

Opinion: Building supply is solution to housing crisis, not rent control

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Swedish economist Assar Lindbeck, a well-known socialist, said, “In many cases, rent control appears to be the most efficient technique presently known to destroy a city — except for bombing.”

This is why when I read NDP housing critic Janis Irwin’s column that rent controls are a solution, I was puzzled. These types of knee-jerk policies would have a devastating effect. These policies would stall construction and increase the gap between housing supply and demand, and ultimately slow the economy.

In a time when construction of purpose-built rentals is at an all-time high, shutting people out of the rental market and discouraging new construction will only make the problem worse.

New stats released by BILD Alberta show Alberta’s plan to focus on increasing supply in the market is working. The Calgary region saw 1,674 total housing starts; that’s 57 per cent higher than the 20-year average for February and the second most starts in a February in Calgary’s history.

In Edmonton, we have 1,642 total housing starts, which is the second-busiest February on record. And with 2,325 housing starts in January and February, this has been the second most starts to begin a year in Edmonton’s history.

With the momentum in housing construction going strong in the two major cities, a rent control bill the NDP is proposing would bring housing construction to a halt.

These are the facts. A Stanford study found that rent control in San Francisco reduced rental supply, led to higher rents for future renters, created gentrification and reduced housing options for all but the wealthiest. As well, numerous studies have shown that rent control incentivizes higher-income earners to stay put, reducing availability for lower-income earners. When rent controls were removed from Cambridge, Mass., in the 1990s, rental housing quality improved as maintenance got funded, crime was reduced and nearby property values improved.

There are better ways to make housing more affordable and attainable — and that is exactly what Alberta’s government is doing. This year, government made major investments to make more affordable housing units available to those who need them. Hundreds of new and updated affordable homes are now available across the province, from large cities to small rural

communities, and we are rapidly increasing construction of thousands of new units coming online soon.

Together with our partners, we are supporting \$9 billion in housing investments to provide affordable housing for 25,000 more families by 2031. We continue to develop partnerships and build capacity within the affordable housing system to increase our housing supply.

Alberta leads the country in having the fewest regulations and fastest permit approval times to enable housing construction and increase the supply of homes.

Work is underway to remove even more red tape, from eliminating the backlog for land titles to strengthening transparency and for off-site levies, and requiring more transparency and reporting on approval timelines by municipalities. Alberta's government continues to be laser-focused on making renting attainable and keeping the dream of home ownership alive for Albertans.

Through significant long-term investments and the removal of red tape, Alberta is rising to address the housing crisis. As government moves forward with policies to support renters and prospective homebuyers, we will ensure that we use effective solutions to keep housing affordable and attainable now, while building a stronger future.

Jason Nixon is the Alberta minister of Seniors, Community and Social Services.