



December 12, 2018

Based on our discussion at Norman Wells & District Chamber of Commerce board meeting (Dec 10_18), we have identified concerns with the GNWT's market housing program. The framework is effecting local business and entrepreneurs from being in the property rental business. While we believe it's imperative for the GNWT to have a strong housing policy in the north to support lower income residents and families in need of housing, they need to be cautious of the impact to the local economy and private sector when it comes to having the control of establishing fair market value for rent.

The market housing program is the program that has the most economic impact to the market as these tenants are the people who would be in the rental market for apartments, dwelling and houses. Not only does the current structure prohibit business or individuals from being able to get a fair return on investment in the rental business; it effects real estate prices, new private development, and growth of the tax base for the town.

In Norman Wells, the GNWT market housing rate is \$1470.00 (see attachment, outlining the market housing rates) and includes fuel, but no water / power. In Norman Wells a 3 bedroom house would be typically be rented for \$1600.00 - \$1950.00 plus all utilities. So people will continue to make the choice to rent with the government, versus with the private sector.

Our thoughts on a potential solution to these are;

1. Allow fair market value rent to be established by the market supply & demand.
2. The GNWT could calculate a subsidy under the housing program based on income and qualification requirements as a deduction from fair market value established by the private rental sector.
3. It could also be considered by the GWNT to provide subsidies for people qualified under the program not only living in public rental housing, but allow them the same subsidy if they were living in private rental housing.

Regards,

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Norman Wells & District Chamber of Commerce