

Issue in Focus

August 2011

The Housing Strategy for Saskatchewan

Core Issue: Since 2006, the average resale price of a home in Saskatchewan has risen more than 83%. This has made homeownership a less likely option for low to moderate income earners, putting pressure on rental properties, wages and the standard of living in the province. In August 2011 the Government of Saskatchewan released a strategy to help address these issues.

The Importance of Affordable Housing to Businesses

Housing plays an important role in determining the quality of life that we have in Saskatchewan. Furthermore, keeping housing affordable puts less pressure on provincial wages and that means local businesses can be more competitive. As explained by Don Drummond, former Senior Vice President and Chief Economist at TD Bank Financial Group, “an inadequate housing supply can be a roadblock to business investment and growth, and influences a potential immigrant’s decision on whether or not to locate in Canada [putting additional pressures on the labour market]... Finding solutions to this problem is smart economic policy.”

A Recap of “The Housing Strategy for Saskatchewan”

On August 8, 2011 the Government of Saskatchewan released “The Housing Strategy for Saskatchewan” along with “The Housing Strategy for Saskatchewan: Provincial Action Plan 2011-12.” The strategy is an 8 year plan aimed at building a strong housing environment in the province. The housing strategy has five broad priorities: increase the housing supply, improve affordability, support individuals and families in greatest need, enhance strategic planning for housing, and collaborate, communicate and educate. Under each of these priorities the strategy lays out specific objectives, with a nineteen objectives in total.

The strategy recognizes that the public, private and non-profit sectors must work together collaboratively to address the affordable housing issue and that more accurate data about the housing situation is necessary.

In addition to reviewing the successes of current initiatives, the strategy recommends financing options to both promote building and create new mortgage choices for first-time buyers. Improving regulations that limit the development of secondary suites and modular or ready-to-move housing was another key recommendation. The strategy also proposed that projects aimed at creating affordable housing should be fast-tracked through the approval process.

To put the strategy into action, six Action Teams have been established. Additionally, the Government of Saskatchewan will create annual Provincial Action Plans (the first of which was released in conjunction with the strategy) that will outline annual activities. Under the 2011-12 Provincial Action Plan, the province announced that \$5 million in additional funding will be provided for the Saskatchewan Housing Corporation's Affordable Home Ownership Program (AHOP) and Rental Construction Incentive program. More than 3,800 units have been approved under these programs.

Saskatchewan Chamber of Commerce Position

In 2008, the Saskatchewan Chamber held a Housing Forum which generated "The 13 Point Plan to Enhance Housing Accessibility." The Chamber is pleased to see that many of the recommendations found in this 13-point plan are now included in the government's new strategy. In fact, two points in the Chamber's plan (identifying and articulating the need for housing and recognizing the importance of housing) are accomplished through the release of this strategy.

Other key points made by the Chamber's plan such as streamlining the regulatory system, using a collaborative multi-stakeholder approach, enhancing the capacity of trades training, making changes to encourage modular and ready-to-move (RTM) homes, creating new financial options for expanding affordable housing, improving information sharing among stakeholders, increasing education for individuals entering the rental market or home ownership and increasing the inclusivity of the housing market are also included in the government's strategy.

Only two points from the Chamber's plan are missing from the government's housing strategy: instituting a capital gains exemption for reinvestment into the housing sector and creating tools and mechanisms to assess credit ratings for immigrants.

The Saskatchewan Chamber of Commerce is pleased that the government is taking action on the affordable housing issue and supports the intent of the Housing Strategy, but the Chamber also recognizes that developing a strategy is only the first of many steps. The Provincial Chamber thinks it is now time for definitive action to be taken in order to address affordable housing challenges and looks forward to continuing to encourage and move this issue forward.