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Hon. Nellie Cournoyea,
Premier,
Government of the Northwest Territories

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Government of N.W.T.
Lang # 1
Yellowknife, N.W.T.
XIA 2L8

Dear Ms. Cournoyea:

New GNWT Staff Housing Policy

And now who will want to buy a house in the eastern arctic...?

One of the deciding factors that led a relatively small number of us to build our own homes in a rather uncertain economic and political climate was the very household allowance the GNWT is now proposing to remove. This allowance was a little edge which made some of the new costs and risks associated with home ownership a little easier to endure: municipal taxes, maintenance, insurance, utilities, and sometimes even the necessity of owning a personal vehicle.

Realistically speaking, the situation in the eastern arctic is that nobody will build their own house unless they get some financial incentives, either in the initial construction costs (e.g. Hap and similar programs for a relatively few people) or, what is more common, in operating and maintenance costs. The only other people that will build without these forms of assistance are tradesmen who can build their own homes and cut a lot of costs that way.

It is not fair to equate housing rental costs with private ownership by saying both categories of employees will now begin to pay for their own utilities. Most GNWT employees considering homeownership did not see the household allowance (\$300/month subsequently lowered to \$190 with a grandfather clause) as strictly a utility allowance, in part because some of these same utilities were already partly subsidized at the time, but as a general offset towards all extraordinary costs faced by private homeowners. Only people who own houses pay municipal taxes, which alone can amount to the whole value of the aforementioned accommodation subsidy. In recent years we have seen utility subsidies and tax rebates reduced or eliminated as well as other surprises like the GNWT policy to recover development costs for private homes (e.g. for roads, water and sewage, etc.).

It is not in anyone's best interests to decrease or limit the number of homeowners because their municipal taxes pay for services and infrastructure in the town that the whole population benefits from.

Few people will now be able to afford to buy a new house. It is too expensive and too risky given the many unknowns including unpredictable government policies. I have lived in the NWT for more than 20 years, and my savings for more than 15 years of that have gone into paying for my present home (I did not benefit from Hap or any similar programs). I fear that I now may be unable to sell my house if I should have to move someday, within the north or south.

Please reconsider the proposed changes to the existing housing policies or private homeowners, people who are generally making a long-term commitment to the NWT, will be an endangered species.

Sincerely,



Larry Simpson
Iqaluit Homeowner (still)

cc Dennis Patterson
Stephen Kakfwi