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Social Services

GOVERNMENT EXPANDS PLAN FOR AFFORDABLE HOUSING

The Government of Saskatchewan is making further investments in housing and introducing a new Corporate Income Tax rebate on new rental housing to address housing availability and affordability for Saskatchewan people in need.

"With the new Corporate Income Tax rebate and the investments we have made since we announced the Saskatchewan Advantage Housing Plan last March, our support for housing has grown to \$344 million," Social Services Minister and Minister responsible for the Saskatchewan Housing Corporation June Draude said. "Under our plan, we will develop more than 12,600 new homes for Saskatchewan people - homes that offer security, shelter, well-being and a sense of belonging.

"This new initiative includes more than 10,000 rental units, a 29 per cent increase in the primary rental market," Draude said. "That's keeping the Saskatchewan Advantage."

The 2012-13 Budget includes a 10 percentage point reduction in the Corporate Income Tax rate levied on income earned from the construction and rental of qualifying new multi-unit residential rental projects. Funding for this initiative is estimated at \$34 million for the first five years of the program.

"When we consulted with stakeholders throughout the housing sector, corporate income tax was identified as one of the biggest barriers to development," Draude said. "Our government has listened, and as a result, Saskatchewan people in housing need will benefit from more affordable housing."

Other 2012-13 Budget highlights related to housing include:

- A \$2 million funding increase for the Rental Construction Incentive (RCI) and Affordable Home Ownership Program (AHOP) to address demand for the programs;
- \$10.2 million in new expenditures by Saskatchewan Housing Corporation, including \$1 million for Habitat for Humanity to help an additional 20 low-income families achieve homeownership; and \$9.2 million for the Rental Development Program to develop an additional 200 rental units in communities with a long-term housing need; and
- The Saskatchewan First-Time Homebuyers Tax Credit, an 11 per cent tax credit on the first \$10,000 of a qualifying home purchase, effective January 1, 2012, providing a Saskatchewan tax credit of \$1,100.

In addition, since 2007, the province has introduced measures to assist those with low income:

- Seven rate increases to the Rental Housing Supplement for low-income families as well as individuals with disabilities, and indexing those rates to reflect local housing market conditions;
- Lowering the income threshold to allow more seniors to access social housing;
- Limiting landlord rent increases to twice per year; and
- Creating 650 new student housing units across the province in four years.

“Early on in our mandate, our government promised to make housing a top priority, and the private sector has responded enthusiastically to our new programs,” Draude said. “Since 2007, housing starts in Saskatchewan have averaged 5,908 per year – more than double, on average, the number of annual housing starts in the previous 16 years. We will continue to work hard to ensure that Saskatchewan people in housing need have a place to call home.”

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