



**Canadian
Home Builders'
Association**

SASKATCHEWAN

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SASKATOON & REGION HOME BUILDERS' ASSOCIATION

HOUSING MARKETS IN SASKATCHEWAN

- The housing market in Saskatoon experienced a significant increase from December 2006 to 2007 of 45.1 percent. The resale market posted an increase with regard to the average price of a resale home from \$160,586 in 2006 to \$232,362 in 2007; an increase of 45 percent.
- Housing prices are expected to increase steadily because of labour shortages, serviced land costs, increased municipal fees and rising material costs. Due to increased economic growth in the area, demand for new housing continues to be strong in Saskatoon and Central Saskatchewan.

NEW GOVERNMENT

- There has been significant change in the political landscape and policy community in the wake of the November 7, 2007 Provincial Election. Saskatchewan's new premier, Brad Wall, leads a Saskatchewan Party cabinet and caucus after barely ten years as a political party in the Province.
- The Canadian Home Builders' Association – Saskatchewan has been aggressive immediately following the election and during the transition of the new government by lobbying and holding extensive consultations with numerous Ministries to quickly advance our position on housing, labour force issues, immigration and training, infrastructure, taxation and planning and development.

NEW SERVICING AND SALES MODEL

- Early indicators, pent up demand, low inventory of serviced land and continued positive in-migration are together pressuring industry, municipalities and the province to re-double efforts to meet the complex market. The Saskatoon & Region Home

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Builders' Association has been working with the City of Saskatoon to address these concerns and improve their servicing and development plans. The Association is concerned with how numerous land sales policies have hindered the city of Saskatoon's ability to reach its development potential and has been in consultations with the City to reform these policies and help accelerate servicing plans and the number of housing units/lots available in both single-family and multi-family categories.

AFFORDABLE HOUSING

- Housing prices have been increasing in Saskatoon resulting in decreasing affordability for many consumers. Increasing material and labour costs combined with increasing land and fuel prices, off-site levies, application fees and property taxes have resulted in decreased profitability for builders and contributed to rising housing costs for consumers. A growing number of Saskatchewan citizens including low income earners, senior citizens on fixed incomes, students and young adults cannot afford the costs associated with owning and maintaining appropriate housing and therefore, may never achieve the dream of homeownership.
- Currently, the vacancy rate for rental accommodation in the metropolitan area is less than 1 percent. This has fueled renewed calls for rent controls and moratoriums on condo conversions. Our Association locally and through the Canadian Home Builders' Association – Saskatchewan has been urging government to resist these calls as it is our position that such action would actually hurt the very people we had hoped to help.
- The Association recently co-hosted and presented at the National Home Ownership Affordability Conference held in Saskatoon on February 21 and 22nd to discuss the affordable housing situation in Saskatchewan with the ultimate goal to increase access to affordable housing choices.
- The Saskatoon & Region Home Builders' Association and the Saskatoon Housing Initiatives Partnership (SHIP) recently submitted a proposal to the City of Saskatoon on increasing affordable housing opportunities. The proposal makes numerous recommendations to the City on how it may proceed towards achieving the target 3,500 affordable housing units, including allowing for increased densities, streamlining city approvals, providing incentives, and re-assessing development charges. SHIP will act as a resource and provide a consultative role to potential affordable housing providers to help move projects forward through the development process.

ENCOURAGE EMPLOYMENT IN SUBTRADES

- Increased employment, population and housing production are critical to long term sustainable economic growth in Saskatoon and Saskatchewan. The Association is committed to supporting careers and education in the residential construction industry and has sought increased trades training and funding for the Saskatoon area to support the long term development of skilled workers, address labour shortages, and replace the generation of skilled trades people that are entering retirement. The Canadian Home Builders' Association – Saskatchewan has been engaging with the Ministry of

Advanced Education and Labour to forge partnerships and Labour Market Agreements throughout the provinces to build capacity and sustainability in the province's construction industry.

Respectfully submitted

Ron Olson

CHBA Saskatchewan Representative to the Urban Council

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