



HOUSING
COMPREHENSIVE STRATEGY

2017 Annual Housing Update



The following information is meant to provide a high-level overview of housing and related statistics, the role and impact of the City's housing incentives as well as an overview of steps towards implementation for the City's CHS.

Comprehensive Housing Strategy Overview

The CHS was completed and approved in 2013. The CHS outlines the City's role in housing, five major housing issues, five goals to address those issues and 35 strategies to positively impact the state of housing in Regina. The CHS can be viewed at: <http://www.designregina.ca/housing-comprehensive-strategy-2016/>

Why create the Strategy?

The Strategy enables the City to:

- Define and communicate the City's role in housing.
- Better align policies, programs and assets with current and future housing needs including new OCP policies, housing incentives policies and alignment, where possible, with the programs of the Province of Saskatchewan (Province).
- Define the best areas and methods to stimulate the housing market, within the City's role.

Strategy Implementation

Following the release of the CHS, the HSIP was approved by City Council in June of 2013. The Implementation Plan includes:

- Steps for implementation.
- Timeframes for implementation for short (2013), medium (2014-2015) and long-term strategies (2016-2018).
- City divisions affected or involved.
- Anticipated outcomes
- Monitoring, reporting and evaluation techniques.

Key Strategy Implementation Actions

Since approval of the CHS, the City has seen progress to address housing issues. Increased development of affordable and market rental housing, coupled with a slowdown in population growth have helped ameliorate the housing supply issues that existed when the CHS was approved; however, affordable housing availability and options remain an issue especially for the most vulnerable households.



Housing Achievements and Challenges

Housing Strategy Implementation – Progress to Date

The housing situation in Regina has improved since 2013 when the Housing Strategy was first completed. Rental vacancy rates have risen and housing prices (ownership) levelled after substantial increases between 2006 and 2013. Similarly, rental rates (cost to rent an apartment) have stagnated since the mid-2000s when increases were upwards of ten per cent annually in some years.

The economic slowdown from falling commodity prices, combined with a residential construction boom over the past few years, has led Regina's housing market to level off in 2017. The number of home sales in the city were down by five per cent for 2017 compared to a year earlier and the lowest number of sales in a decade. Average selling price was \$316,156 for the Census Metropolitan Area (CMA) and \$318,372 for homes in the city, a slight increase from the 2016 average price for the CMA of \$311,909.

The development of affordable housing units continues, as demand still exceeds supply especially for social housing units offered at rent-geared-to-income (RGI). In addition to affordable units offered by non-profit housing providers, private developers have continued to provide affordable and below market units, especially for units geared to first-time homeownership.

To date, implementation has begun on both short-term and medium-term strategies of the CHS including:

- **Housing Incentives Policy (HIP).** The City provides capital grant and tax exemption incentives through the HIP to stimulate new rental and ownership units that address current housing needs. Minor revisions to the HIP in 2017 were made to (Strategy 1):
 - Ensure priority funding for charitable non-profit organizations by refining the definition of a non-profit corporation.
 - Improve funding for affordable rental development by reducing the number of affordable home ownership capital grants to 20.
 - Create more certainty for applicants by clarifying how applications received under earlier versions of the policy will be administered.

- Ensure funded projects focus on areas of greatest housing need by increasing the minimum score to 40 for the Capital Grant Application Design and Development Score Card.
- Encourage the development of housing for those with special needs by refining the definition of an Assisted Care Rental Unit.
- Improve opportunities for non-profit organizations by updating the eligibility criteria for two-unit rental developments.

- **Vacancy Rate Target.** The CHS established a three per cent vacancy rate target by 2017 (Strategy 17). The rental vacancy rate increased to seven per cent in October of 2017 with 752 new rental unit starts in 2017.

Vacancy rates increased by the highest percentage in the northwest and northeast despite a higher inventory of rental units in the east and southwest. Completion of rental units started in 2017 will likely increase the rental vacancy rate further in 2018 depending on population gain and unit absorption (Strategy 10).

- **City-owned land for affordable housing.** The development of affordable housing on two city-owned sites (former bus turnaround sites) began in 2015 on land offered through RFP in 2013. A thirteen-unit affordable housing rental development was completed on one of these sites (5525 Dewdney Avenue) in 2017, in addition to a six-unit project completed in 2016 at 2059 Edward Street (Strategy 2).

- **Laneway housing pilot sites.** The Laneway and Garden Suite Guidelines and Pilot Project was approved by City Council in January of 2016 and six sites in established neighbourhoods were approved by City Council in September of 2016 for pilot projects. One of the six laneway pilot project units completed construction in 2017. (Strategies 3 and 25).

- **Condominium conversion requirements.** Revisions to the City's Condominium Policy Bylaw were made in 2015 to align with Provincial changes to the Condominium Property Act and the Condominium Property Regulations. No new condominium conversion applications were received in 2017 likely due to the inventory of condominium units on the market (Strategy 10).

- **Housing data tracking and reporting.** Tracking, recording and evaluating the housing situation through data from census, CMHC, Canadian Real Estate Association (CREA), City building permits and Regina Realtors Association is on-going to inform housing programs and incentives. The most recent federal census survey was completed in 2016 with scheduled data releases in 2017 and 2018. New housing data is included later in this document (Strategies 10, 31 and 34).

- **Partnerships.** There is on-going communication with the Province, property owners, developers and landlords to help with access to provincial programs and help the City better understand the challenges with affordable housing. A member of the Saskatchewan Housing Corporation sits on the MHC (Strategy 9).

- **Federal Homelessness Partnering Strategy.** The City continued to play a key role in the HPS by participating in the RHCAB. Approximately \$1.7 million in federal funding was awarded to organizations involved in addressing homelessness, including \$700,000 in funding for a Housing First Program.

Initial results were released for the first year of Regina's Housing First Program, which demonstrated an estimated \$1.9 million in cost savings and 26 individuals permanently housed with no return to homelessness. In fall of 2017, the City provided \$60,000 towards a Plan to End Homelessness for Regina. Creation of this plan will commence in early 2018 (Strategy 28).

- **National Housing Strategy.** The NHS was released in November of 2017 with a focus on the renovation of existing affordable housing units and funding for the development of new affordable units. Eligibility for federal funding will be governed by new requirements for sustainability, accessibility and affordability as outlined in the NHS. Additional program details will be released in 2018 (Strategy 12).

- **Cold Weather Strategy.** The Cold Weather Strategy is a partnership program with the Ministry of Social Services and service providers for Regina's homeless population, including shelters, emergency service agencies, health services and the City. The purpose of the strategy is to ensure services work together so no one is without a safe place to sleep on cold nights in Regina from November 1 until March 31 unless weather conditions require that the dates of service be extended (Strategy 35).

- **Community Investment Grants Program.** There is continued support for housing and homelessness initiatives through the City's Community Investment Grants Program. In 2017, \$317,937 was allocated to organizations involved with housing and homelessness including SOFIA Housing, Oxford House, Regina Transition House and Carmichael Outreach. Funding also includes support services that serve those who are homeless or at risk of homelessness including Mobile Crisis Services and Regina Treaty/Status Indian Services (Strategy 27).
- **Mayor's Housing Commission.** The MHC has created a forum for housing discussion and guidance for the implementation of the CHS (Strategy 35).

Housing Strategy Implementation – Challenges

The following issues continue to create housing challenges in Regina.

Limited Staff Capacity – Given budget constraints and reallocation of resources to other priorities, implementation of the CHS was limited in 2017 with the equivalent of less than a full-time staff member dedicated to housing. The focus of implementation in 2017 was administration of the HIP, including minor amendments to the HIP as well as work on budget asks and funding for housing incentives through the SDR. \$32,500 in annual allocations for consulting services to advance the CHS were removed from the operating during 2017 budget revisions.

Affordable Housing Needs – Despite significant gains, there is still work to be done in order to meet the goals of the CHS with regards to affordable housing. The need for more affordable units is evidenced by the percentage of Regina households who struggle to find affordable housing as reported in the 2016 Census data. Unaffordable housing – defined as spending more than 30 per cent of pre-tax income for housing – impacts 22 per cent of Regina households.

Further, unaffordable housing impacts renters to a far greater extent than owners. In 2016, 45.9 per cent of all renters in the City lived in unaffordable housing, up from 44.4 per cent in 2011, whereas only 11.9 per cent of owner households reported spending greater than 30 per cent on housing.

Complete Communities. There is still a continued need for affordable residential development in proximity to services and amenities to create complete communities. As observed in 2017, slightly more than 60 per cent of all units applying through the HIP were created in new developing areas of the city, the majority of which were below market ownership units. Most new rental units built since the CHS was approved are in greenfield areas of the city.

The development of rental and affordable units in greenfield areas may create challenges due to a lack of public transit or nearby services thus increasing transportation costs to meet a household's everyday needs or preventing households from accessing affordable units due to a lack of transportation options (Strategy 17).

Housing Repair. As per 2016 Census data, just over seven per cent of housing was reported in need of major repairs. This is down from 2011 data (9.1 per cent) but points to a continued need to preserve and repair existing housing stock. Older units in need of repair are often in established neighbourhoods and located close to services and transit. They also often offer below market rental rates and are less expensive to renovate on a per unit basis than the construction of new units. With increasing rental vacancy rates, there is a risk of older rental stock falling further into disrepair as the vacancy rates of units built before 1960 increased to nine per cent in the fall of 2017. (Strategies 12 and 13).

Secondary Rental Units. Secondary rental condominiums decreased in numbers by more than 300 units as reported in the October 2017 CMHC Rental Market Report resulting in a rental vacancy rate of 0.4 per cent compared to a one per cent vacancy rate in October of 2016. While the number of purpose-built rental units increased in number in 2017, adding to the overall inventory of rental units, the decrease in secondary condominium rental units may provide less diversity or choice for larger households who may look to condominiums and single-detached homes to accommodate a family. Data on single-detached homes being rented is not collected by CMHC (Strategy 10).

Housing Incentives Policy – Project Highlights

The following projects were completed in 2017. Many projects were a partnership between a developer and/or a non-profit and three levels of government.

Silver Sage Housing

5525 Dewdney Avenue

Located on a former bus turn-around site sold by the City, the project creates 13 new affordable rental units. Silver Sage Housing is a non-profit organization and is developing the units primarily for First Nation mothers and their children with the intent of keeping families together and out of foster care. The development includes on-site support services for the families provided by Fox Valley Counselling Services.



Habitat for Humanity

1033 Edgar Street - Haultain Crossing (Phase 1)

Habitat for Humanity is developing 62 townhouse units in total over the next five years. Haultain Crescent is located on the former site of Haultain School in the Eastern Annex subdivision. The first phase of the development consist of 14 affordable ownership units which have been built and are currently occupied.



Anagram Properties Inc.

3901-3961 James Hill Road

The 32-unit condominium development provides affordable and sustainable housing with a total of 406 solar panels anticipated as part of the development, generating an estimated 4,250 kilowatt hours (kWh) of electricity per year. Nine of 32 units were completed in 2017.



Orange Tree Village

5540 Waterer Road

Constructed in Harbour Landing, Orange Tree Village is a mixed-use building that features four one-bedroom affordable rental units, senior living units, a day care, a salon, a restaurant, a wellness centre and many other amenities for both the residents and the community.

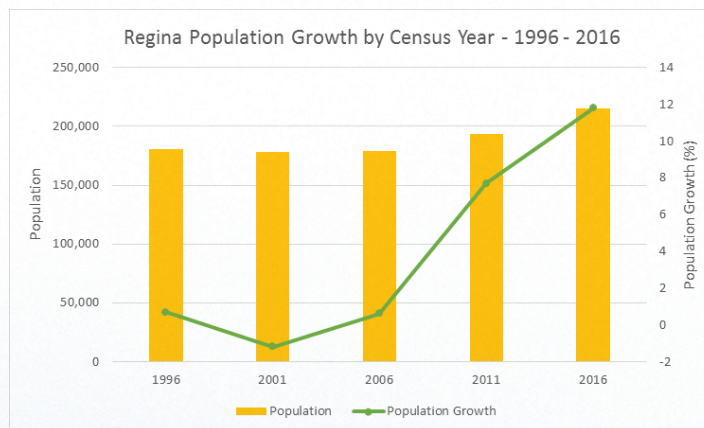


Housing Data Update

Population Growth

The City has grown on average by 4,400 people annually in the past five years. The 2016 Census reported the City population to be 215,106, an increase of 21,956 from the 2011 Census. This represents the highest population growth that Regina has experienced from one census year to another over the past 20 years. A 2017 report by Statistics Canada found that Regina was the second fastest growing CMA in Canada in 2016/2017 with a growth rate of over 2.4 per cent, following only Saskatoon whose growth rate was over 2.8 per cent. The same report found that the Regina CMA had the highest international migration growth rate among all CMAs in Canada at over 2.1 per cent, for the second year in a row.

Figure 1: Population Growth by Census Year, 1996 – 2016

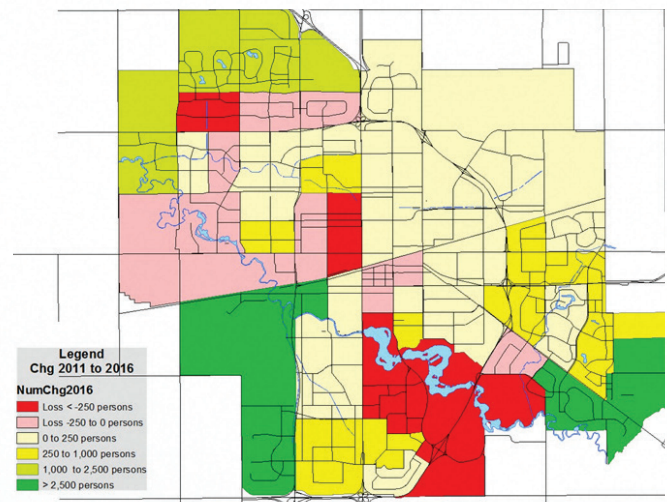


Source: Statistics Canada, Census of Canada 1996, 2001, 2006, 2011, 2016.

Population Change by Census Tract

Population increases primarily occurred on the outer areas of the city while some of the inner areas experienced a population loss. The population in new areas such as Harbour Landing and the Greens had the greatest growth, increasing by more than 2,500 people per neighbourhood since 2011. The downtown area, on the other hand, witnessed a decrease in population by 144 persons, a 17 per cent decrease since 2011.

Figure 2: Change in Regina City Population from 2011 to 2016

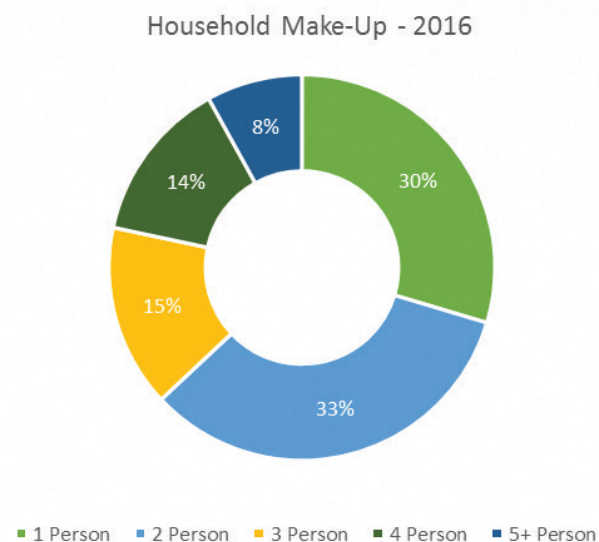


Source: Statistics Canada, Census of Canada 2011 & 2016 by Census District.

Household Make-Up

Based on the 2016 Census data, two-person households made up the largest household type in the city at 33 per cent, followed by one-person households (30 per cent), three-person households (15 per cent), four-person households (14 per cent) and five-or-more-person households (8 per cent). These numbers are virtually unchanged from the 2011 Census.

Figure 3: Household Make-Up, 2016

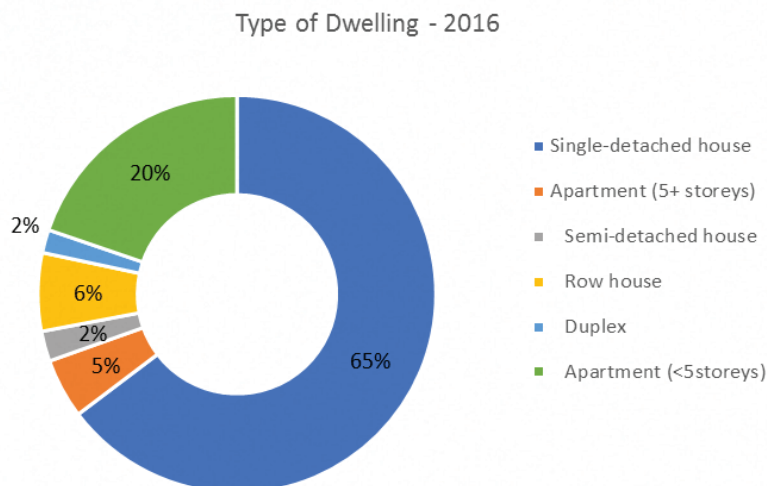


Source: Statistics Canada, Census of Canada 2016.

Housing Stock by Type

Based on 2016 Census data, single-detached houses made up the largest portion of housing stock in the City, at 65 per cent, a slight decrease from 2011 data where single-detached housing made up 68 per cent of the housing stock. Apartments with less than five storeys made up the second largest portion of Regina's housing stock, at 20 per cent, an increase from 2011 data where they made up 18 per cent. The need for housing diversity can be attributed to the fact that 63 per cent of Regina's households are made up of one or two persons and nearly the same percentage (65 per cent) of all homes are single-family detached units.

Figure 4: Type of Dwelling – 2016



Source: Statistics Canada, Census of Canada 2016.

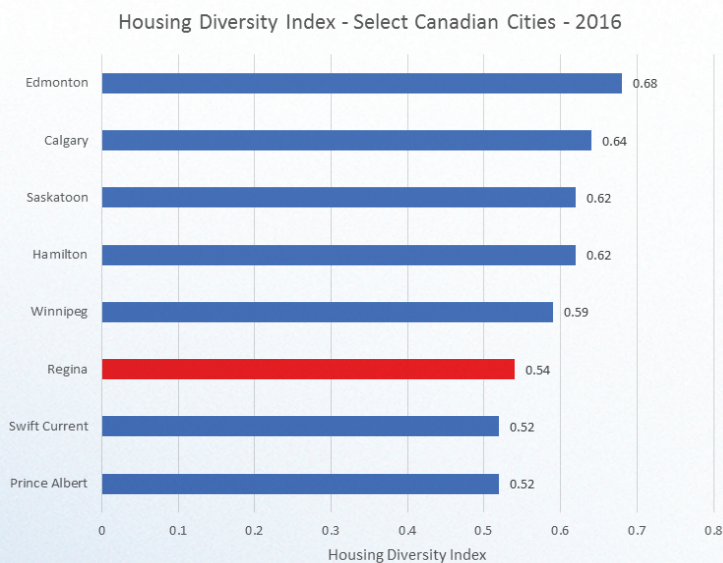
Housing Diversity Index

Based on demographics and housing consultations, there is an identified need for small affordable units for singles and larger affordable units for families. The Housing Diversity Index is one tool cities have used to assess the variety of housing options available; the higher the number, the greater the housing diversity.

Housing diversity in Regina has increased from 0.51 in 2011 to 0.54 in 2016. Despite this, the City still has a lower housing diversity than other Western Canadian cities including Saskatoon, Calgary, Edmonton and Winnipeg, which was also the case in 2011.

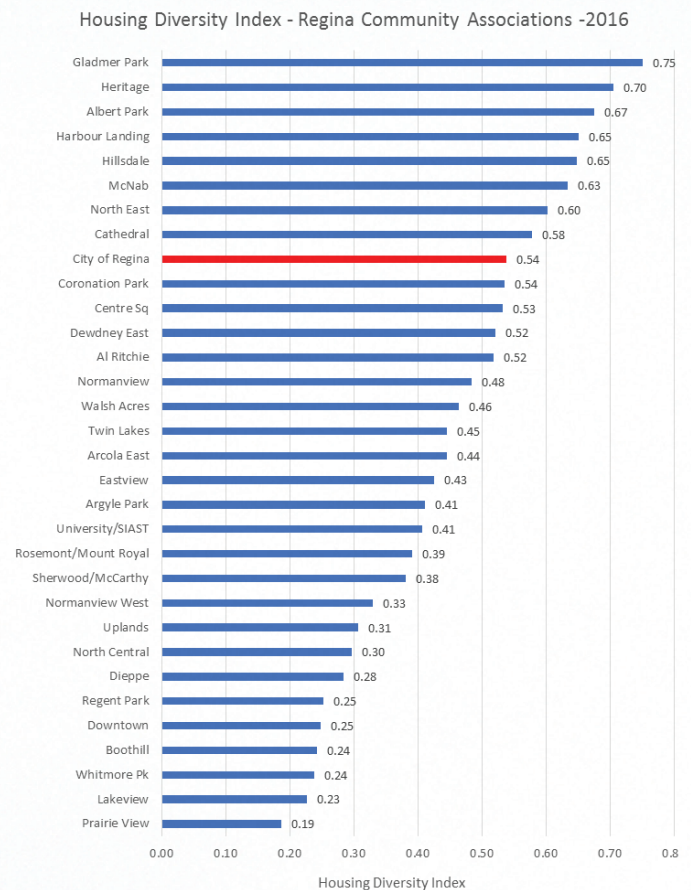
On a neighbourhood basis, the neighbourhoods of Gladmer Park (0.75), Heritage (0.70), Albert Park (0.67), Harbour Landing (0.65) and Hillsdale (0.65) have the highest housing diversity in the city, while Prairie View (0.19), Lakeview (0.23), Whitmore Park (0.24), Boothill (0.24), Downtown (0.25) and Regina Park (0.25) have the lowest housing diversity in the city.

Figure 5: Housing Diversity Index – Select Canadian Cities – 2016



Source: Statistics Canada, Census of Canada 2016.

Figure 6: Housing Diversity Index – Regina Community Associations – 2016



Source: Statistics Canada, Census of Canada 2016.

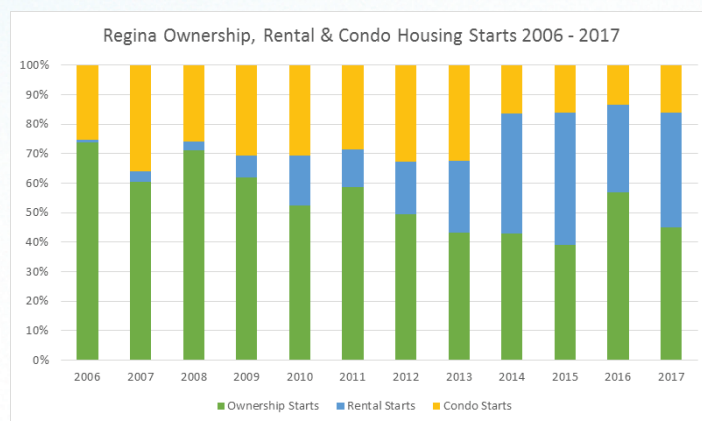
Housing Starts (Rental vs. Ownership)

Rental construction starts in the CMA in 2017 increased significantly, making up 39 per cent of total starts as compared to only 30 per cent in 2016. The split of tenure for housing starts narrowed in 2017 at 39 per cent renter and 61 per cent owner starts (including condominiums), slightly more balanced than 2016's 30 per cent and 70 per cent split. Based on 2016 Census data, 30 per cent of households in the city rent their home nearly consistent with 2011 Census data, which reported 31 per cent of households as renters.

The increase in rental starts in 2017 can be attributed to the City's incentives for purpose-built rental housing through the HIP. The last date to apply for exemptions for purpose-built rental in new areas of the city was October 31, 2016. The phase out of tax exemption likely encouraged developers to take advantage of the program, contributing to the significant construction of rental housing in 2017.

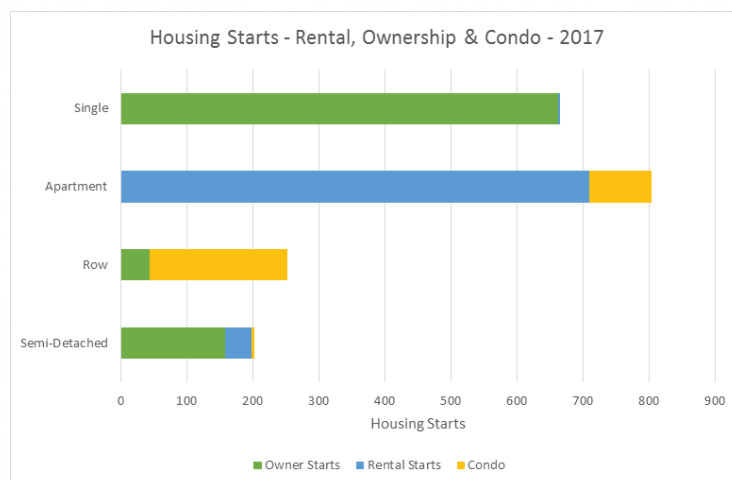
Most rental starts in 2017 were apartments, which accounted for 88 percent of all apartment starts in the city, followed by semi-detached houses. The majority of ownership starts were single detached dwellings.

Figure 7: Regina Ownership, Rental & Condo Housing Starts – 2006-2017



Source: CMHC Market Analysis Centre, Historical Starts by Intended Market.

Figure 8: Housing Starts – Rental, Ownership & Condo - 2017

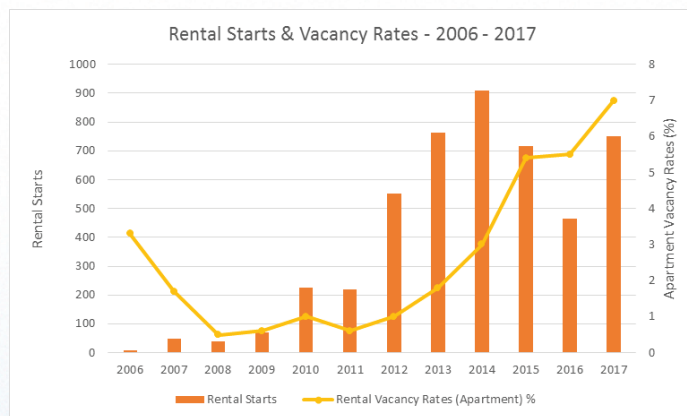


Source: CMHC Market Analysis Centre, Historical Starts by Intended Market.

Rental Starts and Vacancy Rates

Increased rental housing starts over the years has improved the availability of rental housing. The vacancy rate for market rental apartment units increased to seven per cent in the fall of 2017, up from 5.5 per cent in fall of 2016, the highest vacancy rate the city has seen since 1990. On average, Regina requires approximately 350 – 400 rental units per year to keep up with new households coming to Regina. The City was able to meet and exceed rental unit needs in 2017 with 752 rental starts and 462 rental unit completions. Rental unit completions follow the trend in rental starts, decreasing for three years from 2015 to 2017, housing completions in 2017 slightly lower than in 2016 when there were 547 completions; however, with the increase in rental unit starts in 2017, completions are expected to increase in 2018.

Figure 9: Rental Starts & Vacancy Rates – 2006 – 2017.

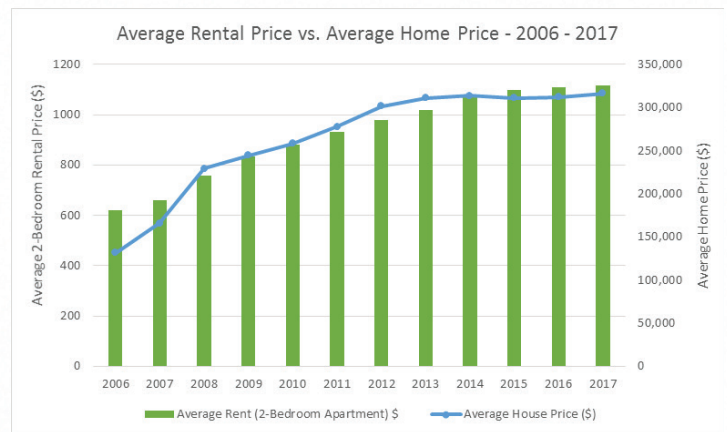


Source: CMHC Market Analysis Centre, Historical Starts and Vacancy Rates by Bedroom Type by Zone.

Rental and Ownership Housing Costs

In 2017, the average house price was \$316,156, up from \$311,909 in 2016, an increase of 0.47 per cent. Meanwhile, the average rental rate for a two-bedroom apartment was \$1,116 in 2017, up from \$1,109 in 2016, an increase of 0.63 per cent. This is a dramatic change compared to the period between 2006 and 2013 when rental rates rose by 64 per cent and house prices increased by 136 per cent.

Figure 10: Average Rental Price vs. Average Home Price – 2006 – 2017.

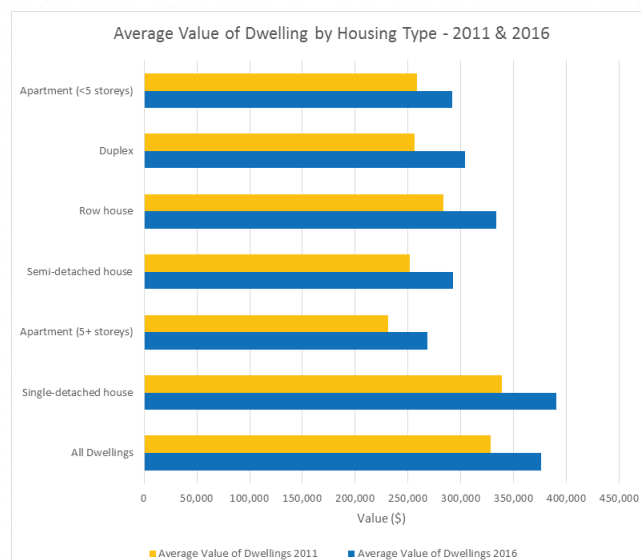


Source: Association of Regina Realtors, Annual Historical Statistics - MLS Residential Total – Regina and Region.

Average Value of Dwellings by Housing Type

According to the 2016 Census data, the average value of a dwelling in Regina was \$376,493, higher than 2011 when the average dwelling value was \$328,149. Single-detached dwellings were the highest valued dwelling at an average of \$390,728, up from \$338,783 in 2011. After moveable dwellings, which make up an insignificant portion of Regina's housing stock, apartments with more than five storeys had the lowest housing value, at an average of \$268,207 per residence, up from \$231,183 in 2011.

Figure 11: Average Value of Dwelling by Housing Type – 2011 & 2016.



Source: Statistics Canada, Census of Canada 2011 & 2016.

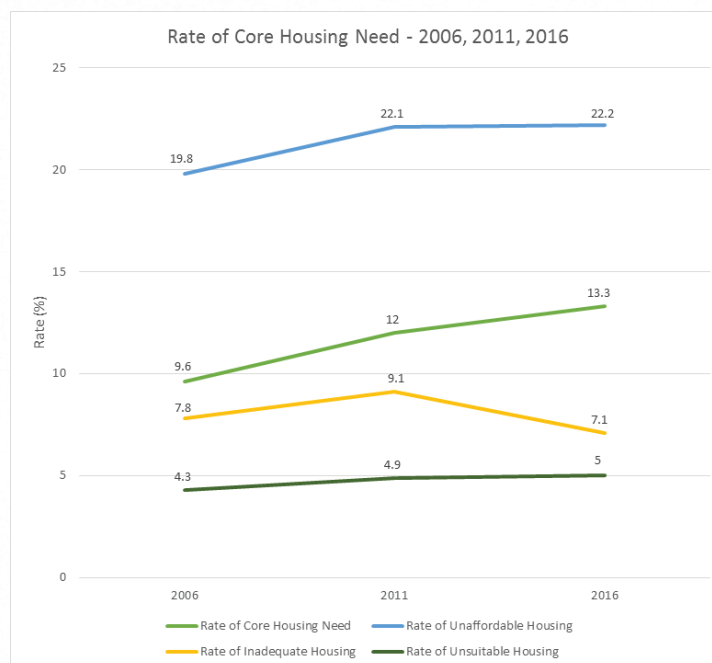
Affordability

Affordability continues to be a major housing issue in the City and is the largest factor contributing to core housing need. In 2016, 22 percent of all households in the City lived in unaffordable housing. This figure has not changed since 2011. Additionally, unaffordable housing affects renters more so than owners. In 2016, 45.9 per cent of all renters in the City lived in unaffordable housing, up from 44.4 per cent in 2011. In comparison, 11.9 per cent of all owners in Regina lived in unaffordable housing in 2016, down from 13 per cent in 2011.

Core Housing Need

A household is said to be in core housing need if its housing falls below adequacy, suitability or affordability standards and if the household must spend 30 per cent or more of its total before-tax income to access acceptable housing where all three criteria are met (Statistic Canada). The 2016 National Household Survey shows that 13.3 per cent of households in Regina are in core housing need, up from 12 per cent in 2011 and 9.6 per cent in 2006. Regina's 2016 core housing rate is similar to the provincial rate, which stands at 13.4 percent, but higher than the national rate, which stands at 12.7 per cent.

Figure 12: Rate of Core Housing Need – 2006, 2011, 2016

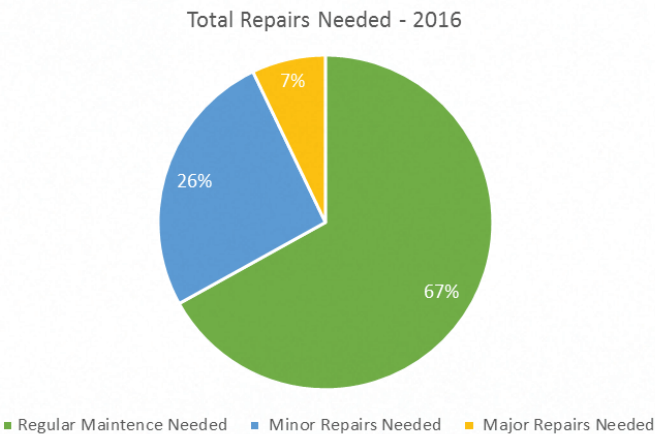


Source: Statistics Canada, Census of Canada 2006, 2011 & 2016.

Housing Repairs by Tenure

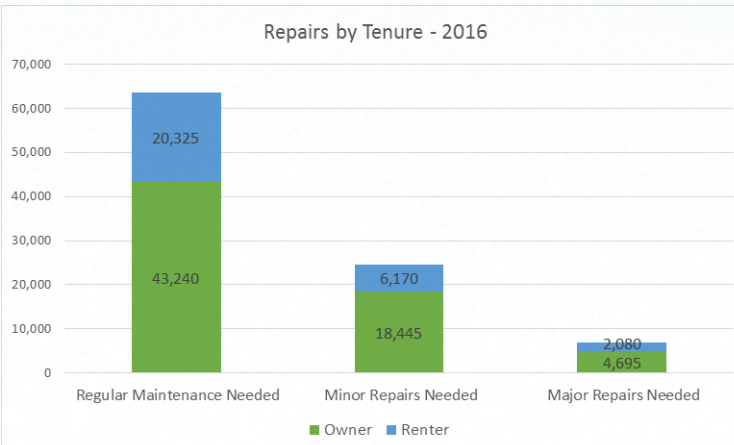
Based on 2016 Census data, the majority of housing stock in the City required regular maintenance (67 per cent), about a quarter required minor repairs (26 per cent) and a small portion required major repairs (7.1 per cent). Most housing requiring repairs, whether regular, minor or major is owned. The number of households requiring major repairs decreased since 2011, when the rate stood at 9.1 per cent.

Figure 13: Total Repairs Needed – 2016



Source: Statistics Canada, Census of Canada 2016.

Figure 14: Repairs by Tenure – 2016



Source: Statistics Canada, Census of Canada 2016.

Housing Definitions

Unaffordable Housing: Housing that costs more than 30 per cent of before-tax household income.

Inadequate Housing: Housing that requires major repairs, according to residents.

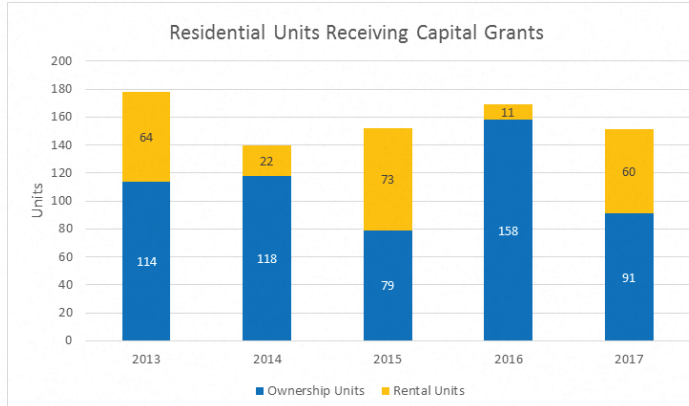
Unsuitable Housing: Housing that does not have enough bedrooms for the size and make-up of residents in households, according to National Occupancy Standard requirements.

Source: Statistics Canada, Core housing need

City of Regina Housing Incentives

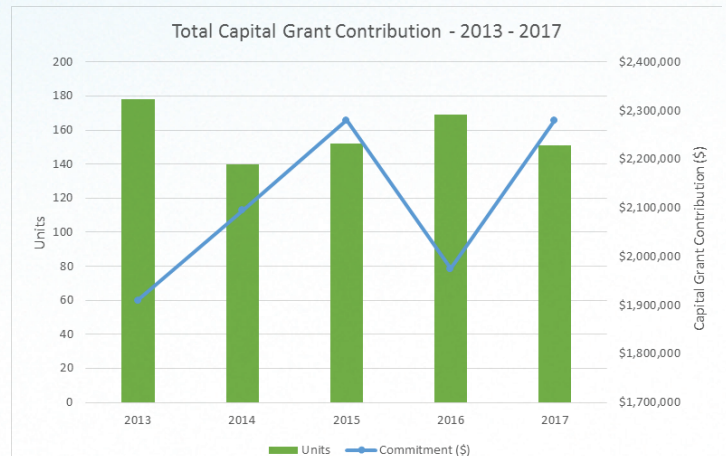
In 2015, the HIP was updated to encourage the development of affordable rental housing while reducing incentives for affordable home ownership and market rental construction in greenfield areas. Capital grants provide funding for below market and affordable rental and ownership units. In 2017, capital grants were committed for over \$2.2 million in affordable housing developments and since 2013, the City has committed over \$10.5 million in capital grant contributions. Capital grants were provided to 151 units in 2017, of which 60 were affordable rental units (40 per cent). This is a positive change from 2016, when only 11 of the total 169 units applying for and receiving capital grants were affordable rental units (seven per cent). As a result, committed dollars increased in 2017 but unit numbers decreased slightly as affordable rental development grants receive more funding per unit than affordable ownership developments.

Figure 15: Residential Units Receiving Capital Grants



Source: City of Regina, Incentive Data, 2013 - 2017.

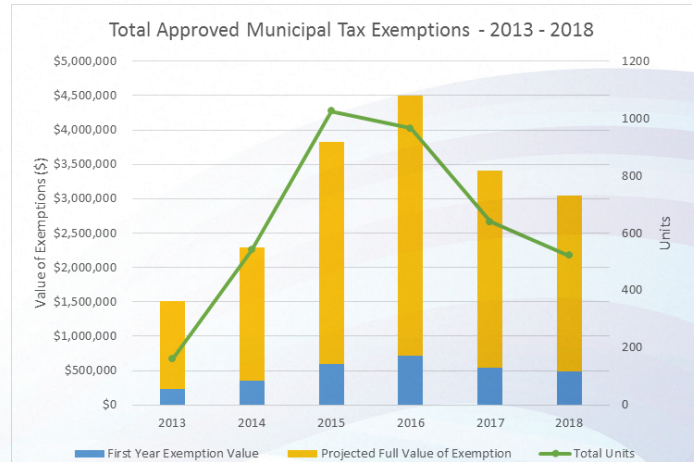
Figure 16: Total Capital Grant Contribution – 2013 - 2017



Source: City of Regina, Incentive Data, 2013 - 2017.

The HIP tax exemption program provides tax exemptions for affordable ownership and affordable rental units, secondary suites and market rental and ownership units in identified existing areas of the city. In 2017, the number of rental units receiving a tax exemption decreased to 640 from 966 in 2016. The HIP tax exemption incentives have helped vacancy rates exceed the rental vacancy target established in the CHS of three per cent.

Figure 17: Total Approved Municipal Tax Exemptions – 2013 - 2018

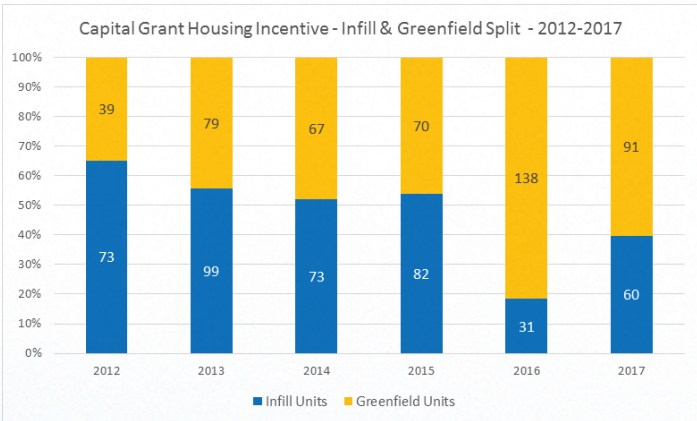


Source: City of Regina, Incentive Data, 2013 - 2016.

⁵ The number of rental units include those in the Secondary Suite Tax Exemption Program.

Since 2006, the majority of capital incentives have gone to units developed on infill sites. In recent years, more affordable units have been developed on the edges of the city as the HIP program was expanded to all areas of the city in 2011. In 2017, the infill-greenfield split for affordable units funded was 40/60, significantly better than 2016 when the split was 18/82. Increased development in greenfield areas can be attributed to the emergence of more private developers entering the affordable housing market, the challenge of finding land in the city core as well as barriers to infill development, which the City is currently examining in the Underutilized Land Study.

Figure 18: Capital Grant Housing Incentive – Infill & Greenfield Split – 2012 - 2017



Source: City of Regina, Incentive Data, 2012 - 2016.

Provincial Programs

City incentives are designed to complement provincial housing programs. The provincial Rental Development Program (RDP) is stackable with the City’s capital grants and tax incentives. The RDP provides a forgivable loan for rental developments of four to 26 units provided they are not receiving any additional provincial funding.

To qualify for RDP, rents must be held at or below average rents for the area for a minimum period of time and units must be offered to households with incomes at or below the Maximum Income Level (MIL) as established by Saskatchewan Housing Corporation (SHC), or appropriate and affordable to targeted households based on the definition of affordability as housing costs of less than 30 per cent of before-tax household income.



