

## Predictable Failures on Affordability, Equity, and Downtown

.....

In October, 2023, the Coalition for Better Infill published a guest column in *The Edmonton Journal*, predicting city council’s changes to zoning bylaws and infill development rules would worsen housing affordability; increase gentrification and social stratification; and harm Edmonton’s downtown. Council’s changes came into effect January 1, 2024, as part of “The City Plan.” It’s early going, but let’s see what’s happened so far.

### HOUSING AFFORDABILITY

The new zoning bylaw largely amounted to de-regulating the infill industry, eliminating most neighborhood input and relaxing or removing many regulations. Bylaw supporters claimed this would encourage infill developers to build new housing supply, which would lower housing costs. It’s an old argument: de-regulate our industry and good things will trickle down to the public.

*“When it comes to housing, more supply can actually increase prices.”*

When it comes to housing, more supply can actually increase prices. If you replace 50 affordable old homes with 100 expensive skinnies, or 75 affordable apartments with 150 expensive apartments and condos, the supply increases and so does the average price. This is happening across the city, as thousands of viable lower-priced homes and apartments are demolished and replaced by much more costly skinnies, rentals, and condos.

The Realtor’s Association of Edmonton says from October 2023 to October 2024, the average price of homes rose 11.1%, including 13.6% for detached homes and 19% for townhouses. From August 2023 to August 2024, average rents rose 8.4%. The hardest hit people are those most in need, especially families.

One big cause of this is increased land values. In a July presentation to real estate investors, long-established Edmonton builder Ulco Franken explained how the new bylaws helped lot

values in mature neighborhoods jump dramatically. As a result, lower cost housing is often not worth the land it's built on and gets demolished.

A second cause is the cost of new construction. The old building was paid for years ago and the main current cost is maintenance. If it's demolished and replaced, the new building must be paid for, including financing, construction, and developer profits. Developers speaking off the record are blunt that the affordability argument never made sense.

City council could have made other choices. It could have developed policies that added density while preserving lower-cost housing. It could have aggressively concentrated on sites that are grossly underused (vacant sites, parking lots, outdated malls, etc.). It could have followed a much longer time frame. Most importantly, it could have done what it used to do: work hard to engage citizens in planning the future of their own neighborhoods.

## SOCIAL STRATIFICATION

Supporters of the new zoning bylaws claimed that applying the same zoning to almost every neighborhood inside the Henday would make the city more equitable. The thinking was that higher-cost neighborhoods would begin filling with lower-cost housing.

Early indications suggest the opposite is more likely: the new bylaws make it easier to build low-cost housing in low-cost areas and high-cost housing in high-cost areas.

*“By de-regulating infill development, council is letting the market do what de-regulated markets always do: sort people by wealth and income.”*

By de-regulating infill development, council is letting the market do what de-regulated markets always do: sort people by wealth and income. Edmonton used to take pride in its efforts to reduce stratification. It wasn't always successful, but when it was, children of trades people, teachers, unskilled workers, salespersons, professionals, and office workers lived in the same neighborhoods and went to the same schools and community leagues.

The trend away from this has been underway for decades, and council's recent changes are accelerating it. In higher-cost neighborhoods, houses are selling above market assessments as prosperous people bid to move in.

At the same time, lower-cost neighborhoods, home to vibrant communities so important to this city's livability, are alarmed by infill developers snapping up lots and squeezing eight or more tiny "pop-up" rental units where one family-sized home used to stand.

## A HIT TO DOWNTOWN

In October, a major report confirmed the obvious: Edmonton's downtown is in serious decline and needs to be treated as a priority. Despite this, as part of The City Plan, council is creating 19 "priority growth areas" where residential midrisers and highrisers will be encouraged, starting immediately with 124 Street, Garneau, and Whyte Avenue districts. Council's plan will gut some of the city's most beloved and successful areas at the same time it undermines downtown. Why would developers face the hassles downtown, when they can build elsewhere? If council can't manage one downtown, how is it going to manage nineteen mini-downtowns?

City council has better options. It should pause priority growth areas; immediately reduce the number of units it allows on residential lots; and freeze the city plan until there has been robust public debate.

Affordability is getting worse, inequity is increasing, and the future of downtown is grimmer than ever. It was all predictable, and without substantial change it's likely to get worse. It's not a legacy to be proud of.

---

*Wendy Antoniuk, Marie Gordon, Joe Miller, James Spurr, and Kevin Taft are the steering committee of the rapidly growing Coalition for Better Infill. Visit [www.BetterInfill.ca](http://www.BetterInfill.ca)*