


<p>TITLE:</p> <p style="text-align: center;">HOUSEPLANS BRANDON INC.</p> <p style="text-align: center;">AFFORDABLE HOUSING</p> <p style="text-align: center;">FOR WORKING FAMILIES WITH CHILDREN AND OTHERS</p>		
<p>PRESENTER: D. Paterson, Councillor Assiniboine Ward</p>	<p>AGENDA NO:</p>	
	<p>DATE: June 7, 2010</p>	
<p>CLEARANCES: Nil</p>	<p>ATTACHMENTS: Report (# of Pages = 5) Ltr. From CMHC Winnipeg (# of Pages = 3) City of Saskatoon Business Plan (# of Pages = 25) Brandon Sun Articles (# of Pages = 5) Brandon Real Estate Board Report (# of Pages = 4) Report from Sandy Trudel (# of Pages = 4)</p>	
<p>APPROVALS: <i>Original Signed By</i> <u>D. Paterson</u></p> <p style="text-align: right;"><u>June 7, 2010</u> Date</p>		

SUMMARY OF HISTORY/DISCUSSION & FUNDING:

Pursuant to Rule 60 of the City Council Procedural By-Law No. 6634, I gave notice at the meeting of City Council held June 7, 2010 of my intention to move the following motion at the July 19, 2010 meeting of City Council.

- “CHILDREN THRIVE IN QUALITY HOUSING”
“ONLY HIGH END MARKETS ARE BEING SERVED”
“RUN THE CITY LIKE A BUSINESS”
“BRANDON’S HOUSING COSTS FOR WORKING FAMILIES ARE BRUTAL”
“SOMETHING SHOULD BE DONE”

We have all heard these and similar cries. Brandon is on and will continue on a strong growth path. Unemployment is low and borrowing costs are low so housing costs are not likely to moderate any time soon.

In the writer’s 12 years on Council, we have only made timid and half-hearted attempts to solve the problem. At a rural development conference I attended in India in 1983 with 700 people from over 100 countries there, the final plenary resolution was, in effect, if you want something done you must do it yourself.

We all know federal, provincial and the private sector players have not made serious dents in the need for more affordable, quality housing. So we as a Council and City must take reasonable and decisive steps to provide same, so as to fulfill our Mission Statement and Vision Statement. So what should we do? Use the land we have.

The Process

1. Establish a non-share company to develop the Veterans Way land we now own. Don't let a 'company' spook you. It could be a non-share (non-profit) company or a share company (for profit). It will be owned and controlled by the City – just like Brandon Downtown Development Corporation or Riverbank Discovery Inc. Its board will help direct and advise the General Manager. The profit will be the second mortgage referred to below. Companies are used to deflect liability from its owner and protect against creditors, amongst other uses. A non-profit company must use any profits to re-invest in its aims and objectives. A profit company sends its profits to its owners.
2. The City of Brandon would transfer this land to the company for \$10.00 and thereafter the company, through its board and general manager, would follow the plan outlined herein. Again, as the owner of the company, the City of Brandon would control its behavior in developing the details of this plan.
3. This company would have 2 employees – the General Manager and an executive assistant. All other services and functions would be by contract to the company from the private sector. This model has been used in the past many years ago in Brandon by Parkdale Builders (Dunc Grierson) and Riverheights Development (Bill Fotheringham).
4. Houseplans Brandon Inc., would own the land and do the subdivision. It would design the neighborhood and amenities just like any other developer.
5. Houseplans Brandon Inc., would hopefully target single family homes for working families with children to the 75% range. The other 25% would be for specialized and special needs groups and workers without children.
6. The types of buildings to be developed would be single family homes, small apartment blocks, duplex units, and medium sized apartment blocks.
7. The types of participation would be only those types where an ownership interest is involved, no rentals. Accordingly, titled single family houses and duplexes, condominium title ownership, life leases, cooperative shared ownership, and mobile homes would be involved in Houseplans Brandon Inc. Owners of (equity) titled land are well-known to care for and retain their homes as compared to renters, as a general rule.
8. The construction methods to be used to supply the units are:
 - a. Stick built on site
 - b. Ready-to-move
 - c. Kit homes or packages
 - d. Modular/manufactured homes
 - e. Prebuilt apartment blocks (eg Pacific Avenue West)
 - f. Mobile Homes

Procedure

Here is a sketch of the process to be followed:

- Once this motion is passed, the company is established and a small (advisory) board is appointed by City Council. It then establishes the by-laws and roadmap for the general manager to follow so the intent of this motion is met in the mid-term (2-3 years say).
- Houseplans Brandon Inc. subdivides the land/the example will be a single lot for a single family home
- A local lender will provide all needed funding for development and infrastructure as done in any other development by the private sector

- The General Manager of Houseplans Brandon Inc. lets say wants to start with 30 lots in Phase One
- Local architects and engineers and planners and surveyors have been used and the house design plans are tendered for construction.
- The winning contractor (hopefully) from within a 60 mile radius of Brandon, then constructs the modest single family home on the City lot. Let's say the lot development price at cost is \$45,000.00. Remember we own the land. The building cost is let's say \$75,000.00. This is all done by private enterprise. The lender converts its subdivision construction loan to a lot purchase mortgage loan.
- A City realtor has given an appraisal (at a low cost hopefully) at lets say \$150,000.00 being fair market value for the home in our example
- A working family with children which qualifies (using CMHC, Province of Manitoba, or our own developed standards) offers to purchase the house and lot for \$150,000.00 and assumes the \$120,000.00 first mortgage which represents total development and construction costs to date. The second mortgage for \$30,000.00, being a second mortgage in favour of Houseplans Brandon Inc. so as to repay the equity portion over a reasonable period of time (say 10 years or on sale) is also assumed by the family buying the home. If it is later sold by the same family, this process could be extended to a second third and fourth set of buyers etc. The buyer does not get something for nothing. The difference between the F.V.M. and the first mortgage will be repaid with interest over time by way of a second mortgage in favour of Houseplans Brandon Inc. If the house is sold quickly for whatever reason before a certain period of time, no flip profit would be made by the seller but rather the conditions of the second mortgage would control this aspect so as to keep the housing affordable for later buyers.
- In so far as the City of Brandon is concerned, taxes on the residential units will be paid. In so far as the Houseplans Brandon Inc. is concerned its hard costs are covered by the first mortgage and its 'profit' is contained in the second mortgage; but this would in reality be a reflection of what the market value of the land and building is less the amount of the first mortgage, at the time of sale to the family.

Advantages of this System

- We own the land. We own the land. We own the land. That means getting our tax dollars from the development soon – being good business practice.
- The General Manager of Houseplans Brandon Inc. controls the pace of construction development such that supply should not likely exceed demand. She would run a tight ship, so that if the economy took a steep, long dive inventory would be small and losses unlikely.
- Those in need now will actually have hope of having their needs met very soon.
- Home ownership develops family pride and solid citizens in a steady, level neighborhood setting. For example Winter Bay in the Linden Lanes area has been developed following a similar system.
- All materials and work done are supplied by private enterprise and local business (ie Westman Trading Area). This means we are unlikely to get complaints from those sectors about this idea.
- No need for subsidies from the other governments or from the City of Brandon. All costs are covered by the first mortgage. Remember we own the land.
- Different types and degrees of homeownership are at play following this system.
- Different types of home construction methods are used following this system.
- Flip – type profit taking is eliminated because of the contract and mortgage conditions used under this system.
- This will not affect the quality or quality of Brandon's present real estate market because it only pertains to that market that is not now served by the present developers/owners of property. The vacancy rate currently is approximately .3%. It should be somewhere in the range of 2 – 2.5% in a healthy rental market.
- It allows some working poor or physically-disadvantaged to build some equity and not be perennial tenants.

Background

- Lets say 800 to 1600 units could be developed quickly by Houseplans Brandon Inc.
- Many smaller and new contractors in Westman would participate by bidding for manageable phases and using different types of construction methods.
- Remember it is not only on site construction that will be used. Modular, ready to move, packages, and prebuilt apartment kits and mobile homes would be used as well. This invites price competition and speed. We have a need for affordable speed.
- We bartered this land from the Province of Manitoba. It is very likely the Province would approve of this end use.
- I have shopped this system to various potential players – a lender, a realtor, a prior large developer, professional designers, and managers. All are very very enthusiastic and see a great up side and very low down side.
- When properly managed by an experienced General Manager and executive assistant, we will achieve a high quality vehicle to deliver affordable and OWNED HOUSING.
- Because no senior government subsidies would be used, we can use only Westman suppliers of materials and labor and professional services without the need to send our money to other trading areas.
- This will increase Brandon's chances of attracting more manufacturers and larger concerns. If you employed sizeable numbers of employees would not Houseplans Brandon Inc. be a very attractive feature in a City being looked at by a large commercial concern for a permanent location?
- I would recommend a sweet-heart contract from a local lender. Terms would include very favorable wholesale-type loan rates, plus wholesale insurance premium levels, plus lender-sponsored family budget planning sessions.
- Affordable housing has been a major election issue in the past and one would expect it will be a major issue again comes October 2010.
- We own the land. We own the land. We own the land. Do we own the political will to attack the affordable housing problem in a realistic, mature way?

MOTION:

That the sum of \$200,000.00 be immediately transferred from the City of Brandon budget reserve to establish Houseplans Brandon Inc. in a manner consistent with the report of Councillor D. Paterson dated June 8, 2010 in order to attempt to fully address the need to supply affordable housing as soon as possible for the City of Brandon's citizens.



CMHC Winnipeg

SCHL Winnipeg

600 - 175 Hargrave Street
Winnipeg MB R3C 3R8

600 - 175 rue Hargrave
Winnipeg MB R3C 3R8

TEL/TÉL : (204) 983-5600
FAX/TÉLÉC. : (204) 983-8046

RECEIVED
SEP - 9 2010
September 3, 2010

Mr. Doug Paterson
City Councillor
City of Brandon
c/o Unit 1 1140 Princess Avenue
Brandon MB R7A 0P8
Russell MB R0J 1W0

Re: Background Material for Potential Development of 'Attainable Housing'

Dear Mr. Paterson;

I am following up on our conversation of September 1st and the subsequent e-mail with attached initial background information. I am enclosing hard copies of the previously e-mailed material and a couple new documents that may assist in your future discussions on supporting the development of "attainable or entry level" home ownership in Brandon as an affordable option for working families:


- CMHC Seed Funding Brochure - Seed Funding is a combined grant and loan of up to \$20,000 to cover some of the up-front costs involved in developing a housing project proposal such as housing market studies to evaluate need and demand or development of a business plan.
- CMHC Proposal Development Funding (PDF) Brochure -- CMHC PDF is only available to organizations not seeking federal capital subsidies and is an interest-free loan of up to \$100,000 to support the further development of the affordable housing project proposals including expenditures on development permits, environmental site assessments or house plans drawings and specifications. In addition, if the project adds to the stock of affordable housing in Brandon, a portion of the PDF may be loan forgiven.

The above programs could be used by a non-profit organization like the proposed Houseplans Brandon Inc. or a private developer involved in the partnership to determine the feasibility of the business model and to further develop the project development proposal.

- CMHC Quick Reference for Mortgage Loan Insurance – This reference guide is intended for approved lenders and provides information on CMHC products offered along details on the related down payment requirements, maximum amortization periods, borrower eligibility including credit score guidelines, debt service guidelines. I would encourage you to involve a financial institution in your planning as they will assist in interpreting this information and may have other eligibility criteria which will be important to consider. This information and the attached CMHC Homebuying Step by Step workbook should assist in determining eligible households that may qualify for a mortgage to purchase the intended units.
- CMHC Flexibilities for Affordable Housing Homeowner Mortgage Loan Insurance – This brochure outlines that if the project were to meet CMHC's affordability criteria, there are flexibilities on the above products that could include greater options in the down payment source, longer amortization period to reduce monthly payments and greater flexibility qualifying borrowers than indicated above.
- CMHC Project Profiles – Classic Construction, Options for Homes, Albion Sun Vista are three sample project profiles that provide examples of creating attainable home ownership models using different approaches. While the models may not be something that fit the Houseplans Brandon concept, they are examples of successful projects that used available CMHC products and required municipal support.
- City of Saskatoon's Mortgage Flexibility Support Program Brochure – This program takes advantage of CMHC MLI Homeownership Flexibilities. For this program, the City of Saskatoon is working with builders to develop entry level homes in several identified areas of the City. The City and developer applies for Homeownership Flexibilities on each project as every project is unique but units are purchased as market housing without any subsidy other than the down payment assistance and any incentives provided by the City in those specific areas. It is possible a portion of the land value, development profits or the use of tax incentive financing could be used to fund a similar program that would apply to “attainable” homes build in the Veterans' Way development.
- Section of the Saskatoon Housing Handbook – This chapter describes an “entry-level” home from the City of Saskatoon's perspective along with respective prices in Saskatoon and reflective costs of borrowing. The City of Saskatoon used this information to develop their business plan on working to create more entry-level home ownership opportunities and setting eligible household income levels for any related support programs like the above support program. The City of Brandon already maintain the average re-sale price of a home on their website but it would be worthwhile to seek information on average new home costs and semi-detached or row units.

I hope you find the attached information useful and if you have any questions or require further information, I can be reached by telephone at (204) 983-8503 or e-mail at twotton@cmhc.ca. Thank-you for your interest in CMHC products and service and for supporting increased affordable home ownership opportunities for the citizens of Brandon.

Sincerely yours,



Terry Wotton
Corporate Representative
Prairies and Territories Region
Canada Mortgage and Housing Corporation

City of Saskatoon
Housing Business Plan
2010



City of
Saskatoon

Planning & Development Branch

March 2010

Table of Contents

PART A. Background, Vision and City’s Role in Housing

Introduction	3
Vision and Mission Statement for Housing	4
The Housing Continuum and the City’s Role	4
Mandate for the City’s Role in Housing.....	5
Targets	5
Priorities.....	7

PART B – Core Strategies and Business Functions

Core Strategies	10
Summary of Business Functions.....	10
Policy Development Function	11
Housing Incentives and Financial Assistance Function.....	13
Partnerships/Joint Ventures/Networking Function	16
Research and Monitoring Function	18
Education and Awareness Function.....	19

Part C – Appendices

Appendix 1: The Housing Situation in Saskatoon - Key Issues.....	20
Appendix 2: The Housing Continuum	23
Appendix 3: Definitions	24
Appendix 4: Maintaining the Condition of Existing Housing	25

City of Saskatoon

Housing Business Plan – 2010

PART A. Background, Vision and City's Role in Housing

Introduction

This business plan sets out the City of Saskatoon's (City) role and action plan in the area of housing for the year 2010 and beyond.

The 2010 Housing Business Plan builds on the City's housing activities in 2009 and the many new programs that were implemented as a result of the 2008 and 2009 Housing Business Plans. The City ventured into a number of new housing initiatives starting in 2008 aimed at giving residents a greater variety of affordable housing choices.

Housing is a non-traditional role for most municipalities, including the City of Saskatoon. Historically, the City has used policy, incentives, research, partnerships, and education to increase the range and supply of affordable housing. These functions have been significantly enhanced through the implementation of the 2008 and 2009 Housing Business Plans.

Additionally, the City of Saskatoon may move into the new role of assisting first time home buyers with equity financing in 2010 if the proposed Equity Loan Program is implemented.

This business plan seeks to define where the City can be most effective in serving the community to meet the pressing need for affordable and entry-level housing. Recent shortages of these types of housing have been perpetuated by rapidly rising housing prices that have nearly doubled since 2006. More information on the rising cost of housing in Saskatoon and the resulting affordability issues is summarized in Appendix 1.

Resources to support housing initiatives have been identified, which draw upon the traditional areas of expertise within the City of Saskatoon, in areas such as municipal planning, municipal engineering, land development, and land use regulation. In the case of the proposed Equity Loan Program, the City may draw upon its financial management resources and investment funds to create a new housing option for moderate-income families.

Most of the funding for the major financial commitments in the City's housing business plan has been made possible through the City's Land Development Program. The Land Branch manages this program and working in partnership with other civic departments produces approximately 50 percent of the residential land within the city.

The City is fortunate to be in the land development business, as it allows the City to provide meaningful assistance and, can directly influence the community's affordable housing agenda. For example, the City of Saskatoon can designate parcels of land for affordable housing projects, and it can also direct revenue from development activity into projects which ensures all citizens benefit from land development growth in the city.

Funding for the Housing Business Plan has been committed at \$2.5 million per year until the end of 2012.

Vision and Mission Statement for Housing

The Vision Statement

To build a city where everyone can live in homes that provide a safe, stable, adequate, and affordable environment from which to participate in, and contribute to, the growth and development of stable neighbourhoods in our community.

The Mission Statement

The City of Saskatoon will actively and creatively work with housing providers, community organizations, business, and all orders of government and other stakeholders to support the market through incentives, good planning, and collaboration in creative initiatives to increase the supply of affordable housing. The City will focus on creating a permanent supply of affordable housing and related supports for people who are at risk of homelessness, have special needs, are transitioning toward independence, or are simply low to moderate income earners.

The Housing Continuum and the City's Role in Housing

Housing can be described on a continuum. At one end are those individuals and families experiencing absolute homelessness. At the other end are those individuals and families who are able to meet their housing needs without assistance. In the middle is a range of low and moderate-income households, many of which are living paycheck to paycheck and find it difficult to secure adequate housing. See Appendix 2 for a complete description of the housing continuum.

Definitions of affordable and entry-level housing are found in Appendix 3.

The City of Saskatoon understands that permanent, affordable, appropriate, safe, and secure housing is the necessary foundation for building healthy, well-educated, creative, and economically viable communities.

The City, working with other levels of government, the private sector, and community organizations has chosen to **focus its resources and efforts in the middle of the housing continuum – particularly on affordable and entry-level housing** in both the rental and home ownership markets.

The focus of the Housing Business Plan is to encourage and support an environment where the market is more likely to supply housing that is inclusive, innovative, and integrated into all neighbourhoods. The City will support housing which may be outside the conventional market, as well as working in a collaborative manner to ensure a range of suitable affordable housing is made available across the community in a choice of locations.

Finally, the City also has a role in monitoring the condition of existing housing to ensure that homes throughout the city meet minimum health and safety standards. Further information on the City's monitoring and safety inspection programs is found in Appendix 4.

Mandate for the City's Role in Housing

The City of Saskatoon Strategic Plan

Endorsed by City Council, this plan identifies Saskatoon's vision for being a "model city whose people will have the freedom, security, and opportunity to make choices for a higher quality of life." And, "be made up of diverse neighbourhoods, each one liveable and enjoyable for its residents and united for the common good of the city".

The City of Saskatoon Corporate Business Plan (2009-2011)

Based on the Strategic Plan, it sets out a number of strategies to attain the City's vision.

Housing related sections are:

- Continue to pursue affordable and/or innovative housing initiatives.
- Develop a strategy to address deteriorating housing in core neighbourhoods.
- Pursue affordable housing initiatives for Aboriginal people.
- Pursue public/private partnerships for housing projects.

The City of Saskatoon's Official Community Plan

This is the main policy instrument by which the City manages land use and sets out local standards for neighbourhood development. Housing outcomes are increasingly understood as being fundamentally linked to the goals established in this plan. This includes a desire for balanced growth across the city and equitable amenities in each neighbourhood.

Targets

On July 16, 2007, City Council established a target of 500 affordable and entry level dwelling units annually. The target requires a commitment from all sectors of the economy to contribute to the growing need for more affordable housing units. The City has entered into formal discussions with the following sectors to discuss ways and means to achieve the new housing target:

- Government Supported Providers: 225 – 250 units
- Financial Institutions: 75 – 100 units
- Developers (Inclusionary housing): 100 – 200 units
- Investors (major condo conversions): 25 – 50 units
- Faith-Based Providers: 50 – 100 units

Government Supported Housing Providers

Meetings are held with Saskatoon's traditional non-profit housing providers on a regular basis. Some of the providers include Cress Housing Corporation, Habitat for Humanity, Central Urban Métis Federation (1993) Inc. (CUMFI), SaskNative Rentals Inc., Saskatoon Housing Authority, Saskatoon Housing Coalition, The Lighthouse Supported Living Inc., and EGADZ Youth Center. The non-profit housing providers rely on Provincial and City support for capital assistance on housing projects. Housing projects are planned as capacity increases within these organizations to support the operation and maintenance of the project.

The Province of Saskatchewan reorganized the governance structure of the Saskatchewan Housing Corporation and has appointed new board in 2009. The board has been re-evaluating its housing programs and there is some uncertainty regarding how the Provincial programs will work going forward. On March 24, 2010, the province announced the creation of a new affordable homeownership program to create 1,000 new affordable home ownership opportunities province wide over the next five years. The details on how this program will work have not been made public. The success of meeting the 500 unit target is very dependent on the Provincial Government supporting the construction of 225 - 250 **new** units (rental and ownership) in Saskatoon on an annual basis.

Financial Institutions

Discussions have been held with financial institutions, particularly concerning the development of new financial instruments to accommodate a new affordable housing model (Equity Loan program) and to establish the new Mortgage Flexibility Support program. It may be too ambitious to expect this sector to take the lead in creating affordable housing units. However, all housing projects require financing and clearly financial institutions play a major supporting role in the creation of affordable housing. The City continues to work with local financial institutions on new means to support affordable homeownership opportunities.

Developers

Developers and Builders of new neighbourhoods are not in favour of regulatory approaches to encouraging affordable housing within new developments. Instead, developers would favour approaches such as land pre-designation programs, offering development bonuses or new forms of zoning which encourage affordable housing. These types of initiatives have been developed and implemented. Policies are reviewed and improved on an ongoing basis to ensure that Developers and Builders are constructing new affordable and entry level housing. A target of 100 – 200 per year is reasonable for this sector.

Investors

It has been determined that many conversion projects created renovated housing stock which was being offered at affordable and entry-level prices. A recent survey of Multiple Listing Service (MLS) data indicates that there are about 120 apartment condominiums currently available on the market at entry level prices for under \$225,000. These units are popular choices for first time home buyers.

The City of Saskatoon Policy C09-004 (Condominium Approvals) currently does not require a minimum percentage of affordable units. CMHC reported in October 2009 that 1,053 Saskatoon condominiums or 14 percent of all condominiums were in the rental market. The administration believes that this number could be as high as 30 percent due to a number of condominiums being rented to family members. These units are not always reported as part of the rental market.

Condominium conversions are a market driven activity, as such, assigning specific targets to this sector is difficult.

Faith-Based and Community Groups

Numerous meetings have been conducted with faith-based and community groups since 2008. The overall result is an increased desire by faith-based and community groups to create more affordable housing units. Often the technical expertise or capacity to develop housing business plans stand in the way. New City-funded development services offered by the Saskatoon Housing Initiatives Partnership (S.H.I.P.) have helped some groups move forward with their plans. It is expected that faith-based and community groups will contribute a significant supply of affordable housing stock in the years ahead. The target of 60 units per year seems reasonable from this sector.

Priorities

In reaching towards the targets described above, the following priorities have been adopted:

Priority 1 – Increase Supply

The City supports the continued development of affordable, suitable housing by the market place, in order to increase the available stock for a variety of income levels and special needs. This goal is to be shared by other sectors of the community such as developers, financial institutions, investors, the faith-based community, and non-profit housing providers.

It must be noted that the City's goal of creating 500 affordable housing units is very ambitious for a city the size of Saskatoon, and it will require the cooperation of all sectors of the economy – government, business, and non-profit.

Large housing projects often take at least two years to move from the design stage to completion. Policy changes can take even longer to influence developers, resulting in new units built. Therefore, the City will take a long-term approach when counting units and will consider the 500 unit goal to be a long-term average rather than an exact figure to assign to each year.

Priority 2 – Inclusive, Integrated Housing

The City encourages the development of affordable housing in all areas of the city and in all new major residential infill and neighbourhood developments.

Housing projects supported by the City of Saskatoon have been located in a variety of neighbourhoods, including both new and existing neighbourhoods. Accessible and special needs units are included in most projects.

Priority 3 – Neighbourhood Revitalization



Monarch Yards, 230 Ave L S

The City has partnered with other levels of government to seize opportunities to redevelop Brownfield sites for more housing and revitalize existing neighbourhoods.

In Saskatoon, the City has supported the development of affordable housing on under-utilized sites, sites with deteriorating buildings, and Brownfield sites. The Pleasant Hill Village project and Station 20 (Monarch Yards Housing project) demonstrate how these underutilized sites can accommodate affordable housing and re-vitalize city neighbourhoods at the same time. Additionally, the City

has supported the re-use of existing housing stock from McNab Park, many of which have been moved and renovated to like new condition.

Priority 4 – Safe and Adequate Housing

The City works to ensure that housing meets minimum standard living conditions in accordance with SCAN (Safe Communities and Neighbourhoods), and encourages the improvement of housing stock, particularly in those areas of the city where overcrowding and deteriorating housing stock are an issue.

City supported housing projects such as CRESS Housing Corporation's Hopkins 2 provides safe transitional housing in an environment that is culturally supportive. The Juniper project provides low-income rental units to seniors and new immigrants who are adjusting to life in Canada. CUMFI Apartments are drug and alcohol free providing a safe living environment for residents overcoming addiction.



Cress Housing's Hopkins 2 Project, 604 Hopkins Street

Priority 5 – Support the Need for Innovative Housing

The City defines housing parameters that provide adequate, safe and suitable housing conditions for various target groups, while still being affordable, and encourages innovation in housing.

A number of new technological innovations, which will contribute to the affordability of housing, are becoming available. Modular-built housing provides much more cost efficient construction for both single family and multiple-unit projects. Modular factories have been built in Saskatoon over the last couple of years. Saskatoon’s first detached modular home was approved for a Riversdale lot in 2008.



Energy Efficient Housing under construction in Pleasant Hill Village



Energy Efficient Housing under construction in Pleasant Hill Village

All Requests for Proposals now encourage submissions to include energy efficiency and innovations to reduce monthly operating costs. As a result, the City recently accepted two proposals for innovative affordable housing in Pleasant Hill. The first proposal is for two 12-unit dwellings which will be Energy Star compliant. The second involves the construction of 12 pre-fabricated townhouse dwelling units utilizing the latest in sustainable technologies, which are designed to exceed Energy Star ratings.

The cost of housing is also affected by ongoing operating costs. Advances in technology related to energy-saving and alternative energy forms are helping to reduce the cost of housing. Bethany Manor is a Saskatoon Senior’s Housing complex project that incorporates geothermal heating and air conditioning at a cost saving of \$100,000 per year (\$1,780 per unit), as well as a number of other environmentally friendly technologies. The City of Saskatoon contributed to the capital cost of Bethany Manor.



Bethany Manor, 110 La Ronge Road

The City of Saskatoon contributed to the capital cost of Bethany Manor.

As new technologies are developed, it is probable that energy and cost-saving devices will be used more frequently on all types of housing.

Part B. Core Strategies and Business Functions

Core Strategies

In order to achieve the goals outlined in the previous section the City of Saskatoon carries out the following strategies:

1. Implements policy improvements which provide as many practical, effective housing solutions as possible while engaging all sectors of the economy to provide a greater range of affordable housing choices.
2. Offers a wide range of housing incentive plans to reduce barriers associated with providing a range of housing choices, in a variety of locations, and to support innovative and downtown housing.
3. Partners with various orders of government and community-based organizations to take action to address affordable housing needs.
4. Participates in research and monitoring functions in order to provide current and relevant information on housing conditions and trends.
5. Supports education and awareness programs to inform the public about housing issues, such as renters' rights, and community safety.

Business Functions

From the core strategies, a range of business functions have been established to achieve the goals of the Housing Business Plan:

1. Policy Development Function
 - a) Pre-Designation of Land
 - b) New Zoning District for Entry-Level and Affordable Housing
 - c) Bonuses to Encourage Inclusionary Housing Development
 - d) Providing Disposable Land to Affordable Housing Providers
 - e) Priority Review for Affordable Housing Development
 - f) Policy Review for Garden, Garage and Carriage Suites
 - g) Waiver of Offsite Levies on Affordable Housing Projects
2. Housing Incentives and Financial Assistance Function
 - a) Affordable Housing Capital Contribution Incentive
 - b) Land Cost Subsidy Program (new)
 - c) Five-Year Tax Abatement for Rental Housing
 - d) Equity Loan Program (under development)
 - e) Rental Land Cost Rebate
 - f) Incentives for Secondary Suites

- g) Mortgage Flexibilities Support Program
 - h) Support for Provincial Rent Supplement Program
 - i) Contribution to Operating Losses for the Saskatoon Housing Authority
3. Partnerships/Joint Ventures/Networking Function
- a) Province of Saskatchewan
 - b) Saskatoon Housing Initiatives Partnership – Business Planning for Affordable Housing
 - c) Urban Development Agreements
 - d) Government of Canada (Homelessness Partnering Strategy - HPS)
 - e) Canada Mortgage and Housing Corporation
 - f) Rent Bank
4. Research and Monitoring Function
- a) Saskatoon Community Plan for Homelessness and Housing (2007)
 - b) Saskatoon State of Housing Report (2006)
 - c) Other Reports
5. Education and Awareness Function
- a) National Housing Day
 - b) Housing Handbook

Policy Development Function

This function is intended to encourage a greater supply and equal distribution of affordable housing in Saskatoon through changes in policy. The following section outlines policy changes intended to increase the supply of affordable and entry level housing.

Pre-designation of Land

The City of Saskatoon has land pre-designation programs for entry level and rental housing designed to ensure that these types of housing are included within all new neighbourhoods.

Under this program, the City takes the lead in identifying suitable land locations for entry level and rental housing within new neighbourhoods where the City owns land. These pre-designated sites are then offered to land developers through an RFP process. The land is sold at a fixed price to the developer whose proposal best meets the specified criteria for the site.

The City also encourages privately developers to pre-designate land for entry level and rental housing in their neighbourhoods on a voluntary basis.

The initiative of pre-designating sites is particularly useful in times when there is a low inventory of available sites from both City and privately-owned sources.

New Zoning District for Entry-Level Housing and Affordable Housing Developments

In the past, residential zoning districts in Saskatoon have stipulated minimum lot sizes and maximum densities which has resulted in the development of larger and more expensive homes.

A new zoning district has been established for affordable and entry level housing as a result of the Housing Business Plan. The new RMTN1 district permits townhouse construction at densities up to 25 units per acre which significantly reduces the land cost per unit. The higher densities are achieved through a higher maximum site coverage (40 percent) and a greater maximum height which allows for three storey construction and the provision of stacked townhouses where one unit is built above another.

The new zoning district is applied in all City-developed neighbourhoods early on in the planning process according to the projected need for entry-level and affordable housing. Private developers are encouraged to apply the RMTN1 zoning district in the neighbourhoods that they are developing as well.

Bonuses to Encourage Inclusionary Housing Development

The Housing Business Plan calls for the development of a bonus provisions in the Zoning Bylaw to encourage the inclusion of affordable housing within major residential developments, such as neighbourhoods, large scale redevelopments, and large condo conversions.

Examples of bonuses include the provision for more allowable floor space and a reduction in required parking or amenity space in exchange for the creation of affordable residential units. The City also offers bonuses for the provision of accessible housing.

Provisions have been adopted for small car parking spaces, tandem parking spaces, reduced parking requirements for small suites and reduced visitor parking. These relaxed parking requirements have the potential of saving 5-10 % of land space covered by parking on any given site allowing a small number of extra units to be built. This should reduce the cost of building affordable and entry level multi-family housing.

Phase II of the Official Community Plan and Bylaw Review (scheduled for 2010 and 2011) will identify if there are additional opportunities for new provisions or bonuses in the Zoning Bylaw that could make infill housing more affordable.

Providing Disposable Land to Affordable Housing Providers

City of Saskatoon Policy C09-033 (Sale of Serviced City-Owned Lots) provides for the direct sale of land to non-profit corporations for the purpose of providing affordable housing. The Land Branch notifies affordable housing providers when disposable lands which may be suitable for affordable housing become available through the Saskatoon Housing Initiatives Partnership (S.H.I.P.).

Priority Review for Affordable Housing Development

A priority process for reviewing Building and Development Permit Applications for affordable housing is in place. All departments who review permit applications move affordable Housing Permit Applications to the front of the queue saving affordable housing providers time (and money). The standard review period still applies.

The Priority Review process has the greatest benefit in times when permit application volumes are high and when there is a backlog of applications waiting for review.

Policy Review for Garden and Garage Suites

The Housing Business Plan calls for an investigation into the feasibility of permitting the construction of Garden and Garage Suites. Garage Suites are built on top of detached garages. Garden Suites are detached grade-level units located on the same site as a single family home. Currently, these types of suites are not permitted in Saskatoon.

These alternative forms of the traditional secondary (basement) suites offer more privacy for both tenants and homeowners. Public consultations have taken place concluding that there is significant interest in these suites provided that a number of issues can be resolved including: loss of privacy and shading for neighbours, parking issues and possible negative effects on the character of existing neighbourhoods.

The City of Saskatoon is continuing to work at resolving these issues in a way that will allow for these alternative forms of affordable housing without adversely affecting the quality of city neighbourhoods or the interests of neighbouring homeowners.

Waiver of Offsite Levies on Affordable Housing Projects

The collection of off-site levies has been cited as a deterrent to the re-development of older properties in the City of Saskatoon, many of which are suitable sites for affordable housing. City Council has a set of criteria for waiving off-site levies for specific affordable housing and neighbourhood revitalization projects in Saskatoon.

Housing Incentives and Financial Assistance Function

This function is intended to provide financial incentive programs with the purpose of influencing the marketplace to achieve the City's housing goals.

Affordable Housing Capital Contribution Incentive

The Affordable Housing Capital Contribution Incentive is the City's main incentive program for affordable and special needs housing. The program offers a capital grant of ten percent of the total capital cost of affordable housing projects. Housing created under this incentive must be provided to households within incomes below the provincial Maximum Income Limits (MIL).

Grants will be reduced from 10 percent of the total capital cost to 5 percent of the total capital cost once the current funding source is fully committed. Grants are subject to the following maximums (new):

	<u>10 percent</u>	<u>5 percent</u>
1) three plus bedroom unit	\$25,000	\$12,500
2) two bedroom unit	\$20,000	\$10,000
3) one bedroom unit	\$15,000	\$7,500
4) residential care homes and shelters (per bedroom)	\$8,000	\$4,000
5) renovations of Market Apartments (per unit)	\$12,000	\$6,000

Land Cost Subsidy Program (new)

During periods of rising land prices, Affordable Housing Providers have found it very difficult to find suitable sites they can afford for their housing projects. As a result, many projects don't proceed beyond the idea stage. However, once a site is secured, the project gains momentum and successful completion is likely.

Additionally, non-profit housing providers have difficulty managing their cash flow when constructing new units. Projects can take up to two years to complete and grants, including the City's capital grant, are not received until the project is complete.

The new Land Cost Subsidy Program pre-designates City-owned sites for affordable housing and sells these sites to non-profit affordable housing providers through a Request for Proposals (RFP) process. The City may purchase sites for this program if suitable sites cannot be found in existing inventory. In lieu of providing a ten percent capital grant the City discounts the price of the land by a comparable amount assisting the non-profit provider with their cash flow.

Five-Year Tax Abatement for Rental Housing

The City provides a five-year incremental tax abatement for the construction of new affordable and market rental projects in all neighbourhoods in the city. The units must be purpose built for the rental market with no condominium conversions allowed for 15 years. The abated portion of the taxes is the increased taxes assessed as a result of the construction. Property owners still pay taxes as assessed prior to the housing development. This abatement is the most beneficial when the development occurs on bare land.

Equity Loan Program (proposed)

The Housing Business Plan calls for the establishment of a program to assist moderate income households in making the transition from renting to homeownership. The target group is households earning just above the provincial maximum income limits who need some assistance to move into the ownership market. The program would allow families to earn equity with the eventual goal of moving into the traditional (unassisted) home ownership market.

The administration has evaluated many models for this program including land trusts, permanent affordable housing corporations and equity building programs. An equity loan program appears to be the best option. Further details and a recommendation to implement this program is expected to be brought to City Council by the end of 2010.

Rental Land Cost Rebate

The City provides a cash rebate of \$5,000 per unit for the construction purpose-built, multiple-unit rental housing. This program is in response to an increase in the number of condo conversions and low vacancy rates.

The program is offered in conjunction with the property tax abatement for new rental construction. The program is intended to provide assistance for up to 1,000 units. Units must be purpose-built rentals and remain rental for 15 years (no condo conversions) and can be rented at fair market value.

Incentives for Secondary Suites

Incentives for the construction and legalization of secondary suites are offered as a part of the Housing Business Plan. Development, building, and plumbing fees for the construction of new secondary suites are refunded upon completion of the work. A portion (75%) of the fee for legalizing an existing suite is also refunded.

Mortgage Flexibilities Support Program



Re-used McNab Park Housing sold through the Mortgage Flexibilities Support Program, 209 Camponi Place

The Mortgage Flexibilities Support Program (MFSP) was established in 2009 as a partnership between the City of Saskatoon, Saskatchewan Housing Corporation (SHC), the Canada Mortgage and Housing Corporation (CMHC) and private homebuilders that assists low income households to purchase a home.

The homes are built by private builders who must price the homes below what comparable homes would sell for. SHC screens the income of potential buyers to ensure that they are below the provincial Maximum Income Limits as well as providing homeowner training. CMHC or Genworth Financial offer mortgage insurance flexibilities such as higher debt service ratios.

The City of Saskatoon offers a capital grant to the builder to reduce the market price of the homes and a five percent down payment grant to the purchaser. The down payment grant is returned to the Affordable Housing Reserve over a number of years through the re-direction of property taxes.

Support for Provincial Rent Supplement Program

Each year, the City of Saskatoon provides a five percent contribution to the Provincial Rent Supplement Program. This program was introduced in 1990. Its purpose is to secure rental units in the private market by providing a subsidy to bring down rents for those who cannot be served by the housing stock available through the Saskatoon Housing Authority. The City's contribution to this program is about \$15,000 annually.

Contribution to the Operating Loss of the Saskatoon Housing Authority

For several years, the City of Saskatoon has been contributing five percent towards the operating loss of the Saskatoon Housing Authority (SHA). This City's contribution to SHA is about \$70,000 annually.

Partnerships/Joint Ventures/Networking Function

The affordability and availability of housing is greatly affected by factors outside the jurisdiction of the City of Saskatoon, including banking practices, provincial housing, and community development programs, the actions of the Federal Government through policies, programs, and agencies such as the Canada Mortgage and Housing Corporation (CMHC), and the capacity of the community to take action on housing needs. For this reason, the City has entered into a number of partnerships.

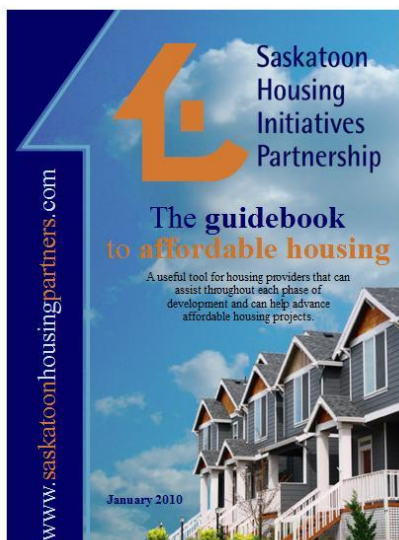
Province of Saskatchewan

The government of Saskatchewan through the Saskatchewan Housing Corporation (SHC) and the Department of Social Services is the primary funder of affordable housing projects in Saskatoon. The City of Saskatoon capital grants usually go to projects that have SHC funding and as a result the City depends on SHC screening processes to determine the effectiveness of housing projects. Additionally, SHC provides income screening for the City's Mortgage Flexibilities Support Program.

Saskatoon Housing Initiatives Partnerships (S.H.I.P.)

S.H.I.P. is a non-profit partnership with a mission to enhance the environment for affordable housing. The partnership includes individuals from the private, public, and non-profit sectors who participate to facilitate financing, provide technical assistance to housing projects, and build and support partnerships to make housing happen for low and moderate-income and special needs households in Saskatoon.

The City of Saskatoon is represented on the S.H.I.P. Board by one City Councillor and one member of the Administration.



S.H.I.P. is a housing leadership model that relies on a network of stakeholders from a broad cross-section of Saskatoon to identify opportunities, leverage tools and programs, innovate, and raise equity.

One of the priorities identified in the community was the need to provide a business planning service and to publish a guidebook to help housing providers develop business plans for affordable housing.

City Council allocated \$300,000 towards this initiative from the Affordable Housing Reserve and S.H.I.P. was awarded the contract to provide this service for a period of three years beginning in 2009. The guidebook was

published in 2009 and it promises to be a valuable resource for organizations that need assistance with planning their affordable housing project.

Urban Development Agreements

Urban Development Agreements (UDA) is a partnership of federal, provincial, and municipal governments working in collaboration on broad issues such as inner city revitalization, innovation, or sustainable development. The UDA program has been a key program to help re-develop brownfield sites within existing neighbourhoods – many of which are used for affordable housing projects.

UDA agreements supported the Monarch Yards Affordable Housing Development and the Pleasant Hill Village Project.

Government of Canada (Homelessness Partnering Strategy - HPS)

The City of Saskatoon partners with the Government of Canada on the Homelessness Partnering Strategy (HPS). The Strategy provides funding to prevent and reduce homelessness by helping establish the structures and supports needed to move homeless and at-risk individuals towards self-sufficiency and full participation in Canadian society.

The City has a representative on the Saskatoon Homelessness Community Advisory Committee and contributes funding to HPS supported initiatives.

Canada Mortgage and Housing Corporation

The City of Saskatoon partners with CMHC on the Mortgage Flexibilities Support Program. The City relies on CMHC for housing market research, statistics and forecasts. CMHC occasionally offers workshops on affordable housing solutions in Saskatoon.

Rent Bank

Rent banks provide emergency funds to tenants who are at risk of being evicted due to being in arrears. A rent bank is a temporary solution that is designed to assist tenants facing a short-term crisis such as illness or the loss of employment. If not assisted, these tenants run the risk of becoming homeless.

The City is represented on a community advisory committee that is investigating the feasibility of establishing a rent bank in Saskatoon. Equal Justice for All is the lead organization in this initiative.

Community Based Organizations

There are many community-based organizations in Saskatoon that are involved in various aspects of affordable housing. The City of Saskatoon has partnered with many in the past and will continue these partnerships in the future to meet our community's housing needs.

Some of the organizations that the City of Saskatoon has partnered with that are previously mentioned in this business plan include:

- Quint Development Corporation;
- Habitat for Humanity;
- Saskatoon Tribal Council – Cress Housing;
- Central Urban Metis Nation Inc. (CUMFI);
- Sask. Native Rentals;
- Saskatoon Downtown Youth Centre (EGADZ);
- Affordable New Home Development Foundation (ANHDF);
- Saskatoon Regional Homebuilders;
- Saskatoon Housing Coalition.

Research and Monitoring Function

This function within the plan is intended to increase knowledge and disseminate data and policy research about housing in Saskatoon. Policy makers and program providers use this information to make their work more effective. The City of Saskatoon has participated in or authored the following reports on housing.

The Saskatoon Community Plan for Homelessness and Housing (2007)

This plan identifies the priorities of the community around housing issues and was prepared in the fall of 2007. It was developed by the Homelessness Partnering Strategy (HPS) through consultations with 200 individuals and a number of Saskatoon based organizations including the City of Saskatoon. The Plan is used extensively by the Homelessness Partnering Strategy (HPS) Committee to evaluate funding requests. An update to the Community Plan is scheduled for the fall of 2010.

The State of Saskatoon Housing Report (2006)

The State of Saskatoon Housing report was commissioned by the City of Saskatoon in 2004 and updated in 2006 to develop and report on a series of nine housing indicators that measure the **safety, stability, adequacy, and affordability** of Saskatoon Housing.

Other Recent Reports

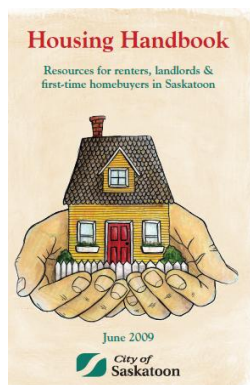
- Saskatchewan Housing Affordability Report (2008)
- A Roof Over Our Heads (2008)
- Saskatoon Homelessness Count (2008)
- Documentation of Perceptions of Creating Affordable Housing (2008)

Education and Awareness Function

The City plays a role in helping to increase awareness about housing issues in Saskatoon.

National Housing Day

National Housing Day (formerly Affordable Housing Week) is an annual event hosted by CMHC in which the City of Saskatoon participates. The event raises awareness of the need for affordable housing and many programs and resources that are available in the city.



Housing Handbook

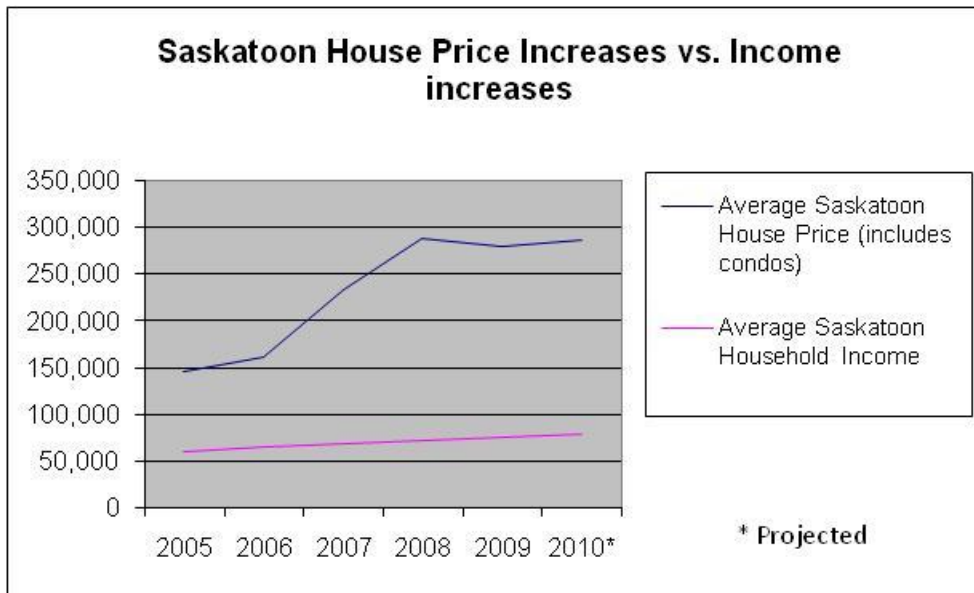
The City of Saskatoon publishes a Housing Handbook that includes information for renters, landlords and first-time homebuyers. Approximately 12,000 copies are distributed annually by over seventy agencies in the city. The Housing Handbook is updated whenever there are significant changes to government regulations or housing programs.

Appendix 1 - The Housing Situation in Saskatoon - Key Issues

1. Deficit of Affordable Housing Units
 According to the State of Saskatoon Housing Report (2006 update), in many respects Saskatoon is doing well compared to the rest of Canada in meeting the needs for affordable housing. However, approximately 3,500 additional dwelling units were identified in the 2006 study.

2. Segments of Population in Greatest Need
 In Saskatoon, the ability to afford decent and suitable housing is continuing to be problematic, especially among lone parent families, working families, Aboriginal people, and single persons. Other groups that were identified as being more likely to have difficulty in accessing suitable housing or to be at risk of homelessness were persons with special needs, such as women fleeing violence and persons with mental illness or addictions. An emerging issue is finding adequate housing choices for new immigrants.

3. Sudden and Rapid Rise in Prices
 Saskatoon has been experiencing greater demands for appropriately priced housing for the City’s lowest income groups and most vulnerable population as a result of the discrepancy between increases in housing costs and increases in income.



As the chart above illustrates, Saskatoon experienced a very stable real estate market until the end of 2005. In 2006, average prices began rapidly rising and had almost doubled by 2008. The market levelled off around \$280,000 in 2009. CMHC is predicting modest price increases of about 2.1 percent in 2010 to \$285,654 for the average Saskatoon home.

Household incomes in Saskatoon have seen only modest annual increases averaging about 4 percent in recent years as shown on the bottom line of the chart.

4. Affordability

The median multiple is the ratio of the average price of a home to the average household income. Traditionally, housing has been considered affordable if this ratio is 3.0 or less. The median multiple for Saskatoon was 2.5 in 2006, was over 4.0 in 2008 and at the end of 2009 is about 3.7.

In August 2006, a gross annual income of \$48,000 was needed to purchase an average \$160,000 house (25-year mortgage and minimum down payment). In 2008, an annual income of about \$75,000 was required to purchase the same home. In 2009, housing was slightly more affordable due to lower interest rates and the same home could be purchased with an annual income of about \$68,000.

However, families earning just above the provincial Maximum Income Limits (for housing assistance programs) can only afford to spend about \$200,000 to purchase a home. Choices are very limited in this price range.

The most recent RBC Affordability Report, released in November 2009, shows that many Saskatchewan residents are being forced to spend up to 40 percent of their household income on housing.

5. The Effect of Interest Rates on Affordability

Historically low interest rates in 2009 clearly helped many households purchase their first home. Five year mortgage rates were as low as 4 percent in 2009. Interest rates are unlikely to go any lower than they are right now and will almost certainly go up over the next few years.

An increase of 1 percent on mortgage rates raises the monthly payment on the average Saskatoon home by \$150 per month. An additional \$5,000 in annual household income would be needed to carry this additional cost. Even modest increases in mortgage rates will make Saskatoon homes much less affordable.

6. Condition of Existing Dwellings

Older neighbourhoods, typically, are those that contain housing in need of major repairs, and they are often located in or near the centre of the city. An examination of changes in housing conditions among Saskatoon neighbourhoods has shown that increases in the number of dwellings needing significant improvement are no longer confined to pre-1970's housing.

7. Availability of Builders/Contractors

This issue affected the capacity of the traditional affordable housing providers to get approved projects constructed. Since 2007, there has been a shortage of

skilled trades, which is putting significant upward pressure on prices and adding significant time to project timelines. Affordable housing projects with little or no profit margin and tight budgets continue to have difficulty securing commitments from construction trades and suppliers of material.

8. Rising Rental Rates

The chart below shows that the cost of renting an average two bedroom apartment has increased significantly since 2006, following a similar trend to the rising cost of homeownership. The same apartment that could be rented for \$609 in October 2006 rented for \$907 per month in October 2009 increasing 63 percent over three years. CMHC is predicting only modest increases of about 1.6 percent in 2010 also indicating that the supply and demand are balancing out.

However, this balancing of the market is happening at historically high rental rates. Household incomes have not kept pace with rent increases requiring many people to move to smaller units, share suites or seek subsidized housing because they can no longer afford market rent.



9. Low Vacancy Rates for Rental Accommodations

In spite of the rising rental rates, there has been a rapid fall in the vacancy rate for rental apartments. In 2004, Saskatoon had one of the highest vacancy rates in Canada. However, the rate began falling in 2004 and dipped below one percent in 2007 and 2008. The vacancy rate rose to 1.9 percent in October 2008 and remained at that level throughout 2009.

CMHC is predicting that the vacancy rate in Saskatoon may rise to three percent by the end of 2010 – bringing balance to the market at historically high rental rates.

Appendix 2 - The Housing Continuum

The list below describes the Housing Continuum:

1. **Social Housing** (at Risk of Homelessness)
 - a) Shelters and Crisis/intervention housing,
 - b) Subsidized housing (operating), and
 - c) Supported-living,
 - i) Low income,
 - ii) Long-term disabilities and Addictions.

2. **Affordable Housing** (Low Income)

Supported Home Ownership and Low-Income Rental Housing

 - a) Capital Grants and loans to landlords – public programs,
 - i) Secondary Suites assistance, and
 - ii) Rental capital assistance programs.
 - b) Publicly operated rental units – protected against market swings in rental rates,
 - c) Faith-based – capital support,
 - d) Volunteer sector (e.g. Habitat for Humanity) – labour equity support, and
 - e) Land Trusts and Housing Co-ops,
 - i) Private or public source of capital funds applied to dwelling units,
 - ii) Removes this housing stock from influence of open market, and
 - iii) Bridge between renting and owning. Residents build equity.

3. **Entry Level Housing** (Moderate Income)
 - a) Programs and incentives designed to ensure an adequate supply of entry-level homes in both the rental and homeownership markets,
 - b) Down Payment Grants and Mortgage Flexibilities Support Program,
 - c) Equity Loan Program (proposed).

4. **Market Housing** (Medium to High Income)
 - a) Variety of dwelling accommodation choice and price points,

Individuals and families requiring emergency shelters, transitional housing, and social housing are served primarily by the Province of Saskatchewan through the Department of Social Services. Land developers and the housing industry are providing a variety of market housing at price points for those individuals and families with medium to high household income levels.

In between are households who do not qualify for government support but who cannot afford what the conventional housing market is able or willing to offer. Municipal governments need to be involved in encouraging and supporting the supply of appropriate housing for this middle group.

Appendix 3 - Definitions

Affordable Housing: CMHC defines housing as affordable if a household spends 30 percent or less of gross income on housing. Housing costs include rent or mortgage payments, property taxes, utilities and half of condo fees. In this document, affordable housing is defined as housing that families earning less than the provincially set MIL (Maximum Income Limits), can afford when spending less than 30 percent of their gross income.

Generally speaking, affordable housing is supported (subsidized) in one way or another by government, charitable, or private funding.

Maximum Income Limits (MIL): These are the income limits used and set by the Province of Saskatchewan for their supported housing programs. At the date of this report, the annual income limits are \$44,500 for a household without dependents and \$52,000 for a household with dependents.

Entry-level Housing: Entry-level homes are homes that are modest in size with basic features that are typical of what first time home-buyers would purchase. Entry-level homes are often owner occupied but there is a need for entry-level rental units as well. Entry-level homes come in a variety of forms including detached, semi-detached, townhouses and apartments.

Unfortunately, entry-level homes are not always affordable for Saskatoon families earning just above the Maximum Income Limits up to about \$70,000 annually. Some families in this group are forced to spend up to 40 percent of their income to secure entry-level housing, especially when the supply is limited.

Appendix 4 - Maintaining the Condition of Existing Housing Stock

The City of Saskatoon has initiated a number of programs over the years aimed at ensuring that various forms of accommodations meet minimum living conditions.

The Fire Department, under the Fire and Protective Services Bylaw No. 7990, performs annual inspections of all buildings, structures, and properties that according to the National Building Code of Canada, 1995, are categorized as Assembly, Institutional, and Residential (four dwelling units or greater) for fire and life safety.

In addition, City Council passed the Property Maintenance and Nuisance Abatement Bylaw No. 8175 to provide the Fire and Protective Services Department with the mandate to undertake scheduled and complaint-driven inspections of all properties in all areas of the City. These inspections include the conditions of yards, properties, and the exterior of all buildings and structures including single family dwellings.

Saskatoon Fire and Protective Services regularly receive complaints about property and living conditions, fire, and life safety concerns within dwelling units and rental properties including multi-unit or apartment-style complexes. In accordance with the provisions of the Property Maintenance and Nuisance Abatement Bylaw, a Fire Inspector will follow-up the complaint within the specified property, identify the deficiencies, and issue an order to remediate, as required.

The Fire Department is beginning the fourth year of a partnership with the Saskatchewan Housing Corporation through their Home First Program. Social Assistance clients renting a property and seeking an increase in their rental income supplement are required to have an inspection by the Fire Department. Remedial action is requested of the landlord, if warranted, under the requirements of the Home First Program and the Property Maintenance and Nuisance Abatement Bylaw. If the property meets the basic requirements the individual or family qualifies for an increase in their monthly income.

The agreement calls for up to 1040 inspections annually with a fee of \$80 paid to the Fire Department. What makes this agreement unique is that these inspections are mostly in single-family rental properties that without this collaborative effort would not otherwise have occurred.

The Research Section of our Planning Branch has also implemented a process to monitor the condition of housing stock throughout the city. The initial report was issued in 2004, with an update provided in 2006.

Addressing accommodation



BRACING FOR IMPACT

Ty Pettyjohn overshoots his mark during the steer wrestling event at the Minnedosa Rodeo on Saturday afternoon. For more photos, turn to Page A7. (Bruce Bumstead/Brandon Sun)

HOUSING DEVELOPMENTS

Whether it's the charm and ease of rural life, a thriving tourism economy or the arrival of hundreds of workers from near and far, rural communities in Westman are being forced to get creative to address their housing needs.

At the same time, the baby boomers are aging, the economy is rebounding and more young families are opting out of the daily grind of city life in favour of rural living. The demand for housing of any sort has reached critical mass.

From condos and apartments to the conversion of heritage buildings and multimillion-dollar complexes for seniors, every community, although each at different phases of development, has a plan up its sleeve.

To further investigate this phenomenon, Brandon Sun reporter Colleen Cosgrove spoke with leaders, developers and real estate agents in more than a dozen communities across Westman.

Here are their stories.

BY COLLEEN COSGROVE

Housing demands know no boundaries.

As baby boomers age and young families flock to the rural life, even villages once at risk of blowing away with the prairie wind have been forced to develop local housing strategies of their own.

With a population of just 240, Cypress River found itself in a bit of housing crunch. Farm families and retired folks looking to downsize were facing little in the way of options and many were being forced to move away.

That's when the RM of Victoria's Community Development Corporation stepped up and began sending out surveys to better understand the needs in the area.

"In Cypress River, there are no more vacant lots and very little as far as houses up for sale," CDC spokesperson Garry McMannis told the Sun.

"This came to our attention ... that what's needed is not so much seniors

housing, but any kind of housing."

Encouraged by the positive responses the survey garnered, the CDC set to work to develop a plan using the experiences of neighbouring communities like Holland and Balduf as a model.

"At this point we're looking at a four-plex with a life-lease type of housing," McMannis said. "It will be designated as housing for retired folks."

With three potential sites earmarked, the proposed four-plex is moving ahead.

"It's just a matter of getting some plans down on paper and getting some financing in place," he said. "Some of the people involved have a need to move quickly, so we're trying to move this along as fast as possible."

It's hoped the facility can be ready to move into by the fall of 2011.

"If we can build these complexes and free up homes for young people in the process, then everyone wins," he said.

» See 'Glenboro' — Page A3

» Glenboro, Baldur tackle housing needs

Continued from Page A1

GLENBORO

West of Cypress River in Glenboro, a stream of new residents caused a spike in the number of residential permits taken out last year. Seven new permits were doled out and so far, six new homes have sprung up.

The new permits however, mean the community is nearing its residential capacity, CAO Eric Plaetinck said, adding that town council's next challenge will be to look into the creation of a new residential development.

Mayor Bill Shackel says the council is currently scanning town-owned land to determine what is suitable for a new subdivision.

The current inventory of seniors housing is adequate for the time being, but Shackel admits that as its population



A seniors housing unit that is being constructed in Baldur. (Ed Torz/For the Sun)

ages, there's always a need for more accommodations for the 55-plus population.

"That's something that's always necessary in a community," Shackel said. "We haven't looked at anything along that line quite yet but there is some land that we're keeping an eye on for the near future."

BALDUR

Located nearly 30 kilometres southeast of Glenboro is Baldur, the small but mighty community that works together to get ahead together.

Also stricken by a lack of options for its aging population — and the demand from younger

generations looking to enter the world of home ownership — a committee of dedicated volunteers has defined a seniors housing initiative.

A three-plex facility is currently under construction and expected to wrap up in November.

"I think Baldur is looking at this as the kind of growth it

needed," economic development officer Gayle Lucas told the Sun. "Small towns tend to think they're not worth what they really are worth. I'm really hoping this senior housing project will inflate confidence in the community and they'll start embracing more ambitious projects like this."

The three-plex won't satisfy the area's housing needs, but it's a step in the right direction.

"There was a waiting list for the original project ... so I expect we'll probably be doing another project as soon as we recuperate from this one," Lucas said.

» ccosgrove@brandonsun.com

» **Part 2 of this 3-part series on rural housing issues will run in the Tuesday edition of the Brandon Sun.**

Seniors complex fills niche

BY COLLEEN COSGROVE

Construction of the Bolton Bay Seniors Complex is taking a bite out of the housing crunch in Virden, but it's not going to solve the problem, Virden Centennial Housing Corp. spokesperson Doug McLellan says.

VCHC partnered with Manitoba Housing to construct a three-storey condo-style apartment building that features 21 two-bedroom units and 19 one-bedroom suites.

Construction is right on schedule, with an opening date set for May 31, 2011. To date, 24 units have been leased.

"It's not going to be a solution overall, but it does fill a niche," McLellan said. "There's definitely been some people who were on waiting lists (to get into other seniors housing facilities) that have signed a lease with this project, so that's going to free up some homes in the community."

Because Virden is a main trading centre, it's often pinpointed as an ideal community for area residents to retire. Therefore, as the population ages, the demand for seniors and low-income housing is growing, McLellan added.

The non-profit group currently owns and operates the two other seniors complexes in the community. To date, there are more than 140 names and a predicted three- to five-year waiting list to move into the one facility,



while another 60 people are on the waiting list for the other.

If the initial success of Bolton Bay is any indication, McLellan expects the project could serve as a positive example for other rural communities and for future developments in the community.

Meanwhile, economic development officer Ed Brethour says the community is also looking for ways to beef up its inventory of rental accommodations.

"We've seen the demand for single-family rental units spike recently. Especially since the oil industry and the jobs that relate to it have

ABOVE: An architect's sketch shows the proposed design of the Virden Bolton Bay Seniors Complex.

LEFT: Brandon East NDP MLA Drew Caldwell, Centennial Housing Corp. chair Herb Manser and Brandon-Souris Conservative MP Merv Tweed turn sod for the Bolton Bay complex. (File)

really taken off," he said.

Identifying the need is the simple part, it's finding the balance between the costs of the construction and reasonable rental rates that's difficult, Brethour added.

"This is the scenario all across rural Manitoba," he said.

"For rentals, what we're really looking at is side-by-side units. Like a two-storey complex with three-bedroom units."

Virden's newest subdivision is quickly reaching its capacity, but a private developer is said to be developing 10 additional lots

adjacent to Bolton Bay.

To better understand the community's projected growth and to define its business plan and funding needs, the community will begin working with a developer this fall on a housing needs assessment.

"With the shortness of rental housing right now, it is slowing our growth down a bit, especially when companies are trying to find employees ... If they can't find suitable accommodations here, they'll start looking elsewhere."

Minnedosa works on housing strategy

BY COLLEEN COSGROVE

Struck by its dwindling inventory of housing at every level, Minnedosa town council is working on a comprehensive 10-point strategy to better address the community's housing needs.

The crunch has been mounting for more

than three years, but has been exacerbated by the recent immigration increase to the area, deputy mayor and housing committee chair Diane Hartley told the Sun.

"Right now, we want to look at maintaining our existing housing inventory ... and we're starting to look at some low-income and moderate-income developments," she said.

"We hope there will be those that will want to move up and it will free up other housing here."

Although the majority of newcomers are working in Neepawa — a community with a housing crunch of its own — Minnedosa is a popular second choice.

"That's not the population that's looking

for new housing, but again, if you can move people up into the newer housing, that will free up some affordable housing for those new immigrants," she said.

» **See 'Addressing the needs' — Page A3**

» **For more on the housing situation in Neepawa, Carberry, Gladstone and Elkhorn, see Page A3**

No quick fix for Neepawa's challenges

BY COLLEEN COSGROVE

If Neepawa wants to attract further development, something needs to be done — and fast — to address the housing crunch, CAO Rick Donaldson says.

“Unless we can deal with our housing issue in short-order, we’re going to miss out on a lot of opportunity,” he said.

A lack of available land to be developed and the tight or non-existent vacancy rate for rental units means there is no quick fix.

“Even if we were to secure land to be developed, that means getting it serviced ... the costs go up there and then the question comes, what do you put there?”

There are two distinct markets Neepawa needs to address in order to further its development, Donaldson says.

“We need the \$200,000 and above market; you can’t attract professionals without that type of housing,” he said.

“And the immediate issue we need to address is we have immigrants who are now qualified to bring their families here ... It’s one thing when three or four of them are living in a basement suite or a hotel, but when it comes to bringing their families to town, that’s not acceptable.”

The Springhill Farms hog processing plant can be thanked for the boost of immigration to the area, but with 100 additional Filipino workers scheduled to arrive late this year, the push is on to find a solution.

A community-based working group made up of business owners and other interested community members has formed in order to brainstorm solutions and ways to entice developers.

Meanwhile, town council has been working toward securing a deal with a developer interested in transforming the now-vacant East View Lodge into a 45- to 60-unit apartment complex.

News of a secured developer for the project is pending and an announcement is expected within the next few weeks.

» ccosgrove@brandonsun.com



Scaffolding is set up outside a home in Minnedosa. As part of the community's 10-point comprehensive housing strategy, town council wants homeowners and landlords to consider renovating existing properties before pursuing expensive new construction projects. (Jillian Austin/Brandon Sun)

» Addressing the needs of seniors important: mayor

Continued from Page A1

Although the need for single-family housing has been confirmed anecdotally, a formal needs assessment was developed in order to help with grant applications and for clarity when approaching developers.

A survey of the community's existing housing inventory is the second step, part of which has already been completed as part of a heritage home inventory.

Step 3 is the new development based on whatever the needs assessment ascertains is priority, while Step 4 will focus on maintaining the community's core and existing inventory through the potential use of incentive programs to encourage home owners to make upgrades.

Mayor Duane Lacoste says addressing the needs of the senior population is also an important component.

“We’re looking at developing a survey ... to get a real idea of what the need is for seniors,” he said. “We certainly have a number of seniors from other communities that look to move here ... I think we’re

GLADSTONE GETS CREATIVE

Facing a declining population, Gladstone residents used their creativity to revitalize the community.

Thanks in part to the construction of its 400-person community centre and more than \$8-million investment in commercial infrastructure, the community has gone from downtrodden to triumphant.

New families have moved to town, new housing developments are popping up and the general mood around town has changed for the better.

The real change came when the community joined the Age Friendly Manitoba Initiative, which is aimed at helping communities become better places to live for older adults.

The construction of 10 one- and two-bedroom apartment suites and the restoration of a downtown heritage building to make way for seven additional suites has addressed the community's housing needs.

Instead of waiting on government grants, each project was privately financed by local business owners. And they're already starting to see returns as several new families have moved to town and bought homes that were freed up when residents moved into the new apartments.

» Brandon Sun

meeting the needs right now, but we could for sure use more.”

Whatever direction the new development takes, maximizing the community's current inventory is top priority.

As their term in council approaches the end, Hartley, unsure of whether she will seek office again, says the plan is to create a written template as a starting point for the new council.

» ccosgrove@brandonsun.com

Housing ‘always a challenge’ for growth-minded communities

BY COLLEEN COSGROVE

A recent influx of immigrants to the Carberry area prompted the Central Plains Immigration Project to think about what the region was doing well and where it needed improvement.

The housing situation, which economic development officer Laurie Robson describes as “tight at best,” must be addressed if they are to actively recruit families to the area.

“Housing is always a challenge when you’re looking at community growth,” Robson told the Sun. “(Carberry) has that challenge with both property available for new builds and also for cost-efficient housing. It’s hard to build something that can be rented out affordably later.”

The rising demand for rental suites and options for first-time home buyers is also putting the pinch on its housing inventory.

“Right now, we’re exploring what other communities have done, or have been trying to do and we are trying to learn from those successes and failures,” Robson said, adding that it’s important the community figure out where the market is headed in the long term before any development takes place.

A private subdivision in town is being developed and its hoped that the people moving there will free up other homes throughout the community.

“That will free up the housing market a bit, but it doesn’t address affordable rental housing,” Robson said. “It’s really a constant pressure on the community.”

Meanwhile, the community can breathe easy when it comes to addressing the housing needs of the 55-plus crowd.

Lyons Estates opened the first phase of a planned three-phase, 48-unit facility two years ago. Currently, 15 rooms are ready to move into

ELKHORN EFFORTS

House by house, the Elkhorn Development Corp. is doing its part to ensure that the future of the small border town is bright.

Armed with a vision for the future and nostalgic ties to the past, the EDC formed in 2007. Since then, it has successfully tackled the construction of eight new homes, with two more on the way.

The group started its project by purchasing a number of abandoned homes and demolishing them. New homes are now on those lots and the group’s efforts are garnering buzz throughout the region.

» Brandon Sun

and two families have moved in.

Developer Les Watts says the original inspiration for the project came three years ago when it became clear there was a lack of similar housing in the area.

“We thought there was a fairly wide area we could draw from, but that’s not the case now,” Watts said. “Every community is coming up with its own version of seniors housing because everyone wants to stay in their own community.”

The less than overwhelming response to Lyons Estates has put Stage 2 of the project on hold, but that’s not discouraging Watts and other investors.

“It’s a solid facility and it’s designed so that it can serve the community and area for years to come,” he said.

“It’s just a matter of filling the suites before we can move on. People get older every year so we’re confident that will happen.”

» ccosgrove@brandonsun.com

The number of residential units sold within the city of Brandon and the average sale price per unit from 2000-2010:

2000: 813 units, \$87,256 avg price
2001: 882 units, \$88,711 avg price
2002: 836 units, \$88,455 avg price
2003: 872 units, \$93,318 avg price
2004: 948 units, \$103,490 avg price
2005: 1056 units, \$111,013 avg price
2006: 1096 units, \$119,915 avg price
2007: 1128 units, \$143,233 avg price
2008: 1102 units, \$161,339 avg price
2009: 1007 units, \$176,040 avg price
2010 (to August 30th): 815 units, \$183,160 avg price *this price will decrease slightly once the slower winter market is taken into account

Please see the 2 attached excel files for the unit distribution by price range. Unfortunately, the 2 are not exactly comparable because the price ranges were changed between 2009 and 2010 due to a change in the program we use to generate stats (in fact, Winnipeg now generates our stats so I can only give you what I currently have). If you have any other questions, please feel free to contact us and I will to my best to accommodate.

Cheers,

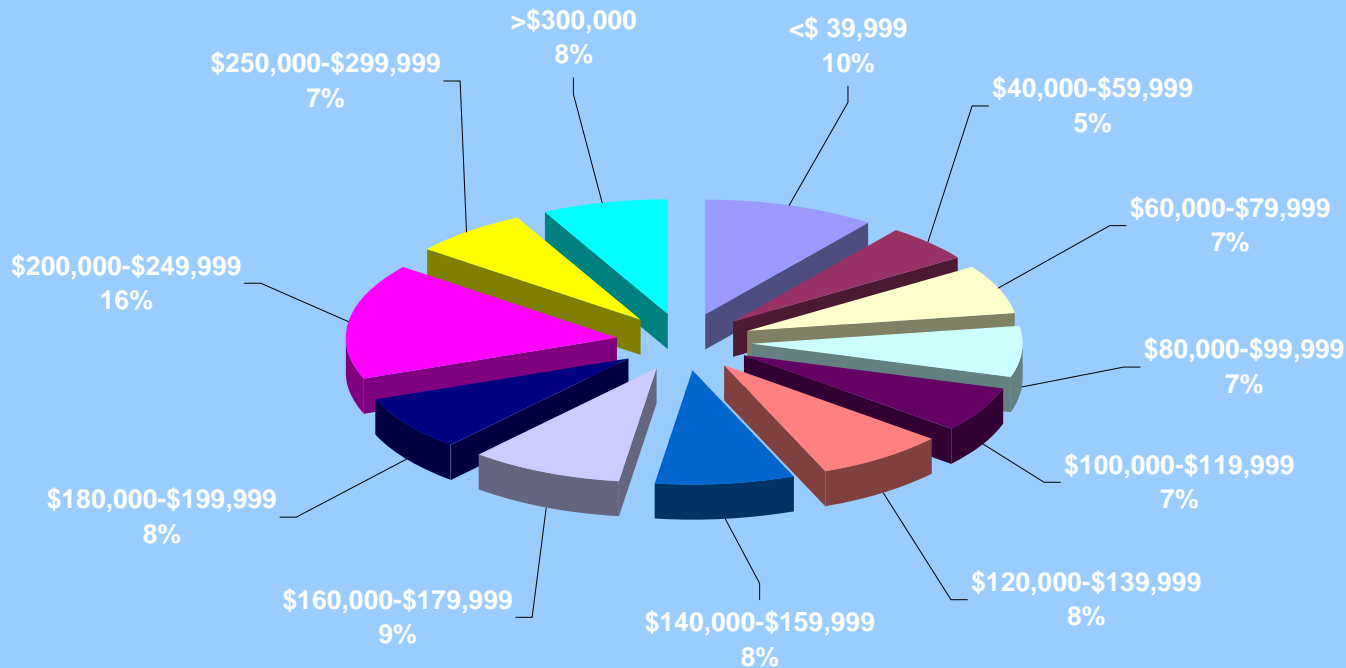
Alicia & Kathryn
Brandon Real Estate Board
907 Princess Ave
Brandon, MB R7A 6E3

Ph: 727-4672
Fax: 727-8331
info@breb.mb.ca
www.brandonrealestateboard.ca

BRANDON 2009 RESIDENTIAL SALES BY PRICE RANGE

\$	<\$ 39,999	\$40,000- \$59,999	\$60,000- \$79,999	\$80,000- \$99,999	\$100,000- \$119,999	\$120,000- \$139,999	\$140,000- \$159,999	\$160,000- \$179,999	\$180,000- \$199,999	\$200,000- \$249,999	\$250,000- \$299,999	>\$300,00 0	TOTAL
JAN	8	3	5	7	6	6	3	4	4	9	1	2	58
FEB	7	0	0	3	9	7	4	6	1	1	1	1	40
MAR	9	8	4	5	5	4	5	7	11	7	5	5	75
APR	8	2	5	6	9	12	10	3	11	22	6	12	106
MAY	10	12	7	7	6	9	16	23	12	30	10	18	160
JUNE	18	9	12	13	11	11	8	16	17	33	17	8	173
JULY	11	7	10	15	10	9	11	9	7	24	10	8	131
AUG	13	4	7	11	6	13	16	6	9	23	12	13	133
SEPT	9	6	13	3	8	6	10	11	9	14	7	7	103
OCT	11	10	8	6	4	5	4	12	7	20	5	12	104
NOV	10	1	9	6	2	4	9	6	3	7	6	4	67
DEC	11	1	3	3	3	5	5	6	3	7	3	1	51
TOTAL	125	63	83	85	79	91	101	109	94	197	83	91	1201

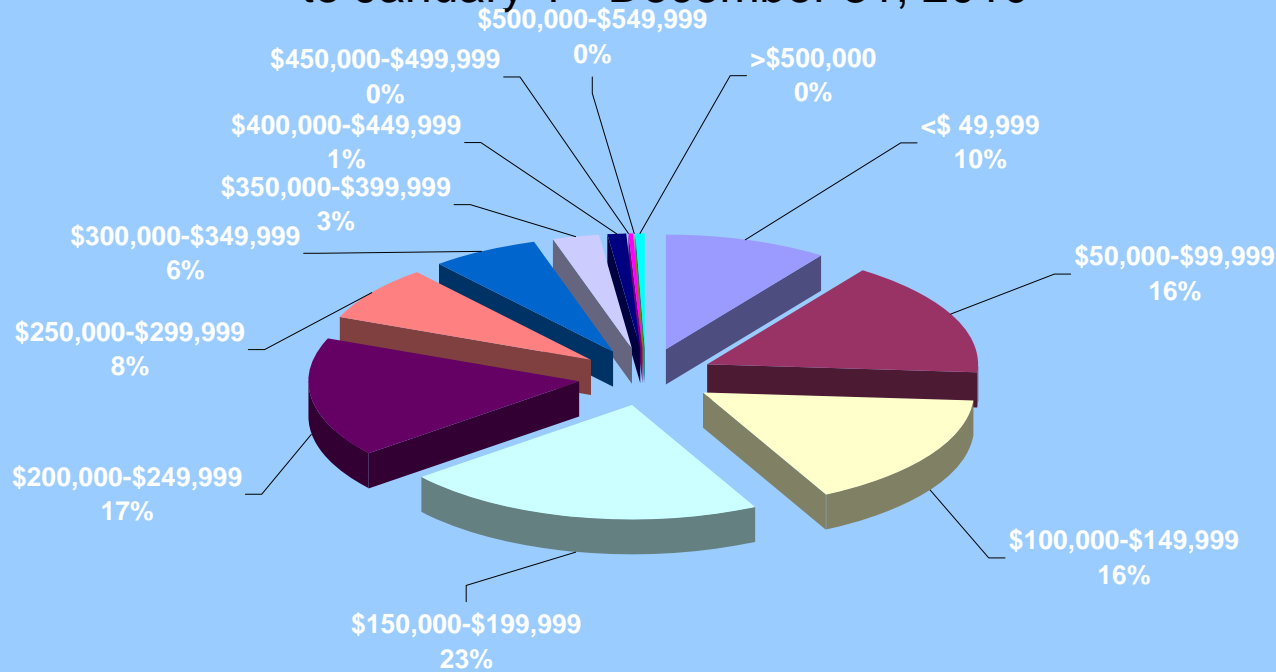
BRANDON RESIDENTIAL SALES BY PRICE RANGE
to January 1 - December 31, 2009



BRANDON 2010 RESIDENTIAL SALES BY PRICE RANGE

\$	<\$ 49,999	\$50,000- \$99,999	\$100,000- \$149,999	\$150,000- \$199,999	\$200,000- \$249,999	\$250,000- \$299,999	\$300,000- \$349,999	\$350,000- \$399,999	\$400,000- \$449,999	\$450,000- \$499,999	\$500,000- \$549,999	>\$500,000 0	TOTAL
JAN	5	11	7	8	6	0	3	2	0	0	0	0	42
FEB	9	13	12	15	13	2	3	3	0	0	0	0	70
MAR	12	24	19	26	16	7	5	2	2	0	0	0	113
APR	8	14	20	41	25	16	9	7	0	0	1	0	141
MAY	15	31	15	32	25	8	11	3	2	1	0	2	145
JUNE	13	20	22	25	18	11	4	6	1	0	0	2	122
JULY	14	13	16	22	25	13	12	1	2	0	0	0	118
AUG	9	18	31	21	19	12	8	1	2	1	0	0	122
SEPT													0
OCT													0
NOV													0
DEC													0
TOTAL	85	144	142	190	147	69	55	25	9	2	1	4	873

BRANDON RESIDENTIAL SALES BY PRICE RANGE
to January 1 - December 31, 2010



Housing Market – Background information

For many decades Brandon has retained a reputation as a conservative community with a stable economy, predictable growth patterns and a housing market that responds just in time to the needs of the community. Unprecedented growth, mostly through immigration, over the past seven years has caused a shift in community growth patterns and needs related to housing. As a result, a gap has developed between community housing needs and the ability of developers and service providers to respond to the needs in time. The arrival of a significant number of new residents in the past five years has placed notable strain on the housing market as a whole. The City is beset by an extremely low rental vacancy rate as defined by CMHC, shrinking supply of affordable rental and owned housing, increasing numbers of low – moderate income households, rising prices of available housing stock and a population forecast that projects the addition of 5,525 people between 2007 and 2012. To date, the projections for population growth have been ~95% accurate.

Rising housing prices have pushed the cost of entry level homes out of the reach of many first time home owners and rising rental rates make it difficult for first time home buyers to save a down payment, which in turn has created a bottle neck in the rental housing market. The combination of rising housing and rental costs makes it difficult for current renters to save for a down payment. New rental units, renting at maximum market rents are often spoken for before construction is completed. With demand for rental units far exceeding supply, private developers have not been interested in taking advantage of existing provincial and municipal affordable housing incentives as it is far easier and more profitable for them to build market rental units.

The extreme pressure on the housing market means landlords are able to be very selective in whom they rent to and charge maximum rents even for units that in a healthy housing market (3% vacancy rate is considered healthy by CMHC) would not be of sufficient quality to garner such rents. These factors combined with a virtually non existent vacancy rate means that the most vulnerable in our community find it very difficult to find rental accommodations. Addressing the needs of those most vulnerable can be addressed best through increased construction of public housing units. The 24 public units being constructed at 10 5th Street North on land donated by the City of Brandon and the 58 units being constructed in the Massey Harris building are great examples of a collaborative response to a pressing need in our community.

Strong economic growth the past five to seven years has resulted in the addition of many jobs accompanied by an influx of staff to fill the available jobs. A large percentage of the new jobs were in the low to moderate income bracket which has placed significant strain on an already tight housing market. As a service centre for rural Manitoba, it is anticipated that a significant proportion of Brandon's population will continue to derive their livelihood from low paying hospitality and service industry jobs, making the need for development of affordable and low income housing and tools to move people through the housing continuum all the more critical.

The most prevalent issues that are impacting housing needs in the City of Brandon are listed below

- A very low overall rental unit vacancy rate (less than 1% for the past six years). CMHC determines that a 3% vacancy rate is considered a healthy rental market.

Figures on file dating back to 1999 show the lowest vacancy rate during that period was 1.8% in 1999.

- An acute shortage of market three plus bedroom rental units. April 2010 showed 0 of 89 three plus bedroom units available for rent.
- The average selling price for a single family home has doubled in the past decade. The Aug 2010 YTD average selling price is \$183,160.
- Lack of municipally owned residential land. The land available is held by private developers who may or may not wish to sell and if they do, desire a premium price making the development of affordable housing a challenge.
- A social housing waiting list in excess of 150 people.
- Affordable rental units whose funding agreements, which restrict the amount of rent charged for the unit are maturing. Between 2006 and 2009, 134 BNRC funded units matured, with another 52 maturing in the next five years. If these units convert to full market rent, the availability of affordable rental units will be negatively impacted.
- A shortage of affordable housing options for the senior population. All existing seniors housing complexes with the exception of the two facilities at the upper end of the fee range have waiting lists ranging from 3 months to 3 years. (The 2010 BRHA Community Health Assessment states that between 2005 and 2035 the most significant increase in population will be among the senior population. The proportion of seniors age 55 and older will be greater in Brandon than the province overall.)

As a result of the housing issues previously listed, the community is experiencing the following trends:

1. There are extremely limited rental accommodations available for low income earners and individuals on restricted income such as provincial assistance, disability income and old age pensions.
2. The rising costs of both rental units and single family homes make the transition from rental to homeownership increasingly difficult.
3. Despite the addition of 3332 new dwelling units in the past 12 years, there is a need for additional housing stock, particularly in the affordable rental and single family portion of the housing continuum.

Historically Brandon's housing market is considered a very stable market, fairly predictable and not prone to boom and bust cycles. Despite the addition of close to 3,000 dwelling units the past 10 years, housing prices have doubled and the rental vacancy rate remains at an all time low of 0.2%, virtually non existent. For the past decade, the vacancy rate has hovered between 0.1% and 1.8%. The past six years the vacancy rate has been below 1%.

Brandon MLS sales continue to be strong with the average housing price rising year over year.

Year	Number of MLS® Residential Sales	Average Selling Price
2010	815*	\$183,160*
2009	1007	\$176,040
2008	1102	\$161,339
2007	1128	\$143,233

Sept 2010

2006	1096	\$119,915
2005	1056	\$111,013
2004	948	\$103,490
2003	872	\$93,318
2002	836	\$88,455
2001	882	\$88,711
2000	813	\$87,256
1999	791	\$88,267
1998	744	\$84,961
1997	772	\$75,934
1996	721	\$80,682
1995	605	\$83,591

* YTD Aug 2010. The average selling price will likely decrease slightly once the slower winter market is taken in account

Brandon's rental market remains extremely tight despite strong residential growth. In the last decade, 2,848 new dwellings were constructed, with 49% of those multiple family units, an average of 285 units per year. Between 2006 and 2009, new dwelling units constructed were close to 400 per year. Canada Mortgage and Housing Corporation's Spring 2010 reported a vacancy rate of 0.2%. Despite strong residential construction, Brandon's vacancy rate continues to be among the lowest in the province.

New Dwelling Units, 1998 – 2009

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Total
Single Family	121	48	70	60	124	150	228	170	155	169	132	119	1546
Two Family	34	8	4	6	4	4	0	8	6	28	8	6	116
Multiple Family	23	250	26	45	111	165	63	76	233	158	228	290	1668
Totals	178	306	100	111	239	319	291	254	394	355	368	417	3332

As previously indicated, CMHC defines a healthy rental market as one with a three percent vacancy rate. According to CMHC data dating back to 1988, the last time the rental vacancy rates for Brandon were 3 per cent or higher was in 1990 where the privately initiated vacancy rates were 3.1 for apartments (3+) total units. Since 1990, the numbers have been below 3 per cent. Furthermore, in 1989, it was 4.2 and in 1988 it was 4.1.

Apartment Vacancy (%)	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bachelor	3.9	7.3	1.0	2.4	2.4	1.1	0.0	0.0	0.0	0.0	0.0	0.0
1 Bedroom	2.5	1.8	0.8	1.8	1.3	0.9	1.1	1.4	0.1	0.3	0.6	0.4
2 Bedroom	1.4	1.3	0.6	0.9	1	1.1	0.9	0.6	0.2	0.2	0.1	0.1
3 Bedroom +	0.0	2.1	**	**	**	**	0.0	0.0	1.7	0.0	0.0	0.0
Total	1.8	1.7	0.6	1.3	1.1	1.0	0.9	0.9	0.2	0.2	0.2	0.2

Families requiring rental units with a minimum of three bedrooms experience great difficulty in finding appropriate housing. Between 2005 and 2010, CMHC reported 0% vacancy in three bedroom plus units 5 out of the 6 years.

Sept 2010

Plans are underway to update the housing supply and demand analysis completed by Dr. Richard Rounds. Once scope of work has been defined and a critical path developed, an update will be provided to City Council.