

INTRODUCTION

THIS REPORT IS ABOUT SUBURBAN SPRAWL AND HOW WE CAN REDUCE ITS FUTURE GROWTH AND SUBSTANTIAL COSTS BY ADDRESSING ITS PRIMARY DRIVER: PRICES.

For ten thousand years, cities and towns were built at a human scale. Even large cities were walkable. Then, within the span of two lifetimes, cities and towns were completely transformed. Instead of being built for people, they were being built for automobiles. This was unprecedented in human history.

Sprawling, suburb-dominated municipalities are now common worldwide – and overwhelmingly predominant in North America. However, it is important to bear in mind that suburban sprawl is still in the experimental stage. As with other experiments, we don't know how it will work out, and what the unintended consequences will be.

Fly over any North American municipality and you will see a pattern of development that creates enormous costs. The costs of sprawl range from smog and climate change emissions, to chronic disease and emergency room admissions, to higher costs and reduced productivity for businesses and financial liabilities for governments. Some of these costs increase our current tax rates as property owners and income tax payers. Some costs are hidden in long-term government liabilities. Others appear as private costs, including losses of personal income and business profitability. Still others are unaccounted for financially – climate change and habitat loss, for example – but are both real and substantial.

Fortunately, sprawl is a problem that can be addressed. We can slow the future advance of sprawl and revitalize established areas with new development. Natural areas and agricultural land can be preserved, while vacant buildings and lands are brought to life. We can supply truly affordable housing – housing that doesn't simply shift the costs onto homeowners' transportation and property tax bills. We can provide businesses with locations that attract workers and boost productivity. We can help manage costs and balance the bottom line of municipal and other levels of government.

How can the costs of sprawl be reduced? How can we reshape development? The answer is clear: we need to address the *causes* of sprawl.

For decades, we have understood the problem, but we have attempted to address it in a way that does not tackle the underlying causes. Cities have employed a range of planning and regulatory instruments in an attempt to rein in sprawl.

Some of these have had an impact, but sprawl proceeds at an astonishing pace. New construction continues to

encroach on natural spaces and prime farmland, while urban businesses and neighbourhoods struggle to stay afloat.

Municipal policies, zoning and development plans have often been criticized for facilitating sprawl. While they do allow for sprawling types of development, they don't require it. The main driver of sprawl is prices. Prices have a profound impact on the decisions of firms and individuals, including decisions about where to build new developments, and where to buy houses and site businesses. Currently, price structures encourage sprawl. And as long as prices pull new development toward the fringes of our cities, citizens, businesses, governments and the economy will continue to suffer the costs of sprawl.

Public policy can shift prices to encourage development in established areas and protect natural areas and agricultural land from further incursions of sprawl. Cities and other levels of government have at their disposal a range of policy instruments that can adjust prices that currently cause sprawl.

The literature on sprawl is broad and goes into far greater depth than the space of this overview permits. This report surveys the main topics and provides sources to enable the reader to dig into areas of particular interest. The next section of this report explores the many ways that prices encourage sprawl. While some of these prices could be regarded as market-determined – reflecting basic dynamics of supply and demand – many others are the direct result of past government decisions on regulation and budgets, at all levels of government.

The report then discusses some of the main costs of sprawl – both costs that show up on financial statements and those that are hidden. These costs are truly massive; they are of a scale that makes addressing them not only a local, but also a national, priority.

The next section of the report discusses some of the ways that governments can reshape prices to help rein in sprawl. There are many policies that municipal governments can employ. There is also room for policy co-operation; provincial governments can expand municipal capacity, and provincial and federal governments can align their policies to support municipal policies. Such policy changes not only can help address sprawl but also can boost the economy and help balance government finances.

Finally, the report concludes by reflecting on the opportunity for cities that work better for individuals, businesses and

governments. Cities are beginning to address the causes of sprawl, for good reasons. A national conversation about sprawl is beginning – a conversation that is based on evidence and could lead to the development of the political will to make important and necessary change.