

# Federal and Provincial Immigration Policy and Housing Outcomes

Presentation by

Tom Carter

To

Prairie Metropolis and Beyond  
Edmonton Alberta

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# Presentation Objectives

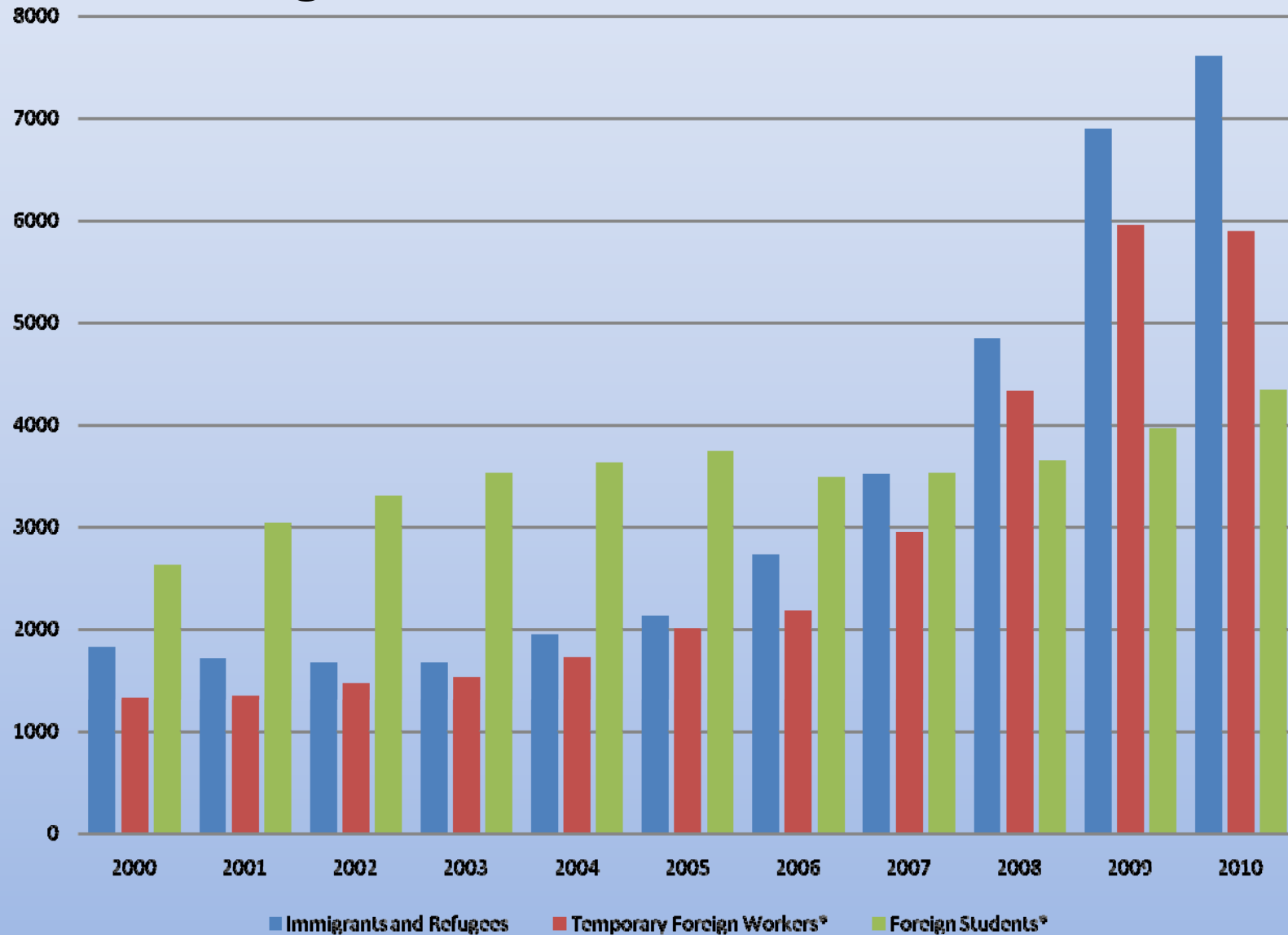
- Brief overview of housing policy
- Immigration trends
- Market specifics
- Housing challenges
- Key questions for government
- Community readiness
- What can successful partnerships do?

# Recent Housing Policy Characteristics

- Reduced funding for low income social/public housing
- Some assistance for “affordable housing”
- More emphasis on homelessness
- Greater emphasis on energy upgrading
- Devolution of more responsibility to the provinces
- Provincial reluctance to make up the federal reductions
- A mismatch between immigration and housing policy

# **THE PERFECT HOUSING STORM**

# Arrival of Immigrants, Temporary Foreign Workers and Foreign Students: Saskatchewan - 2000-2010



\*Resident in the Province as of December 1<sup>st</sup> each year

Source: Citizenship and Immigration Canada

## Demographic Growth Factors by Selected Metropolitan Areas 2008/2009 (Rates per Thousand)

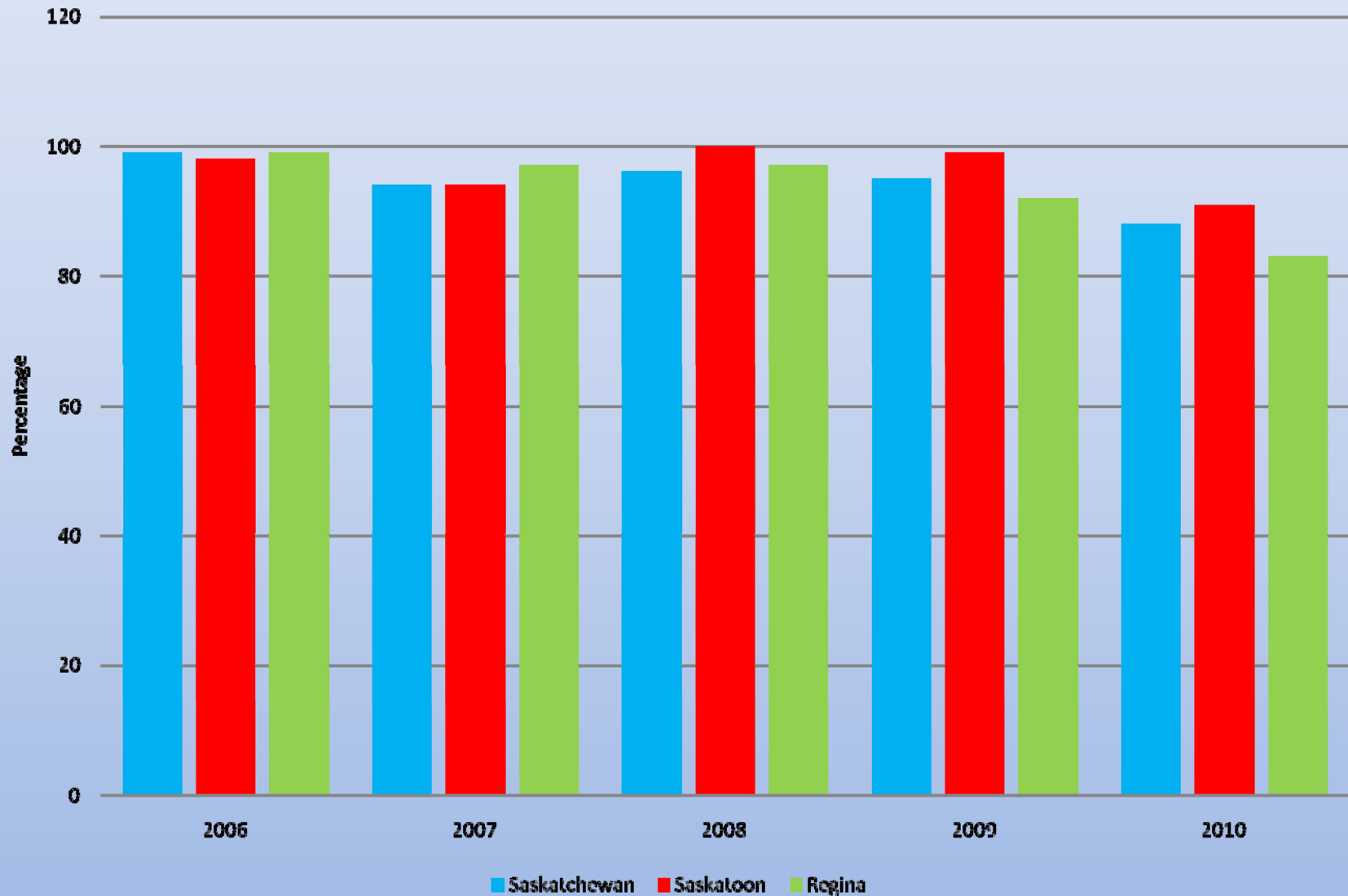
	Natural Increase	Inter-national Migration	Inter-provincial Migration	Intra-provincial Migration	Total Migration	Total Growth
All CMAs	4.78	10.65	-0.08	0.19	10.76	15.54
Toronto	6.18	15.02	-1.42	-3.13	10.47	16.65
Montreal	5.16	12.17	-2.54	-1.70	7.93	13.09
Winnipeg	3.19	12.05	-2.48	0.84	11.42	14.60
<b>Saskatoon</b>	<b>5.45</b>	<b>16.09</b>	<b>3.66</b>	<b>3.28</b>	<b>23.04</b>	<b>28.49</b>
<b>Regina</b>	<b>4.23</b>	<b>10.58</b>	<b>2.14</b>	<b>2.58</b>	<b>15.30</b>	<b>19.54</b>
Calgary	9.02	15.07	7.20	0.42	22.69	31.71
Edmonton	7.23	10.89	4.80	1.68	17.37	24.60
Vancouver	4.32	19.44	-0.17	-2.44	16.84	21.60
Canada	4.02	8.28	0.00	0.00	8.28	12.30

Source: Statistics Canada

## Immigration to Winkler

	<b>1996</b>	<b>2001</b>	<b>2006</b>
Population	7,241	7,943	9,106
% Change		9.7	14.6
<b>Immigrants destined to Winkler</b>			
1999 – 2005		2,433	
% 2001 Population		31	
2006 – 2010			3,375
% 2006 Population			37
Source: Statistics Canada and Manitoba Labour and Immigration			

# Starts by Intended Market – Freehold and Condominium Share: Saskatchewan 2006 – 2010

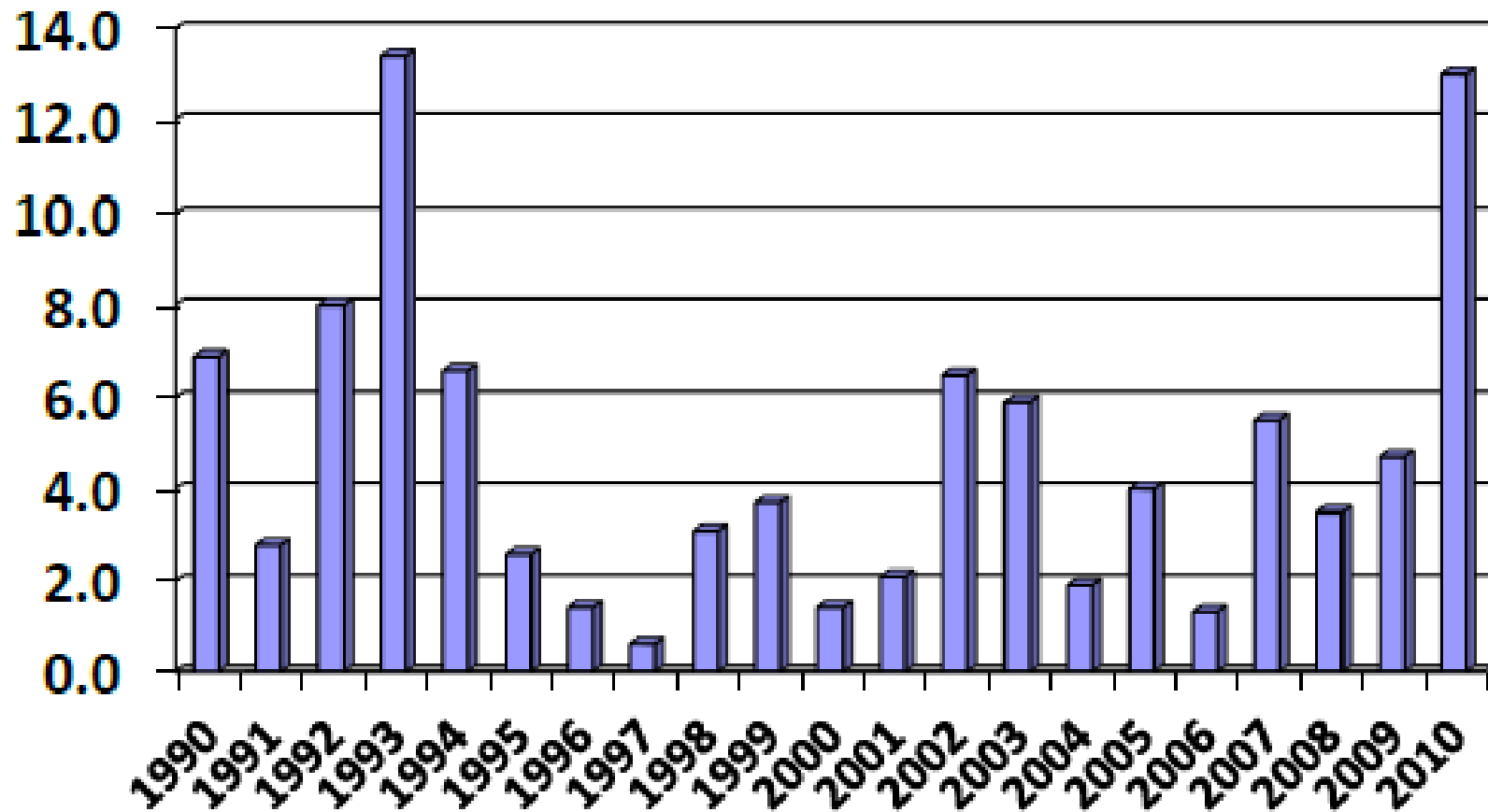


Source: CMHC *Canadian Housing Observer 2010*

# Housing Starts by Intended Market 1990-2010

## Saskatchewan Urban Centres

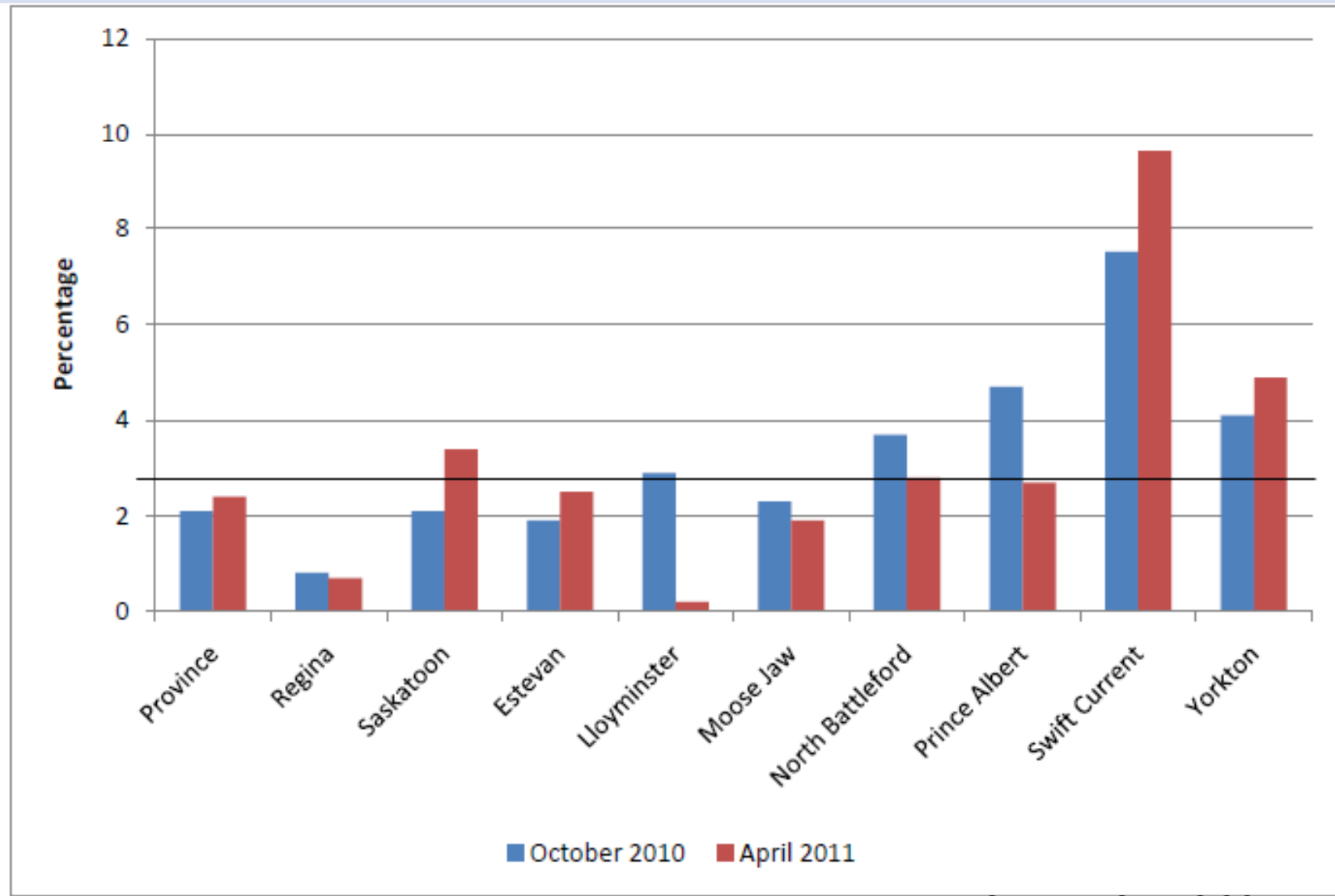
Rental Starts as a Percentage of Total Starts



## Rental Rate Increases for Saskatchewan Centres 2005 – 2011 (2 bedroom units)

	2005 \$	2011 \$	Percentage Change %
Saskatoon	584	936	60
Regina	607	897	48
Moose Jaw	551	741	34
Estevan	549	956	74
Lloydminster	636	885	39
North Battleford	460	734	60
Prince Albert	525	763	45
Swift Current	470	668	42
Yorkton	475	721	52
Source: CMHC <i>Rental Statistics</i> 2011			

# Saskatchewan Vacancy Rate Changes October 2010 to April 2011



Source: CMHC 2011

# Whither the Rental Market?

- The rental inventory is declining
- The age groups most likely to rent are declining
- Seniors are turning to other options
- Low interest rates have facilitated a shift to ownership
- Investors can make better returns in other areas

# Whither the Rental Market? (cont'd)

- Changes to the income tax regulations have made rental investments less attractive
- The cost of new construction and operating costs have pushed rents in new construction beyond the ability of many people to pay

Investing in the rental sector is not viewed as a positive place to put one's money.

# Consumer Price Index – Saskatchewan 2006 – 2010

	2006	2007	2008	2009	2010	2006-2010
All Items	2.1	2.8	3.3	1.0	1.4	9.6
Food	2.4	3.3	3.7	6.0	0.7	14.4
Shelter	3.5	8.5	9.7	3.2	0.8	23.7
Rented Accommodation	1.5	2.1	5.7	6.4	4.7	20.2
Owner Accommodation	3.8	13.0	14.4	3.1	0.1	33.3
Water, Fuel, Electricity	4.0	2.9	1.6	1.4	0.2	6.3
Source: Statistics Canada 2011						

# Real Median Household Income after Tax

## Dollars and Percentage Change      2000 – 2008

	Saskatchewan		Regina		Saskatoon	
	\$	% change	\$	% change	\$	% change
2000	40,700	–	50,900	–	42,000	–
2001	43,300	6.4	53,100	4.3	44,500	5.9
2002	42,300	-2.3	52,600	-0.9	45,500	2.2
2003	42,800	1.1	50,200	-4.6	47,700	4.8
2004	42,500	-0.7	49,200	-1.9	46,300	-2.9
2005	44,000	3.5	53,300	8.3	44,600	-3.7
2006	45,800	4.1	54,500	2.3	47,200	5.8
2007	48,800	6.6	55,400	1.7	51,400	8.9
2008	51,100	4.7	58,400	5.4	52,300	1.8

Source: Statistics Canada, *Survey of Consumer Finances 1998-2008*

# Median After Tax Income by Economic Family Type Saskatchewan 2000 – 2009

	2000	2005	% change	2009	% change	2000-2009 % change
All family units	38,000	40,600	6.8	49,500	21.9	30.3
Married couples	52,700	59,100	12.1	70,800	19.8	34.3
Two parent families with children	58,700	65,200	11.1	84,600	29.8	44.1
Lone parent families	26,200	30,400	16.0	34,700	14.1	32.4
Unattached individuals	19,600	20,100	2.3	25,100	24.9	28.1

Source: Statistics Canada *Catalogue #202-0605* 2011

# Annual Price Increases in New and Existing Units

	Saskatchewan	Saskatoon	Regina
New Units	percent	percent	percent
2006	8.9	9.1	8.6
2007	31.2	38.8	22.2
2008	23.3	20.6	26.2
2009	-1.4	-7.6	5.6
2010	N/A	2.8	5.2
Existing Units	percent	percent	percent
2006	8	11	7
2007	32	45	26
2008	29	24	39
2009	4	-3.1	6
2010	4	6.2	6
<i>Source: Canadian Housing Observer 2010</i>			

# Qualifying Incomes for New and Resale Homes – 2010

<i>Type of Unit</i>	<i>Average Price</i> \$	<i>Down Payment \$</i> @ 5%	<i>Mortgage Payment</i> <sup>2)</sup> \$	<i>Qualifying Income</i> <sup>3)</sup> \$
Existing Units				
Saskatchewan	242,300	12,115	1,350	50,625
Regina	258,000	12,900	1,439	53,960
Saskatoon	296,000	14,800	1,650	61,875
New Units <sup>1)</sup>				
Saskatchewan	369,900	18,495	2,063	77,400
Regina	400,000	20,000	2,232	83,700
Saskatoon	358,000	17,900	1,997	74,900

## Notes:

- 1) Single detached absorbed units and median price
- 2) Based on a 5.1% interest rate, five year term, monthly payments and 25 yr amortization period. This does not include taxes, utilities, or insurance
- 3) Based on 32% GDS ratio. This represents pre-tax income

Source: CMHC 2011

# Housing Affordability by Income

<i>Annual Income (Before tax) \$</i>	<i>Ability to Pay @30% of Gross Before Tax Income \$</i>
20,000	500
25,000	625
30,000	750
35,000	875
40,000	1,000
<b>45,000</b>	<b>1,125</b>
<b>50,000</b>	<b>1,250</b>
<b>55,000</b>	<b>1,375</b>
60,000	1,500
65,000	1,625
70,000	1,750

Source: Calculated by the author

# Employee Distribution by Income Saskatchewan

Income Range	Percentage Distribution
Under \$25,000	10
\$25–40,000	40
\$40–60,000	20
\$60,000 plus	30

Source: Pederson 2011

# Income and Poverty Levels: Manitoba Provincial Nominees

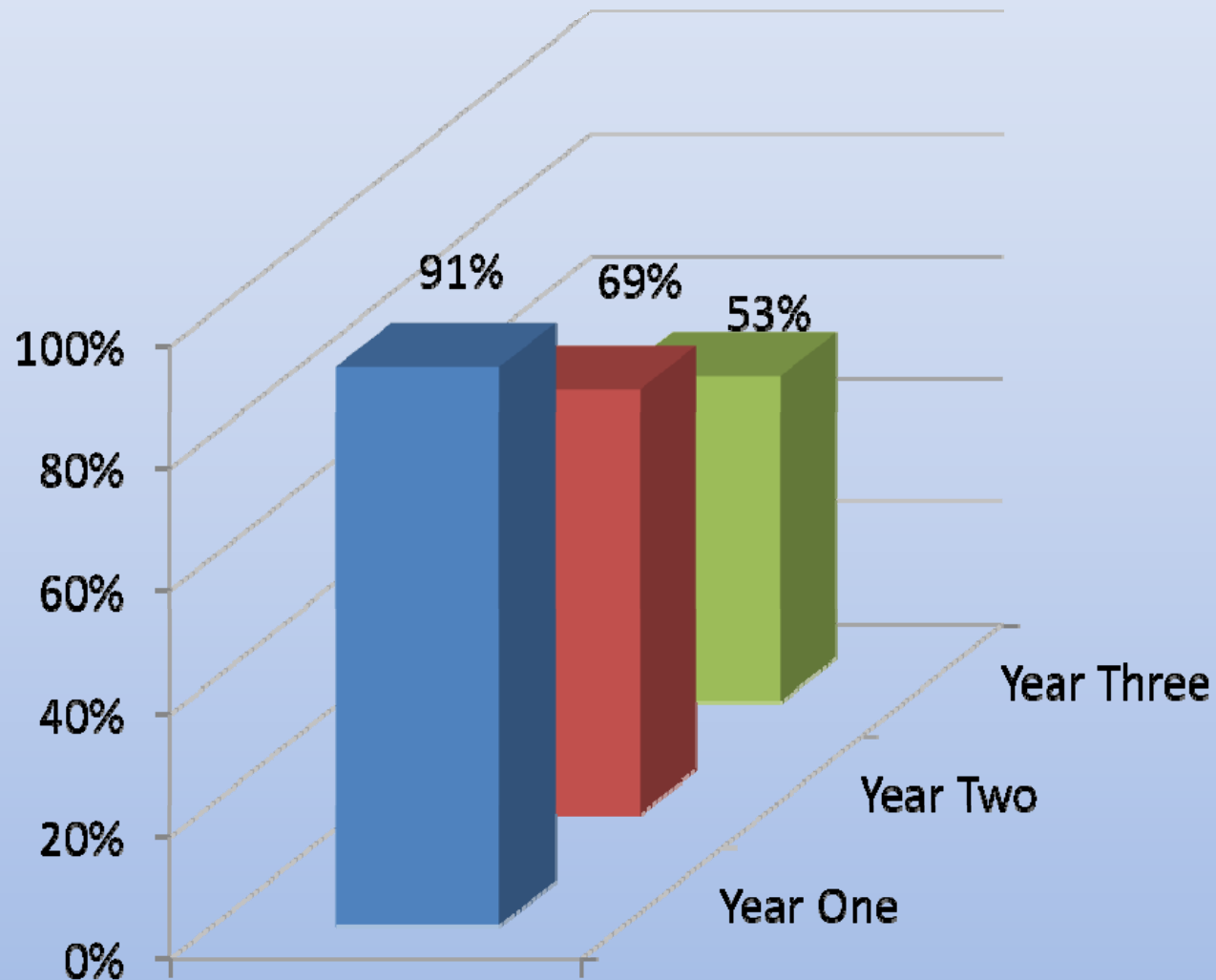
Incomes are lower than the Provincial average and poverty levels are surprisingly high.

	<u>Manitoba</u>	<u>Sample</u>
Annual household income		
Mean	\$60,242	\$49,066
Median	\$47,875	\$43,200
Households in poverty	12%	40%
Source of income		
Employment wage/salary	75	85
Government transfer	13	11
Other	12	3

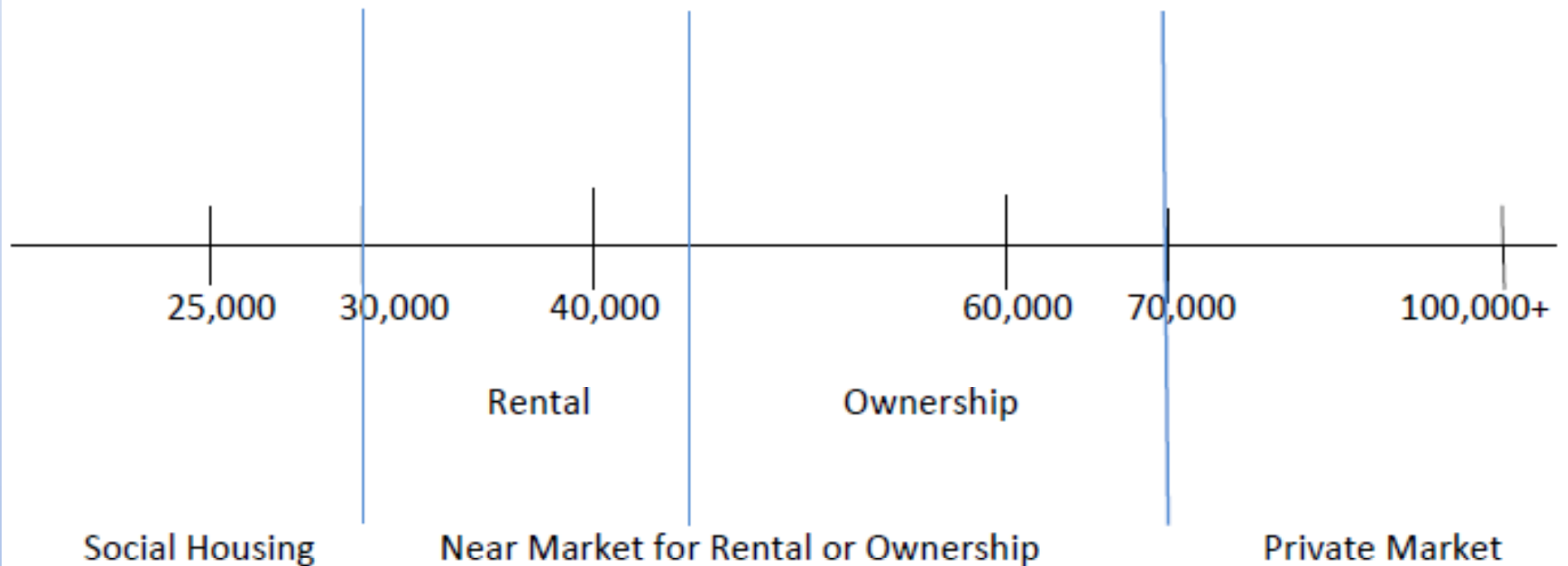
# Refugee Income Trajectory: Winnipeg

	Year One	Year Two	Year Three	% Change Year One to Year Three
Under \$20,000	29.4	28.6	14.7	-14.7
\$20,000 - \$29,999	52.9	34.3	23.5	-29.4
\$30,000 - \$39,999	17.6	14.3	26.5	+8.9
\$40,000 - \$49,999	2.9	14.3	17.6	+14.7
\$50,000 +	0.0	8.6	17.6	+17.6
Total	34	35	34	—
Mean	\$23,636	\$28,276	\$35,411	+49.8
Median	\$23,208	\$26,400	\$30,570	+31.7

# Refugee Incidence of Poverty: Winnipeg



# The Housing and Income Continuum



# The New Housing Continuum

<b>Emergency Shelters</b>	<b>Transitional Housing</b>	<b>Social Housing</b>	<b>Affordable Rental Housing</b>	<b>Affordable Home Ownership</b>	<b>Rental Housing</b>	<b>Home Ownership</b>
<b>Government Subsidized Housing</b>			<b>Near Market Housing</b>		<b>Market Housing</b>	

# Key Questions for Government

- Expand mandate to provide housing for this group
- Help the private sector provide housing
- Let the market sort the problem out over a long period of time

# Summary of Housing Needs/Issues

## Housing Needs/Issues: Theme Areas

Lack of Affordable Rental

Need for Temporary Housing

Need for Entry Level Ownership

Poor Quality of Existing Units

Lack of Municipal Readiness

Lack of Community Readiness

Developer Hesitancy

Local Developer Capacity and Expertise

Capacity of Sewer and Water Infrastructure

Shortage of Serviced Lots

Streamlining the Development Process

A Need for Better Housing Needs Data

Better Coordination Between Regions

Better Cooperation Within Regions

A Role for Employers

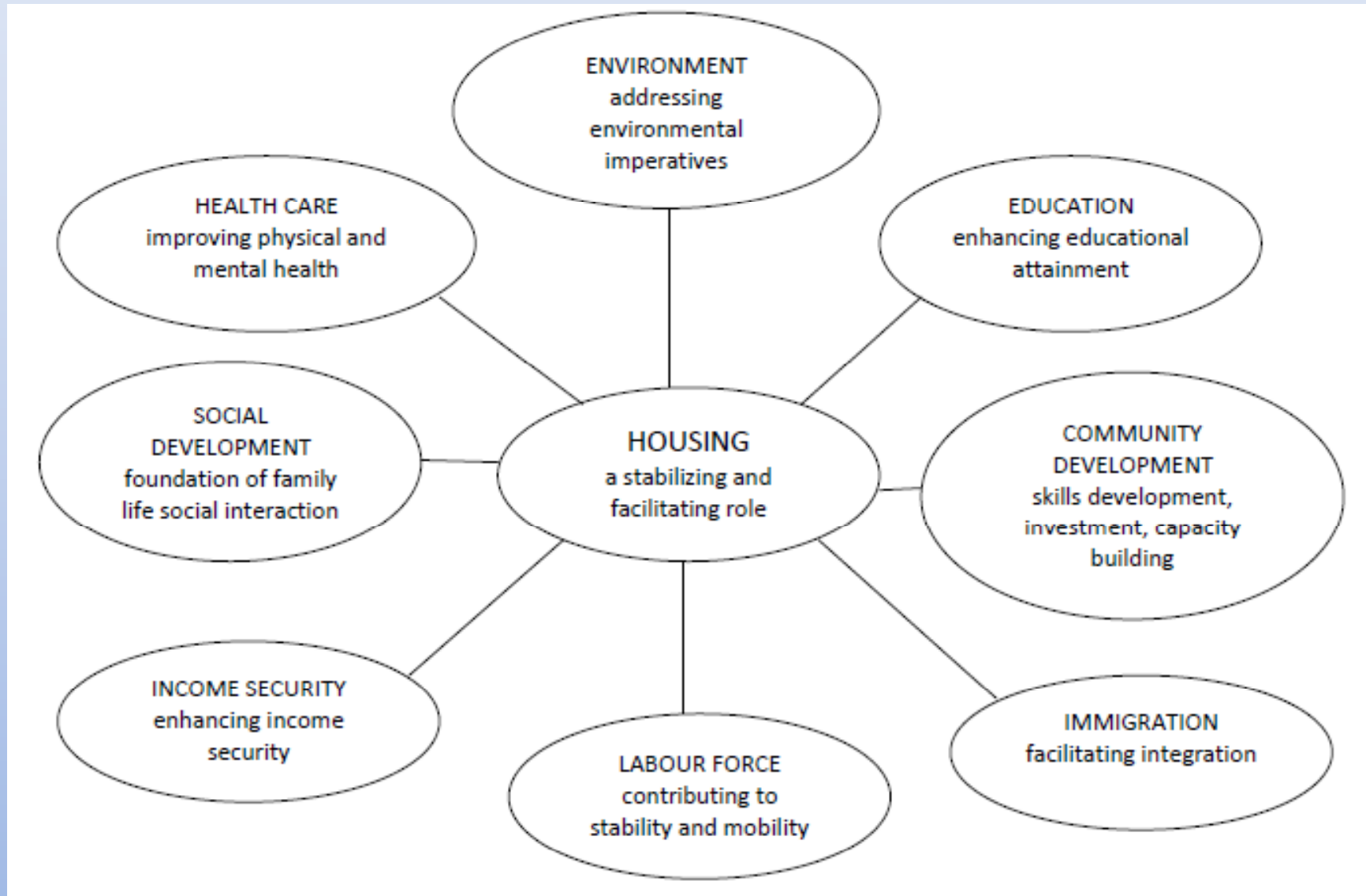
The Negative Effects on Business Investment

Risk Avoidance – The Boom Can't Last

The Broader Policy Environment

The Need for Local Leadership and Local Initiative

# Central Role of Housing in Community Development



# Community Requirements to Deliver Housing



# Local Partnerships Work Best

## Provincial Governments:

- Down payment grants to homeowners
- Per door rental incentives
- Streamlining the planning and development process

## Municipalities:

- Property tax forgiveness
- Reducing land costs
- Reducing fees

## Local Partnerships Work Best (cont'd)

### Builders:

- More cost effective designs
- Builder rebates

### Lenders:

- Do not bend the rules but work with partners

### Federal Government:

- Forget about a national housing strategy
- More definite statement of spending plans and target groups

# 2 Bedroom Entry Level Home Ownership



**Purchase Price \$184,000**

# 3 Bedroom Entry Level Home Ownership



10/05/2011

**Purchase Price \$212,000**

Prepared by: Tom Carter  
Carter Research Associates Inc.

# Builder Rebate

\$6,000 rebate

*Welcome to*  
**Bedford Village**  
**MARKETING PHASE ONE**

- FULLY SERVICED
- MUNICIPAL GRAVITY SEWER
- PRIVATE SHARED
- UNDERGROUND HYDRO
- TELEPHONE
- ASPHALT STREETS
- CONCRETE CURB
- STREET LIGHTING

**\$6000<sup>00</sup>**  
**REBATE**  
**PER LOT!**  
\*Builder Rebate\*

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BAIE HABS BAY

67	68	6	5		
61	62	12	11		
55	56	18	17		
51	50	24	21		
47			25		
45	43	39	35	31	27

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# Rental Housing



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**2 bedroom \$750 | 3 Bedroom \$900**



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- COMBINATION OF STONE, STUCCO & DESIGNER SIDING
- CONCRETE DRIVEWAY & SIDEWALK
- FULLY LANDSCAPED LOTS

STARTING AT... \$181,900

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# Questions ?