



Office of the Councillors

George Chahal

Ward 5 City Councillor

News Release

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REVIVING CALGARY'S REAL ESTATE AND CONSTRUCTION INDUSTRIES

CALGARY, AB - The Calgary real estate and construction industries have always been major drivers of the local economy in terms of sheer economic output, GDP, and job creation. These industries combined are the second largest employer in the city employing over 12% of Calgarians. “Outside of our Oil and Gas sector, the real estate and construction industries have been an integral part of our economy, providing consistency and stability for so many families in Calgary in recent years,” says Ward 5 Councillor George Chahal.

On January 1, 2018 The Government of Canada released new mortgage financing rules, *B20 – Residential Mortgage Underwriting Practices and Procedures*, informally known as the “stress test”, which has severely impacted these industries, and in turn, the local economy. “With already volatile oil prices, issues with market accessibility for our energy sector, and high downtown office vacancy, the last thing Calgarians need is further negative impacts to our economy, our jobs, housing affordability, and restricting new entrants to home ownership, which is exactly what these new stress tests have done in Calgary,” says Chahal. The policy was intended to slow down extremely unstable and “hot” real estate markets in the greater Vancouver and Toronto areas. Those markets have started to stabilize now, but there could be many factors contributing to this cool down, including the enactment of their own local and provincial government policies previous to 2018 that focused on foreign buyers’ tax and an empty house tax.

Councillor Chahal has tabled a Notice of Motion to come forward at the Combined Council Meeting on Monday February 4, 2019, that will ask the Prime Minister to look into the implications of the “stress test” on regional markets and what could be involved in tailoring those policies to reflect the needs of the local economic conditions – such as the ones being faced in Calgary. “We have overwhelming support from residents, businesses and local organizations such as the Calgary Real Estate Board, BILD Calgary Region, Alberta Mortgage Brokers Association, and Mortgage Professionals Canada to amend or eliminate this policy,” states Councillor Chahal.

Included in the Notice of Motion is a request for Council to ask The Government of Alberta to look into the lending practices of Alberta based credit unions such as ATB. Currently, Alberta based credit unions are following the federal guidelines of the “stress test” – even though there is not a mandate for them to do so. Councillor Chahal is suggesting that The Government of Alberta and provincial credit unions create and follow policy that is based on regional economic conditions. “We have an opportunity to work on an Alberta, home-grown solution that could revive our potential for economic growth, and I feel strongly that we should use every tool at our disposal to make that happen,” stated the Councillor.

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