



For immediate release — Tuesday, April 12, 2016

## **U of L researcher to investigate the challenges of acquiring water for new housing in the Calgary region**

A University of Lethbridge water management researcher will examine the challenges of acquiring water for new housing developments in one of the fastest-growing regions of Alberta.

Dr. Lorraine Nicol, a research associate, has received \$25,000 from the Alberta Real Estate Foundation to determine if housing developers in the Municipal District of Foothills, Rocky View County and Okotoks face or anticipate constraints in acquiring water.

“In my previous studies in the Calgary region, I have found some evidence that housing developers have concerns over accessing water for housing development. The issue certainly warrants more in-depth study,” says Nicol.

Housing development is a major economic engine in Alberta, worth about \$10.8 billion in 2014. One means of accessing water for new housing is by buying a licensed water allocation through the water market. In this process, a developer is tasked with finding a willing seller of a licensed water allocation, negotiating a price and going through an environmental review process, which has taken up to three years in the past.

A developer may find it necessary to navigate the water market because no new licensed water allocations have been issued in the Bow, the Oldman and the South Saskatchewan River sub-basins for the past decade. In 2006, Alberta Environment placed a moratorium on accepting applications for new licence allocations after a study showed a number of rivers and river reaches were in distress.

Water licences are typically held by municipalities, irrigation districts, private irrigators, industrial users, and water co-ops. In Alberta, water is allocated on a first-in-time, first-in-right basis where, if enacted in drought years, priority would be given to those with senior water rights. However, Nicol has found preliminary evidence that, even in normal years, some sectors such as housing developers are facing water challenges due to the way water has historically been allocated under the province’s licensing framework.

“I’m interested in how water moves around among water licence holders and licence seekers,” she says. “There has to be some elasticity in the system in order for existing licence holders to be able to sell their licence to other individuals, be they towns or industries or housing developers that need the water.”

The water management framework in the region is such that the City of Calgary, before the Bow River basin was closed to additional allocations, obtained enough water licences for three times its current population. However, many communities in the surrounding region did not.

An additional factor is the Calgary Regional Partnership, which began in 2005 when 18 municipalities came together to develop an overarching land and water management framework. The idea was that Calgary, with its excess water licence capacity, would share its water with communities in need. By 2009, the four rural municipalities involved in the partnership departed. This may have contributed to water challenges being experienced now in Rocky View and the M.D. of Foothills. Okotoks stayed in the partnership and now has a water-sharing agreement with Calgary, but it will require building a pipeline from Calgary to Okotoks at a cost of more than \$30 million.

Nicol plans to interview between 15 and 20 housing developers over the next few months to determine if they are facing any water-related constraints in creating new housing developments, how they manage to gain access to water, the costs involved, how that might affect the price of homes, and the potential impact on the real estate market. She plans to have the results analyzed by September.

“If fewer houses are built, fewer houses will end up coming on the market in future years as those new houses are resold. When new houses are built, they are typically sold by the housing developer but when they are resold they will likely go through a real estate agent,” says Nicol. “If my study results in more effective management of the water system then it’s worthwhile. I’m thankful for the funding that’s been provided to me and trust the study will be constructive.”

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**Contact:**

Caroline Zentner, public affairs advisor

403-394-3975 or 403-795-5403

[caroline.zentner@uleth.ca](mailto:caroline.zentner@uleth.ca)