

# Developers give Plan It a chilly reception

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One of the things Plan It aims to promote is public transportation instead of the construction of new roads.

*Photograph by: Archive, Calgary Herald*

Was it a bad omen that the day after city hall released its draft plans for the future of Calgary--which discourages cars on roads in favour of bikes, C-trains and buses-- the city's temperature was near record lows?

Perhaps, say the builders and residential land developers who gave the proposal a chilly reception.

"Plan It is a social engineering document (that's) trying to create a market that isn't there," Michael Flynn, executive director of the Urban Development Institute-Calgary, said the day the document was made public. "I think they would be better off just letting (free) market forces dictate what's going to happen with our city."

The model for Plan It Calgary revolves around less dependence on the automobile.

But in Calgary, that's hardly practical -- especially if you have children and bags of groceries and you're walking, then waiting for a bus in temperatures hovering at bone-chilling minus 25 C, says Dennis Little, who heads up the residential construction industry team formed to respond to Plan It.

"We're certainly disappointed," he says.

"This document will mean a significant change in the formal function of the city, and I'm not sure if it's practical or achievable."

Plan It, which will be used as a guide for Calgary's growth over the next 60 to 70 years, "has no relation to the market," says Little.

The 300-plus page document includes the municipal development plan and transportation plan.

It is partly derived from past blueprints for growth that include imagineCALGARY, a long-range urban sustainability plan, as well as sustainability principles for land use and mobility, and older documents such as the Go Plan for future transportation.

Plan It has been in progress for three years now, including public input at various stages.

The UDI (Urban Development Institute) and Canadian Home Builders' Association-Calgary Region have been involved in stakeholder sessions with the city, but many of their concerns were ignored, says Little -- adding that the timeline for public input is too short.

"This is a very important step in Calgary's history and people need to understand the implications of the plan," says Little.

Such implications are not practical, but "aspirational," he says.

He's urging all Calgarians to read the document and respond before the April 17 deadline, after which the city will refine the policy and bring it to council in June.

Once approved, the report will be the guiding policy document for the City of Calgary.

And that's a problem, says Richard Priest, senior vice-president of Apex Limited Partnership, which constructs downtown condominium towers as well as develops neighbourhoods such as Kincora, Royal Oak and Citadel.

"It's too prescriptive," says Priest. "We agree with the general direction of the document and understand the need for policies and guidelines, but we don't need a document that has a vision for the

next 60-plus years that has such inflexible parameters. It will limit consumer choice and everything from jobs to

lifestyle and types of homes. Affordability of housing will be slowly eroded over the years."

Pat Gordon, manager of the City of Calgary's Sustainable City program, disagrees.

"We're creating a wide range of housing choices and in fact, even recommending working with the industry to design new options that could form a substitute for single-family homes that are ground-oriented, like you might find in other cities," she says.

A crux of the plan is a dramatic increase in the ratio of condo units versus single-family homes--and where they will be located.

Historically, multi-family housing accounts for 15 to 25 per cent of the market, says Jay Westman, president and CEO of Jayman MasterBuilt, one of the largest-volume builders in the province.

"Why? Because that's where the majority of people want to live," he says.

The plan calls for 50 per cent of all new housing to eventually take place in existing established communities rather than the suburbs, although that percentage will be gradually increased--and most of that growth will be multi-family housing.

The whole document is ironic, says Susan Nelson of Open Gate, which is proposing a development on Calgary's eastern fringe.

Twin Hills Central Project will be one of the first LEED neighbourhood (Leadership in Energy and Environmental Design, a comprehensive green building program that's worldwide).

"Our community, along with the city's Plan It document, have both been nominated for a Calgary Urban Design Leadership award," says Nelson.

"Our community plan exemplifies a lot of what Plan It Calgary is looking for, but it's a sad lack of balance that no greenfield developments are being promoted at all in the document. People are interested in choice and we are both aligned in terms of where our vision is going, yet we're not getting a lot of support."

Single-family homes are more affordable than a high-rise multi-family unit, says Westman.

"Building a single-family home costs a homebuyer approximately \$200 a square foot, compared to \$500 a square foot for a concrete tower--and affordability is continuing to improve," he says. "Anyone with a job and income of \$35,000 can buy a home today."

Emphasis will be placed on high-density condo developments that will be built around C-train stations. says the document.

"Over time, the amount of growth on the edges of the city will slow down," it says.

That, in itself, is likely unrealistic, says Grace Lui, development manager, Calgary Land for Carma Developers. The company is the city's largest developer, with many communities scattered throughout the city, including McKenzie Towne, Cranston, Auburn Bay, and Tuscany.

Controversy already surrounds the few C-Train-area projects that are in the early planning stages in areas such as Brentwood, Dalhousie, Chinook and Westbrook Mall, where neighbours are against the changes that the new housing will bring to their established communities.

One project, in fact, has already stalled because of the dramatic change in the market from the time it was first approved.

Near the Chinook C-Train station, the property was going to be developed by Lansdowne Equity Ventures Ltd. as an office tower and condos, but CEO Don Sandford recently told the Herald the project likely won't be finished until at least 2015.

The release of the document supporting an increase in condominium construction comes in the wake of a general dramatic decline in construction blamed, in part, on a decline in buyer interest.

During February, just 22 multi-family units were started, putting the two-month total this year at only 61--the start of a year-long downward trend.

For January and February 2008, work started on 937 units, says Lai Sing Louie, senior market analyst for Canada Mortgage and Housing Corp.

"A lower level of demand and rising inventory levels have prompted developers to rapidly adjust new construction activity," he says. "Down the pipeline, don't expect all of those that are approved to be started."

Rumours abound about some of the many inner-city condo developments changing uses or capping construction because of the market conditions.

For example, John Torode, who heads up the Torode Group of Companies, recently announced a change of plans for the large arriVa tower complex in Victoria Park.

One of the proposed condo highrises will now be a boutique hotel instead.

"(Plan It) doesn't take into account what the people want today," says Jayman MasterBuilt's Westman. "Generally, people with families want a home with a yard and enough square footage for the kids to grow and age in the same community."

That's the case for one family, Deanne and Jerry Smuszko, who live in Tuscany in the northwest with their three children. Interviewed in the Herald in December, Deanne said: "I used to live in Marda Loop. I would love to live in that neighbourhood again."

"But the fact of the matter is we have three kids now. A four-bedroom house in an area like that is not feasible."

"Our yard is big enough to play soccer in. For our family right now, it's the best choice."

That's not likely to change anytime soon, says Westman. "Will the next generation be any different in terms of needs and wants in housing choice?," he says. "From historical data, not likely."

Limiting the number of single-family homes that will be built will push up the cost of those homes, says Carma Developer's Lui.

It's simply the law of supply and demand. The market will decide on its own what type of housing should be built, says Lui.

"The industry only delivers what the market can support, and if there are no buyers, it won't be built," says Lui.

"Right now, multifamily housing in the established neighbourhoods is not consumers' preferences," says Lui. "Where people place their mortgages is the key--and for the majority, it's single-family housing in the suburbs."

Adds Apex's Priest: "It's where they perceive the value is."

There's a reason why the city grows on the edges, says Little. "It's more affordable."

But the City of Calgary's Gordon says the document is providing people with a chance "to choose where they want to live, rather than what type of housing they want to live in."

The residential building industry says people need to understand other consequences of the different form of growth for Calgary, which city officials say will reach 2.3 million people by 2070.

"The Plan It document is full of broad-brushed principles that are easy to agree with, but people need to know what the trade-offs are," says Lui. "More money will be spent on transit instead of roads and there will be a higher level of congestion of roads in the established communities because all cars will be channelled to the infill development."

However, the plan says just the opposite.

"Most North American cities are experiencing the same trends and the problems that come with 'urban sprawl,'" it says. "These include: ... increased traffic congestion since people must drive from new communities to jobs and services located farther and farther away from home."

Costs of the changes, too, need to be addressed, says Westman.

Transportation infrastructure costs will increase exponentially, including plans for such things as a series of cross-town bus routes that bypass the downtown core; transit service that runs every 10 minutes or less, 15 hours a day, seven days a week; a regional bus and train network that will eventually go as far as Banff; and the already-approved extension of the C-train west.

The plan suggests that Calgary Transit would have to quadruple its current service levels to achieve that target. No cost estimate has been given.

But Gordon says the plan's scenario will be a "cheaper form of growth than the status quo. Any growth is a challenge, but we feel this is the most sensible form of growth to achieve a balanced view going forward. Today's growth pattern poses fiscal challenges to the city to deliver infrastructure."

But not building new roads will have a negative effect on attracting people and businesses to the city in future, says Westman.

"We have a city now that businesses and people want to move to," he says.

"Is it the government's role to restrict choice? When we restrict growth, we're basically saying our city is not open for business."

Addressing the cost of growth, "it's a myth that the industry is not paying its fair share," says Westman.

In fact, says the industry, the ever-expanding lot levies, surcharges and development fees assessed by the city to new homes have increased the cost of such housing to the point where it is compromising affordability.

"The new homebuyer is paying close to double the taxes of the average tax base in Calgary," says Westman.

And new communities are already encompassing sustainable principles--without strict regulations, says Westman, who was instrumental in bringing the BuiltGreen environmentally-friendly, energy-efficient building system to Calgary. "We're on the cutting edge of environmental stewardship."

Priest takes exception to the urban sprawl label that's affixed to the suburbs.

"Sprawl is the three-acre parcels encompassing the perimeter of the city," he says. "You can't go through them, so you have to jump over them to develop."

Adds Little: "Developers have been very responsive to many sustainable issues. For example, the city used to require three to four units (of housing) per acre, but now it's eight to 11."

Add on master-planning principles such as walkability, path systems and green space--both professionally built and left natural-- and it adds up to a green neighbourhood, says Lui. "Typically, the new neighbourhoods all have some type of multi-family housing, too, so there is diversity and choice. The new suburbs are much more compact today, compared to others."

Today's communities also have a variety of amenities to provide opportunities for families to live, work and play in their own neighbourhoods.

Golf courses, lakes, parks, retail and commercial spaces dot the landscape.

Still, the residential building industry is committed to working with the city before the final plan goes to council.

"We'll be engaging our members and creating a formal position," says Little.

"We would like to be a partner in this plan and we do support some of the initiatives, but we feel the plan needs flexibility. It should be a balanced approach to growth-- and we feel they haven't got the balance right yet."

Says the Urban Development Institute-Calgary's Flynn: "It's going to have an effect on every Calgarian, and I don't think anyone realizes the extent and consequences of the plan if it is overly prescriptive."

The draft plan is on the City of Calgary website at [www.calgary.ca](http://www.calgary.ca). Type plan-it calgary in the search window, top right. The last of the open houses for the public takes place today at the Telus Convention Centre from 11 a. m. to 3 p. m. Presentations take place at 11:30 a. m. and 2 p. m.

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## **IN SHORT**

**WHAT:** The release of the draft document of Plan It Calgary earlier this week.

**WHY:** Plan It is a detailed blueprint to guide Calgary's growth for the next 60 years.

**HOW:** Plan It recommends quadrupling the transit network but not building any major new roads, encouraging higher density in the established communities rather than the suburbs. Multi-family housing will be even more concentrated around transportation hubs, such as C-Train stations. The plan will help to keep down escalating costs for infra-structure and decrease urban sprawl, says the city. But residential land developers and builders say the plan is too prescriptive and will limit choice and compromise afford-ability of housing.

**WHEN AND WHERE:**A series of open houses were held earlier this week after its release. The last open house is today at the Telus Convention Centre from 11 a. m. to 3 p.m. with city presentations at 11:30 a. m. and 2 p.m.

**INFORMATION:** The public is asked to also complete a questionnaire and add comments about the plan before April 17. It goes to city council for final approval in June. The report and questionnaire are at [www.calgary.ca](http://www.calgary.ca). Type in plan-it calgary in the search window, top right-hand corner.