

A DELICATE BALANCE

Edmonton Planning Policies Consider Unprecedented Growth and Housing Affordability

By Christel Kjenner and Sarah Wilmot

SUMMARY

Edmonton has long been a city of contrasts – from summer heat to frigid winters, boom to bust, and from bustling festivals to the tranquility of the largest urban park in North America. While the city strives to provide welcoming and affordable homes for all, a new contrast in the housing market has emerged. Edmonton is still one of the most affordable large cities for homeownership in Canada, but there are thousands of households in core housing need. Creating more housing will be critical to maintaining Edmonton's affordability advantage and providing housing for those in need.

SOMMAIRE

Edmonton est depuis longtemps une ville de contrastes : de la chaleur estivale aux hivers glacials, de l'essor à la récession, des festivals animés à la tranquillité du plus grand parc urbain d'Amérique du Nord. Alors que la ville s'efforce de fournir des logements accueillants et abordables pour tous, un nouveau contraste est apparu sur le marché du logement. Edmonton reste l'une des grandes villes les plus abordables du Canada pour l'accès à la propriété, mais des milliers de ménages ont des besoins impérieux en matière de logement. La création de nouveaux logements sera essentielle pour maintenir l'avantage d'Edmonton en matière d'accessibilité et pour fournir des logements à ceux qui en ont besoin.



HOUSING SUPPLY
OFFRE DE LOGEMENTS

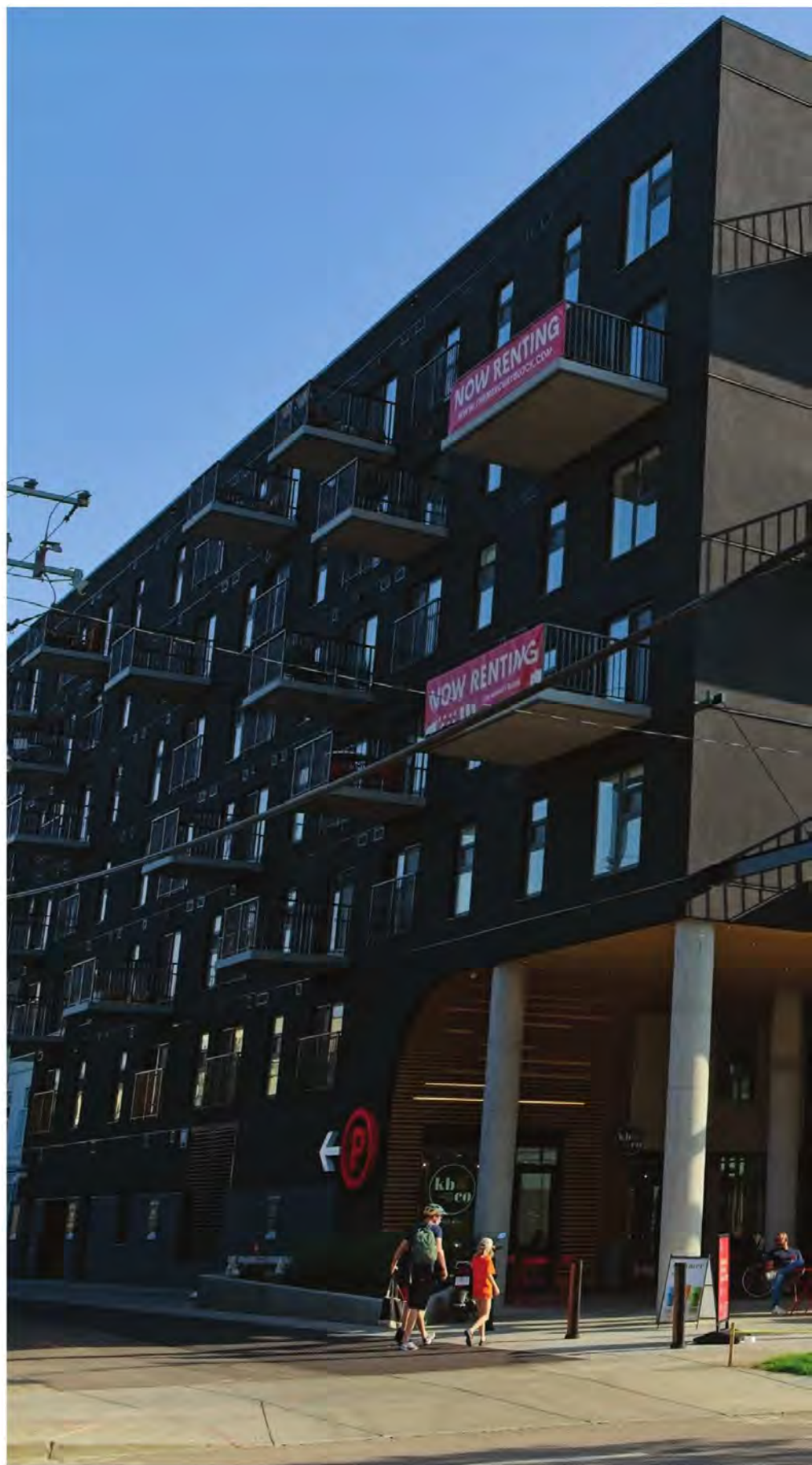
[CLICK TO RETURN TO TABLE OF CONTENTS](#)

WINTER • HIVER 2024 | PLAN CANADA 33

Edmonton has long been a city of contrasts – from summer heat to frigid winters, boom to bust, and from bustling festivals to the tranquility of the largest urban park in North America. While the city strives to provide welcoming and affordable homes for all, a new contrast in the housing market has emerged. Edmonton is one of the most affordable cities in Canada for homeownership.¹ It takes first-time home buyers earning median income just four years to save up for a down payment, one of the shortest savings periods in the country.² And so far, supply is on pace to keep up with demand, with both building permits and housing starts on track to break records.³ At the same time, Edmonton has a disproportionately high percentage of households in core housing need – the third largest share in the country after Toronto and Vancouver. Rents are rising fast, having gone up 12 per cent from September 2023 to September 2024, with average rent for a two-bedroom apartment surpassing \$1,600 per month for the first time.⁴ The purpose-built rental stock is half of what it needs to be, and there are more people without permanent housing than ever before.⁵ With supply tightening and home prices rising, creating more housing will be critical to maintaining Edmonton's affordability advantage and providing housing for those in need.

Nationally, housing supply constraint has been identified as a priority, and in June 2023, the federal government introduced the Housing Accelerator Fund (HAF), a program designed to help local governments create transformational change that will increase housing supply. City building is a collaborative effort of all orders of government, the development industry, professional planners and engaged citizens.

The City of Edmonton has spent more than a decade laying the groundwork for densification, transit-oriented development, and citywide distribution of non-market housing for households earning below the median income. Long before HAF was announced, Edmonton had already eliminated parking minimums, created the country's fastest permitting process,⁶ and removed barriers to a variety of housing forms from secondary suites and garden suites to multi-unit housing. Edmonton then embarked on a significant reform of the City's zoning, making it more inclusive and







supportive of diverse housing types than any other zoning bylaws in Canada. While the federal government used HAF funding to incentivize other cities to permit four units as-of-right on land formerly zoned for single-detached homes, Edmonton was preparing regulatory changes to allow eight units. Since the zoning bylaw's January 1, 2024 effective date, Edmonton has seen a significant shift in the variety of housing types being permitted. As of September 2024, multi-unit housing accounted for 65 per cent of the total permitted dwelling units. Compared to the same period in 2023, Edmonton permitted almost 3,000 more multi-unit housing units.

City planners and the City's housing section are digging deep to uncover additional programs and policies that will further facilitate additional housing supply. HAF has provided the resources necessary to implement new approaches, like a digital tool that allows applicants to apply for a development permit and start building on the same day. Edmonton is the first municipality in Canada to implement this auto review process for single-detached or semi-detached homes in the

greenfield – allowing planners to focus on more complex applications.

Another focus is incentivizing density in both priority areas and near transit, to build on the vibrancy of the city's established neighbourhoods. HAF provides an opportunity to address a significant barrier to infill development identified by the development industry: the cost of infrastructure upgrades. Greenfield development in Edmonton has established cost-sharing mechanisms, however, the first housing project in a redeveloping area is often responsible for the cost of upgrading infrastructure that will ultimately benefit subsequent redevelopments. Using \$39 million of HAF funds, the City engaged with the development industry and the primary utility provider to create the Infill Infrastructure Fund. This program covers costs up to \$4 million for any required off-site upgrades to support market or non-market housing development with ten or more units near transit and in urban centres and main street areas in established neighbourhoods. Eligible upgrades include water, storm, sanitary,

and mobility infrastructure, and electricity distribution. Since its launch in August 2024, the program has seen a surge of interest. Planners are reviewing submissions and identifying projects and associated infrastructure that meet the fund criteria, which includes securing a building permit by November 2026. Over the past year across Canada, critical infrastructure that supports residents and businesses has failed or needed significant upgrades to accommodate growth. As established neighborhoods continue to welcome new residents and more housing, servicing infrastructure will need ongoing investment and renewal. The City of Edmonton will use the learnings from the Infill Infrastructure Fund to determine the feasibility and potential structure of a permanent program that will ensure the infrastructure to support the construction of an adequate supply of housing in infill areas.

The federal funding has also given momentum to a project that successive planners have overseen for more than a decade: the development of housing on surplus school sites. The City received

ownership of 20 surplus school sites from local school boards in 2009. In 2015, City Council designated 14 of the sites for affordable housing development. However, without dedicated resources to cover the costs of infrastructure or construction, only two were prepared and sold for nominal value in the years that followed. With the HAF funds, the City has been able to advance the remaining sites, pursuing the necessary rezonings and municipal reserve removals needed to list the sites for below-market sale. The surplus school sites have the potential to deliver 1,800 new units of housing, with at least half targeted to be offered at non-market rates.

Providing shovel-ready land for development is one of the most effective tools that municipalities have to address the affordable housing shortage. Affordable housing providers run on tighter-than-average margins with limited retained earnings for future development and, as with infrastructure upgrades, planners and policymakers heard from developers again and again that land acquisition is a consistent barrier.⁷ By acting as an early investor, and providing land at a nominal value, the City de-risks investment from other orders of government and financial institutions. Additionally, the City offers capital funding to cover the cost of new construction or refurbishment. In total, we have helped create 5,571 units of affordable housing in the last five years, more than double the units created in the ten years

prior to 2019. An investment of \$254 million has attracted an additional \$891 million from other orders of government and funding sources. Transforming City-owned land into housing can be challenging, particularly from a community relations perspective. But using existing City-owned land assets has not only proven effective, it is fiscally responsible in a constrained budgetary environment.

The Housing Accelerator Fund is not going to end Canada's housing crisis overnight; a problem that emerged over decades will similarly take time to solve. But the funds, along with policy and regulatory changes that have been years in the making, give Edmonton a head start in avoiding the housing crunch that many other cities in Canada have suffered. Lifting thousands of households out of core housing need, and creating a city where all residents share in the affordability advantage, requires transformational changes that will continue to spur housing growth long after HAF funding runs out. Edmonton planners are up for the challenge, and they welcome opportunities to work with and leverage future federal, provincial, and inter-municipal opportunities to lead the needed change.

ENDNOTES

¹ Edmonton Housing Market Report: Sep. 9th, 2024 update: Interactive map (no date) Sep. 9th, 2024 Update | Interactive Map, WOWA.ca.

² Edmonton Journal. "Edmonton Offers a Shorter Path to Home Ownership Than Other Cities," October 3, 2024.

³ City of Edmonton, "Making Progress on a home for everyone," new release, September 26, 2024.

⁴ October 2024 National Rent Report (2024) *Rentals.ca*.

⁵ Homeward Trust (2024) *Data, Analytics & Reporting, Homeward Trust Edmonton*.

⁶ Altus Group Economic Consulting (2022) *CHBA National Municipal Benchmarking Study*.

⁷ City of Edmonton, Community Services CS00906: *Affordable Housing Land Assets - Management and Opportunities*.

Christel Kjenner, Director of the Housing Action Team, has more than 15 years of experience in the public sector, on both the administrative and political sides of government. She currently oversees the implementation of an ambitious plan to increase both market and non-market housing supply in Edmonton. **Sarah Wilmot** is the General Supervisor of the City of Edmonton's Urban Growth team, which focuses on developing and implementing policies that guide the city's growth to a population of two million. These policies prioritize fiscal responsibility, diverse housing options, and reducing environmental impact. ■

Edmonton is growing and so is our need for housing

Alberta called and people from across Canada and around the world answered. Edmonton is ready to meet this moment. The City of Edmonton has been laying the groundwork for more than a decade to create more housing everywhere.

Learn how at edmonton.ca/HousingAcceleratorFund