

Status Report on the Ten-Year Housing Business Plan 2013 - 2022

ISSUE

The purpose of this report is to provide the 2019 annual status report on the Housing Business Plan 2013 – 2022 and a recommendation resulting from the midterm review of this plan.

RECOMMENDATION

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council that if a Neighbourhood Land Development Fund dividend is declared and allocated to the Affordable Housing Reserve, \$270,000 of the \$400,000 allocated for 2020 be used for capital grants to support the creation of affordable rental housing for low-income households.

BACKGROUND

The City of Saskatoon (City) adopted its first comprehensive Housing Business Plan in 2008, in response to rapidly rising housing costs.

City Council, at its June 24, 2013 meeting, approved the Housing Business Plan 2013 – 2022. The Business Plan identifies the City’s role in housing and the priorities and strategies for addressing attainable housing in Saskatoon.

City Council, at its November 27, 2018 Business Plan and Budget Review meeting, set a target of 200 new attainable units for 2019 and allocated \$400,000 from the Neighbourhood Land Development Fund (Fund) for the Affordable Housing Reserve to be used in 2019.

DISCUSSION/ANALYSIS

City’s Incentives Supported the Creation of 142 New Attainable Housing Units in 2018

In 2018, the City’s housing incentives supported the creation of 142 new units, which is under the 250-unit target set by City Council. This was primarily due to less demand on the affordable ownership side of the housing spectrum as the condo market softens. The City is on track to achieve its 2019 target of 200 units across the attainable housing continuum.

A complete listing of all projects supported between 2013 to 2019 period, including the number and types of units, location, amount of City support, construction status and a financial summary can be found in Appendix 1.

Affordability Challenges Remain for those with Lower Incomes

The supply crisis that resulted in adoption of the City’s first comprehensive Housing Business Plan in 2008 has now been addressed. The indicators to support this include higher vacancy rates and stable prices in both the rental and homeownership markets.

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Affordability challenges remain for those with lower incomes, including minimum wage earners, people with disabilities and seniors on fixed incomes. These groups can be at risk of being homeless or inadequately housed. Appendix 2 outlines the affordability challenges faced by those with lower incomes.

Although the vacancy rate remains higher, there is still an elevated need for affordable rental in Saskatoon. Homelessness continues to be an issue in Saskatoon with 475 individuals being identified as homeless (including 14 children) in 2018's Point-In-Time Homelessness Count. This was 25 more than the last count in 2015. The City's Capital Grant Program continues to offer funding to increase the supply of affordable rental units where regular market forces are not supplying units to meet the needs in the community.

Challenges for Moderate Income Earners Remain

Although prices have stabilized as the condo market softens due to increased supply, moderate income earners are still challenged to purchase a home (see Appendix 3). As the demand has softened on the affordable ownership side, the City's Mortgage Flexibilities Support Program continues to assist those who are unable to qualify for mortgages for homes at the average price point.

The Provincial and Federal Agreement in Housing

On April 18, 2019, the Province of Saskatchewan and Government of Canada reached a 10-year housing agreement to protect, renew and expand social and community housing across the province. The deal was reached under the National Housing Strategy, a ten-year, \$40 billion plan that will result in up to 100,000 new housing units and the renovation of 300,000 existing housing units. Both governments will invest \$225 million into the agreement and will prioritize a rights-based approach to housing for the most vulnerable. The province is currently working on creating new programming based on this new agreement. The Administration will determine how to best utilize these programs once they are finalized over the coming year.

Recommended Funding Priorities for 2020

The Neighbourhood Land Development Fund helps to fund affordable housing projects through the 10% Capital Grant Program and is integral in assisting affordable rental projects for those in the greatest need. These projects target the most vulnerable people in the city and those who are at greatest risk of being homeless.

Saskatoon Land has not yet declared a new dividend from the Fund for 2020 or 2021.

At such time as the dividend is declared, the funds can then be allocated to specific uses. The Affordable Housing Program is requesting an allocation of \$400,000 in both 2020 and 2021. It is recommended that if a Neighbourhood Land Development Fund dividend is declared and allocated to the Affordable Housing reserve, that for 2020 \$270,000 of the \$400,000 be used to support capital grants for affordable rental or alternative ownership housing that serve low-income households as defined in Section 2.2 of the Innovative Housing Incentives Policy (Council Policy C09-002). The remaining \$130,000 will be used to support the five-year contract with the Saskatoon Housing Initiatives Partnership for the implementation of Saskatoon's Homelessness

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Action Plan. Additional funding of the City's attainable housing program comes from operating budget allocations.

FINANCIAL IMPLICATIONS

The recommendation in this report specifies how the \$400,000 allocated to the Affordable Housing Reserve for use in 2020 will be utilized.

NEXT STEPS

Subject to the declaration of dividends from the Fund for 2020 being declared, the 2020 targets for the Attainable Housing Program will be communicated to stakeholders.

APPENDICES

1. Summary of Housing Projects Supported and Financial Statement
2. Affordability Challenges for Low-Income Households
3. Housing for Moderate Income Earners

Report Approval

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SP/2019/PL/PDCS – Ten Year Housing Business Plan/pg

Summary of Housing Projects Supported and Financial Statement

The tables below provide a summary of housing results/projects supported and counted for the 2013 to 2018 period. There is also a table showing units approved to date for 2019, and a financial summary for the 2013 to 2019 period.

Table 1: Attainable Housing Results by Year

Housing Type	2013	2014	2015	2016	2017	2018	
						Target	Results
Purpose-Built Rental	212	291	168	300	172	0	0
Affordable Ownership	106	40	67	52	42	75	16
Affordable Rental	74	53	67	32	60	35	29
Secondary Suites	36	48	62	56	51	60	53
Entry-Level Ownership	201	110	196	85	52	80	44
Total Units	629	542	560	525	377	250	142

Table 2: Attainable Housing Projects Supported by Target Population - 2013 to 2018

Target Population	2013	2014	2015	2016	2017	2018	Total Units
Shelters	0	0	0	0	0	0	0
Shelters (High tolerance)	0	29	0	0	0	0	29
Transitional/Supportive Housing (Youth)	0	10	11	0	0	10	31
Transitional/Supportive Housing (Adult)	20	0	0	32	11	7	70
Affordable Rental (Families)	54	0	30	0	26	6	116
Affordable Rental (Families with supports)	0	14	10	0	23	6	53
Affordable Rental (Seniors)	0	0	16	0	0	0	16
Purpose-Built Rental (Seniors)	0	0	56	159	0	0	215
Purpose-Built Rental (General population)	212	291	112	141	172	0	928
Secondary Suites	36	48	62	56	51	53	306
Affordable Ownership (Low income)	0	4	0	0	0	0	4
Affordable Ownership (Moderate income)	106	36	67	52	42	16	323
Entry-Level Ownership	201	110	196	85	52	44	688
Total Units	629	542	560	525	377	142	2,775

Table 3: All Housing Projects Counted - 2013 to 2017

Housing Provider	Neighbourhood	Units	*Provincial Rental Construction Incentive (RCI) Funding	City Funding	**Tax Abatement or Tax Redirection
Units Counted for 2013 (Complete)					
Innovative Residential Investments Inc. (Hartford Crossing)	Blairmore Suburban Centre (SC)	64	\$0	\$200,000	\$210,067
Innovative Residential Investments Inc. (Hartford Heights)	Blairmore SC	40	\$94,062	\$381,043	\$92,538
Innovative Residential Investments Inc. (Town Square Villas)	Evergreen	14	\$0	\$240,000	\$104,535
Westgate Heights Attainable Housing Inc.	Pacific Heights	34	\$0	\$700,000	\$176,120
Broadstreet Properties Ltd./ Seymour Pacific Developments Ltd.	Montgomery Place	192	\$756,507	\$0	\$400,948
Innovative Residential Investments Inc.	Hampton Village	28	\$0	\$40,000	\$63,700
Saskatoon Housing Coalition	Confederation SC	20	\$0	\$300,000	\$24,640
Secondary Suites	Various	36	\$0	\$25,238	\$0
Equity Building Program	Various	28	\$0	\$0	\$0
***Entry Level: Land Pre-Designation Program, Innovative Residential Investments Inc.	Evergreen	34	\$0	\$0	\$0
***HeadStart on a Home Program, Innovative Residential Investments Inc.	Blairmore SC	20	\$0	\$0	\$0
HeadStart on a Home Program, Vantage Developments Corp.	Hampton Village	36	\$0	\$0	\$0
HeadStart on a Home Program, Mosaic Renewal Corporation	Riversdale	12	\$0	\$0	\$0
HeadStart on a Home Program, Vantage Developments Corp.	Rosewood	11	\$0	\$0	\$0
***HeadStart on a Home Program, Innovative Residential Investments Inc.	Hampton Village	60	\$0	\$0	\$0
Total Units Counted for 2013		629	\$850,569	\$1,886,281	\$1,072,548

*The Saskatchewan Government provided funding to the City under its RCI Program. These funds match the City's contribution, which comes in the form of a five-year incremental property tax abatement. The provincial RCI funds flow through the City's accounts, and the City provides the incentives to the builders of purpose-built rental housing. The provincial RCI contract expired in 2016, and all projects were under construction at that time. There is no further funding available under this program.

**Many projects qualify for a five-year incremental property tax abatement. Affordable home ownership projects approved under the Mortgage Flexibilities Support Program receive down payment grants that are financed through the redirection of property tax to the Affordable Housing Reserve to recover the cost of the grant. This column shows the total estimated foregone tax revenue over five years that the City has given up in support of these projects.

***Units counted in these projects under the programs of Land Pre-Designation and HeadStart on a Home include only those units that were not already counted as affordable ownership units under the City's Mortgage Flexibilities Support Program.

Housing Provider	Neighbourhood	Units	*Provincial Rental Construction Incentive (RCI) Funding	City Funding	**Tax Abatement or Tax Redirection
Units Counted for 2014 (Complete)					
Innovative Residential Investments Inc.	Stonebridge	20	\$0	\$0	\$47,280
Central Urban Metis Federation Inc.	Mount Royal	2	\$0	\$36,000	\$0
Saskatoon Downtown Youth Centre (EGADZ)	City Park	10	\$0	\$140,250	\$0
Innovative Residential Investments Inc.	Kensington	16	\$0	\$0	\$38,604
Secondary Suites	Various	48	\$0	\$18,767	\$0
Equity Building Program	Various	18	\$0	\$0	\$0
HeadStart on a Home Program, Northridge Development Corporation	Stonebridge	45	\$0	\$0	\$0
Ehrenburg Homes Ltd.	Evergreen	26	\$130,000	\$0	\$153,028
Innovative Residential Investments Inc.	Evergreen	80	\$381,372	\$0	\$213,568
Stonebridge/Willis Limited Partnership	Stonebridge	185	\$717,576	\$0	\$401,843
Cress Housing Corporation	Greystone	12	\$0	\$224,948	\$0
Habitat for Humanity Saskatoon	Pleasant Hill	4	\$0	\$63,712	\$0
The Lighthouse Supported Living Inc.	Central Business District	29	\$0	\$145,074	\$0
HeadStart on a Home Program, Saskatoon Urban Design Homes Ltd.	Erindale	47	\$0	\$0	\$0
Total Units Counted for 2014		542	\$1,228,948	\$628,751	\$854,323
Units Counted for 2015 (Complete)					
Baydo Development Corporation	Stonebridge	112	\$449,924	\$0	\$251,958
Innovative Residential Investments Inc.	Kensington	1	\$0	\$11,994	\$7,920
NewRock Developments (Sask.) Inc.	Evergreen	51	\$0	\$0	\$134,886
Innovative Residential Investments Inc.	Evergreen	15	\$0	\$0	\$ 37,635
Central Urban Metis Federation Inc.	Westmount	1	\$0	\$17,000	\$0
Secondary Suites	Various	62	\$0	\$22,683	\$0
Equity Building Program	Various	9	\$0	\$0	\$0
***HeadStart on a Home Program, NewRock Developments (Sask.) Inc.	Evergreen	29	\$0	\$0	\$0
HeadStart on a Home Program, Meridian Development Corp.	Evergreen Sequoia Rise	69	\$0	\$0	\$0
HeadStart on a Home Program, Northridge Development Corporation	Silverspring Daxton II	66	\$0	\$0	\$0
***HeadStart on a Home Program, Innovative Residential Investments Inc.	Evergreen	23	\$0	\$0	\$0
Villa Royale Residential Group	Hudson Bay Park	56	\$166,158	\$0	\$93,048
Westgate Heights Attainable Housing Inc.	Pacific Heights	40	\$0	\$754,079	\$62,020
Stewart Property Holdings Ltd.	King George	7	\$0	\$58,255	\$7,345
Elim Lodge Inc.	Lakeview SC	15	\$0	\$255,000	\$37,235
Saskatoon Downtown Youth Centre (EGADZ)	City Park	4	\$0	\$21,993	\$0
Total Units Counted for 2015		560	\$616,082	\$1,141,004	\$632,047

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** } Please refer to Page 2 for explanations.
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Housing Provider	Neighbourhood	Units	*Provincial Rental Construction Incentive (RCI) Funding	City Funding	**Tax Abatement or Tax Redirection
Units Counted for 2016 (Complete except as noted***)					
Broadstreet Properties Ltd./ Seymour Pacific Developments Ltd.	Evergreen	141	\$0	\$0	\$329,702
LutherCare Communities/ Meridian Development Corporation	Stonebridge	159	\$347,225	\$0	\$243,083
Innovative Residential Investments Inc. (Construction is complete but 24 units remain unsold)	Kensington	30	\$0	\$0	\$144,275
Innovative Residential Investments Inc.	Evergreen	14	\$0	\$0	\$ 51,088
Innovative Residential Investments Inc.	Stonebridge	8	\$0	\$0	\$ 42,744
Secondary Suites	Various	56	\$0	\$19,561	\$0
Equity Building Program	Various	24	\$0	\$0	\$0
Saskatoon Housing Coalition	Confederation SC	20	\$0	\$282,083	\$19,880
Saskatchewan Housing Corporation (Completion scheduled for spring 2018)	Westview	4	\$0	\$36,000	\$6,116
Saskatchewan Housing Corporation (Completion scheduled for spring 2018)	Evergreen	8	\$0	\$72,000	\$12,233
***HeadStart on a Home Program, Innovative Residential Investments Inc.	Evergreen	28	\$0	\$0	\$0
***HeadStart on a Home Program, Innovative Residential Investments Inc. (Project is complete but some units remain unsold)	Kensington	33	\$0	\$0	\$0
Total Units Counted for 2016		525	\$347,225	\$409,644	\$849,121
Units Counted for 2017 (Complete)					
Innovative Residential Investments Inc.	Evergreen	14	\$0	\$0	\$66,132
Innovative Residential Investments Inc.	Stonebridge	28	\$0	\$0	\$135,624
Camponi Housing Corporation	Massey Place	23	\$0	\$276,000	\$0
Stewart Property Holdings Ltd. (The Beehive)	Pleasant Hill	11	\$0	\$120,273	\$0
Secondary Suites	Various	51	\$0	\$23,155	\$0
Equity Building Program	Various	2	\$0	\$0	\$0
***Innovative Residential Investments Inc. (Entry level)	Evergreen	14	\$0	\$0	\$0
***Innovative Residential Investments Inc. (Entry level)	Stonebridge	36	\$0	\$0	\$0
Total Units Complete at Year End		179	\$0	\$419,428	\$201,756
Units Counted for 2017 (Under construction)					
Timbercreek Asset Management	Stonebridge	172	\$711,198	\$0	\$341,449
Quint Development Corporation	Pleasant Hill	26	\$0	\$556,717	\$35,536
Total Units Under Construction at Year End		198	\$711,198	\$556,717	\$376,985
Total Units Counted for 2017		377	\$711,198	\$976,145	\$578,741

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** } Please refer to Page 2 for explanations.
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Table 4: Housing Units Approved for 2018 and 2019

Housing Provider	Neighbourhood	Units	City Funding	**Tax Abatement or Tax Redirection
Units Approved for 2018				
Innovative Residential Investments Inc.	Evergreen and Stonebridge	27	\$0	\$76,692
NewRock Developments (Sask.) Inc.	Evergreen	42	\$0	\$102,520
The Lighthouse Support Living	Pleasant Hill	7	\$38,455	\$0
Stewart Property Holdings Ltd.	Pleasant Hill	10	\$100,000	\$19,092
Cress Housing Corporation	Greystone	2	\$49,920	\$0
Equity Building Program	Various	1	\$0	\$0
Secondary Suites	Various	53	\$23,907.11	\$0
Total Units Counted for 2018		142	\$223,375	\$395,456
Units Approved for 2019				
Optimist View	Pleasant Hill	17	\$0	\$100,000
Homes By Dream	Kensington	14	\$0	\$74,372
National Affordable Housing Corporation	Willowgrove	14	\$289,722	\$0
SaskNative Rentals Inc.	Adelaide/Churchill & King George	6	\$140,000	\$0
Secondary Suites	Various	60	\$35,000	\$0
Total Units Approved To Date for 2019		111	\$464,722	\$379,672

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 ** } Please refer to Page 2 for explanations.
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Financial Summary

Affordable Housing Reserve (2013 to 2018)

Revenue

Unallocated Balance (January 1, 2013)	\$ 130,504
2008 to 2012 Funding Allocated for 2013 Projects and Contracts	\$ 1,940,869
Transfers from the Neighbourhood Land Development Fund (2014 to 2018)	\$ 3,900,000
Operating Budget Contribution (2013 to 2018)	\$ 1,750,000
Transfer from Pleasant Hill Village Revitalization Project (2014)	\$ 500,000
Provincial Grant from Rental Construction Incentive (RCI) Program	\$ 3,754,022
Operating Surplus from Saskatoon Housing Authority (2015)	<u>\$ 3,177</u>
Total Revenue	<u>\$11,978,572</u>

Expenses

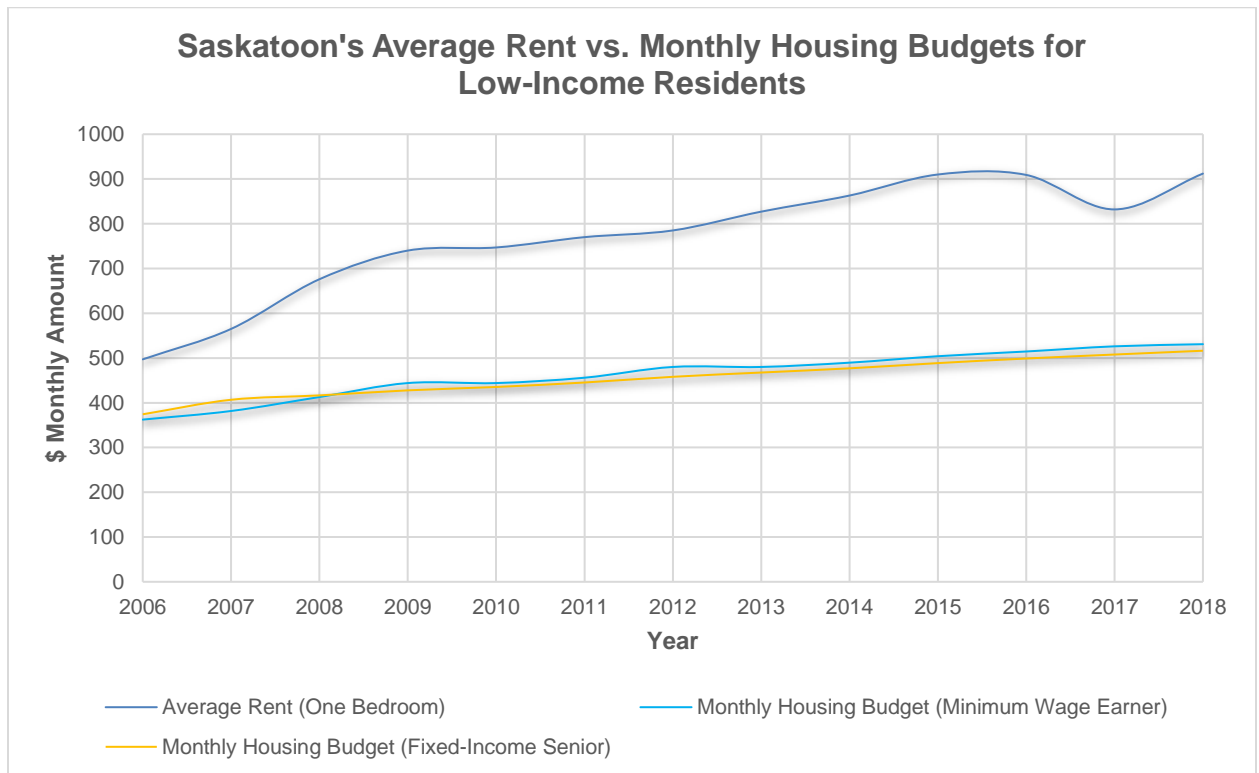
Additional City Contributions (2008 to 2012 projects)	\$ 25,720
City Contributions to New Housing Units (2013 projects)	\$ 1,886,281
Provincial RCI Contributions (2013 projects)	\$ 850,569
City Contributions to New Housing Units (2014 projects)	\$ 628,751
Provincial RCI Contributions (2014 projects)	\$ 1,228,948
City Contributions to New Housing Units (2015 projects)	\$ 1,141,004
Provincial RCI Contributions to Rental Units (2015 projects)	\$ 616,082
City Contributions to New Housing Units (2016 projects)	\$ 370,044
Provincial RCI Contributions to Rental Units (2016 projects)	\$ 347,225
City Contributions Committed to New Housing Units (2017 projects)	\$ 884,373
Provincial RCI Contributions Committed to Rental Units (2017 projects)	\$ 711,198
City Contributions Committed to New Housing Units (2018 projects)	\$ 283,429
City Contributions Committed to New Housing Units (2019 projects)	\$ 346,371
City's Contributions Allocated for Secondary Suites (2019)	\$ 35,000
Unallocated Funding Available for Affordable Housing Grants (2019)	\$ 383,949
Salaries and Administration	\$ 1,117,753
Contracts (Business Planning, Research, and Housing First Projects)	\$ 1,059,998
Equity Building Program Bad Debt	<u>\$ 9,730</u>
Total Expenses	<u>\$11,926,428</u>
Contingency	<u>\$ 52,143</u>

Affordability Challenges for Low-Income Households

Attainable housing is a continuum and the City's work to increase the supply across the continuum has helped ensure that affordable rental units are going to those who most need it.

1. Affordability Challenges for Low-Income Households

Rental rates have increased after a sharp drop-off in 2017. The current price points continue to be beyond the reach of low-income households. Seniors on fixed incomes, minimum wage earners, single parents, and those with mental or physical health challenges are some of the segments in Saskatoon that are not able to pay full market rent. The chart below illustrates the gap between what two common groups of low-income households can afford to pay and what the market is charging for rent.



A minimum wage earner working full time (40 hours per week) earned \$1,769 per month in 2018. No more than 30% of income should go to housing (including utilities) which means that a minimum wage earner has \$531 per month for rent and utilities, which is well below Saskatoon's average rent for a one bedroom apartment of \$912. Events, such as a minor illness or the loss of a roommate, can leave them homeless.

Seniors on a fixed income can also have trouble finding housing they can afford. A senior receiving the maximum benefit from the Canada Pension Plan, as well as Old Age Security, received \$1,720 per month in 2018. They would be spending 53% of their income on rent and have little left for other necessities.

These low-income tenants depend on 28 agencies in Saskatoon that operate more than 4,500 subsidized rental units. The vacancy rate for these units remains around zero, as tenants needing subsidized housing often find themselves on waiting lists for housing they can afford.

To qualify for affordable rental housing, low-income households must be below the Saskatchewan Household Income Maximums (SHIMs), as shown in the table below:

Saskatchewan Household Income Maximums (SHIMs)

	Minimum Size Home Required by Household			
	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
No Disability	\$38,000	\$46,000	\$55,000	\$66,500
Disability	\$43,700	\$52,900	\$63,800	\$76,400

2. Increasing the Supply of Affordable Rental Housing

Affordable rental housing serves the needs of Saskatoon’s most vulnerable residents and comes in many forms, including temporary shelters, transitional housing, supported housing, rent-geared-to-income units, and units that are only slightly below market rates.

Affordable rental units require the largest financial investment of all the types of attainable housing. Creating new affordable rental units requires grants from the government and charitable sectors to cover 30 to 70% of the cost of construction. The level of capital grants required is dependent on the types of units, how low the rents will be below market rates, and how many years the owner commits to keeping the rent affordable.

The City of Saskatoon’s (City) grants of up to 10% do not stimulate the construction of affordable rental units on their own, but when combined with grants from other levels of government, the City is able to create additional units by stretching the available funding.

The successful applicants for the Saskatchewan Housing Corporation will be looking to the City for additional funding of up to 10% of the total capital cost of these projects in 2020. Due to the limited funding allocation to the Affordable Housing Reserve in 2020, the City may not be able to support all projects in 2020.

3. Ensuring People can Transition out of Affordable Rental Housing

Given the high cost of creating affordable rental housing, it is important to ensure that tenants can move on to market priced housing if their income goes up. The City’s efforts at creating attainable housing for those with moderate income helps ensure that tenants move on when their income rises.

When the housing shortage was acute in 2008, tenants were staying in affordable rental housing for as long as they could qualify as they had nowhere else to go. The City’s affordable ownership and purpose-built rental programs

have increased the supply of housing that people can transition to from affordable rental housing thus freeing up needed spaces for those with lower incomes.

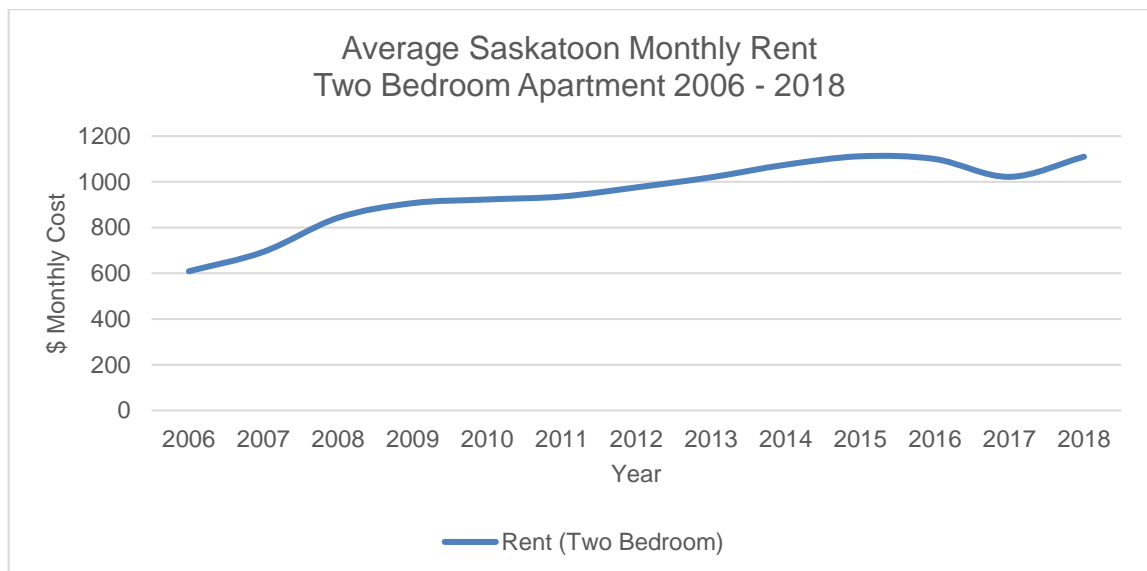
Housing for Moderate Income Earners

1. Definition of Moderate Income

A Moderate Income household is often defined as having annualized family income between 80% and 120% of the area's median income. Saskatoon's median after-tax income currently stands at \$58,410. Using the moderate income range of 80% - 120%, this would lead to Saskatoon having a moderate income range of \$46,728 - \$70,092.

2. The Rental Market

Moderate Income earners make up a significant part of the demand for rental housing. After a sharp drop in rental rates in 2017, rates increased again in 2018. Despite the increase, rental rates for two bedroom apartments have remained relatively stable in recent years, as shown in the chart below. The average rent for a two bedroom apartment increased by \$88 per month in 2018, to \$1,110.

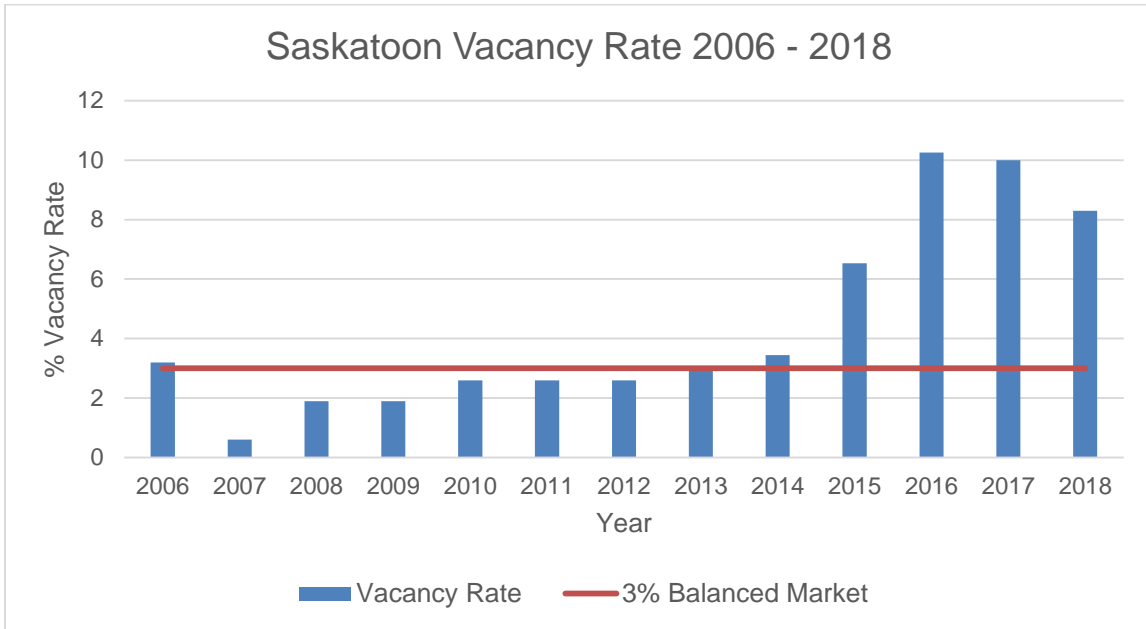


Rental rates are closely related to the city's vacancy rate. For the second year in a row, the vacancy rate dropped from recent highs to 8.3%. The previous increase in vacancy rates were primarily due to a recession hitting the Saskatoon economy in 2015-2016 that reduced overall employment in the city. CMHC attributes the decrease in vacancy rates partially to renewed growth in gains in full-time employment across various industries. This included 4,000 full-time jobs added between January – September 2018. Additionally, further increases in interest rates this past year (along with the previous implementation of a stress test on mortgages) have raised the costs of home ownership. This has resulted in more people either seeking or remaining longer in rental accommodations.

An additional factor that has impacted the current vacancy rate is a higher supply of condo units being rented out. CMHC is reporting that 11,773 condominium

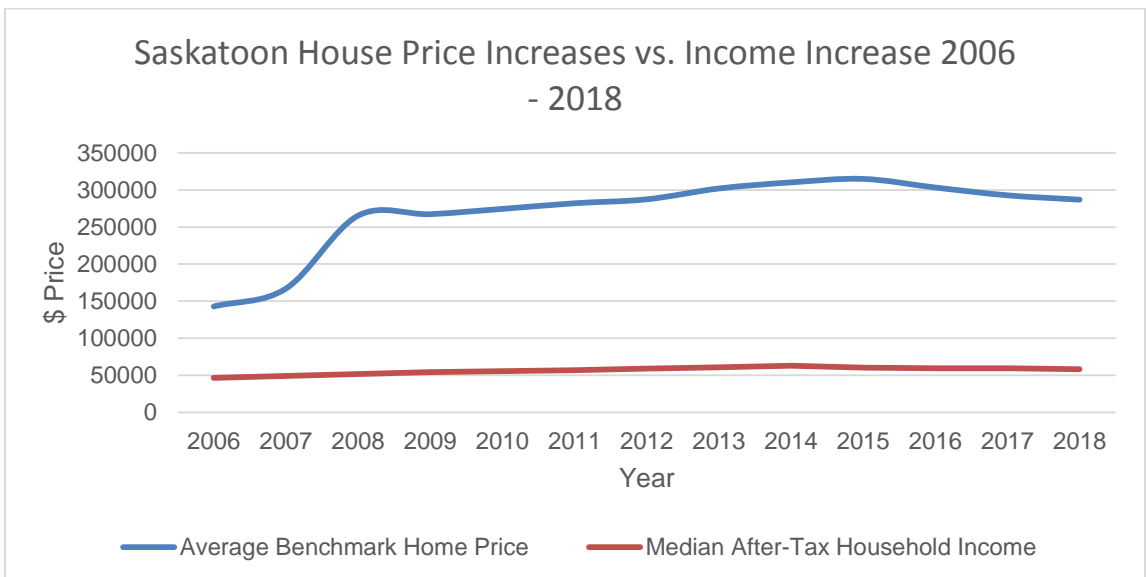
units were rented out in 2018. These units could become owner occupied at any time putting additional tenants in the rental market and lowering the city's vacancy rate.

While the supply is currently adequate as shown in the below table, shortages of rental housing can appear suddenly, as was the case in 2007 when the vacancy rate dropped nearly 3% in a matter of months.



3. Housing Prices Beginning To Level Off

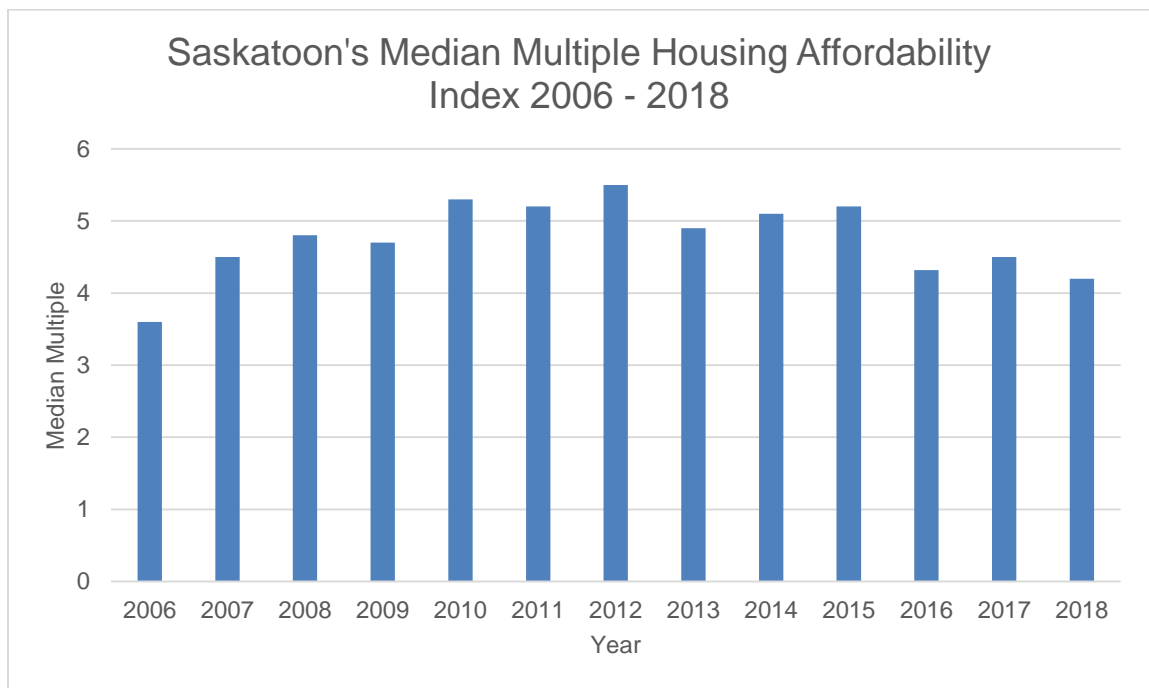
As the chart below illustrates, average house prices have begun to drop due to higher inventory levels. In 2018, the average price of a Saskatoon home sold through the MLS system decreased by 3.5%. CMHC is predicting that prices will begin to level off in 2019 and 2020.



Household incomes are also beginning to drop in Saskatoon, as shown in the bottom line of the chart. In 2018, Saskatoon saw median household after tax income drop to \$58,410, a decrease of about 2.2%. A household income of at least \$89,500 (pre-tax) is required to purchase the average Saskatoon home. The current median household after tax income would currently not be enough to purchase the average home. Therefore, it is evident that many Saskatoon households with moderate income find it a challenge to purchase the average home in Saskatoon.

The chart below shows the Median Multiple for Saskatoon since 2006. The Median Multiple has been leveling off in recent years just above four. This means it takes over four times the median household income to purchase the median priced Saskatoon home.

Historically, a Median Multiple below or equal to 3.0 has indicated a reasonably affordable/balanced housing market. Low interest rates in recent years has allowed many households to purchase a home priced at up to 4-5 times their income which is not sustainable in the long run. The Federal government's requirements for a mortgage stress test has helped in this regard requiring an applicant's ability to pay mortgage payments with an extra 2% interest rate attached to their given rate. However, Saskatoon's Median Multiple is still considered unaffordable.



4. Availability of Housing Priced Below Average and Median Price Points
 The charts in the section above show that many Moderate Income homebuyers in Saskatoon can only afford homes that are priced significantly below the average and median prices for the city. The City's support for entry-level housing

under the Mortgage Flexibilities Support Program (MFSP) has made home ownership possible for this group.

Entry-level and affordable ownership homes are essentially the same product with the main difference being that the affordable buyers qualify for a 5% down payment grant under the City's MFSP program.

Targets for the City's MFSP were reduced 2019, as supply has elevated in the condo market. The MFSP program still continues to draw demand and serves those with incomes who can't qualify for a mortgage at the average price point presently.