IP2024-1089
Attachment 2

2024 Citywide Growth Strategy Monitoring Report

2024 October 16

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Executive Summary

Purpose

Calgary's population is growing at a record pace, and through the Citywide Growth Strategy (Strategy), The City works to accommodate this growth in a way that helps build a great city – balanced, sustainable, inclusive, efficient and livable. This monitoring report provides residents, businesses, the development and building industry and Council with current growth-related information that includes updates on current growth activity and financial investment information at the citywide level, and for each of the three components of the Strategy – new communities, established areas and industrial areas.

This report helps ensure transparency and accountability for the Strategy via data analysis and the accounting of investments related to growth and change. It also provides a look ahead to anticipated growth trends. These components help to support The City's growth investment and planning decision-making.

Key Takeaways

- Calgary's population increased in 2023 by 5.6 per cent to 1.42 million, almost three times the historical average population increase. This creates vitality and economic opportunities, but puts pressure on City services as well as the local housing market.
- In 2023, Calgary saw an all time high for new housing starts in the city at 16,700, with residential building permit value reaching $4.5 billion.
- There are 186 hectares of serviced industrial land with development agreements, which could be depleted within four years. Actions are required to prompt greenfield industrial land development beyond this supply, particularly related to costs to develop in Calgary.
- Calgary is well positioned in terms of serviced land supply for new communities, with seven to nine years of serviced land available as of 2024 May. There are currently 41 approved new communities that provide housing choice and support affordability.
- Calgary's established area continues to offer diverse development opportunities in support of citywide residential growth, as over 3,600 new housing starts occurred here in 2023. The recent approval of the Rezoning for Housing initiative has increased opportunities for redevelopment and housing choice in the established area.

Content

This monitoring report relies upon City of Calgary data sources, including the Suburban Residential Growth report and the Calgary & Region Economic Outlook. The information in this report generally represents the 2023 calendar year. Any data sources that do not align with this period have been noted where applicable. Financial data is aligned with the 2023-2026 Service Plans and Budgets and are noted as appropriate. Third-party data has been sourced where stated; when data is not sourced it can be assumed to be from The City of Calgary.

A municipal census has not been completed since 2019; therefore, some previously reported data is not available, including vacancy rates and occupancy. As was the case in the previous report, building permit data was primarily used to analyze and estimate residential growth across the city.

Growth in Calgary

Population and Housing

Calgary saw unprecedented levels of population growth in 2023. Calgary's population increased by 75,000 residents in 2023, or 5.6 per cent, to 1,422,800. This is almost triple the increase from 2021 to 2022[1]. This was driven primarily by a large increase in net migration[2] to Alberta, especially international migration[3], compared to past years. Calgary's population is projected to grow by a similar amount in 2024 before easing to more typical levels from 2025 onwards, as the pace of net migration is anticipated to slow.

Total employment growth in the Calgary Economic Region slowed in 2023 compared to 2022, decreasing from 7.3 per cent in 2022 to 2.5 per cent in 2023[4]. A similar rate of employment growth is expected to be maintained over the next five years. The Calgary Economic Region's Real Gross Domestic Product (GDP) increase in 2023 was 2.1 per cent, a level it is predicted to maintain over the next five years[5].

Housing starts in the city of Calgary and the Calgary Census Metropolitan Area (CMA) continued their strong growth from 2022 into 2023. The Calgary CMA saw 19,600 housing starts in 2023, with 16,700[6] of those occurring in Calgary[7]. This is 13 per cent above 2022's housing starts, which themselves were roughly 15 per cent higher than 2021. So far in 2024, housing starts in Calgary are 28 per cent above 2023 at this point in the year, and Calgary boasts the highest new housing start rate per capita among large Canadian cities[8]. This unprecedented level of housing growth is expected to stabilize but remain high until at least 2029.

Building permit values for 2023 reached $6.0 billion. Of that, $4.5 billion (75 per cent) was for residential development. This is an increase over 2022 which saw $5.7 billion in value, with $4.0 billion (or 70 per cent) of that for residential development.

While Calgary experienced a record number of housing starts in 2023, the increase in population surpassed that of housing. Of the 16,700 housing starts in 2023, 34 per cent were single detached or semi-detached and 66 per cent were multi-residential[9]. Assuming average occupancies of 3.43 for single/semi, and 2.19 for multi-residential (based on data from the 2021 Statistics Canada Census of Population), housing starts were sufficient to accommodate approximately 44,000 people. As Calgary gained 75,000 people in 2023, this means there was not likely enough new housing created to help keep pace with new residents.

The record growth rates of 2023 are not expected to continue indefinitely but they strongly indicate that new housing is needed in Calgary. The strategies for new communities and established areas support the provision of diverse and affordable housing choices across Calgary, enabling Calgarians to find the housing they want and need.

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[1] Spring 2024 Calgary and Region Population Outlook, 2024-2029
[2] Net migration is all migration from other countries or other provinces, less emigration to other countries or provinces.
[3] Statistics Canada
[4] Spring 2024 Calgary and Region Population Outlook, 2024-2029
[5] Spring 2024 Calgary and Region Population Outlook, 2024-2029
[6] This is a CMHC number. Note that City of Calgary numbers (BPs issued) and CMHC numbers may not be directly comparable.
[7] Canada Mortgage and Housing Corporation (CMHC) and reported in the Calgary & Region Economic Outlook 2024-2029, Spring 2024
[8] Canada Mortgage and Housing Corporation (CMHC), "Record rental construction drives housing starts in Canada's largest cities", 2024 Sept 26
[9] Fourth Quarter 2023 Housing Review, Corporate Economics, City of Calgary

Climate Trends

Changing where and how Calgary grows is important for meeting the mitigation and adaptation goals of the Calgary Climate Strategy – Pathways to 2050. To meet the Calgary Climate Strategy's target of net zero greenhouse gas emissions by 2050 and increase Calgary's resilience to climate change hazards, Calgary's growth patterns will need to shift to meet the Municipal Development Plan's growth split target while ambitious climate action is also pursued. This growth split target calls for 50 per cent of total population growth since 2006 to occur inside the Balanced Growth Boundary as defined in Calgary's Municipal Development Plan. By 2021 (the last year that population data is available by community), only 12.4 per cent of population growth since 2006 was inside this boundary.

Emissions from buildings in Calgary are the highest proportion by source, representing 60 per cent of overall greenhouse gas equivalent emissions. From 2022 to 2023, the total amount of emissions from buildings decreased 8.7 per cent citywide. Additionally, from 2005 to 2023, the total emissions from buildings in Calgary decreased 14.7 per cent. However, over this same period emissions from the transportation sector have increased (4.7 per cent from 2022 to 2023, 34.1 per cent from 2005 to 2023), attributable in part to the prevailing pattern of auto-oriented suburban development. Total community greenhouse gas emissions have decreased 1.1 per cent since 2005 and 3.9 per cent since 2022. New net zero communities, low carbon transportation options and leveraging natural assets are all key to achieving the 2050 climate goals. Additionally, encouraging new, more compact types of development will help improve the overall efficiency of housing in all areas of Calgary.

Industrial

Introduction

The industrial component of the Citywide Growth Strategy looks to enable sustainable industrial development. Strong industrial areas are the foundation for Calgary's role as an inland port and distribution centre for western Canada. The growth strategy work for industrial areas aims to further strengthen that foundation and support diversifying Calgary's economic growth.

The Industrial Action Plan (Action Plan) works to ensure the availability and accessibility of lands for a wide range of future industrial activities and to protect existing industrial areas from encroachment of non-industrial uses that may threaten future viability and economic competitiveness. Additionally, the Action Plan endeavours to identify infrastructure investments to open strategic industrial areas for development, intensify existing industrial lands and support job creation and economic diversification.

Climate

Industrial properties in Calgary generate approximately 7 per cent of total citywide greenhouse gas emissions. Between 2022 and 2023, greenhouse gas emissions by industry in Calgary decreased 7.9 per cent. Enabling retrofitting of existing industrial buildings and encouraging new ones to reduce or eliminate net emissions are important steps to further reducing emissions in this sector. The Calgary Climate Strategy gives direction to update the Action Plan to support industrial operators in reducing greenhouse gas emissions and reducing vulnerability to climate related hazards in industrial areas.

Growth and Supply

Colliers International[10] reported that the average industrial vacancy rate for Calgary and the surrounding area increased in 2023, from 2.3 per cent in 2022 Q4 to 3.2 per cent in 2023 Q4. Breaking it down into different sectors, the vacancy rate in Central Calgary was 1.7 per cent, 2.7 per cent in Southeast Calgary, 3.6 per cent in Northeast Calgary and 8.8 per cent in Balzac. The higher vacancy rate was primarily driven by the new supply of large-bay distribution space.

There was 3.8 million square feet of industrial space under construction in the Greater Calgary area at the end of 2023; 0.9 million of that is in Calgary, with the remainder outside the city and mainly located in the Balzac area. In total, the Calgary area saw 3.2 million square feet of absorption in 2023. This is a significant decrease from 2022, which saw 11.7 million square feet of absorption. Figure 1 below shows net industrial absorption over the last four years.

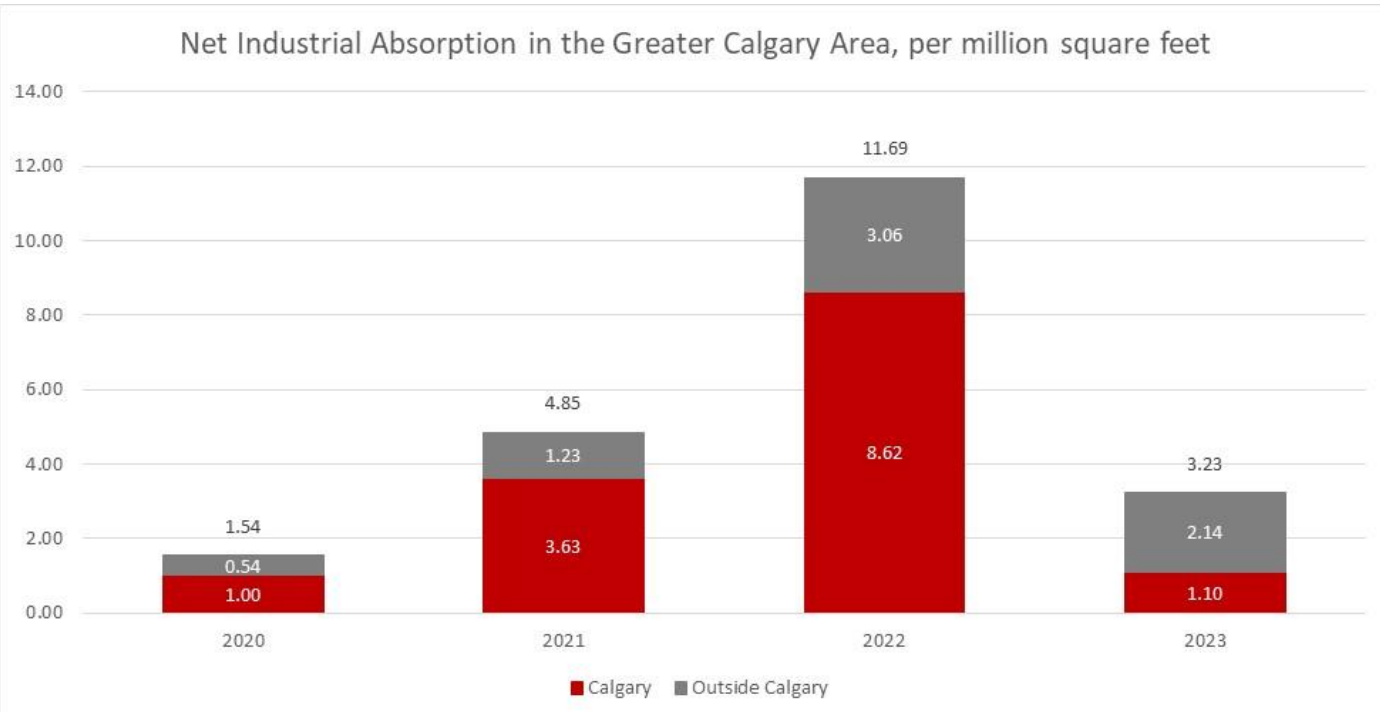

Figure 1:Net Industrial Absorption in the Greater Calgary Area, per million square feet[11]

As of 2023, Calgary has over 2,700 hectares of vacant industrial land[12], predominantly located in the Northeast and Southeast sectors. Of this vacant land, just under 1,000 hectares are fully serviced[13], and about 1,600 hectares are partially serviced with the remainder being unserviced. Partially serviced land can range from missing one to four of the required services. In addition, not all serviced land has a development agreement in place and therefore some serviced land is not immediately ready for development. Land

[10] Calgary Industrial Market Report, Q4 2023, Colliers International
11 Calgary Industrial Market Reports, 2020-2023, Colliers International
[12] Cushman & Wakefield Industrial Area Growth Strategy Consulting Report – Update 2024
[13] Fully serviced land has access to Water, Storm water, Sanitary Sewer, Transportation and Emergency Services. Partially serviced land has access to some but not all of these.

supply by status and sector is summarized in Table 1. Serviced land with a development agreement in place is defined as 'Shovel-Ready'.

Vacant Industrial Land by Servicing Status and Sector						
Parcel Size	Central	Northeast	Northwest	Southeast	Southwest	Total
Not Serviced (ha)	0.0	61.6	0.0	0.0	76.5	138.1
Partially Serviced (ha)	0.0	594.4	143.7	881.8	0.0	1619.8
Serviced (ha)	38.7	581.9	18.2	313.1	7.6	959.5
TOTAL	38.7	1237.9	161.9	1194.8	84.1	2717.5
Serviced and Shovel-Ready (ha)	0.0	119.9	3.8	62.5	0.0	186.3
Serviced and Not Shovel-Ready (ha)	38.7	462.0	14.4	250.5	7.6	773.3
TOTAL SERVICED	38.7	581.9	18.2	313.1	7.6	959.5

Table 2: Vacant Industrial Land by Servicing Status and Sector

The Calgary region has recently become highly attractive to national and international businesses. However, the city is losing market share in industrial land development, primarily because of non-competitive costs within the region. Before 2016, Calgary averaged 122 hectares of land in development agreements per year. This figure has dropped dramatically to just 9 hectares per year. Since 2018, only 70 hectares of greenfield industrial lands have been placed under new development agreements. In 2023, only one development agreement, covering 36.4 hectares, was executed.

As seen in Table 1 above, Calgary has 186 hectares of shovel-ready industrial land, which could be depleted within four years if no new agreements are made. This situation could lead to a halt in new greenfield construction after 2027, adversely affecting the health of Calgary's industrial sector, economic diversity, job creation and a balanced citywide tax environment.

Changes to the Airport Vicinity Protection Area regulations in 2021 have expanded the area available for more land uses where previously mostly only industrial uses were allowed. This has encouraged industrial landowners to consider converting land to residential uses, which is particularly appealing given current housing demand and land economics around industrial development. As a result, Calgary could lose several hundred hectares from its 2,700-hectare industrial land supply. While this may increase the supply of land for housing, losing industrial land impacts Calgary's future economic diversity, job availability and ability to sustain a balanced tax environment. The City is currently reviewing industrial land conversions holistically and strategically to balance the need for both job-generating industrial lands and housing.

Over the past two decades, there has been a trend across Canada for industrial expansion to shift outside large municipal boundaries due to more advantageous development costs and industrial property taxes in surrounding areas. Calgary is not immune to this pattern. As a result, Calgary is exploring a regional collaboration to increase the supply of industrial lands and enhance future economic growth prospects. The Prairie Economic Gateway, a first-of-its-kind collaboration with Calgary's largest neighbouring municipality, would add a supply of approximately 890 hectares of industrial into the regional industrial marketplace. A portion of the industrial lands, about 72 per cent, will be subject to rail-served planning policy because of the opportunity to have direct access to rail for industrial businesses in serviced lots. This is a unique feature relative to other opportunities to increase industrial land supply, given the configuration of the existing freight rail network in the Calgary region. The magnitude of industrial land that can become available through the Prairie Economic Gateway is close in size to the amount of land under industrial development agreements executed inside Calgary over the last 15 years.

Financial Investment

In the 2023-2026 Service Plans and Budgets, Council approved funding for two projects that will support industrial development: the Inglewood Sanitary Trunk Upgrade Phase 2 ($79.3 million spent by 2024 Jan, $115.3 million total budget), and the Nose Creek Sanitary Trunk Upgrade ($90.1 million spent by 2024 Jan, $118.8 million total budget).

The Inglewood project supports development over the entire Bonnybrook Wastewater Treatment Plant catchment, covering significant parts of the established area, new communities and industrial areas. It also supports regional growth.

The Nose Creek project is located in the north of the city and will support not only industrial operations in northeast Calgary but also residential development in Keystone Hills and Glacier Ridge, as well as outside the city in Airdrie.

Next Steps

The 2023 Industrial Action Plan (IP2023-0346) was approved by Council on 2023 June 06, and includes six original actions, plus two that were added through agreement with the Industrial Strategy Working Group. The added actions are:

- Update the June 2023 Industrial Area Growth Strategy Consulting Report to reflect current market conditions for serviced lands for industrial development in Calgary (complete); and
- To inform a strategy on industrial land conversions, by end of 2024 October, review citywide land use conversion requests and identify the holistic impacts, risks and benefits they may have on Calgary's industrial land supply and sector (nearing completion).

An additional action completed in 2024 July was the Council approval of targeted policy amendments to modernize existing industrial area structure plans (IP2024-0587). Actions that are in progress include the evaluation of potential incentive opportunities to support the industrial sector, and collaborating with Rocky View County on the joint economic development framework for the Prairie Economic Gateway along Calgary's southeast boundary. A report to Council providing a progress update and proposing an updated 2025 Industrial Action Plan is planned for 2025 Q1.

New Communities

Introduction

New communities are an important part of how Calgary grows, providing affordable and diverse housing choices for Calgarians on the city's edges. One of the key goals of the strategy for new communities is to link infrastructure investment with land use and development approvals. This helps ensure that new community growth can be serviced in a way that anticipates the market, is financially sustainable and aligns with the vision of the Municipal Development Plan.

When done right, this allows The City to fully support and invest in new communities, not just in the short-term, but also once they are completed and established. The City's approach to new communities is to ensure that they are compact and complete, provide a wide range of housing choice, mobility options and access to daily needs for new residents.

Climate

Development of lands at the city's edge consumes open spaces and natural assets, including agricultural lands. Many new communities are more dense than established communities, which can support the protection of natural assets through more efficient use of land, however, development at the edges of Calgary contributes to rising greenhouse gas emissions from transportation. New community development requires investments and incentives supporting net-zero buildings and low-carbon transportation choices to reduce the impact to the climate. Encouraging higher density housing forms will lower the greenhouse gas emissions intensity per unit. The Calgary Climate Strategy contains numerous actions to support better climate-related outcomes in new communities. Work is underway to ensure that climate and energy planning are strategic priorities in decisions related to new community growth.

Growth and Supply

Development agreements, an indicator of near-term new community growth, decreased slightly in 2023 to 497 hectares, down from 533 hectares in 2022. However, 2024 is on track to significantly surpass both of those years. As of 2024 September, development agreements covering 575 hectares had been signed. It is anticipated that over 750 hectares of development agreements will be secured by the end of 2024, of which over 700 hectares will be in greenfield areas. These represent over $425 million in future off-site levy contributions from developers, to be put towards new public infrastructure to support growth.

In 2023, similar to in 2022, multi-residential construction in new communities led the way with over half of the new home issued building permits. Multi-residential construction in 2023 saw a nearly 30 per cent jump from 2022, to 6,422 new homes, eclipsing that year's record amount of new community multi-residential construction. Combined with low density (single and semi-detached home) construction of 5,103 homes, there were 11,526 issued building permits for new homes in Calgary's new communities, an all-time high in new home construction.

In the last five years, building permits show that there were 60,698 total new homes (single/semi-detached and multi-residential) citywide, for 12,140 homes per year on average. New communities in Calgary have captured an average of 66 per cent of the citywide total homes over the last five years, absorbing 40,152 homes or an average of 8,030 homes per year. The majority of these new homes were built in the North and Northeast sectors (25 and 23 per cent respectively) and the South and Southeast sectors (19 per cent each). The proportion of new homes being built in new communities has been increasing since 2021, reaching 75 per cent in 2023. This is the highest proportion of new homes being built in new communities in Calgary since 2010.

In the Calgary Census Metropolitan Area (CMA) in 2023, the city of Calgary absorbed 85 per cent of all housing starts. The regional growth share for Calgary is forecast to hold steady over the next five years[14].

Forecasts for 2024-2028 estimate that 54,873 (10,975 per year average) homes will be absorbed within new communities across the city. On a sector basis, the forecasts of new home growth suggest more than half will be in North and South sectors, with each sector gaining 27 per cent of the total growth of new communities. The Southeast sector has the next highest share with 16 per cent of new community growth,

[14] Calgary & Region Economic Outlook 2024-2029, Spring 2024

followed by the Northeast sector (11 per cent), East sector (eight per cent), West sector (eight per cent) and Northwest sector (four per cent).

Current land supply levels shows Calgary is well positioned to accommodate additional growth in new communities in the short and medium term. As of 2024 May, there is 14-18 years of planned land supply[15] available citywide. Considering only approved serviced land[16], there is seven to nine years of land available, consisting of 1,999 hectares spread across the city. Additionally, there is 1,104 hectares of approved – yet to be serviced land[17], representing another three to four years of supply.

Sector	Building Permits Issued in 2023	Approved Serviced Land Supply (hectares)	Years of Approved Serviced Land Supply	Approved - Yet To Be Serviced Land Supply (hectares)	Years of Approved - Yet To Be Serviced Land Supply
North	3,494	456	6 to 8	336	4 to 5
Northeast	1,761	182	6 to 9	167	3 to 4
East	822	37	2 to 3	197	7 to 9
Southeast	1,631	669	12 to 16	119	2
South	2,030	315	5 to 6	278	3 to 4
West	1,428	233	8 to 11	0	0
Northwest	360	107	8 to 11	7	0 to 1
Total	11,526	1,999	7 to 9	1,104	3 to 4

Table 3: 2024 Land Supply and Building Permits by Sector

Using data in the *Suburban Residential Growth* report, the estimated serviced land capacity in 2024 is higher than in 2023 despite a record high 11,526 homes absorbed that year. This is because new servicing in the form of City infrastructure investments is replenishing the inventory of serviced capacity lost through absorption.

The new communities approved in 2018 are producing significant housing. Considering these communities (excluding Seton as part of that community had started building prior to 2018), at the end of 2023, Belvedere has the most building permits issued, with 1,111 homes. Haskayne (Rockland Park) is next with 785 homes. Lewisburg had its first building permits issued in 2023. In the community of Homestead, The City is working with the developer to ensure the 80th Avenue NE overpass is available and servicing new homes, and had 471 building permits issued in 2023. Symons Valley Ranch, Keystone Hills and Twinhills have not yet had any building permits issued, and Keystone Hills has a subdivision pending as of 2024 May.

In 2022, Council approved eight new community business cases to start development in the 2023-2026 timeframe. These eight business cases did not trigger any new City-funded capital infrastructure, and their operating cost profiles were positive overall, although the two new business cases in Glacier Ridge were limited to 650 homes each pending additional water infrastructure capacity. The new approved areas enable new supply and housing choice in the market that efficiently leverage existing investments in previously

[15] Planned land supply includes areas with an approved Area Structure Plan in place.
[16] Approved serviced land is vacant land that has capital infrastructure for transportation, water, sanitary, storm and emergency service capacity to allow for development.
[17] Approved – yet to be serviced land is areas within vacant planned land where The City has committed (through a business case or Growth Application approval) to build the necessary leading infrastructure to service this land, but the infrastructure is not in place yet.

approved new communities. Within these areas, site preparation activities including stripping and grading are underway, with the first homes under construction in the Keystone (Lewiston) and Ricardo Ranch areas.

Figure 2 on the page below provides a map of 41 actively developing new communities in Calgary and includes the eight new community business cases approved in 2022.

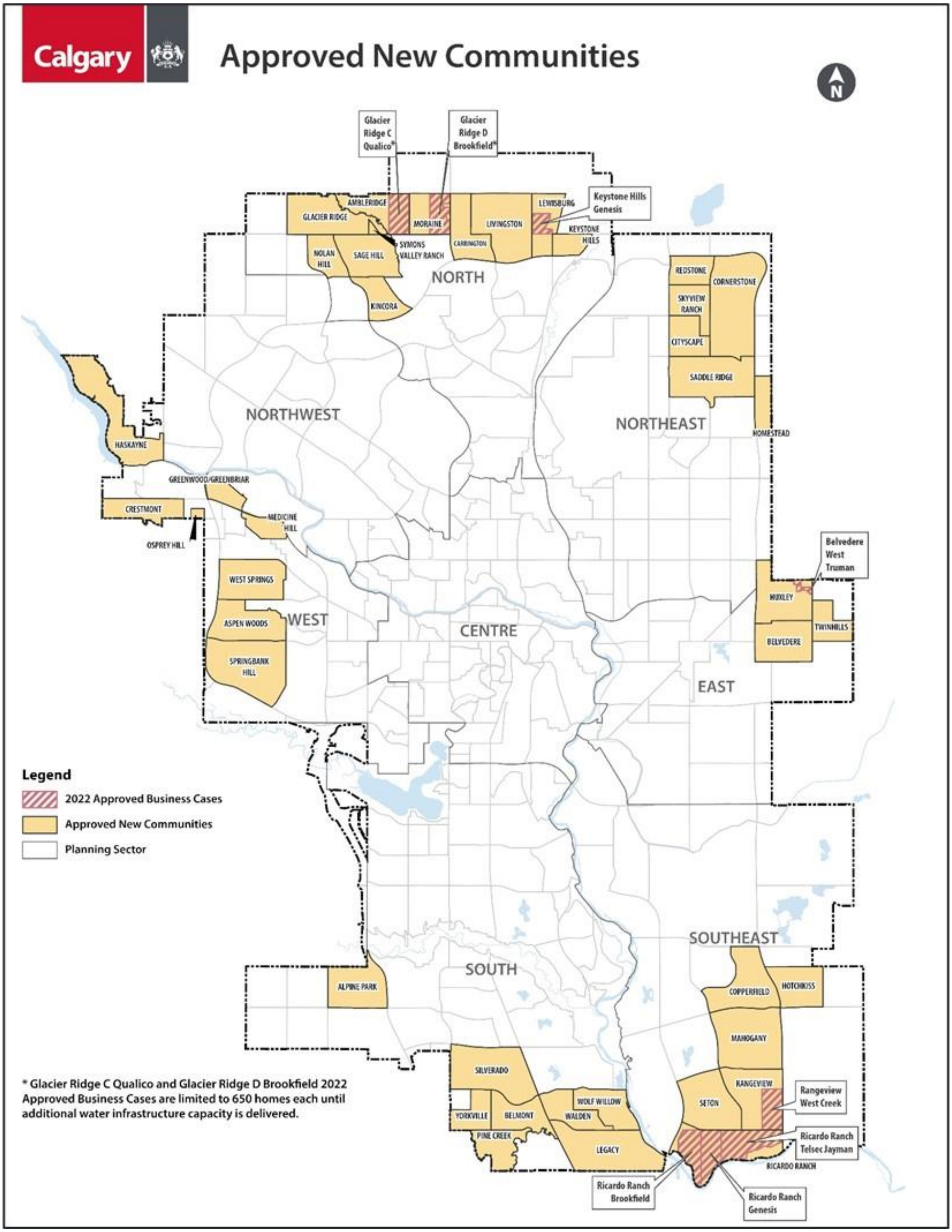

Figure 2: 41 Actively Developing New Communities, including Approved Business Cases from 2022

Financial Investment

Over the course of 2023, The City spent $106.9 million on capital infrastructure projects related to new communities. The majority of this spending ($61.7 million) supported the North sector, with the largest amount spent on the Keystone Storm Trunk and Outfall ($15.7 million), followed by $14.5 million to finish the 144 Av NW West Nose Creek bridge and $10.4 million on the 11 St NE and Stoney Trail Interchange.

The next area to see significant investment was the South sector, with $28.1 million spent. Almost all of this went to the Lower Sarcee Feedermain Phase 1 ($17.7 million) and the Yorkville 210 Av SW Pump Station ($10.0 million). Over the remaining sectors, projects with the most spending were $8.5 million for the 80 Ave NE and Stoney Trail Flyover in the Northeast, $2.8 million for Emergency Response Station 45 (Belvedere) in the East sector, $2.6 million for Ogden Feedermain Phase 1 in the Southeast and $1.0 million on the Trans Canada Sanitary Trunk in the West sector.

Figure 3 below shows the actual capital spending in new communities by sector and by service line, excluding cases where 2023 spending is below $0.1 million. In this figure, 'utility' represents investments in water, sanitary or storm services. It clearly indicates that the North and South sector saw the bulk of the 2023 capital spending.

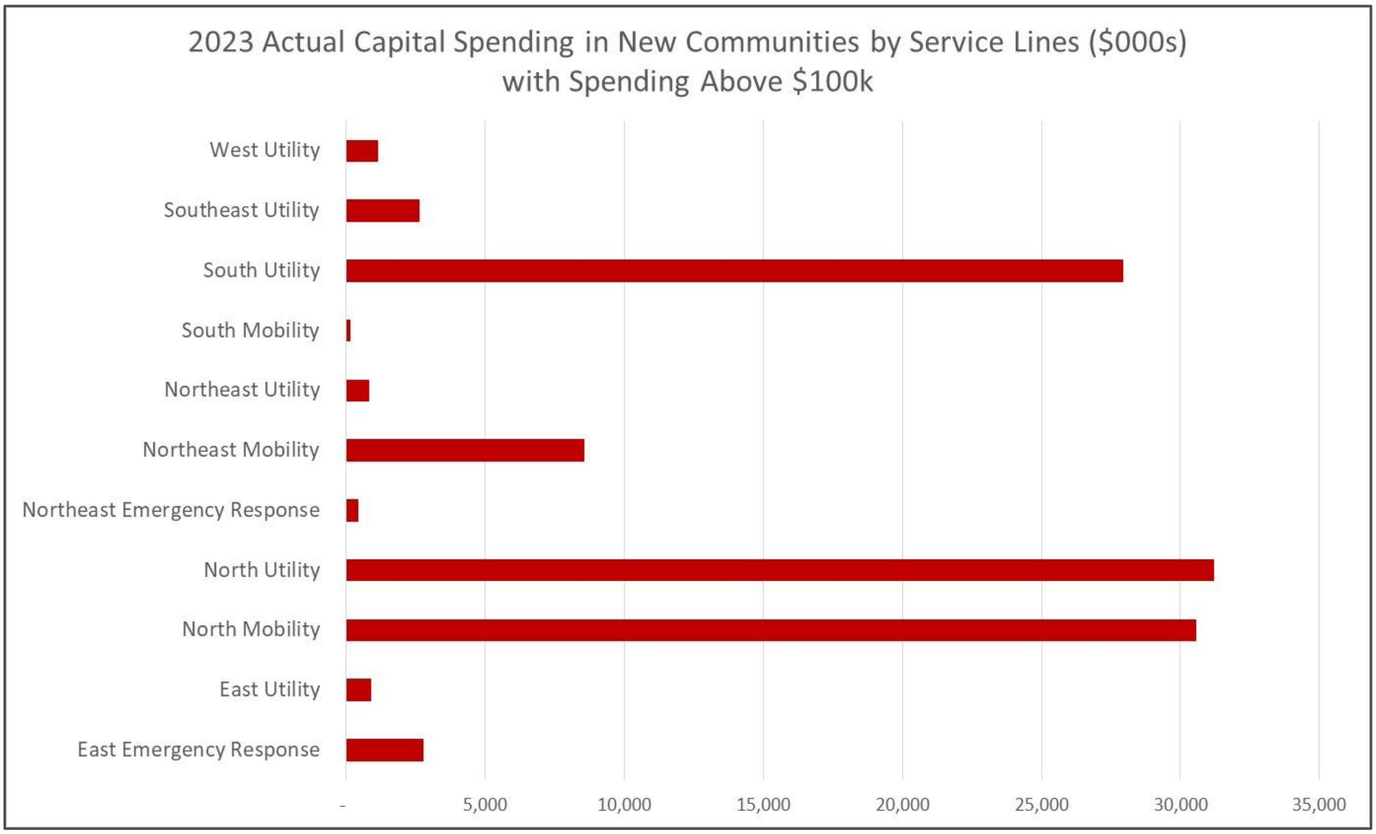

Figure 3: 2023 Capital Spending in New Communities by Sector and Service Lines ($000s), values over $100,000

Figure 4 on the next page shows both funded and delivered capital infrastructure projects that are supporting development in Calgary's new communities.

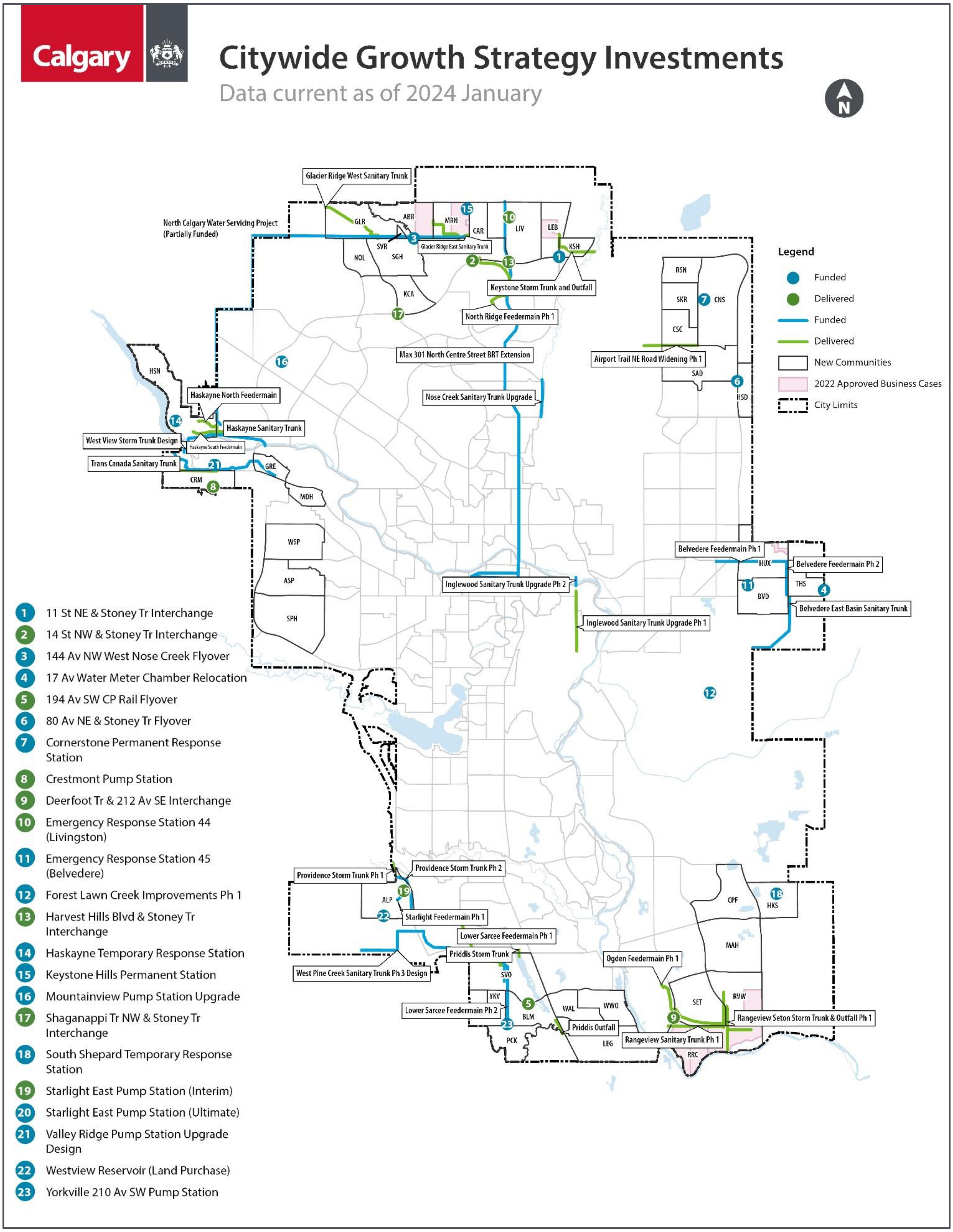

Figure 4: Citywide Growth Strategy Infrastructure Investments that Enable New Communities

Considering the next four years and beyond, the anticipated spending amount on new community capital infrastructure is expected to increase annually. Figure 5 below shows the anticipated spend year by year, along with 2023 actual spending, for these approved new community capital infrastructure projects. This demonstrates The City's continuing commitment to supporting the development of new communities, and providing needed infrastructure to enable development to continue.

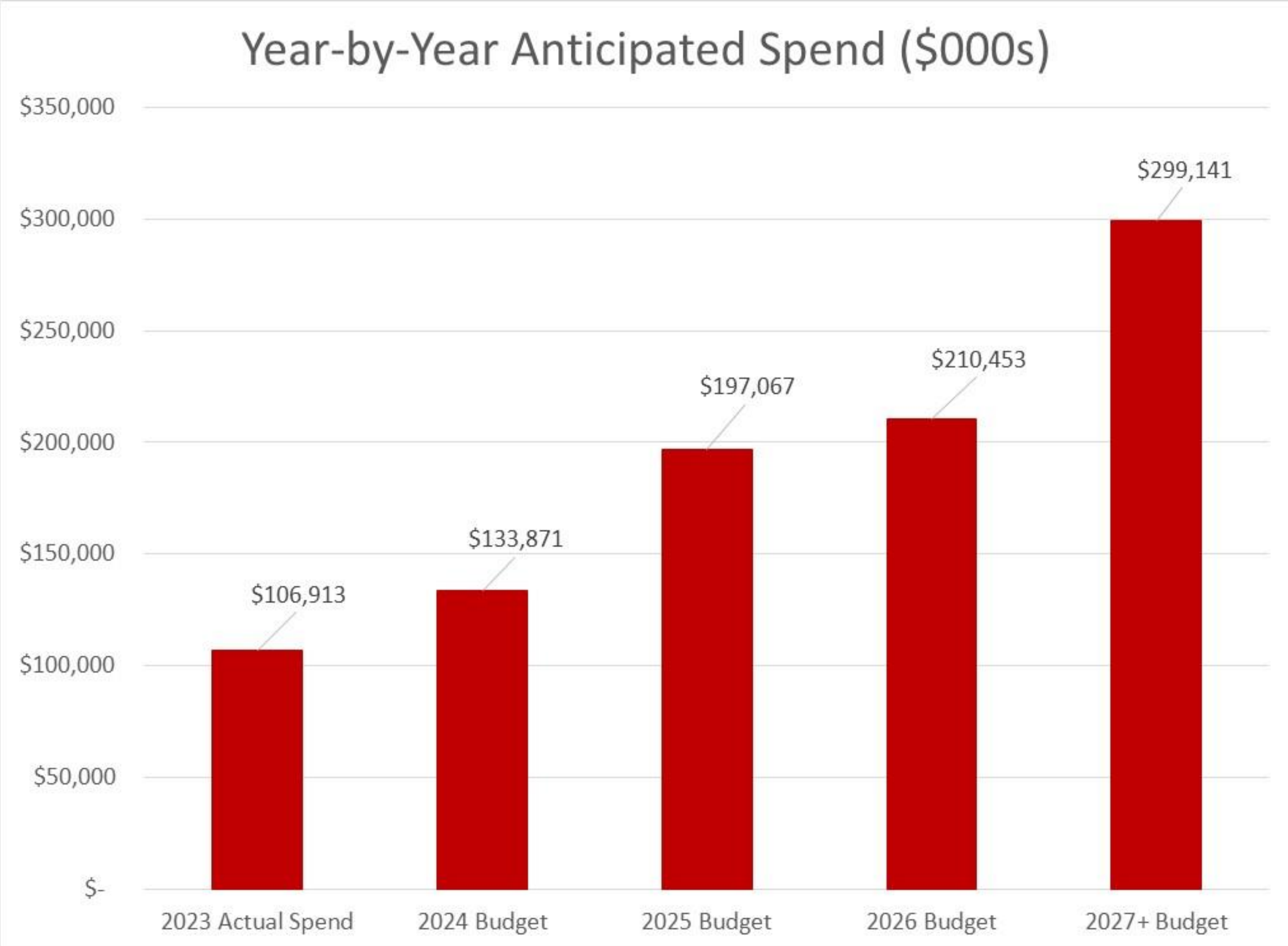

Figure 5: Year-by-Year Anticipated Spending for Capital Infrastructure supporting New Communities

Since 2018, annual operating costs for services supporting new communities have increased by over $38 million, as seen in Figure 6 on the next page. These increases support Fire & Emergency Response ($10 million), Parks & Open Spaces ($5.6 million), Public Transit ($13.4 million), Parking ($0.1 million), Sidewalks & Pathways ($1.5 million) and Streets ($7.6 million). A notable increase in 2023 was for Fire & Emergency Response, with $3.4 million added to support the Belvedere Fire Station. $1.1 million was added in 2023 for Parks & Open Spaces and $1.7 million was added to Streets for actively developing communities. Transit has seen the largest additional operating cost increase since 2018, with $13.4 million spent providing transit to new areas.

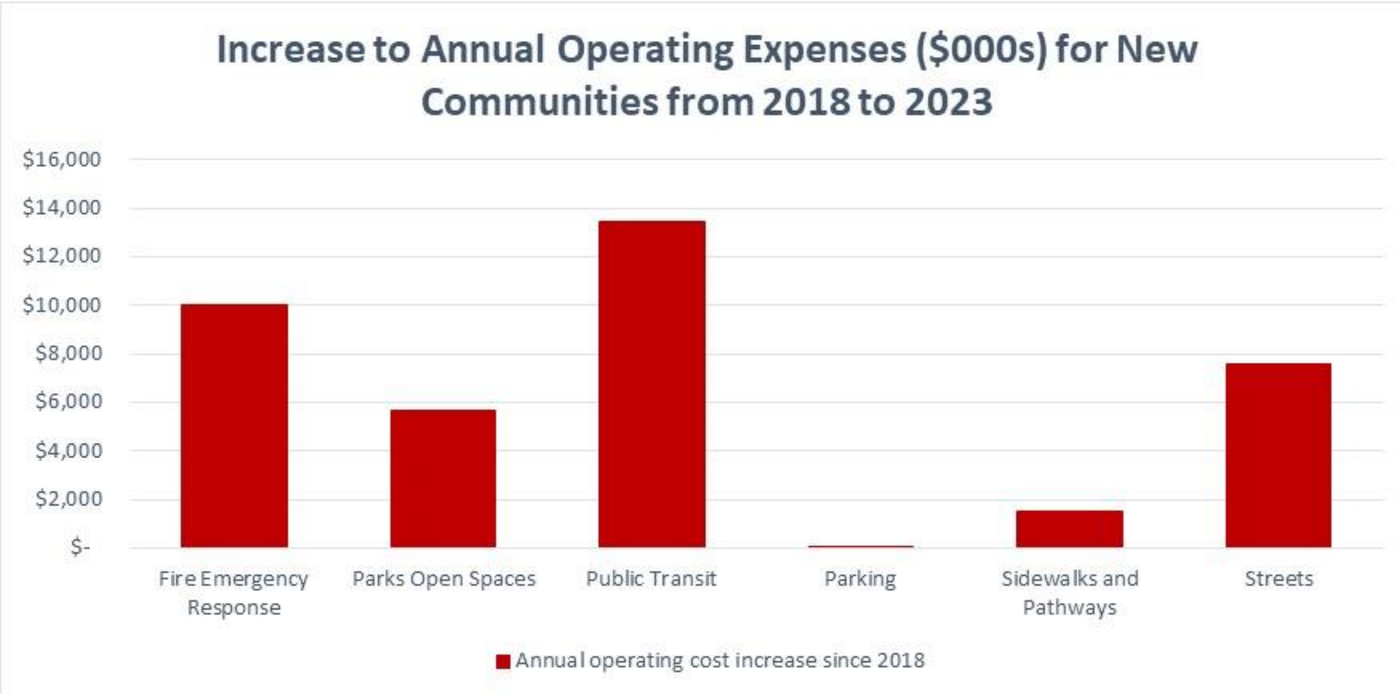

Figure 6: 2023 New Communities Operating Expenses ($000s)

Next Steps

In 2022, Council provided specific direction to redesign the review process for new community growth and to end and repeal the Growth Management Overlay as a tool to in this process. Council approved the implementation of the redesigned Growth Applications system starting in 2023 August, which introduced changes and improvements to the approach for strategically evaluating proposed new community growth. An applicant can now apply at any time, and final decisions on required funding would be made through the Service Plans and Budgets process in November of each year.

Seven Growth Applications were brought to the Infrastructure and Planning Committee and Council in 2024 May. Council directed Administration to consider the capital infrastructure and operating investments needed to enable growth for four of these sites in the 2024 Service Plans and Budgets adjustment process, with a final decision to be made in 2024 November. If approved, these Growth Applications would have The City service an additional supply of over 18,000 homes in the North, East and Southeast parts of the city. Administration has been directed to continue collaborating with the applicants for the remaining three Growth Applications, with anticipated resubmission into the 2025 Service Plans and Budgets adjustment process.

Established Areas, Main Streets and Transit-Oriented Development

Introduction

The Citywide Growth Strategy enables and supports growth in established area communities by prioritizing and planning investments and reducing barriers to redevelopment. Three programs make up this component: the Main Streets program that focuses on local business districts, the Transit-Oriented Development (TOD) Strategy that focuses on transit nodes, and the Established Area Growth and Change Strategy that considers the wider community. All three programs work together to consider strategic investment and policy/process improvements to enable redevelopment, encourage continued growth by keeping mature communities desirable and to support communities experiencing change.

The goal of the program is to support communities and local businesses in parts of the city where redevelopment and change are happening or expected to happen in the near future. This will ensure established communities remain desirable places to live and are complete with access to nearby daily needs and employment opportunities.

Climate

Accommodating new population through redevelopment is the least greenhouse gas intensive way to grow and supports the mitigation goals of the Calgary Climate Strategy, as well as the urban expansion targets of the Municipal Development Plan. As well, infill housing tends to be more compact and more efficient than housing in new communities, resulting in lower emissions from buildings and, with higher densities, improving per capita emissions. Additionally, the established area is much better served by existing transit and active mode infrastructure, with access to daily needs such as schools and shopping, allowing more people to make low-carbon transportation choices.

The Calgary Climate Strategy contains actions to support better climate-related outcomes in established communities, including the integration of climate policies into local area plans, incentivization and prioritization of energy efficient developments, amendments to the Land Use Bylaw that make it easier for Calgarians to improve the energy efficiency of their homes and development of design guidelines for net-zero and climate resilient established communities. If the balanced growth targets of the Municipal Development Plan are achieved, seven megatonnes of emissions could be avoided by 2050, save $8 billion in avoided infrastructure costs and reduce energy bills of Calgarians by $290 million annually[18].

Growth and Supply

Calgary's established area includes over 170 communities and is home to most of the city's population. Within this area, there are various ages and types of communities, ranging from those experiencing significant redevelopment and change, and those that have recently been completed and are likely to be stable for several decades.

In this section of the report, the 'established area' refers to the area within the Balanced Growth Boundary, as laid out in the Municipal Development Plan. This does not include communities completed since the adoption of the Municipal Development Plan in 2009.

The high volume of issued building permits in the established area offers insight into how quickly growth and change is occurring. In 2023, there were 3,643 building permits issued for new homes, of which 2,806 (77 per cent) were for multi-residential. This is an 11 per cent decline from 2022 for total new homes, although the percentage of new homes in the established are that are multi-residential remained the same. Annual totals can be seen in Figure 7 on the next page, showing new homes from issued building permits in the established area since 2018. 2020 was lower than average due to the COVID-19 pandemic and 2021 higher than average as some of the delayed demand returned. The decrease in established area permits in

[18] Cost and emission savings based on modelling undertaken by The City, the University of Leeds and the University of Calgary.

2023 compared to 2022, despite record-high new builds citywide, may indicate that construction resources are being distributed more towards new communities than previously.

Figure 7 also shows established area new homes broken down by building type. Apartments dominate in the established area but missing middle types (rowhouse/townhouse) have seen a significant increase compared to previous years, providing additional choice for Calgarians. This is likely due to customer demand for the type, eroding affordability for single and semi-detached homes, and streamlined regulations including the H-GO zoning option.

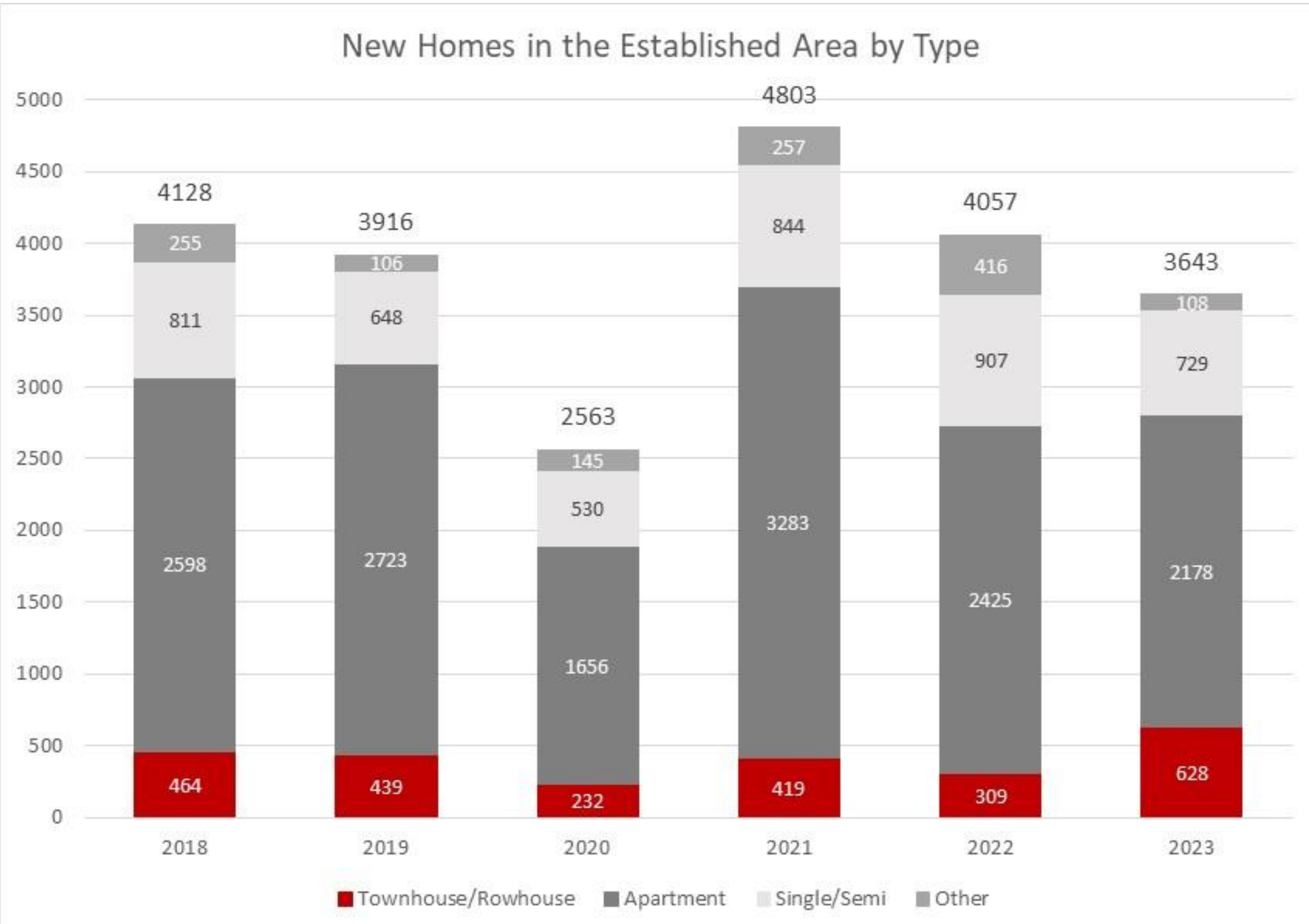

Figure 7: New Homes in the Established Area by Type

New single and semi-detached homes are primarily occurring in the older communities built in the 1950s or earlier as those communities continue to redevelop. New multi-residential homes are being built across the established area, both in those same older communities but also in newer parts of the city, including developments in University District (379 new homes) and Arbour Lake (230 new homes) in 2023.

Almost half of the new homes in the established area were built in the areas adjacent to Main Streets (150m from a Main Street as defined by the Municipal Development Plan) and Transit Station Areas (600m radius from a Primary Transit Network Station) outside of the Greater Downtown. In 2023, 1,809 building permits were issued for new and redeveloped homes in these areas, representing just under 50 per cent of the established area total. Proportionally more of these homes are row or townhouses compared to the total established area in 2023, with 23 per cent of those in Main Streets or TOD areas being row or townhouses, and only 17 per cent of those in the overall established area.

Financial Investment

There are three growth-related investment initiatives within the Established Area Growth Strategy: Established Area Growth and Change Strategy, Main Streets Program and Transit-Oriented Development (TOD) Program. Investment plans are underway for each area of focus that support communities adapt to growth and change, attract future residents and businesses, and encourage and leverage private investment.

Established Area Growth and Change Strategy: This Strategy focuses on community wide investment opportunities related to growth. In Phase 1 (2020), this initiative created a collaborative and data driven approach to identify which areas were experiencing growth and redevelopment to the greatest extent and which areas were anticipated to experience the most growth over the short term, and allocated funding towards improving the public realm and infrastructure networks in these areas. A set of Phase 1 public space projects were delivered with an initial investment of $30 million from Council and many of these projects are now open to the public (e.g., Balmoral Circus, Kensington Plaza, Buckmaster Park). Further, there are three dedicated utility redevelopment programs that support ongoing network upgrades in water, sanitary and stormwater for future growth and to improve drainage conditions in the established area.

In Phase 2 (2022), this program received an additional $33 million of City funding, and another $12 million from the federal Housing Accelerator Fund to deliver additional public space investments. These projects are either in planning, design, or construction stages and will be ready for use through 2024-2026.

Main Streets Program: In the 2023-2026 Service Plans and Budgets, the Main Streets Program received $50 million to support active construction projects in Bridgeland (1st Avenue NE) and Marda Loop (33rd/34th Avenue SW), $9.2 million for masterplans in the next set of priority Main Streets, and $0.8 million for the sustainment of a metrics program to measure the impact investments are having on Main Street areas, and partnership opportunities with development. A further $15 million of funding was provided through the Housing Accelerator Fund in support of completing phases of Marda Loop. As an outcome of these investments, prioritized Main Streets will continue to see overall upgrades of commercial corridors including more trees planted, more or improved pedestrian crossings, improved or new sidewalks built and the extension of the multi-use pathways. These improvements support businesses in these areas, attract business traffic and create spaces of community character and gatherings.

Transit-Oriented Development Program: In pursuit of realizing housing near transit, this program received $16 milllion in the 2023-2026 Service Plans and Budgets, plus $12.5 million from the Federal Housing Accelerator Fund. Approximately $15 million is supporting recent mixed-use housing developments by redesigning streetscapes, parks and pathways in the area around Ramsay/Inglewood LRT Station. Construction is set to begin in the spring of 2025. Funds are also supporting the redevelopment of the South Park and Ride lot at Franklin LRT Station into mixed-market housing. Construction to accommodate the redesigned bus terminal, integrated housing, streetscape and park space is expected to begin in 2026.

Next Steps

Using Council approved funds and Federal investment funds, these three key investment initiatives are delivering public realm projects that help achieve the goals of the Strategy and support growing established communities. Notably, Council's investments in these initiatives are just one part of a robust package of established area investment, which also included $40 million for pathway and bikeway improvements and $20 million to help realize the goals of the Local Area Planning program.

Furthermore, Phase 4 of the Established Area Growth and Change Strategy will begin this fall, with collaborative multi-representative working groups helping find solutions to a number of growth challenges in the established area.

Conclusion

Calgary experienced record-setting growth of 75,000 new residents last year. Calgary has also seen record-setting levels of housing development, with 16,700 new home starts in 2023. High levels of development are forecast to continue as the housing market responds to the recent demand, while population growth is forecast to slow to a more typical pace. Accommodating this growth in a way that meets city building goals, particularly aligning with the Municipal Development Plan, meeting market demand, understanding the financial impact to the economy and The City, and improved redevelopment readiness, is at the core of the Citywide Growth Strategy.

New community areas continue to be the choice for many Calgarians. Approval of new communities and continued infrastructure spending have positioned Calgary to be able to accommodate the current high rates of growth, while also supporting affordability and choice. Calgary is well positioned with available land supply for new communities, with seven to nine years of serviced land available. Lands enabled for growth support housing forms such as rowhouses, secondary suites, and multi-residential homes that improve housing choice for Calgarians and efficient use of land.

Industrial development in Calgary is decreasing, as the amount of land being initiated through new industrial development agreements annually has dropped by over 90 per cent since 2016. Shovel-ready industrial land could be depleted within four years if no more industrial development agreements are put in place, and recent legislative changes have opened the opportunity for industrial landowners to convert their land to residential use. While this may increase the supply of land for housing, losing industrial land impacts Calgary's future economic diversity, job availability and ability to sustain a balanced tax environment.

Established areas continue to provide redevelopment opportunities with access to existing amenities. Strong growth, including notable growth in rowhouses and townhouses, was evident in 2023. The recent Rezoning for Housing decision helps streamline the process for redevelopment opportunities in these communities, allowing single detached lots to accommodate additional homes for Calgarians.

Balancing growth in both new and established areas will be important for bringing people closer to their daily needs, for ensuring efficient City services, and to make it easier to offer different mobility options. Achieving this continues to make Calgary a great place to make a living, and a great place to make a life.