

Urban dream looks promising

BY GERRY KLEIN, THE STARPHOENIX NOVEMBER 14, 2013

The Partnership's Brent Penner has good reason to suspect that the new city centre plan, while exciting, may be more of a long-term goal than an immediate call to action.

Saskatoon has been growing at a frantic pace for years, and has taken on more of the appearance of a middle-aged man on a beer diet than the lean and tall urbanite the plan envisions. It is not a surprise that bedroom cities such as Martensville and Warman are scrambling to accommodate suburbanites and students.

But according to the latest Emerging Trends in Real Estate report by the Urban Land Institute and PricewaterhouseCoopers, released this week, there is reason to believe Saskatoon's dream of becoming a more cosmopolitan urban centre with a real and defined downtown has never looked so good.

Even though ours is the smallest city on the report's radar, it is rated as the third top market to watch, just one notch below Edmonton and above the perpetually hot Vancouver. Calgary is at the top. When it comes to a place for investment and development, Saskatoon ranks third in both categories and fourth in housing.

But not just any housing. For at least the past two years, the institute has been predicting a trend across North America away from suburbs to greater urbanization. This trend is driven by a number of factors that are endemic to Saskatoon, not the least of which is the greater interest immigrants and new generations of homeowners have in living close to where they work and play.

And if Saskatoon follows the example of other North American cities to increasingly front-load to the developers the cost of suburban sprawl, there will be added economic pressure for people to move to a denser urban core.

Saskatoon's bean-counters told councillors this week that they intend to put together a report on how to pay for the city's growth, including a list of what projects are needed, how much will be covered by borrowing, and where the money will come from to repay the debt.

According to the Trends report, "Municipalities seeking new and creative ways to finance infrastructure are increasingly pushing costs and risks down to developers." One regional authority in Ontario has gone so far as to require developers to finance infrastructure costs up front rather than through the traditional development charges applied by the local government.

This applies greater market influence on housing costs, but has the danger of pushing moderately priced homes out of the reach of new buyers. Clearly this is a challenge for cities, but no worse than continually having to come up with money to build and maintain more extensive infrastructure.

In a city such as Saskatoon, where there is growing pressure to remove and store snow from every square metre of pavement, expanding that infrastructure could eventually have a crippling impact on our tax bills.

But even as the Trends report suggests Saskatoon is ripe for investment and that urban investment is a growing trend across North America, the city has some challenges in ensuring that those investment decisions work. The institute points out that Saskatoon's "robust" economy is being driven by manufacturing and construction, while services are trailing.

Unlike the case when people work in offices or downtown services, it is difficult to have residents who work in manufacturing to live close to their workplaces and also where they like to play. It is also difficult to develop a transit system that effectively moves people to manufacturing sites that often are large and spread out.

Once people are forced to invest in an automobile and pay for a garage or parking, it is difficult to convince them they can do without it when they shop or play.

Like city hall's report on the core area, the institute's report places a high value on urbanization and intensification, saying: "Infill and in-town housing easily have the highest investment and development prospect for the year to come."

If Saskatoon is to take advantage of the North American trend, it will soon have to put in place a much more efficient transit system and rapid transit so that people can comfortably live, shop and play within the city's core and still make it to and from work on time.

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