moose Jaw.

Namerind Housing Corporation

The Namerind Housing Corporation continues to evolve to meet the needs of Regina's Aboriginal community. The organization recently installed solar photovoltaic and solar thermal technology on all multi-unit dwellings. The solar energy is being used to power homes and businesses with the intent to create a self-sustaining housing organization through vastly reduced energy costs.



Robert Byers, CEO, Namerind Housing Corporation
Solar Technology

Source: Namerind Housing Corporation

RESULTS OF STRATEGIC DIRECTION 3

SUPPORT INDIVIDUALS AND FAMILIES IN GREATEST HOUSING NEED

Efforts have continued to support those in greatest housing need in the province.

Federal-Provincial Investment in Affordable Housing

The Governments of Canada and Saskatchewan signed the new Investment in Affordable Housing 2011-14 Agreement in September 2011. This agreement provides a combined investment of more than \$55 million that will continue to reduce the number of households in housing need. The Province will fully cost-match the federal funding and deliver provincially designed housing programs. The agreement provides the Province with the flexibility to make investments to achieve the overall objective of reducing the number of Canadians in housing need by improving access to affordable housing that is sound, suitable, and sustainable.

Habitat for Humanity

Habitat for Humanity's mission is to mobilize community partners in building affordable housing and providing home ownership as a means to break the cycle of poverty. In 2011, the Government of Saskatchewan provided \$1.5 million for the construction of 30 new homes in select communities across the province, and an additional \$1.0 million is being provided in 2012. The organization continues to deliver affordable homes for those most in need, incorporating sweat equity, in-kind contributions, and volunteer labour.

Supports to Individuals and Families in Need

Through the Saskatchewan Assistance Program (SAP) and Transitional Employment Allowance (TEA), the Government of Saskatchewan provides



Investment in Affordable Housing 2011-14 Agreement Project – Conversion of commercial space to seven residential rental units in Estevan



shelter funding to eligible individuals who are unable to meet their basic needs. The Saskatchewan Rental Housing Supplement (SRHS) is also available to assist Saskatchewan families and individuals with disabilities with low to moderate incomes to access quality and affordable housing. Shelter rates in SAP and TEA are targeted to cover up to 70 per cent of average market rents for families with children and individuals who are not fully employable. SRHS provides up to 30 per cent of average market rents for families and 40 per cent for individuals with disabilities. Families receiving SAP or TEA and SRHS can receive up to 100 per cent of the average market rent for their family type and community; people with disabilities receiving SAP or TEA and SRHS receive up to 110 per cent.

To assist in keeping pace with average rent increases in communities across the province, shelter rates in these three programs have been adjusted seven times since August 2008. Adjustments have been based primarily on CMHC's Rental Market Reports and SHC's Small Communities Rental Market Survey.

The Government of Saskatchewan has also increased the living away from home allowance for apprentices who are required to maintain a second residence while they are furthering their education.

The Government of Saskatchewan introduced legislation requiring landlords to give tenants more notice for rent increases. Landlords must now give 12 months' notice if they have not joined the Saskatchewan Rental Housing Industry Association, which is an increase from six months if they are part of the association.

A user-friendly Basic Needs Map was developed as an appendix to the Prince Albert Community Plan on Homelessness. The Basic Needs Map outlines services for homeless people and people in danger of becoming homeless. Services include food, security, clothing depots, addiction services, shelters, and health needs. The map is distributed in Prince Albert by almost all service providers, including the Prince Albert Parkland Health Region, City of Prince Albert, Prince Albert Police Services, Youth Activity Centre, and the Salvation Army.



Habitat for Humanity Regina project with (from left to right) Minister June Draude, Valerie Overend, Pat Fayante and Minister Laura Ross

Source: Habitat for Humanity Regina

RESULTS OF STRATEGIC DIRECTION 4

ENHANCE STRATEGIC PLANNING FOR HOUSING

Extensive planning for housing and related infrastructure is occurring across the province.

Encouraging Community Housing Options – Housing Planning

To help municipalities meet housing needs and sustain population and economic growth, SHC announced two funding enhancements to the Encouraging Community Housing Options Program in 2012. Municipalities can access funds to complete a housing plan and/or implement strategies identified in a housing plan or needs assessment.

Municipal Government Planning

The City of Moose Jaw approved their Housing Business Plan in 2011 and has developed housing programs to address their housing need. Programs include the Speculative Housing Program and Replacement Housing Program.

The City of Yorkton completed a housing needs assessment study in 2011, which explored and identified current and emerging housing challenges in the Yorkton area, including availability, affordability, adequacy, suitability, and accessibility. The study provides a better understanding of the area's current housing needs, issues, and challenges; direction to the community, city, and other interested stakeholders; and support for funding applications to the Provincial and Federal Governments for affordable housing projects.

Community Planning

The Government of Saskatchewan has prepared *The Statements of Provincial Interest* (SPI) to guide municipal planning documents, including official community plans and district plans. Interests on residential development and public works are included in the SPI, and a comprehensive planning handbook will support SPI implementation. The first draft of the planning handbook will be released with the SPI in the spring of 2012, and a series of planning workshops related to permits, appeals, and bylaw processes is being prepared for the municipal sector.

Many communities across Saskatchewan are currently completing official community plans and zoning bylaws with assistance from the Government of Saskatchewan's Planning for Growth Program. These community and regional planning efforts will better prepare communities for future growth and development.

RESULTS OF STRATEGIC DIRECTION 5

COLLABORATE, COMMUNICATE AND EDUCATE

Numerous actions occurred to increase public and sector awareness of housing issues and needs across the continuum, as well as communicating proven practices within the housing sector.

Housing and Development Summit

The first Housing and Development Summit, entitled Building Communities, Building Saskatchewan, was held in Saskatoon in April 2011. The second summit, entitled Bringing Plans to Life Now, is being held in Regina in 2012. The 2012 Summit provides an opportunity to bring together housing stakeholders from across the province to discuss planning for housing and to identify ways to implement plans. A number of private sector and government representatives are involved in planning the Housing and Development Summit.

CMHC Housing Outlook Conference

CMHC's 2012 Housing Outlook Conference, entitled Looking Forward: Saskatchewan's Housing Markets, was held in Saskatoon in February. The conference offered access to reliable, impartial, and up-to-date housing market information for Canada and Saskatchewan. A variety of housing stakeholders attended the event, including lenders, realtors, builders, developers, planners, government officials, construction professionals, and manufacturers.

National Housing Day

National Housing Day events were held on November 22 in both Regina and Saskatoon and marked the 12th

anniversary of National Housing Day. National Housing Day provides an opportunity to recognize the importance of housing in our communities, raise awareness, share housing information, and celebrate the progress in advancing housing solutions. Participants included the private sector, municipal sector, non-profits, and the provincial and federal governments. Sponsors for the events included CMHC, SHC, the cities of Regina and Saskatoon, and Saskatoon Housing Initiatives Partnership.

City of Moose Jaw's Green and Sustainable Energy Housing Forum and Fair

The City of Moose Jaw hosted a major sustainability event in February 2012. The focus for the event was on green and sustainable energy for housing and neighbourhood design. The event showcased current trends and examples of how industry, professionals, municipalities, governments, education sectors, groups, and individuals can develop and add small to large scale sustainability ideas, practices, and concepts to their present surroundings and future planning efforts.

Inventory of Government Programs and Initiatives Impacting Housing Affordability

An inventory of provincial government programs is now available in both a user-friendly booklet and online at www.socialservices.gov.sk.ca/housing. The inventory highlights the continuum of programs and services offered across government that ensure safe and affordable housing for all residents of Saskatchewan.

RESULTS OF STRATEGIC DIRECTION 5

COLLABORATE, COMMUNICATE AND EDUCATE

Work continues across the housing sector in developing partnerships to leverage resources and contribute to better planning and development of housing projects.

Asset Management Training

Asset management programming is proceeding through activities lead by the municipal sector with the assistance of the Government of Saskatchewan. The Ministry of Municipal Affairs' branches continue to participate in relevant asset management training and discussions in an effort to encourage municipalities to integrate asset management practices with municipal planning policies.

Furrows and Faith Retirement Villa

The Furrows and Faith Retirement Co-operative Limited was established as a non-profit entity to build an assisted living facility in the town of Mossbank. The local municipality, surrounding rural municipalities, various businesses, organizations, and individuals have either contributed donations or have provided in-kind contributions to move the project forward. The project will provide an opportunity for those who are downsizing to move along the housing continuum and free up existing housing stock within the area. This creative funding model shows remarkable community support and may provide opportunities for duplication across Saskatchewan, specifically in smaller communities with limited private sector development.

SUMMARY

There have been many successes over the last year that show progress by the public, private, and non-profit sectors. The successes showcased in this update will encourage further actions to address housing issues in our province.

NOTES

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