



EDMONTON CDC
People First Community Development

Social and Economic Costs of Problem Properties



THESIS

- ▶ Extraordinary demands on government services
- ▶ Significant financial and emotional burdens for neighbours and communities.

CONTEXT

City Problem Properties
Database - 480

CDC Inner City Problem
Properties Database - 207

All either problem
properties or
abandoned/derelict



METHODOLOGY

- ▶ Literature Review
- ▶ Interviews with Neighbours
- ▶ Selection of three samples
 - ▶ RISC 14 properties, with “high intensity” City services from across Edmonton
 - ▶ CDC 9 known problem properties scattered across the inner city
 - ▶ CDC cluster of 8 problem properties concentrated on one city block
- ▶ 31 properties tracked for 4 years (2017 -2020)

Tracked and Projected Impacts

DEMANDS ON SERVICES

- Bylaw
- Police
- Fire
- Safety Codes & Development Compliance
- Law
- Taxation
- Call Centres
- Health and Safety

COMMUNITY IMPACTS

- Decreased property values
- Increased out of pocket expenses for insurance deductibles and theft
- Suppressed redevelopment
- Decreased peace of mind
- Increased time dedicated to advocacy



Approach To Monetization

- ▶ Attempted to tell a credible, transparent story; not conduct rigorous academic research
- ▶ Used RISC supplied costs where available
- ▶ Used published costs as proxies where direct costs not available, e.g. legal
- ▶ Estimated hours and volume of community impacts were derived through interviews
- ▶ Modelled potential redevelopment impacts based on limited data
- ▶ Missing data, e.g., ambulance, tenant impacts means costs are underestimated



4 Year Impact on Demand for Government Services (n=31)

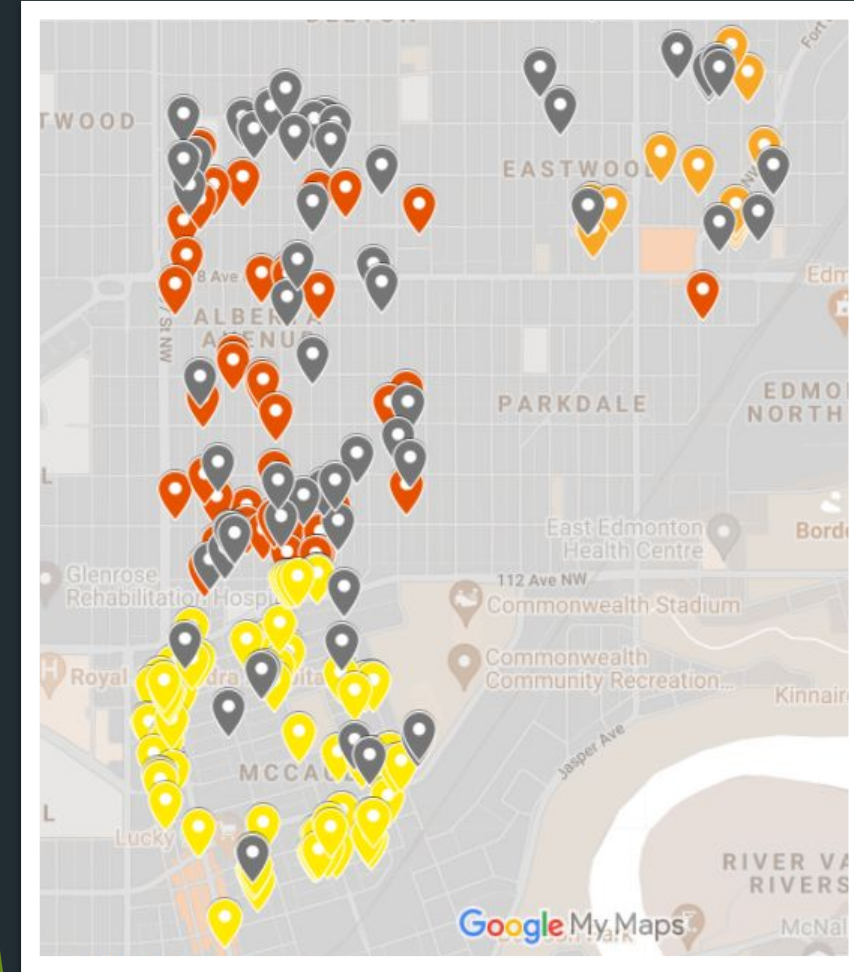
Bylaw	\$143,950
Fire	\$199,660
Safety Codes	\$8,268
Development Compliance	\$32,163
Police	\$367,848
Law	\$14,830
Taxation	\$578,695
Call Centre	\$2,213
TOTAL City of Edmonton	\$1,347,626
Alberta Health Services	\$97,328

4 Year Impact on Neighbours and Community (n=31)

Reduction in property value	\$334,000
Insurance claims including fire	\$62,000
Thefts/property damage not claimed	\$62,000
Mental health services obtained	\$62,000
Building permits not issue	\$4,237,297
Hours taken off work	\$3,825
TOTAL Community	\$4,761,122

Problem Properties and Suppressed Development

Community	# Problem Properties	# Building Permits	Ratio
Eastwood	11	4	2.75
Alberta Ave	42	26	1.6
McCauley	77	9	8.6



Problem Properties and Adjacent Property Values

Changes in Tax Assessment Values 2017 - 2020

	McCauley			Alberta Ave	
	<u>Value Change</u>	<u>Value Change</u>		<u>Value Change</u>	<u>Value Change</u>
Problem Property	\$116,500	-52%		-\$35,813	-14%
2 Adjacent Neighbours	-\$13,417	-5%		-\$20,354	-9%
Control Property	-\$2,500	2%		-\$13,313	-5%

Direct and Indirect Impacts (n=31)

- ▶ Total impacts to all stakeholders of \$6.2M over 4 years
- ▶ Average cost per problem property \$49,648 per year



Project 10: Part of a Solution

