

Public Hearing Meeting of Council Item 7.2.1.

Calgary, April 25 2024

Version 3

Solutions Proposed – Take the Middle Path

- Supply (increase)
 - Accelerate development of housing on Calgary owned lands
 - Accelerate Local Area Plan process and timelines
 - Use local area plans to push developers to build actual affordable housing
 - Developers will not sell units below their build costs. Build costs are beyond definition of affordable. Force development of units affordable at or below the median income level in LAP.
 - Give people the chance to engage and provide meaningful input
 - Amend RCG/HGO guidelines and reconsider implementation
- Demand (slow the growth)
 - Impose a foreign/interprovincial buyers tax
 - Invest revenue from tax dollars to supporting homes, shelters, programs to care for those who need it most
 - Prioritize Albertans who grew up here – find a way
 - Implement a Foreign speculation tax (BC)
 - Vancouver's tax dropped foreign speculation in the market by 66%
 - More than \$81MM generated from the speculation and vacancy tax
 - 83% of revenue comes from foreign owners
 - Vancouver's speculative market has shifted in part to Calgary
- RCG/HGO Proposed Amendments
 - Increase parking requirements to 1 car per unit
 - Redefine what classifies as a unit on a property.
 - We are a North American city, this is not Europe
 - Return setbacks back to a level that will reduce imposition with neighboring units.
 - Mandate they follow the same setback guidelines followed by adjacent units. Let's truly remain a Blue Sky City
 - Let neighbors be neighbors again, without feeling like a burden to each other.

Right to Housing

- *The NHS Act recognizes housing as a “fundamental human right” as it is defined under international human rights law. The right to housing was recognized in the 1948 Universal Declaration of Human Rights. Canada formally agreed to comply with the right to housing under international human rights law in 1976 when it ratified the International Covenant on Economic, Social and Cultural Rights.*
- *The right to housing under international human rights law is understood as the right to a safe and secure home in which to live in security, peace and dignity, meeting standards of adequacy, including standards relating to legal security of tenure, affordability, habitability, availability of services, accessibility, location and culture.*

Let no good crisis go to waste!

-Most Politicians

We have a Right to Housing – Not Where to Live

- Allow supply and demand curves to equalize nationally
- Keep our city great, don't force unstudied, and rushed initiatives
- Calgary consistently ranked as a top livable city

Top 10 positions

City	Location	Rank	Index	Stability	Healthcare	Culture & environment	Education	Infrastructure
Vienna	Austria	1	98.4	100.0	100.0	93.5	100.0	100.0
Copenhagen	Denmark	2	98.0	100.0	95.8	95.4	100.0	100.0
Melbourne	Australia	3	97.7	95.0	100.0	95.8	100.0	100.0
Sydney	Australia	4	97.4	95.0	100.0	94.4	100.0	100.0
Vancouver	Canada	5	97.3	95.0	100.0	97.2	100.0	96.4
Zurich	Switzerland	6	97.1	95.0	100.0	96.3	100.0	96.4
Calgary	Canada	7	96.8	100.0	100.0	87.3	100.0	100.0
Geneva	Switzerland	7	96.8	95.0	100.0	94.9	100.0	96.4
Toronto	Canada	9	96.5	100.0	100.0	94.4	100.0	89.3
Osaka	Japan	10	96.0	100.0	100.0	86.8	100.0	96.4
Auckland	New Zealand	10	96.0	95.0	95.8	97.9	100.0	92.9

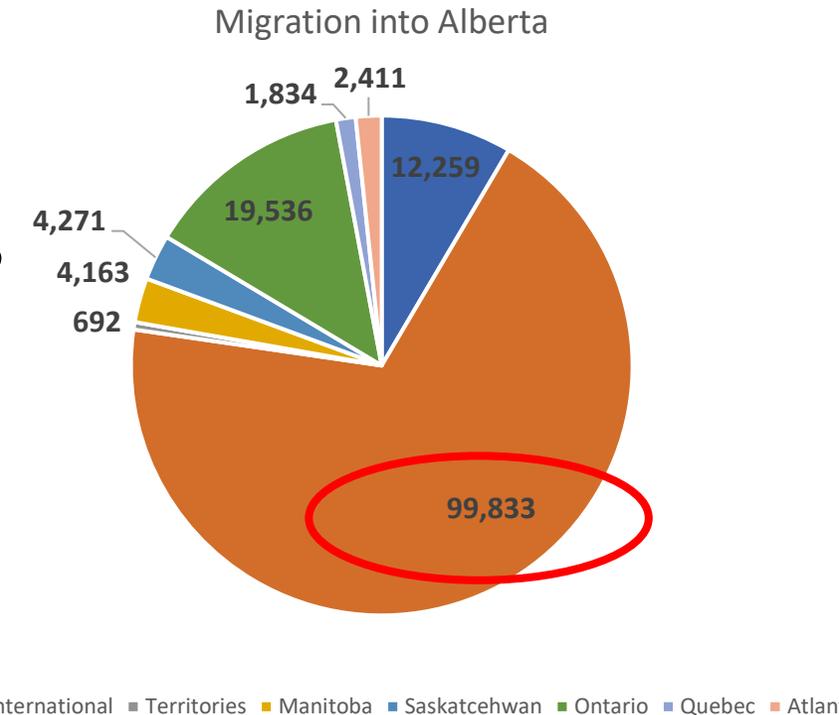
Source: EIU.

We're doing something right!

Even better than Auckland!

Calgary Median Income & Alberta Migration

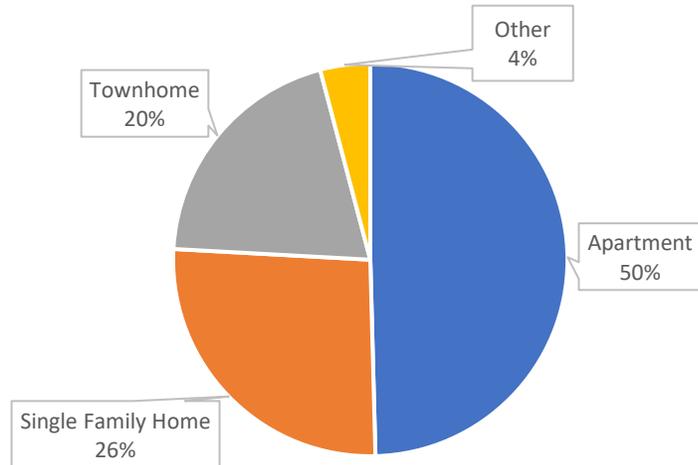
- 2020 census Household median income \$98,000
 - *What is the median income of a newcomer to Calgary?*
- Qualification Amount \$550,000
 - *What % of new builds are at or under \$550,000?*
- 100,000 international migrations to Calgary 2023
 - Shift from Vancouver investing to Calgary



“Affordable Housing” < \$700k

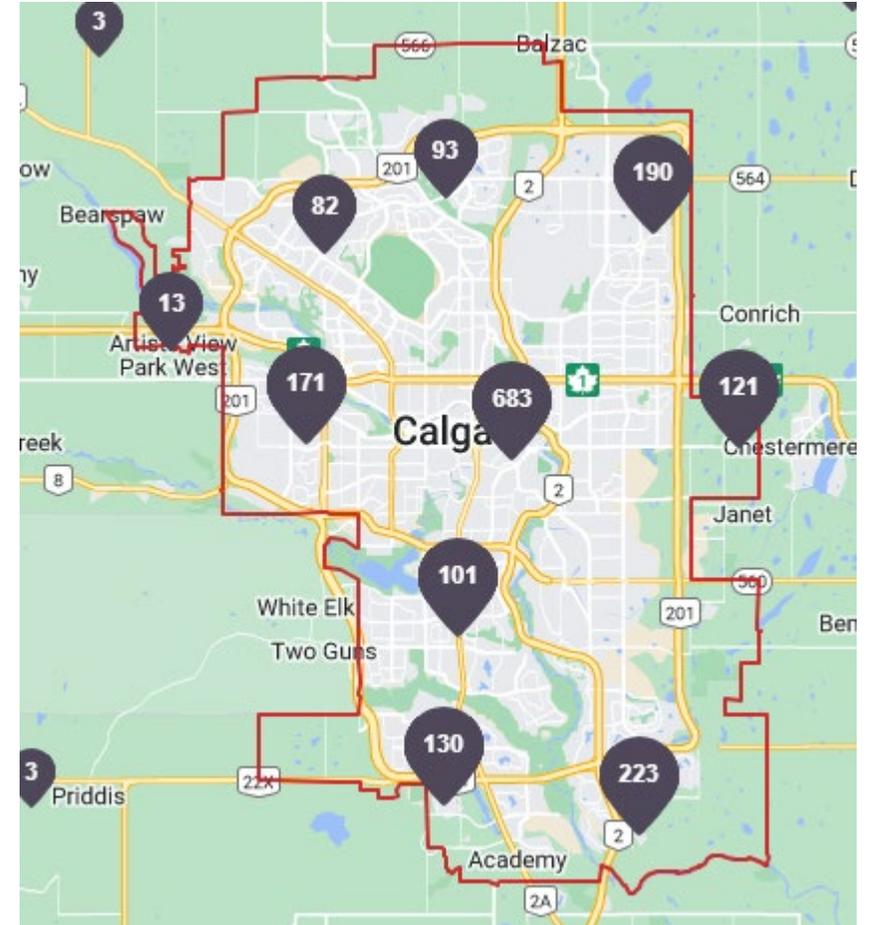
- 1807 total affordable units (all)
 - 475 SFH
 - 362 Townhome
 - 896 Apartment

\$700k Housing Types Available 4/26

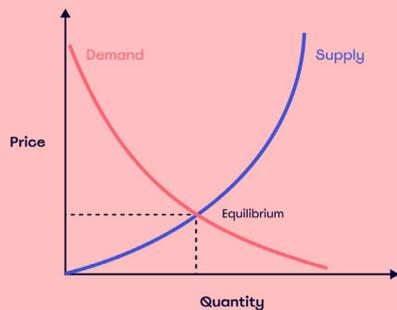


■ Apartment ■ Single Family Home ■ Townhome ■ Other

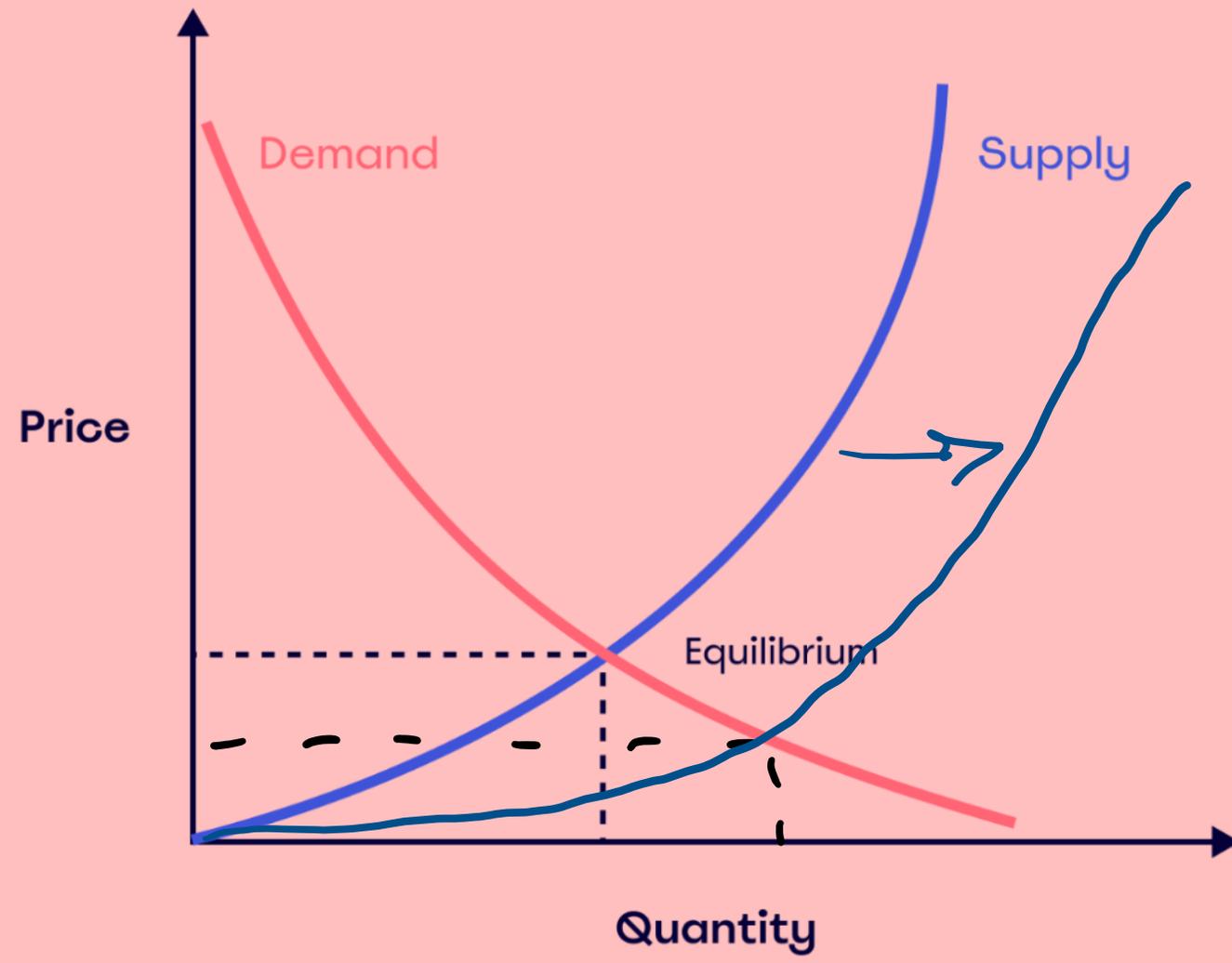
Realtor.ca (searched 4/26)



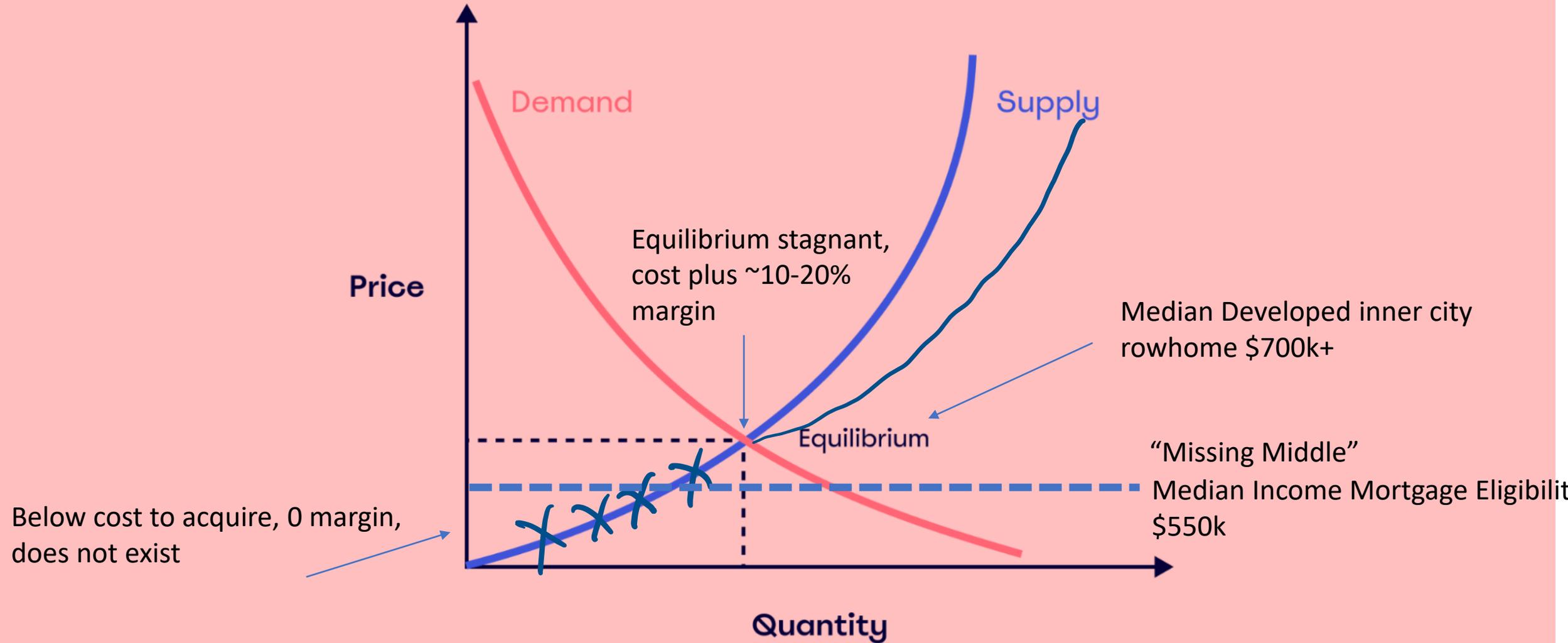
- Supply and demand curves stretch far beyond Calgary.
- What do supply and demand curves look like in Vancouver, Toronto, Winnipeg and Edmonton relative to Calgary?



Belief - Calgary



Reality - Calgary



Below cost to acquire, 0 margin, does not exist

Equilibrium stagnant, cost plus ~10-20% margin

Median Developed inner city rowhome \$700k+

“Missing Middle”
Median Income Mortgage Eligibility \$550k

Quantity

Price

Demand

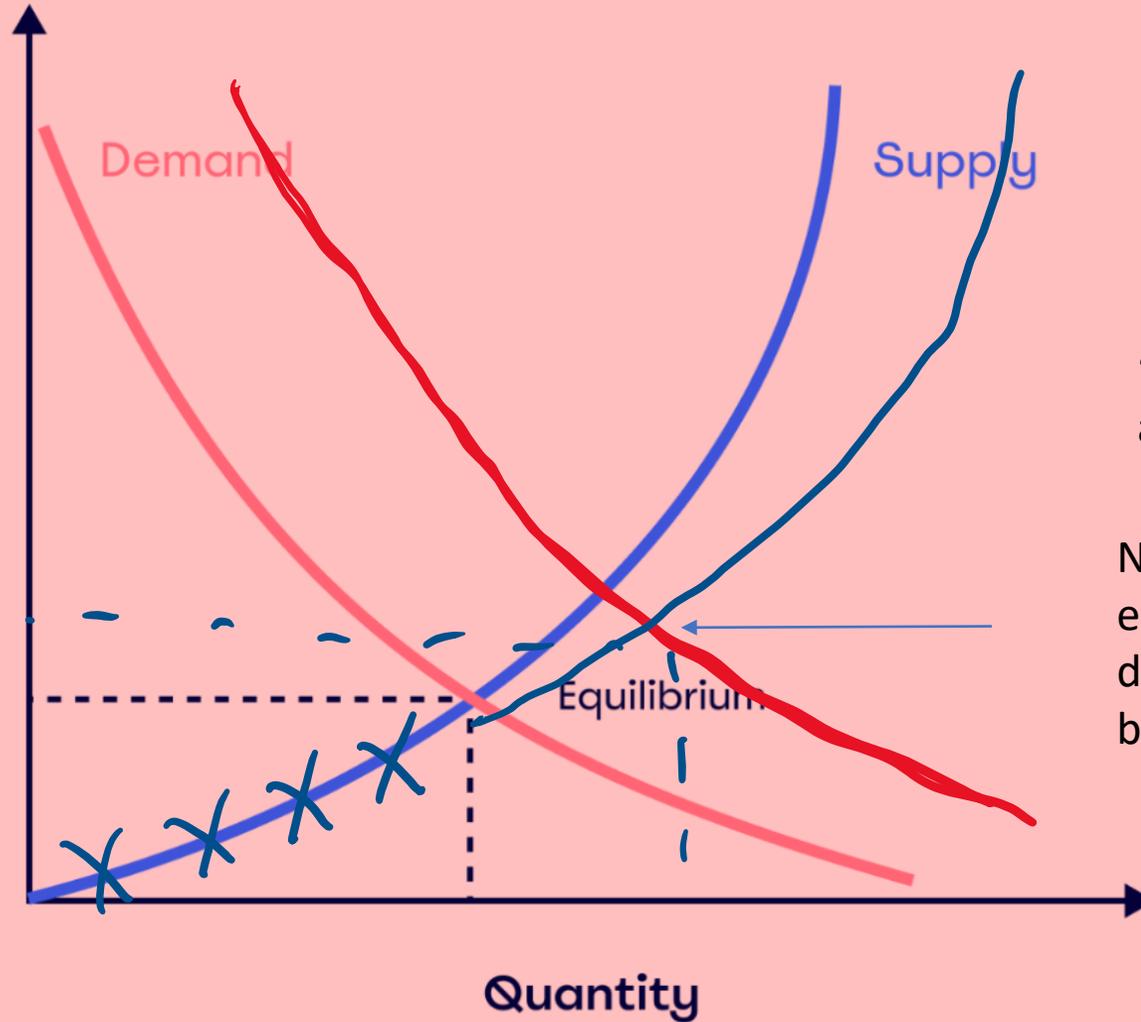
Supply

Equilibrium

Reality – Calgary (inclusive of Canada and World)

Blanket changes in zoning are unlikely to increase domestic migration or to improve affordability for lower-income households in prosperous areas. They would, however, increase gentrification within metropolitan areas and would not appreciably decrease income inequality.

Price



“Crisis” implies a need for fast action

New higher, increasing equilibrium until supply and demand forces brought to balance within all of Canada

Increased supply, increased demand, demand outweighing supply increased prices



Adam Smith

- “It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages”. – Inquiry into the Nature and Causes of the Wealth of Nations

Developers have Profit Motive for More Units on Land

House Type	List Price	Sq ft	\$/sq ft	Units Per Lot	Total Income
SFH	\$ 1,299,000	2,756	\$ 471	1	\$ 1,299,000
Semi Detached	\$ 1,049,000	1,952	\$ 537	2	\$ 2,098,000
Row House	\$ 500,000	1,389	\$ 360	8	\$ 4,000,000

Left unchecked, developers will prioritize and maximize profit -> More units ASAP

Populated with real listings I found in nearby Ward 4 neighborhoods 4/24/2024, total income does not factor in building costs

Solutions Proposed

- Supply (increase)
 - Accelerate development of housing on Calgary owned lands
 - Accelerate Local Area Plan process and timelines
 - Use local area plans to push developers to build actual affordable housing
 - Developers will not sell units below their build costs. Build costs are beyond definition of affordable. Force development of units affordable at or below the median income level in LAP.
 - Give people the chance to engage and provide meaningful input
- Demand (slow the growth)
 - Impose a foreign/interprovincial buyers tax
 - Invest revenue from tax dollars to supporting homes, shelters, programs to care for those who need it most
 - Prioritize Albertans who grew up here – find a way
 - Vancouver's tax dropped foreign speculation in the market by 66%
 - Vancouver's speculative market has shifted in part to Calgary
- Other
 - Increase parking requirements to 1 car per unit
 - Redefine what classifies as a unit on a property.
 - We are a North American city, this is not Europe
 - Return setbacks back to a level that will reduce imposition with neighboring units.
 - Mandate they follow the same setback guidelines followed by adjacent units. Let's truly remain a Blue Sky City
 - Let neighbors be neighbors again, without feeling like a burden to each other.