

## Council backs apartment incentive plan

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City council agreed in principle Monday to a \$6-million rebate program to lure private developers into building 1,000 new apartments within the next two years.

"I wish it wasn't in principle. I wish it was the real McCoy tonight," said Coun. Maurice Neault, who congratulated civic staff on the proposal.

The exact details will need some working out, but the plan is "absolutely a step in the right direction," said Alan Thomarat of the Saskatoon and Region Homebuilders Association.

"I think we should meet as soon as possible to work on the details," he told council.

The proposed program would offer a cash rebate of up to \$10,000 per unit to compensate investors for their land costs -- about half the current market value -- if they build multiple-unit apartment blocks.

The rebates would be contingent on construction being finished within 18 months, the suites being kept as rentals for at least 15 years and 20 per cent of them being rented at "entry-level" prices, which are defined by the city as \$1,100 to \$1,500 per month.

The timeline may be too short, and builders have some issues with the "entry-level" units, but it's a move in the right direction, Thomarat said.

Some councillors expressed concern about the short-term situation for renters, however.

"This only makes sense if we don't keep allowing buildings to convert to condominiums," said Coun. Charlie Clark, noting some 1,600 local apartments have been converted or begun the conversion process over the last year, shrinking the number of rental units in the city.

"If we keep converting units, I don't see why we'd spend (public) money to build more," Clark said.

Not long after agreeing to talk further with builders about the rebate program, council was confronted with applications from five property investors to convert nine more local apartment blocks into condominiums -- a total of 183 units.

Student Kimberly Erickson moved into one of them -- in a building on Arlington Avenue -- after her last place was converted into a condo. In late October, she and her neighbours were notified a numbered company from Alberta intends to convert the Arlington building.

"So where is a person supposed to go? If I move, what are my chances that the next building won't be converted?" Erickson wrote in an e-mail attached to city council's agenda.

"Not everyone can afford to purchase a home, especially at the prices these days. Thousands of students who are not from Saskatoon are in need of affordable places to live; and not everyone has wealthy parents who can buy a condo for them while they attend school."

More than a dozen residents of five buildings in the 2700 and 2900 blocks of Seventh Street East also

wrote letters pleading with council to reject an Alberta-based investor's application to convert those buildings.

A man living in one of those buildings raised concerns about its state of repair -- including a serious ant infestation, mold and leaky windows that leave puddles on the floor.

"This is particularly worrying in view of the landlords' intent to sell the condominiums to existing tenants for \$180,000 in their current condition," he wrote.

"(W)hilst I accept that conversion to condominiums is eventually inevitable in the current property market . . . it is my opinion that a serious investigation into health and other hazards of the building be made before any licence for conversion is granted, if ever. If, on the other hand, the landlords wish to continue to rent the apartments out to loyal tenants like ourselves, they will have our gratitude even given these problems."

The investor, Danny Perreault, said he intends to market the condos to other investors who will likely rent them out again.

Only Clark voted against the nine building conversions Monday. Two others, councillors Pat Lorje and Bob Pringle, were absent.

In an effort to ensure developers comply with the city's conversion policy, council voted to approve each of the applications only on condition the buildings' owners offer enforceable leases to existing tenants for two years at rental rates comparable to similar apartments in their area.

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