

## There goes the neighbourhood?

### Affordable housing and property values

The Edmonton Community Plan says the city has a current shortfall of 19 000 units of affordable housing, projected to increase to over 22 000 by 2015.

Investment to build and develop affordable housing is essential to address this need or there will be significant negative social and economic consequences.

Housing needs to be located in communities, yet when affordable housing is proposed in a community there is sometimes debate or opposition.

Edmonton has not been free of such debates. In the past year it came up as City Council approved a moratorium on development of affordable housing in some urban core neighbourhoods, and as community residents spoke out about an apartment building proposed to be built in a south-west community.

Affordable housing is housing for people without financial resources to secure adequate housing in the open market. When people oppose such housing in their neighbourhoods they do not say affordable housing is a bad idea, but focus on why development will not be not good in a particular location.

There are many good reasons for affordable housing to be developed so that opportunities

of where people live are available in all areas of a municipality. Diverse communities enable a wide range of people to interact in ways that are beneficial to all.

The economic consequences of affordable housing can be objectively studied, whereas arguments based on saying, "We don't want such and such sort of people living near us," may be emotional. *Does affordable housing lead to a decline in property values?*

The overwhelming conclusion is **affordable housing does NOT have negative effects on property values, and may even be beneficial.**



Jon Hall, Marketing & Communications

Manager for Realtors Association of Edmonton, looked at two communities. In Canon Ridge surplus school land was used to develop affordable housing. In Overlanders there was no affordable housing. Over the seven year period of 2007-2013 each community had 56 sales. Average prices in Canon Ridge went from \$357 000 to \$330 000 over the period while in Overlanders the change was from \$368 000 to \$340 000. In this Edmonton example, sales values were parallel and no greater negative effect occurred in the community with affordable housing.

The City of Calgary reviewed changes in assessed property values over a five year period in four communities, comparing areas with and without affordable housing. Affordable housing made no difference. University of Calgary studied three communities, tracking selling price of houses for a ten year period, with two communities having affordable housing developments and one without. The selling price of houses increased at the same rate in all three.

It is difficult to identify what issue(s) influence any specific house value, but much other research arrives at the same conclusion on affordable housing:

1. Tufts University looked at four affordable housing developments in Massachusetts where fears were expressed about property values as well as health and safety issues, capacity of schools, water and emergency services, and preservation of open space. They concluded, "**The fears of new affordable**

**housing development are far more myth than reality."**

2. A New York City study used statistical analysis and in-depth interviews to look at housing developed by the Low-income Housing Tax Credit and found living in the housing meant families had money to save to pay for education or to buy a home. Local businesses saw about a five percent increase in spending, and **"project investments produced a significant increase in property values."**

3. California Redevelopment Association studied 31 other studies. In seven cases studies showed positive effects from affordable housing on property values and 19 found no effect. One study found negative effects.

4. North Carolina Coalition studied 36 individual reports with the same results-- most had no impact, several had positive impact on property values and only one had negative evidence.

5. A researcher at San Francisco State University reviewed 17 studies and found in 11 cases neutral or positive effects and again only one with negative.

Many studies found the quality of design, management, and maintenance of affordable housing developments was important to achieving positive results. Frequently the evidence was that developments by not-for-profit organizations are more successful in these three areas. Positive effects often came from rehabilitation of abandoned or distressed properties or vacant land.

Ingrid Ellen at New York University has studied the issue for many years and says, **"Overall the evidence clearly fails to support the notion that subsidized rental housing, as a general matter, will depress neighbourhood property values or otherwise undermine communities."**

*Learn More:*

1. [www.nhc.org](http://www.nhc.org): "Don't Put it Here!" - Does Affordable Housing Cause Nearby Property Values to Decline?

2. [www.lisc.org](http://www.lisc.org): Affordable Housing for Families & Neighbourhoods- The Value of Low-Income Housing Tax Credits in New York City

3. Tufts University: On the Ground- 40B Developments Before and After

4. [www.calgary.ca](http://www.calgary.ca): Straight talk about affordable housing

5. Journal of Planning Literature, August 2005

## Edmonton Coalition on Housing and Homelessness

Active since 1987, ECOHH believes housing security is a human rights issue, as well as a human services and public policy/political and economic issue.

- Decent affordable housing is essential for all people.
- Good homes for all create strong healthy communities.
- Housing is more than four walls and a roof-- it's homes, support, and community.
- Lack of decent affordable housing has negative consequences for everyone.

[www.ecohh.ca](http://www.ecohh.ca)

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