

# New Homes and Red Tape in Alberta

## Residential Land-Use Regulation in the Calgary-Edmonton Corridor

*by Kenneth P. Green, Josef Filipowicz, and Ian Herzog*

As an increasing number of people move to major Canadian cities, housing prices have continued to rise in its most desirable markets. Understanding how public policy affects the supply of new homes is critical. The Fraser Institute's survey of housing developers and homebuilders provides new insight into this issue. *New Homes and Red Tape in Alberta: Residential Land-Use Regulation in the Calgary-Edmonton Corridor* is part of a series of publications tallying the data to represent industry professionals' experiences and opinions of how residential development is regulated in cities across Canada. This report presents survey results for cities in Alberta's Calgary-Edmonton Corridor (CEC).

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We found disparate estimates of typical project-approval timelines in CEC cities: estimates range from 5.7 months in the Municipal District of Foothills No. 31, and 6.1 months in Strathmore to 15.1 months in Rocky View County and 18.1 months in Strathcona County.

Typical approval timelines in Calgary and Edmonton, the CEC's two largest cities, are comparable, at 13.5 months and 12.9 months, respectively, although Calgary's are among the region's most uncertain. Calgary's average reported impact of timeline uncertainty is rivaled only by Rocky View and Strathcona Counties. In Edmonton, our survey suggests the impact of timeline uncertainty is in the middle of the pack, while results for Foothills No. 31 and Strathmore on this measure are particularly encouraging.

Reported compliance costs and fees add up to a low of \$12,250 per home built in Foothills No. 31 and a high of \$51,000 per home in Strathcona County. Calgary and Edmonton rank closer to the regional average: reported compliance costs for Calgary are \$27,625 per new home; for Edmonton, \$32,273.

The survey reports that properties need to be rezoned to accommodate more than 50% of new residential development in all but two municipalities (High River and Foothills No. 31). Estimates of rezoning's effect on approval timelines range from under two months in Red Deer to 14.7 months in Rocky View County.

Opposition from the Council and community to residential development is perceived as strongest in cities where dwelling

## EXECUTIVE SUMMARY

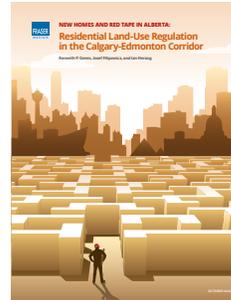
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values are highest, raising questions about the causes and consequences of local resistance to new housing. The strongest opposition is reported in Rocky View County. Opposition from Council and community is typically not perceived as a deterrent to building in Strathmore, Cochrane, and Okotoks.

The publication provides a summary index of residential land-use regulation that is calculated by tallying across five key components of regulation's impact—Approval Timelines, Cost and Fees, Council and Community, Timeline Uncertainty, and Rezoning Prevalence—in the twelve cities that generated a sufficient number of survey responses. This index ranks Strathmore as the least regulated and Strathcona County as

the most. Calgary comes in below average in all categories and is the third most-regulated city ranked overall, while Edmonton ranks closer to the regional average.



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