

Charlotte Kingsford

- I'm strongly in favour of repealing blanket upzoning as I'm not convinced the broad application of up-zoning in the City of Calgary addresses the root causes of housing affordability and I feel there was a lack of transparency about the goal when its approved. Lastly, I'm concerned there may be unintended consequences from blanket upzoning causing more homelessness and it may exacerbate social and economic changes for lower income families in Calgary.
- I'm an energy market researcher, with a Master's degree in Business and Economics. (I'm not a housing market expert!)

Economic Outlook- Modest improvements

Snapshot of Current Economic Indicators

(Comparing 2024 to 2025 Year-over-Year)

Good News!

<u>Economic Indicator</u>	<u>Year-over-Year Change</u>
Real wage increase (inclusive of inflation)	1.2%
Lending rate (debt to equity ratio is 48.5%) in Calgary	No change

Housing costs: Modest improvement Year-over-Year

<u>Economic Indicator</u>	<u>Year-over-Year Change</u>
Avg. Residential MLS Price	Decreased by 1.2%
Rental Price	Decreased by 7.2%

- There is approx. **23% housing imbalance** (meaning greater supply to demand) so it's a buyer's market. Unfortunately, builder's may no longer be motivated to build...since blanket upzoning was approved average housing prices have gone for 560,000 to 627, 000. (increase of 12%).
- There will be a approx. **32% increase in rental units available** (meaning greater supply to demand) and likely the most price responsive to supply imbalance which is why we are experiencing a decline in rents.

Snapshot: Housing starts needed

Housing needs:	2,025.0	2026
Annual population growth	2.96%	2.53%
Population ('000)	1,389.0	1563.0
Increase to Population to 2025	93,851.4	123,557.3
Needs based upon average household (2.6)	36,096.7	47,522.0
Estimated shortfall	23,105.7	27,547.0

Snapshot: Calgary Housing under Construction

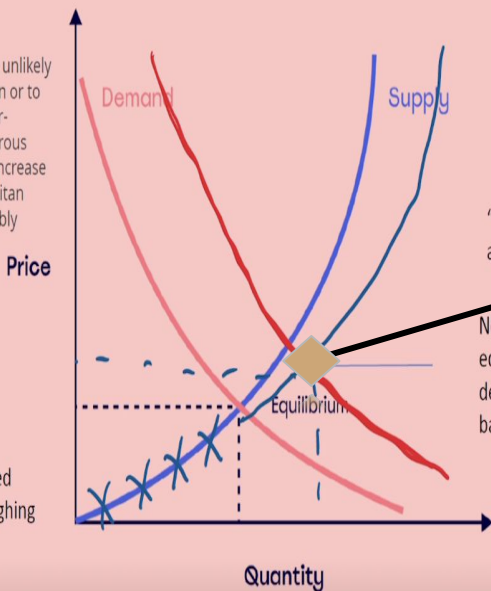
- **2025 Actual construction: Blanket upzoning is likely not the reason-** most housing starts were already underway in when blanket upzoning was approved in 2024.
- Any housing starts this year are resultant of the land use change.

assume equal distribution	2025 Shortfall	2026 Shortfall	Actual Construction (assumed to be available in 2025)	Under Construction (assumed to be available by 2026)	Excess Housing stock
<u>Homeowner total:</u>	11,552.8	12,868			
single detached houses	5,776.4	6,434	6,617	7,517	1,083
condo(variety of choice)	5,776.4	6,434	7,645	8,685	2,251
rentals	11,552.8	14,679	9,105	15,826	1,147
Total	23,105.7	27,547.0	23,367.0	32,027.6	4,481

Unintended Consequences: Builders build when $\$ > ATC$ (price discrimination in monopolistic competition)

Reality – Calgary (inclusive of Canada and World)

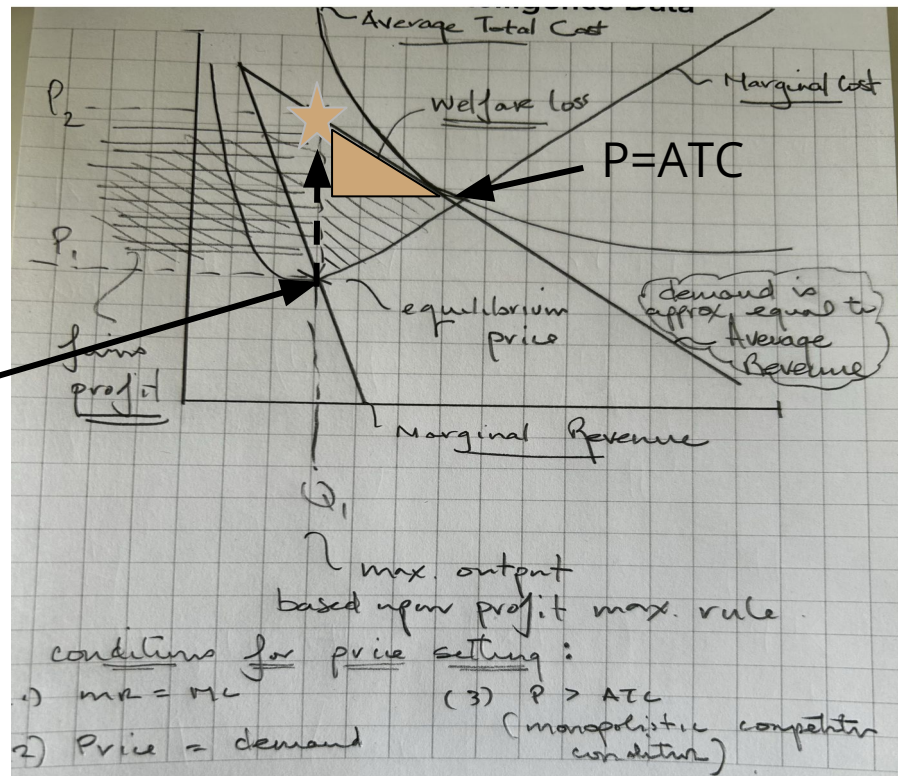
Blanket changes in zoning are unlikely to increase domestic migration or to improve affordability for lower-income households in prosperous areas. They would, however, increase gentrification within metropolitan areas and would not appreciably decrease income inequality.



"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



Welfare Loss

- Due to profit max. rule of price setting and downward decreasing demand curve-this lowers housing output, and results in higher prices.
- Due higher than normal average total Construction Cost -(labour constraints, higher cost to materials)
- Lower income families will be priced-out of the market-place (will increase homelessness with some probability)
- Social housing and supports needed to support families with housing insecurity.

- Thank you for listening to your constituents and for the opportunity to speak today- I appreciate the hard-work you are all doing.
- **A Made in Calgary solution!** Not because that's the way other cities in world have done this but rather, rolling up our sleeves and tackling this problem head-on.
- Builders are not trained in city planning. We need a gatekeeper. I'm advocating for thoughtful city planning such that infrastructure and other considerations can keep pace with densification and ensuring variety of housing choice is respectful of the neighbouring properties through zoning and permitted use bylaws.

Auckland's Building Boom

Auckland's Dwelling Consents Hit a Record High in 2022, Driven by Rising Townhouse Construction

As at March 2024, the median house price in Auckland is \$1,050,000. This is up from \$649,000 10 years earlier.



Appendix A: Snapshot- Rental Market Today

Rental market	2024 Supply	2025 Supply
Available units	55,853	61,353
Rental vacancy rate	1.20%	4.60%
Min. Rental units needed	56,524	64,176
"Could" be made available by end of year:		
Short-term rentals	3,780	4149
Under-construction already	9,211	15,826
Total units available	12,991	19,975
Avg. length of construction (months)	28.6	15.0
Change in Supply	23.26%	32.56%

Appendix B: Length of Construction time

Building type	Avg. Construction length of time
single	7.4 months
row	9.3 months
semi-detached	9.25 months
Apartments (*not sure what building size-CMHC data)	15 months



Based upon 2024 data

Appendix C: Snapshot- Housing Market balance

	2024	2025	Change
Sales to New listing			
Sales(demand)	83.6	68.00	
demand change	1.04	0.81	-22.38%
Median housing price	560.0	577.50	
Avg. housing price change (Proxy measure of change in supply)	1.04	1.03	1.20%
Housing Imbalance			-23.58%
Pop. growth	1492	1563.0	
Pop. Growth change	1.07	1.03	-4.89%
rental price change (proxy for demand)	14%	-7.2%	-22%
rental vacancy rate (supply)	4.60%	6.00%	-1.20%
			-23%

Please note:

1. a negative change in demand(sales) indicates an increase in supply of existing housing for sale or a buyer's market.
2. Population growth has slowed too.
3. Rental prices have dropped significantly too.