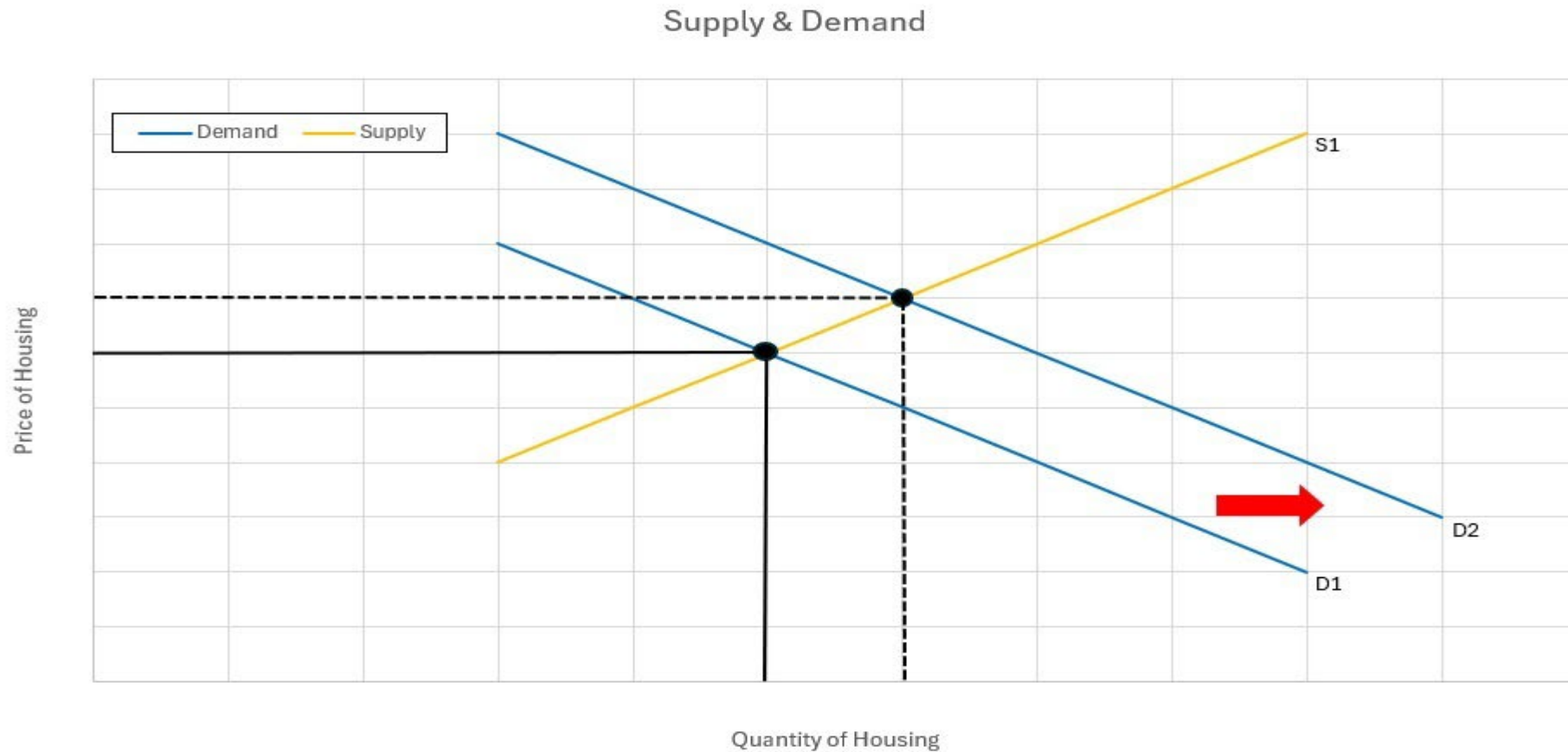


Economics of upzoning

Steve Kolber

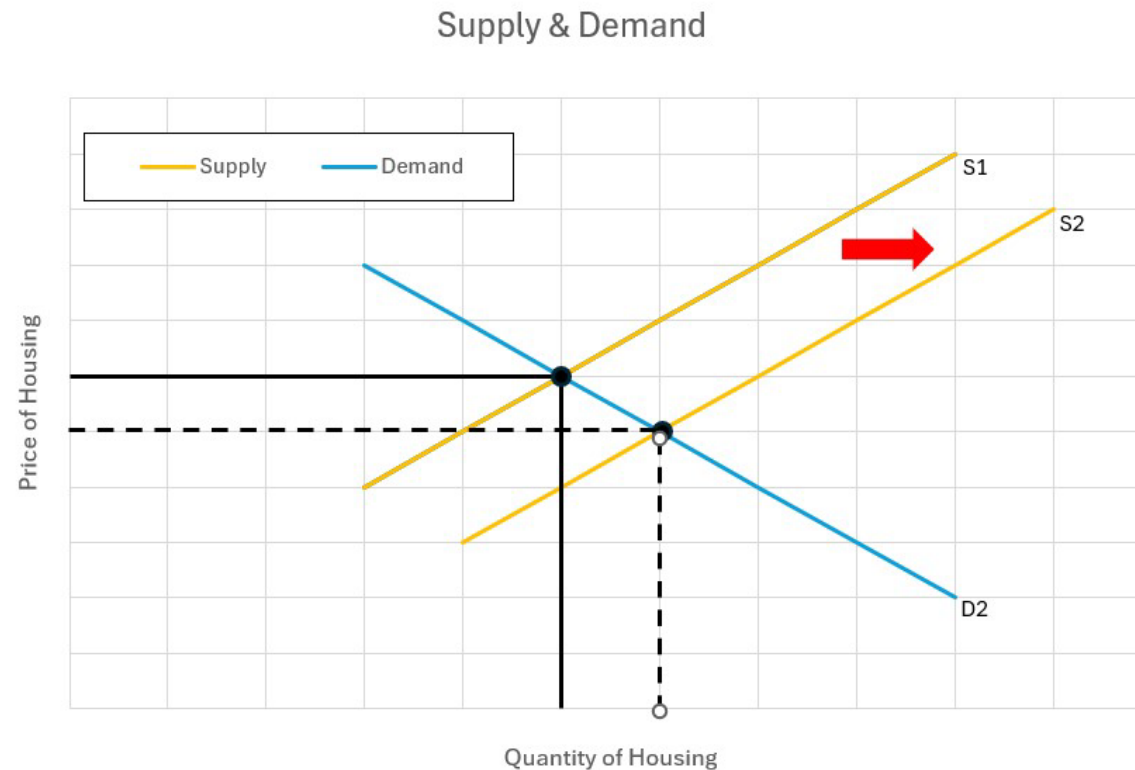
Supply and demand currently in Calgary

- Currently Calgary has seen upward pressure in the housing market due to a major increase in demand



The goal of upzoning

- We all agree that the goal of the blanket upzoning proposal is to increase the supply of housing in the hopes that housing will become more affordable.
- Key assumptions: 1. Costs to build will stay the same with increased activity (no inflation in labour or materials) 2. We have capacity to build more units. 3. The demand for housing won't change if we change supply. 4. Benefits of increasing supply will be obtained by buyers and not builders. All assumptions are highly suspect.



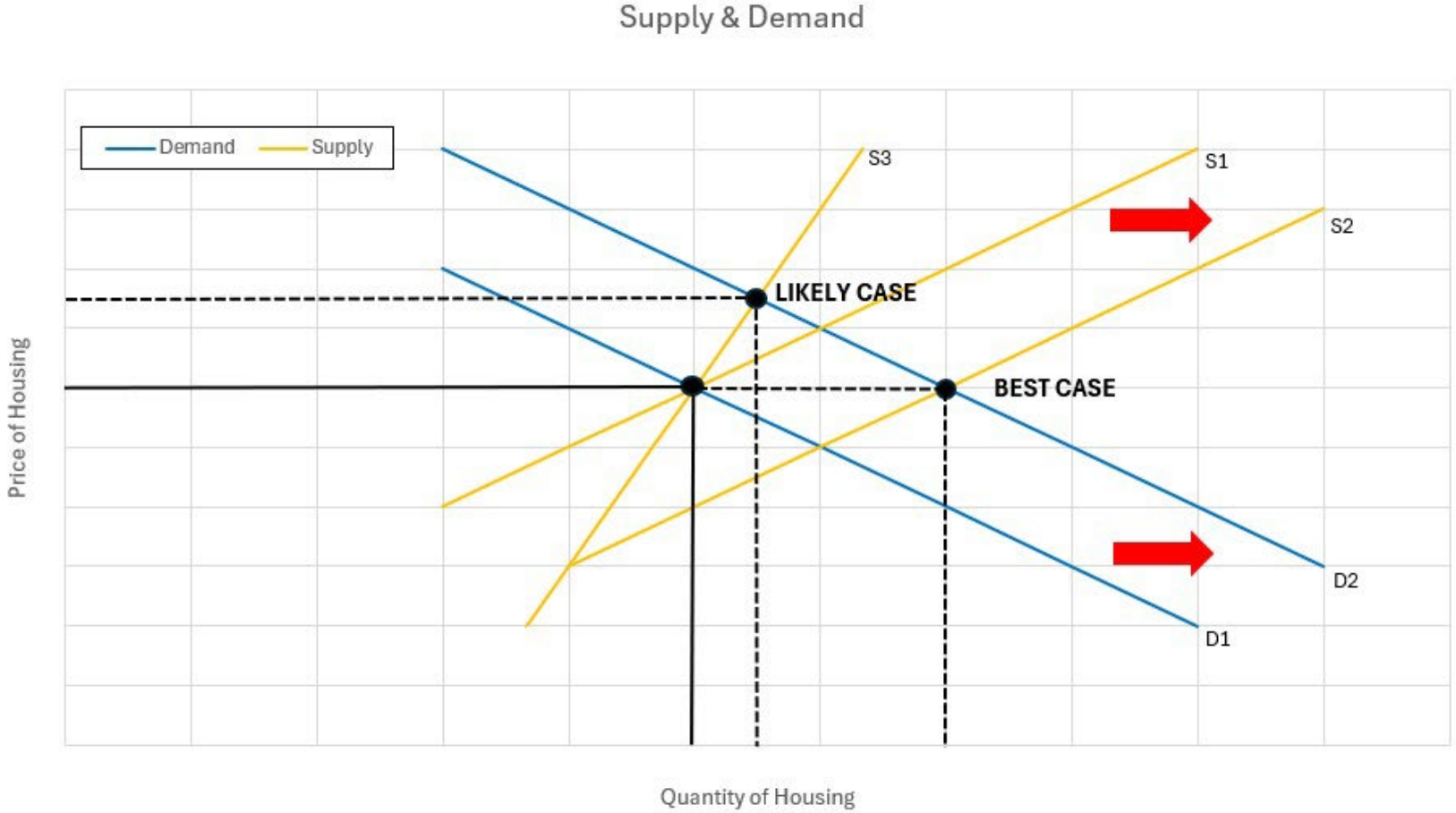
What should we expect when supply is increased

- Increase in building costs
- Increase in housing demand. Demand for housing is determined nationally, since Canadians are free to move about this country

*Canada is currently experiencing record immigration. Alberta is the fastest growing province in Canada as a result of this immigration AND migration from other provinces - due to **relatively low housing costs**, job opportunities, lifestyle, etc. (source: StatsCan September, 2023)*

We cannot expect to increase supply and not have an increase in costs and an increase in demand.

What we should expect when supply is increased



Outcomes of increasing the housing supply

- No change in housing affordability
- Exacerbate every issue we face today (water, sewer, power infrastructure, school capacity, greenspace, tree canopies, parking, road infrastructure, availability of social services, emergency room capacity, family doctor to population ratios, and the list goes on and on)
- Adverse impacts on existing home owners (most of whom are opposed) to these irreversible changes to the character of these communities
- Unintended consequences are predictable

3 actions

1. Contact the Federal Liberals. Thank them for the \$228mm and tell them you are going to use the funds exclusively to build housing for Calgary's most vulnerable
2. Ask the Federal Liberals to have an immigration plan that Canadian cities can support
3. Vote no to the blanket upzoning and work towards densification in a thoughtful manner through Local Area Plans