

UNIVERSITY OF SASKATCHEWAN

#### LAW REFORM GOALS & BACKGROUND INFO

#### **GOAL #1**

To improve affordable housing for residents in Saskatchewan.

#### What is "affordable housing"?

Housing is affordable when only 30% of a household's income before tax is used towards acceptable, appropriate-sized housing.<sup>1</sup>

#### What is the reality?

In Saskatoon, renters represent about one-third of the population.<sup>2</sup>

- 65% of renters pay more than 30% of their income on housing costs.<sup>3</sup>
- 11% of renters experience overcrowded conditions.<sup>4</sup>

#### Why is this having affordable housing important?

Without affordable homes, the province contributes to houselessness.

• In 2022, unaffordability was the major reason for why Saskatoon citizens lost their homes.<sup>5</sup>

#### **GOAL #2**

To improve security of tenure of rental homes and reduce the risk of Saskatchewan residents suddenly experiencing housing unaffordability.

The Percentage Increase of Av	verage Re	ent in Sas	katchewa	n
	Oct 2021	Oct 2022	Oct 2023	
Average rent for a <b>bachelor</b> unit <sup>6</sup>	\$714	\$747	\$791	
% change compared to previous year	_	4.6%	5.9%	
Average rent for a <b>1 bedroom</b> unit <sup>6</sup>	\$928	\$968	\$1,048	
% change compared to previous year	-	4.3%	9.4%	
Average rent for a <b>2 bedroom</b> unit <sup>6</sup>	\$1,117	\$1,162	\$1,276	
% change compared to previous year	-	4.0%	9.8%	
Average rent for a <b>3+ bedroom</b> unit <sup>6</sup>	\$1,236	\$1,279	\$1,396	
% change compared to previous year	-	3.5%	9.2%	

We recommend viewing the percentage from 2021 to 2022 with some caution due to residual effects from the pandemic where various government programs and economic circumstances created an outlier event.<sup>7</sup>

	Oct 2021	Oct 2022	Oct 2023	
Consumer Price Index in Canada <sup>8</sup>	_	6.9% <sup>9</sup>	3.1% 10	



## Saskatchewan Needs Rent Control Let's Prevent Outrageous Rent Increases Against Residential Tenants

### Sally Fehr & Emily Zunti

#### **GOALS & INFO...CONTINUED**

#### GOAL #3

To use rent regulation to disincentivize investors in-part from using homes – a basic need and right – as investment assets to slow down financialization of real estate and provide more affordable homes in Saskatchewan.

#### The market will likely not correct itself because of the financialization of the housing market.

Financialization of the housing market means homes are being used by investors to make money rather than treating homes as a basic need for shelter.<sup>12</sup> If the government does not interfere with residential rentals, the rental scheme would be at the mercy of a rental market cornered by landlords who care more about profit over a household's welfare.



#### **Building more homes is necessary** but not sufficient.

The housing crisis is not just about having insufficient numbers of homes. It is also how the wealth is being transferred from low-income earners to high-income earners to

access a basic need.<sup>14</sup> (See Appendix A.) Having rent regulations can mitigate wealth inequality between low income-earning tenants and higher income-earning landlords.<sup>15</sup>

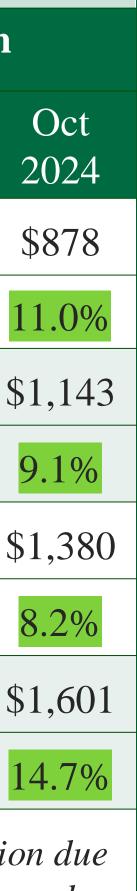


#### Housing and income assistance programs already exist and cost more money.

- Providing social housing and affordable homes<sup>16</sup>
- Rent allowances and income support<sup>17</sup>
- Raising minimum wage<sup>18</sup> (see Appendix B)

Other social services and protective government legislation<sup>19</sup> Compared to the existing programs above, rent regulation is a cost-effective and sustainable way for the government to compliment and improve affordability in the rental market.







Province	Max % allow
British Columbia <sup>20</sup>	3.5% for 20
Manitoba <sup>21</sup>	1.7% for 2025 for all r
Ontario <sup>22</sup>	<b>2.5%</b> but excludes new build existing buildings, and new
Quebec <sup>23</sup>	N/A - Uses a specified renta
New Brunswick <sup>24</sup>	3.8% since 2
Prince Edward Island <sup>25</sup>	3.0% for 20

# wance 2024 regulated units ildings, additions to w tenants after 2018 al increase calculator 2022 2024

with rent increases based on the Consumer Price Index.

- It is a **fair policy** for both tenants and landlords.
- tenure.

In particular, we recommend adopting the **rent percentage** inflation-control target range adopted by the Bank of Canada.

Further, we recommend requesting the Office of Residential post it on their website.

landlords can apply to the Office of Residential Tenancies to request a greater rent increase.<sup>27</sup> This gives reasonable related to ensuring acceptable livability of the dwelling.

## **RENT CONTROL ELSEWHERE** LAW REFORM PROPOSAL We recommend Saskatchewan to adopt rent control regulation It will assist with housing affordability through security of It will counteract against the financialization of the housing market, thus contribute to housing affordability. calculation from Manitoba.<sup>26</sup> The formula involves averaging the consumer price index across the past two years. Additionally, Manitoba ensures that the rent increase cannot be higher than the Tenancies to calculate each year's maximum rent percentage and Lastly, we recommend **incorporating aspects from BC** where consideration to landlords if they need to cover high, capital costs **REFERENCES & APPENDICES** Please scan the QR code for references and appendices. Images are sourced from Canva.

