

Rent Controls

by **Steven Thair**

Almost all of the rental apartment blocks in Saskatoon were built in the 1960's or earlier. A small handful were built in the 1980's. Nothing at all has been built in the last twenty years, because rents weren't high enough to make building a new apartment block profitable – until this year.

Thus, the rental housing stock in Saskatoon is well past middle age. Some of it needs organ transplants already.

A decade ago, the actions of a mortgage insurer, CMHC, eased the lack of affordable housing by making condos available with no down payments and low interest rates. For a time, it was cheaper to own than to rent. Big trouble was averted, for the time being, for some. Then the housing melt down in the USA prompted the requirement of bigger down payments in Canada. Roll forward to 2011.

It is interesting that the year of construction of the very first private sector apartment block in about twenty-five years (in Stonebridge) is the same year that the NDP touts rent controls. We have finally made it to the point where the market place wants to build apartments, and it is the same time when one political party is saying rents must be suppressed. Rent controls are part of the reason why the Saskatchewan rental housing stock is so old and why there is so little choice. This is where it gets ugly because this text starts to sound political, and starts to sound politically correct, for those who favour business.

Is it possible to disentangle an issue from its politicization, now that it has been characterized as one of “right and left?” Probably not. To try that is an old trick that the right and left have used for years to try to convince readers that their respective platforms are really the best practice, politics aside.

I am not pro Sask Party. For the most part, I am apolitical. Maybe this will help: my grandfather was a CCF-NDP MLA for twelve years. My father was a card carrying member. So was I for a few years, off and on. Maybe it's why I am disappointed in this NDP plank.

It seems that the decisions made that affect my life the most are not made by the federal government or the provincial government. They are made by the civic government. They make decisions about potholes, store hours, new bridges, policing (indirectly), street cleaning, snow removal, and even affordable housing. We have returned to the era when the Greek city state was dominant: Athens, Sparta, Saskatoon.

Two thousand & eleven is also the first year of the construction of affordable rental housing subsidized by the City of Saskatoon (on Shillington Crescent). The City pays the builder \$5,000/suite plus a reduction in property taxes. The owner agreed to keep rents at a particular level well below market rents for several years, so folks who need lower rent can have it. The community gets a continually renewing rental housing stock as the program continues. The owner gets a viable investment. Renewable + Viable = Integrity.

This is new! This is not the same old right versus left, free-market versus rent-control saw. This is new, and it cuts the mustard.

Subsidizing the construction cost of affordable housing takes the commitment of politicians and of the community to spend the money. It renews the housing stock. It provides lower costing accommodation. It guarantees us plenty of housing units going forward. I feel good that some my tax money goes there.

The sad news is that rent controls, by themselves, without some incentives to builders and owners will prevent them (a.k.a. greedy landlords, to those bent on polarizing us) from putting up new buildings, because if rent controls are still around after the City subsidy ends, they'll have a financially losing proposition on their hands.

Hats off to the City for getting it right. Now if the all the provincial politicians will just get with the program...