

# KEEPING THE ROOF ON

## Questions for Darrell Jones

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*Saskatchewan Housing Corporation president Darrell Jones keeps a cool head in overheated times.*

### **Is there a housing crisis?**

Our population is growing. With a stronger economy, young people are finding work here. Canadians are experiencing marital breakdown, so there's new household formation. This is all putting pressure on the market.

### **Who's impacted most?**

For people who already own homes, this simply means the equity in their home is growing. The people most impacted are those in the low and even into the moderate income groups. They'll struggle the most with increasing rents because demand is outstripping supply.

### **How are people faring?**

Saskatchewan still has some of the lowest rents in Canada and some of our housing is still some of the most affordable in Canada. But the trends certainly put more pressure on that lower income group.

### **Is the involvement of many levels of government helpful or fragmentary?**

Overall it's helpful. As the challenge of providing housing for the growing population escalates, the more funds that can be brought to bear from various levels of government, the more we can meet the challenge.

### **Is there a national standard for a decent house?**

No. There are legislative authorities in place around minimum health and safety standards, and municipalities have maintenance bylaws that have some variation from jurisdiction to jurisdiction.

### **Is that adequate?**

Certainly the standards are adequate. The enforcement is always a challenge, particularly in neighbourhoods where housing has deteriorated and is still being rented out. Unless you have a tenant bringing concerns forward, it can go undetected for some time.

### **First Nations organizations are very outspoken about unmet housing needs. Is the province considering becoming involved in on-reserve housing, a federal responsibility?**

There was a fair bit of discussion in the media in the last 18 months, but at this point we continue to focus on off-reserve housing. There's a substantial challenge off-reserve, in terms of repairing houses in our inner city neighbourhoods and ensuring sufficient housing in northern off-reserve communities.

### **What was the most significant policy change of recent decades?**

In 1993 the federal government withdrew its funding for affordable and social housing development. Typically Ottawa was a 75% partner on any new development, and at the time provinces were experiencing their own fiscal challenges. So there was little to no development from about 1993 to about 2001.

### **Has the situation improved?**

In 2001 there was pent-up demand for reactivation, so Ottawa introduced new funding and requested provinces to partner. We now have the challenge of a very, very busy industry.

# QUESTION PERIOD

**What recent policy developments have been important in Saskatchewan?**

In 2005 we introduced the Saskatchewan Rental Housing Supplement. It linked a supplement to quality, something that's very new and, as far as I know, doesn't exist anywhere else in Canada. It's a bit more challenging to administer because it involves influencing behaviour: the tenants' behaviour in terms of making good housing choices, and giving them extra spending power to help make those choices, and also the landlord's behaviour to do the necessary repairs to retain their tenant.

**Has it been effective?**

It's been very well received and quite effective. Re-inspections indicate housing has been repaired. We also introduced a repair component, if the landlord needed some assistance. So that's one of the more positive programs, combined with the more straight-out delivery of affordable housing into the market to increase supply.

**Recently Canada received a poor grade from the UN Special Rapporteur on Adequate Housing, who called for a return to large-scale building of social housing units. Do we now have the climate to respond?**

The federal government has injected funding for affordable housing development and we also have provincial funding. So we can commit more funding, but it can only get built as quickly as the industry can build it.

**So it's a matter of finding the builders.**

Yes. More money is always good, but you still need to get the product in the ground.

**Turning to the U.S. mortgage crisis, what's the lesson for Canadians?**

Canadian lending practices have been more stringent. Certainly we've seen some increased flexibility over the last couple of years, where in certain cases people can get 100% mortgage financing, but they are covered by mortgage insurance when the arrangement exceeds 80%. So I think our environment is a bit more cautious and our economy continues to be very strong. These factors have allowed us to carry on in a very healthy way.

**What's the lesson for housing policy?**

When we're looking at the development of programs, we're looking at income levels and what people can afford. We have to ensure that it's affordable over the long term and that it will ride out the test of time in a changing economy.

**How do you see housing in Saskatchewan five years from now?**

Forecasting five years is always dangerous. But when I look across the country, Saskatchewan housing is still very affordable. There's still room for prices and rents to escalate over the next period of time, strictly from a market perspective. From an economy standpoint the outlook is very positive for Saskatchewan.

**But are people being left behind?**

That's one of the challenges. We only have to look as far as Alberta, where they've had a booming economy and they've certainly had their share of challenges. It will be something to keep an eye on.

**What future developments could help overcome those challenges?**

We can't tackle it just on one front. We have to make sure policies and programs address affordability and supply. And with supply, we can't be talking just about new houses. If an existing unit is in poor condition and has to be demolished, that's one less home.

**How does new suburban development fit in?**

Most new development attracts those who can afford to build new homes, but that also frees up housing in the existing market. When the economy is booming and new households are being formed, any and all new housing on the marketplace is important.



*Mr. Darrell Jones, President  
Saskatchewan Housing Corporation*