



**Urban Development  
Institute**  
Edmonton Metro

#324 Birks Building  
10113 – 104 Street  
Edmonton, AB T5J 1A1

info@udiedmonton.com  
udiedmonton.com  
780.428.6146

**February 13, 2023**

Mayor & Council  
City of Edmonton  
1 Sir Winston Churchill Square  
Edmonton, AB T5J 4R7

Dear Members of Executive Committee and City Council,

**RE: Council Report FCS01153 - Residential Subclasses and Options for 'Other Residential' Phase-Out**

The Urban Development Institute – Edmonton Metro (UDI-EM) represents 160+ member companies in the real estate land development industry that contribute to economic growth in the City of Edmonton through millions of dollars in investment, job creation, and improvements to the built environment. As your city building partners, we are committed to working towards the goals of the City Plan – indeed, we recently restructured to create our Nodes & Corridors Committee to focus our efforts on high density developments in line with the vision of the City Plan.

The City of Edmonton's current property tax policy is creating a significant impediment to meeting these goals, particularly regarding multi-family rental development:

- **Incredible rate of increase** – the taxation rate for high-density multi-family rental development has significantly increased (approximately 80% since 2018). This has upended financial feasibility of projects and introduced great uncertainty to investors and developers.
- **The property tax regime is placing Edmonton at a significant disadvantage** – benchmarks suggest over 80% higher cost per unit than comparable properties in Calgary. Development feasibility is severely impacted and developers will be dissuaded from taking major

risk investing in Edmonton, were such stark differences exist in property tax.

- Multi-family housing will be essential to meet the needs of a growing population in nodes, corridors, and the downtown. **The vast majority of new high density housing will be in purpose-built multi-family rental in the current market.** Condominiums currently have more favourable treatment under current property tax policy.
- It is crucial that the City creates an equitable taxation structure that aligns with City Plan policy, encourages investment confidence, and ultimately protects Edmonton's affordability advantage.

To achieve this aim, we suggest the following motion could be made to direct future work into this important issue:

*"That Administration eliminates the Other Residential subclass and work with stakeholders such as the UDI Nodes & Corridors Committee to examine the opportunities to define a density-based subclass structure to align with the strategic vision of the City Plan."*

We would like to thank administration for engaging UDI and we are appreciative of the opportunity to provide feedback on this significantly important issue to our industry.

Sincerely,



Kalen Anderson, RPP/MCIP  
Executive Director, UDI-EM



Thomas Burr,  
Chair, UDI-EM Nodes &  
Corridors Committee

cc.

Andre Corbould, City Manager

Stacey Padbury, CFO and Deputy City Manager of Financial and Corporate Services

Office of the City Clerk