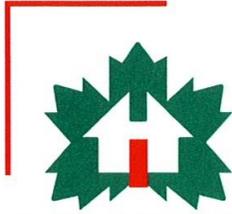


Regina & Region
Home Builders'
Association



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November 25, 2019

City Council
City of Regina
Queen Elizabeth II Court
Regina, SK, S4P 3C8

Subject: 2020 & 2021 Service Agreement Fees & Intensification Levy

Dear City Council,

The Regina & Region Home Builders' Association would like to thank Diana Hawryluk and her team in the City Planning & Community Development Division their recommendation to set a rate on 2020 Servicing Agreement Fees (SAF) and Intensification Levy of (IL).

This new rate is a significant step in ensuring the City of Regina is competitive in residential, commercial and industrial development, which is necessary if we are going to attract the type of investment that will keep our great City growing. The recommended SAF rate of \$361,000/hectare for residential & commercial lands, \$120,330/hectare for industrial zoned lands and Intensification Levy's, while freezing the rate for 2021 provides security and balance which will help to protect the long-term interests of the City.

We believe the proposed rate structure is well aligned with the OCP and the overall goal to develop complete communities and protect affordability for young families, newcomers and individuals who call Regina home.

The 18.3% rate decrease from 2019 to 2020 validates the SAF Model works. Re-evaluating infrastructure projects and their costs should result in a more realistic costing model. The SAF rate and Intensification Levy recommendation is responsive to the economic environment without adding any additional risk to the City of Regina. Any risk associated with a lower rate in the model is borne solely by members of the industry.

This reduction is important and timely as the new housing sector is struggling to adjust to a slower economy, changes to qualifying clients for mortgages, increased costs from the implementation of the latest National Building Code and PST changes. These factors have conspired in 2019 to create the largest slowdown in the new home market since 1996. In addition, we have seen the loss of a few thousand direct and indirect jobs in the residential construction sector.

Economic Development Regina describes Regina as “a city where you are free to be whoever you want to be, where you can be inspired to pursue your dreams and to find success in every aspect of your life”. A significant component in achieving this has been the growth of our City over the last decade. We are now at the point where growth in our community and in our sector can no longer be taken for granted. We require policy development that encourages smarter growth in a transparent manner and promotes investment in our great City. We look forward to the 2020 SAF Policy review and the opportunity to continue to improve the SAF model.

The Regina & Region Home Builders’ Association supports this recommendation by City Administration, and we encourage City Council to support the recommendation.

Thank You,

A handwritten signature in blue ink, appearing to read 'Stu Niebergall', is positioned above the typed name.

Stu Niebergall
President & CEO