



## Housing woes hitting home

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During the past winter, Calgary's finest armchair real estate pundits were quick to spot the housing market's volatility and when prices plunged, pushed their friends to sell, sell, sell.

Then, at the first glimmerings of a warming trend, they loudly urged their relatives to buy, buy, buy.

As market gyrations continued, these self-same experts were uncertain if they should tell their clientele pals to buy on rumour or sell on the news, do the opposite, do both, or do neither, based on which way the wind was blowing.

Last week, these sharp, sophisticated analysts huddled in loungers and proclaimed Equal Housing Opportunity Day to bring the city's attention to the fluctuation in prices. Not an unmitigated success.

The Calgary Chamber of Commerce has no need to erect a weather vane to accurately assess Calgary's housing market. Last winter, its policy think tank researched housing prices, trends, and indicators.

Next Wednesday, the Chamber will unveil a major housing affordability report that proves housing costs have increased at rates higher than incomes, impacting the quality of life Calgarians enjoy.

The analysis shows that today, Calgary rates below Toronto, Ottawa and Halifax. Yet four years ago, Calgarians had the highest relative discretionary income in the country.

According to Canada Mortgage and Housing, housing is affordable if a household does not spend more than 30% of pre-tax dollars on shelter costs — mortgage, rent, condo fees, property taxes, and heating.

In 2007, Calgarians spent about 44% on housing alone, up from 32% in 2005.

The Chamber thinks a better measure of affordability is the market basket measure, as it gauges the quality of life. It includes how much it costs a household for food, shelter and clothing, then estimates how many loonies are left for movies, ski trips, lattes and holidays.

Today Calgarians have less money for fun stuff.

The business community is deeply worried about what this is doing to Calgary's competitive advantage. The city's deteriorating housing affordability is another challenge for companies already struggling with the labour shortage. It's harder and more expensive to attract and retain employees.

As housing prices increase, so do rents and, as rental vacancies shrink, our reputation as an affordable place to live and work is undermined. Solutions cannot wait.



The city's housing market has historically functioned well. Prices were reasonable (10% below national average), housing was plentiful, and most places offered sufficient amenities. Then the energy boom hit and prices went skyward. Calgary has surpassed Toronto to become the second most expensive market in Canada.

The Chamber has made these recommendations to the Alberta Affordable Housing Task Force:

- Strategic leadership: Create an Alberta Commission and a 10-year plan for affordable housing supply.
- Land supply: Develop policies to dedicate surplus or underutilized provincial properties.
- Development incentives: Enable municipalities to streamline regulatory processes, such as fast-tracking permits, waiving permit fees and elimination of development fee levies for affordable housing.
- Secondary suites: Permit these in existing neighbourhoods and provide homeowner incentives to meet appropriate building and safety standards.

The Chamber is confident government legislators will be pleased with its report to improve housing affordability. It may save them from introducing a new bill to enforce housing price equity.

"It's fantastic that once again corporate Calgary has found a solution that works for all Calgarians," is the reaction we expect from city hall.