

Government housing policy can effect change

BY STU NIEBERGALL, REGINA LEADER POST MARCH 9, 2015 1:37 PM

Does housing policy matter? Housing usually gets headlines when there is some type of crisis - for example, when there is a significant housing shortage or when housing prices are either falling or increasing dramatically.

Changes or anticipated changes in interest rates and their impacts on housing also grab media attention.

It is usually during a crisis, however, that government policy is most visible. The rest of the time, most of us probably don't think much about how government housing policy affects our lives.

One such visible crisis here in Regina occurred not long ago when our rental vacancy rate was at 0.6 per cent. Concerned social advocacy groups were demanding that different levels of government take action to address this issue in our city. This was a real problem with cause for concern.

The City of Regina responded through the 2013 and 2014 Mayor's Housing Summits, consultants were hired, studies undertaken and a comprehensive housing strategy unveiled that would incentivize market behaviour to move the vacancy rate to three per cent by 2017.

The reality was that, already by 2015, the market adjusted and a few innovative builder/developers in Regina single-handedly built our way out of the rental shortage crises.

The fact is this: there are much-less-visible city policies that have a significant impact on housing in our city as well. The City of Regina's Official Community Plan (OCP), for example, is the high-level directive that determines how our city will grow - what percentage of new housing will be developed on the urban fringe and how much will be built within the city's existing footprint. The city also determines how closely houses are to be built to each other and sets the directive for what new neighbourhoods will look like.

In addition, the city determines the rate of development charges, which then impacts the cost of new housing, which in turn impacts the cost of all housing in the Regina market.

These are only a few examples of how less-visible city housing policies impact us all.

The provincial government also has a big impact on housing; first, through its affordable housing incentive programs - for example, the Head Start on a Home Program, which was initiated in 2011 to increase the availability of entry-level housing to accommodate the influx of population in our province.

The program was designed to provide secured loans to finance the construction cost of entry level housing units for sale across Saskatchewan. The province also initiated the Rental Construction Incentive, which provided grants equal to the city's property tax exemptions for purpose built rental units - a program that recently has been wound down.

In addition to providing housing incentives, the province is also responsible for building codes through the Codes and Standards Program, which administers the legislative framework for the construction, renovation and fire-safe operation of buildings throughout Saskatchewan.

And the province invests significantly in infrastructure that is most certainly related to housing in that its quality and structure literally form the foundation of how our buildings, homes, communities and cities are all ultimately connected to each other, facilitating economic and social relationships and improving our overall quality of life.

The federal government's impact on housing in Canada is also through infrastructure investment as well as through monetary policy.

Ottawa has committed \$14 billion for core infrastructure like roads, transit and sewer and water systems through the new Building Canada Plan. When municipalities receive grants through this program, it can help alleviate pressures on municipal development charges, which then helps to mitigate the pressures on housing affordability.

Regarding monetary policy, the Bank of Canada sets interest rates and since 2008, the bank has implemented a stimulus policy that impacts housing through lower mortgage rates. At the same time, however, in 2012, the federal government also changed mortgage rules to put the brakes on the rising level of household debt by reducing the maximum amortization period from 30 to 25 years - a policy that makes it more difficult for first-time home buyers to purchase a house.

Both of these areas, infrastructure and monetary policy as it relates to housing, are unfortunately areas that none of the federal parties as of yet are addressing in the anticipated upcoming federal election. Yet the federal government's policies have a big impact on each housing market right across Canada.

There is no shortage of research that provides significant evidence of how important housing is to the well-being and development

of children and how successful families can positively contribute to the fabric of our country. I would suggest good housing policy at all three levels of government is good public policy and good social policy.

A wide array of positive human outcomes in education, employment, physical and mental health, among other areas, occurs when good quality housing is stable and affordable. It is time once again to think more broadly than just the value of our homes in the market and lift housing policy to the top of the agenda for all three levels of government.

Stu Niebergall is president and CEO of the Regina Region Home Builders' Association.

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